

18 November 2022

Committee Secretary
House of Representatives Standing Committee on Social Policy and Legal Affairs
PO Box 6021
Parliament House
Canberra ACT 2600

Tabcorp Submission: Inquiry into online gambling

Dear Committee Secretary

Thank you for the opportunity to participate in the Standing Committee on Social and Legal Policy (**the Committee**) inquiry into online gambling and its impacts on those experiencing gambling harm (**the inquiry**).

Tabcorp Holdings Ltd (**Tabcorp**) is committed to putting its customers first, delivering experiences safely and responsibly, and supporting a well-regulated and responsible gambling industry. We strive to be the responsible gambling industry leader (see **Appendix One** for examples of our customer care program).

Tabcorp has been a leading supporter of the National Consumer Protection Framework (**NCPF**) for online wagering (i.e., betting), was the first betting operator to call for further restrictions on gambling advertising and has already started phasing this out on free-to-air television.

Tabcorp's position on the relevant terms of reference of the inquiry is outlined in detail in this submission and summarised below for ease of reference:

- The NCPF has delivered enhanced consumer protections and reduced the harms of online gambling; however, its effectiveness is limited without **a single national betting regulator** that can effectively enforce consistent regulations and consumer protections across Australia.
- The patchwork quilt of state and territory regulations is up to 25 years old. This means that foreign-owned online bookmakers (**foreign bookies**) licensed in the Northern Territory (**NT**), like Sportsbet and Ladbrokes, are less regulated and pay less taxes/ fees than Australian TABs.
- Only Federal Government action can bring nationally consistent regulations into line with the modern economy. Effective enforcement is only possible if a single national betting regulator has the power to license and impose conditions on betting operators.
- The effectiveness of any future NCPF initiatives is limited without addressing the fact that there is **too much gambling advertising**. There should be further restrictions on when and where gambling advertising occurs. If an agreement cannot be reached in a reasonable timeframe, **Tabcorp will voluntarily stop all gambling advertising** on free-to-air television between 6:30am and 8:30pm (we have already started phasing it out). Australian families and children should be able to watch live sport and television without being bombarded by gambling advertising.
- **Advertising betting products and brands online** and on social media is a growing concern. It is largely beyond the reach of any one state or territory, and there should be a nationally consistent framework to regulate it.
- Illegal offshore betting has largely been addressed by the disruptive powers given to the Australian Communications and Media Authority (**ACMA**).

We would be happy to appear at a Committee Hearing or meet with individual Committee Members at any stage to discuss our submission further.

Tabcorp in Australia

Tabcorp is an Australian company with a heritage dating back to **1961**. We operate the well-known Australian brands *TAB* and *Sky Racing*. We are the largest provider of integrity services in Australia, which includes monitoring electronic gaming machines (i.e., pokies) on behalf of governments. Tabcorp employs **3,000** Australians, and our products support around **330,000** indirect jobs in the racing industry and in pubs and clubs across Australia.

The racing industry, pubs, clubs, and government all benefit from a well-regulated betting industry and a responsible operator like Tabcorp. Tabcorp has paid **more than \$8.3 billion** in licence fees and betting taxes since 2005.¹ We make an economic contribution in Australia of around **\$1.8 billion** per year, including over **\$395 million** in taxes to state and federal governments, **~\$1 billion** in support to the racing industry, and over **\$137 million** in commissions to 4,700 TAB venues (i.e., local pubs and clubs) many of whom are small and family businesses.

Tabcorp operates in a complex regulatory and operational environment that was materially impacted by the COVID-19 pandemic and has not yet fully recovered. Local pubs and clubs that rely on Tabcorp products were also affected – many of these are small businesses, family operators, and trusted community venues.

Tabcorp Response to the Inquiry: Current Gambling Regulations and Taxation

There have been substantial changes in the betting industry in Australia. Our research tells us that most **Australians are concerned about the recent trends** – especially the increased number of overseas-owned gambling companies operating in Australia (59% are negative about this), followed by the overall amount of gambling in Australia (56% are negative) and the increase in online gambling (56% are negative). This is possibly attributable to the view that there is too much gambling advertising in Australia (55% are negative about this). See **Appendix Two** for more detail.²

There has been a limited response from governments to the increase in gambling advertising and the recent betting industry trends (e.g., the rapid rise of online betting enabled by the light-touch regulatory environment in the NT) and the acceleration of online betting trends from the forced shutdown of retail venues during COVID-19. Our research also suggests that most Australians believe the Federal Government needs to act. For example, 66% of **Australians support having the Federal Government regulate gambling** instead of State/ Territory Governments to ensure there is a consistent approach across Australia.³

Tabcorp supports the overarching principles of the NCPF to reduce harm and has been active in getting these provisions consistently applied/legislated in some jurisdictions.⁴ But we remain concerned that while the NCPF has been effective in enforcing some important consumer protection measures,⁵ its effectiveness has been hindered by the absence of **a single national betting regulator**. State regulations are up to 25 years old and have not kept pace with the rapid changes in the betting industry. A single national regulator would address the current inconsistencies, enforce uniform regulations and consumer protection measures, and impose conditions on licenses across Australia.

¹ Source: Tabcorp

² SEC Newgate Research, September 2022 (see **Appendix Two**)

³ SEC Newgate Research, September 2022 (see **Appendix Two**)

⁴ Qld Government: [Online wagering inducements to be banned in Queensland](#)

⁵ Like prohibiting lines of credit/ using payday lenders and banning inducements

The beneficiaries of the status quo are foreign bookies licensed in the NT, like Sportsbet and Ladbrokes. In recent years, foreign bookies have made record profits from Australian customers, the Australian racing industry, and local pubs and clubs – much of which is shipped offshore to their parent companies in foreign jurisdictions (like technology companies such as Facebook do, for example). Foreign bookies like Sportsbet and Ladbrokes also employ fewer Australians, pay fewer fees/taxes in some Australian jurisdictions,⁶ return fewer funds to the community, and are owned by multinational gambling corporations much larger than the Australian TAB (see **Figure One** below).⁷

Figure One: Get the Facts

Where are some of the biggest bookies from?					
Brand	Australian Wagering Licence Location(s)	Global Parent Company	Estimated size of Global Parent (\$AUD) ¹	Global HQ	Country HQ
Sportsbet	Northern Territory	Flutter Entertainment Plc	\$30.14 billion ²	Dublin	
Ladbrokes	Northern Territory	Entain Plc	\$15.11 billion ³	Isle of Man	
Neds	Northern Territory	Entain Plc	\$15.11 billion ⁴	Isle of Man	
bet365	Northern Territory	bet365	<i>Private company</i>	Stoke-on-Trent	
TAB	Queensland, NSW, Victoria, ACT, Tasmania, Northern Territory, South Australia	Tabcorp Holdings Ltd	\$2.01 billion ⁵	Melbourne	

Source: fairplaycoalition.com.au/facts

While competition is part of a healthy marketplace, there is an unlevel playing field regarding betting taxation, licensing, and regulation in Australia – owing to the patchwork quilt and lack of harmonisation of the state and territory regulatory environments. Tabcorp has four straightforward recommendations for the Committee’s consideration:

- 1) A **single national betting regulator** that can effectively enforce consistent regulations and consumer protections across Australia.
- 2) Further **restrictions on gambling advertising**.
- 3) Establishing a **framework for regulating online gambling advertising** (i.e., advertising on social media platforms).
- 4) Prioritise **policy settings to support betting in local retail venues** rather than on mobile phones at home.

⁶ [Greater certainty for Queensland country racing - Ministerial Media Statements](#)

⁷ [Get the facts — Aussie Fair Play Coalition](#)

Tabcorp Recommendations

Recommendation One: A single national betting regulator that can effectively enforce consistent regulations and consumer protections across Australia.

The internet and construct of the Australian Constitution mean that **only the Federal Government has the levers and authority to effectively introduce nationally consistent regulations** in line with consumer expectations and the betting environment. Effective enforcement is only possible if a single national betting regulator has the power to license and impose conditions on betting operators.

The state-based licensing and regulatory regimes for betting in Australia were established around 25 years ago. Since then, the internet and changes in consumer preferences, especially betting on mobile phones, and the rapid growth of foreign bookies have materially changed the betting environment. These trends were accelerated during the COVID-19 pandemic.

State-based licensing and regulatory regimes have not kept up with these significant changes, and Australian TABs in pubs, clubs and at racetracks are subject to more regulations and higher taxes/fees than foreign bookies – all of which are a consequence of the *Interactive Gambling Act 2001* (Cth) (IGA), and the construct of the Australian Constitution.

For example, **nearly all foreign bookies in Australia are licensed in the NT and go to market in other states via the internet** – which the IGA (Cth) permits. And, if any state or territory drafted laws to protect their local licensing regime or local industries, they are highly likely to be struck down using s92 restraint of trade clauses in the Australian Constitution.⁸

The betting licensing and regulatory environment are, therefore, beyond the reach of any one state or territory, and only a **single national betting regulator** could enable all states and territories to act in harmony to bring their regulations into line with the modern economy.

As the only Australian operator licensed and regulated in seven jurisdictions, Tabcorp is uniquely placed to understand the inequities. The Government should consider a **single national betting regulator** to ensure integrity and consistency in the application and enforcement of regulations for betting on sports and racing across Australia. This could involve a single Federal Government agency exclusively administering the licensing and regulation of online and foreign bookies to ensure that there are adequate integrity arrangements and consumer protections.

Australians would support changes to the way betting is regulated. 66% of Australians think there should be nationally consistent regulations and that foreign bookies should be regulated the same as the TAB.⁹

⁸ [Commonwealth of Australia Constitution Act – s92](#)

⁹ See **Appendix Two**

Recommendation Two: Further restrictions on gambling advertising, including:

- **Phasing out gambling advertising on free-to-air television between 6.30am and 8.30pm**, where exposure to families and children is heightened.
- Restricting outdoor betting advertising – including billboards, at sports grounds, on sports jerseys and on public transport.
- Note: there would be exclusions for exclusive racing platforms (e.g., Sky Racing TV and Radio, Racing.com, the form guide etc., or integrations on free-to-air during racing events) and in places where consumers go to bet (e.g., pubs, clubs, TAB agencies, and racetracks).

Any existing NCPF measures or future consumer protection measures will have limited success if gambling advertising continues on its current trajectory. Gambling advertising is at a record level, and 55% of Australians think there is too much gambling advertising.¹⁰ It should only be seen in places where people go to gamble (e.g., at pubs, clubs, or racetracks) or on exclusive platforms dedicated to gambling events (e.g., on Sky Racing TV and radio, racing.com, punters.com, the form guide, integrations on free-to-air during racing events etc.). Places where consumers, especially families and children, attend with no intention to gamble should not display gambling advertising (e.g., sporting events, billboards at train stations and on public trains, buses, etc.).

The foreign bookie Sportsbet is the largest advertiser by far. In the first half of 2022, they spent almost double what other operators spent on advertising.¹¹

The impact of gambling advertising is three-fold. First, there is a strong link between advertising and an increase in gambling activity.¹² Second, foreign bookies have been targeting customers of pubs, clubs, and the local Australian state-based licensee (e.g., TAB)¹³ with aggressive advertising and inducements, especially when retail venues were forced to close during the pandemic.¹⁴ Third, **the community thinks there is too much gambling advertising**.¹⁵ This impacts families and children, drives anti-gambling sentiment, and leads to a lack of trust in the industry.

The Federal Government has the levers to deliver the first of these suggestions through its communications head of power, the ACMA, the IGA (Cth), and the Broadcasting Services Act 1992 (Cth). Additional restrictions would have a material impact on harm reduction¹⁶ and are supported by the community.¹⁷

If an agreement cannot be reached in a reasonable timeframe, **Tabcorp will voluntarily stop all gambling advertising** on free-to-air television between 6:30am and 8:30pm (and we have already started phasing it out). Australian families and children should be able to watch live sport and television without being bombarded by gambling advertising.

¹⁰ See **Appendix Two**

¹¹ Sportsbet ad spend Jan-Sept 2022 \$45.8m, Ladbrokes/ Neds ad spent \$23.2m

¹² See [Responsible Gambling Victoria; Nielsen Research Gambling Advertising 2020; VRGF](#)

¹³ RWA: responsiblewagering.com.au/having-a-bet-have-a-game-plan-campaign-launch/

¹⁴ 9 Sept 2021 **"Tabcorp calls for fresh crackdown on TV gambling"** smh.com.au/politics/federal/tabcorp-calls-for-fresh-crackdown-on-tv-gambling-advertising-20210909-p58q7v.html

¹⁵ Tabcorp research says 55% of Australians are negative about the amount of gambling advertising in Australia (Source: SEC Newgate).

¹⁶ See [Responsible Gambling Victoria; Nielsen Research Gambling Advertising 2020; ABC 730 Report: "Inside Australia's biggest online wagering company – Sportsbet."](#); [VRGF: "Extent of, and children and young people's exposure to, gambling advertising in sport and non-sport TV."](#); [VRGF: "Effects of wagering marketing on vulnerable adults."](#); ["Online gambling boom sparks call to ban sports betting ads" smh.com.au/politics/federal/online-gambling-boom-sparks-call-to-ban-sports-betting-ads-20210405-p57gmc.html](#)

¹⁷ SEC Newgate research confirmed **55%** of Australians are negative about the amount of gambling advertising in Australia (**16%** positive). **56%** of Australians have a negative opinion of the increased number of overseas-owned online gambling companies (**15%** positive). **56%** are negative about the overall increase in online gambling (**15%** positive).

Recommendation Three: Develop a framework to better regulate advertising gambling products/brands online (including advertising on social media).

Tabcorp is concerned by the recent uptick in the advertising of gambling products and brands online and on social media platforms that target young people. For example, a foreign bookie has recently begun advertising on TikTok.¹⁸ Their ads are disguised as skits and memes, crafted to look like viral videos from influencers and directed at TikTok's young audience¹⁹ (see **Appendix Three**).

Regulating and restricting this type of gambling advertising is complex, and the current laws and regulations have not kept pace with emerging technologies and social media platforms like TikTok. This highlights the need for the Federal Government to intervene and develop an appropriate regulatory framework to address this form of gambling advertising.

*"We know this is a **platform that is really appealing and engaging for young people**...It's really concerning for us to start to see these types of posts coming onto the platform."*

SAMATHA THOMAS – GAMBLING RESEARCH DEAKIN UNIVERSITY – 7 NOV 2022

Recommendation Four: Prioritise policy settings to support betting in local retail venues rather than on mobile phones at home.

The community has long accepted the local pub, club, and racetrack as an appropriate place to have a bet. The state-based licensing and 25-year-old regulatory regimes were generally based on this policy principle and did not anticipate the rapid rise of online gambling or the impact of a global event like a pandemic.

Today, foreign bookies leverage the TAB and Sky Racing infrastructure in local pubs, clubs, and racetracks at no cost to offer their products in retail venues via mobile phones – which, as outlined above, is a consequence of the IGA (Cth) and the construct of the Australian Constitution.

To balance the inequity, better protect customers, and preserve the integrity of betting activity, the policy settings should incentivise betting in these local retail venues rather than on mobile phones at home.

Respectfully, the Committee and the Federal Parliament should work with the Australian TABs, pubs, and clubs to **prioritise and fast-track policies that support betting in local retail venues** (e.g., modernising regulated betting equipment which is over 20 years old). This may require minor adjustments to the IGA that will better align with its purpose and the community's current expectations, especially post the COVID-19 pandemic.

¹⁸ ABC "TikTok backflips on gambling ban by allowing Sportsbet ads, prompting calls for social media regulation": [abc.net.au/news/2022-11-07/tiktok-allows-sportsbet-ads-despite-gambling-ban/101616582](https://www.abc.net.au/news/2022-11-07/tiktok-allows-sportsbet-ads-despite-gambling-ban/101616582)

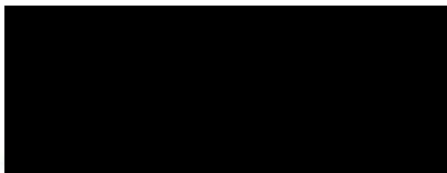
¹⁹ In Australia, TikTok influencers had an audience share of 28.35% that were female and aged between 18 and 24: [statista.com/statistics/1142567/australia-distribution-of-tiktok-influencer-audience-by-age-and-gender/#:~:text=In%20Australia%20in%202021%2C%20TikTok,0.29%20percent%20of%20influencer%20audiences.](https://www.statista.com/statistics/1142567/australia-distribution-of-tiktok-influencer-audience-by-age-and-gender/#:~:text=In%20Australia%20in%202021%2C%20TikTok,0.29%20percent%20of%20influencer%20audiences.)

Conclusion

Thank you again for the opportunity to participate in this inquiry. We look forward to working with the Federal Parliament to ensure that racing and sport remain strong, that small businesses such as pubs and clubs are supported, and that gambling is delivered responsibly in the community.

Please do not hesitate to contact me, Tom Callachor, our Chief Corporate Affairs Officer, on [REDACTED], or Lydia Deutscher, our General Manager, Government, and Industry Affairs, on [REDACTED] if we can be of any assistance.

Yours sincerely

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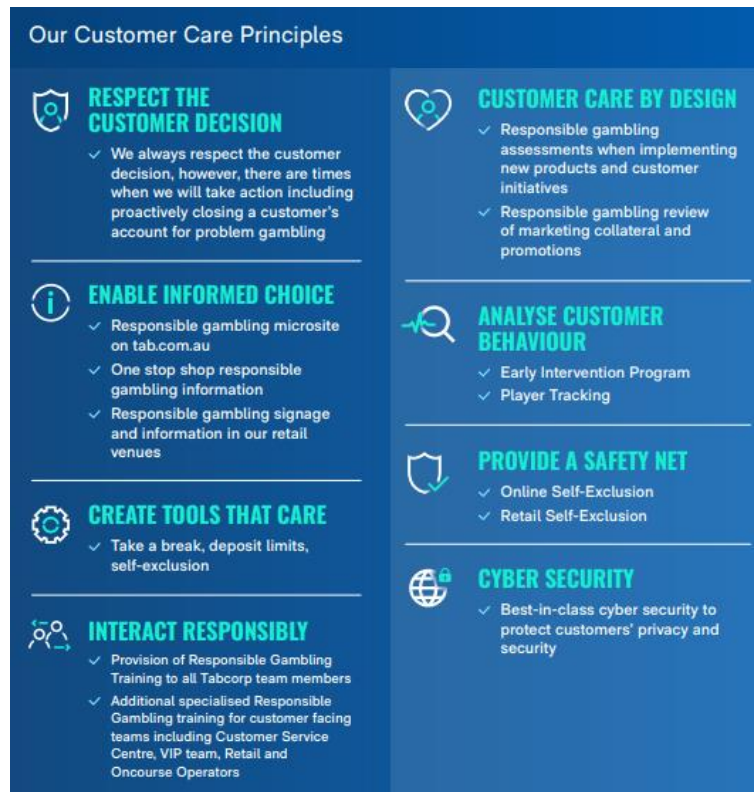
ADAM RYTENSKILD

Managing Director & Chief Executive Officer

APPENDIX ONE: Examples of Customer Care at Tabcorp

Tabcorp is a leader in promoting responsible gambling practices. Ultimately our goal is to equip our customers with the tools, information, and resources to help them make informed decisions about how they gamble. Our approach to customer care and the responsible provision of our products is underpinned by our **Customer Care Principles** (see **Figure Two**).

Figure Two: Customer Care Principles



Through our responsible gambling microsites, and other interactions with customers (whether by phone, in a venue, on an app, or online), we provide customers with information and resources to help them make informed decisions about how they use our products and services to prevent and minimise potential harm. We are continuously enhancing our systems, processes, and services to further protect our customers. Some of the controls our customers can use to manage their account include taking a break, setting deposit or spend limits, and self-exclusion (see **Figures Three and Four**).

We launched a new national responsible gambling microsite, [TAB Assist](#) (see **Figure Five**), a user-friendly and easily accessible information and assistance hub for our betting customers. The site showcases our updated responsible gambling self-service tools with links to every responsible gambling resource available. It aims to balance the excitement of our industry with important information on how to use our products safely and responsibly and where to access help.

Human-led tools

We have many responsible gambling tools to help customers manage the time and spend on gambling.

Technology-led tool

We continue to invest in technology to help us identify potential problem gambling behaviour: We use a **player-tracking model** that assesses every account-based customer daily for high-risk behaviours. It helps identify customers displaying potential problem gambling signs based on over 1,200 data points, e.g., customer demographics, accounts, and betting transactions. Where we identify an “at risk” customer, we review their activity. Depending on the result of the review, we may intervene and contact the customer to complete a Responsible

Gambling (RG) check and learn more about our RG tools. Where a customer acknowledges having a gambling problem, or we think the customer is no longer able to hold an account responsibly, we could close the account temporarily or permanently.

Figure Three: Customer Care Tools

<p>TAKE A BREAK Customer can Take a Break from account/betting. During the break, customer is unable to access their TAB account. Can be set for 1, 2, 3, 7, 14, 30, 90 or 180 days.</p>	<p>MARKETING OPT-OUT Customer can opt-out from receiving any marketing related promotion material via various channels. Can be set for email, SMS or all channels.</p>
<p>DEPOSIT LIMIT Customer can set a maximum amount to deposit into their betting account. Can be set for 1, 7, 14, 28 days.</p>	<p>ACTIVITY STATEMENT⁽ⁱ⁾ Customer can obtain account statement online or via request to customer support centre.</p>
<p>SPEND LIMIT⁽ⁱ⁾ Customer can set a limit on the amount they can spend within a nominated time period. Can be set for 1, 7, 14, or 28 days.</p>	<p>TRANSACTION HISTORY Customer can view all transactions (deposit, withdrawal, account adjustment and bets) related to customer account up to 12 months old.</p>
<p>CARD LIMIT Customer can set a maximum weekly amount to deposit into their betting account via debit and credit card.</p>	<p>SELF EXCLUSION Customers can self-exclude from their account either permanently or for specific periods (3, 6 or 12 months).</p>

(i) Implemented in Qld, SA, TAS, and NT only. (ii) Some form of it is currently provided in SA and TAS. An updated activity statement will be rolled out nationally as part of the NCPF project, starting in SA.

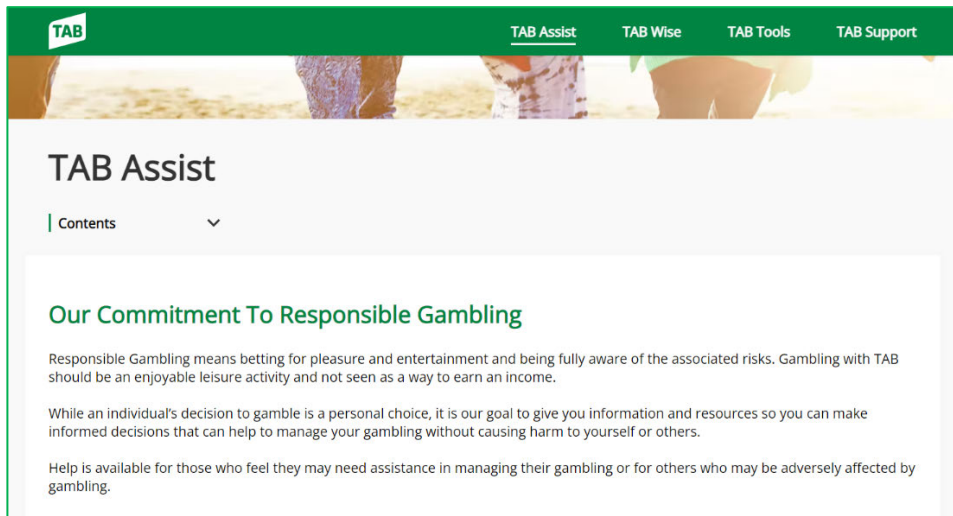
Tabcorp will continue to comply with all legislative and regulatory RG requirements, including the codes of practice, marketing and advertising requirements and other initiatives to ensure that players make informed decisions about their gambling.

Figure Four: In-App RG Tools & Deposit Limits

The figure consists of three screenshots from the TAB mobile application:

- Left Screenshot:** Shows the main account menu. The 'Responsible Gambling Tools' option is highlighted with a red box.
- Middle Screenshot:** Shows the 'Responsible Gambling Tools' settings page. Red arrows point to 'Deposit Limit', 'Spend Limit', and 'National Self-Exclusion Register'.
- Right Screenshot:** Shows the 'Deposit Limit' configuration screen. A toggle switch is turned on, and the limit is set to \$50 for a 28-day period. A 'Confirm' button is visible at the bottom.

Figure Five: TAB Assist



Appendix Two: Research Data, Community Concerns & Perception

A national survey of community sentiment toward the gambling industry was performed by SEC Newgate Research for Tabcorp between Friday, 29 July 2022 and Monday, 8 August 2022.

2,100 Australians participated in the survey and were asked several questions, including how they felt about trends in the gambling industry and whether they supported or opposed potential changes to how gambling is regulated in Australia. The results are presented below.

Polling – Feelings about trends in the gambling industry

Concern about trends in the gambling industry is higher than was previously reported in March 2021 – the increased number of overseas-owned gambling companies operating in Australia continues to be the biggest concern.

FEELINGS ABOUT TRENDS IN THE GAMBLING INDUSTRY (% NET Sentiment)	% POSITIVE			% NEGATIVE			NET POSITION (% POSITIVE - % NEGATIVE)		
	August 2022	March 2021	May 2020	August 2022	March 2021	May 2020	August 2022	March 2021	May 2020
The trend, since COVID, where fewer people are visiting retail venues to gamble and more people are gambling online instead	18	22	N/A	47	43	N/A	-29	-21	N/A
The increased involvement of gambling companies in team sports	17	20	18	52	51	45	-35	-31	-27
The amount of gambling advertising in Australia	16	19	18	55	51	47	-39	-32	-29
The overall amount of gambling in Australia	15	19	16	56	52	49	-41	-33	-33
The overall increase in the amount of gambling activity taking place online	15	18	19	56	51	50	-41	-33	-31
The increased numbers of overseas-owned online gambling companies operating in Australia	12	18	15	59	55	56	-47	-37	-41

Tabcorp



Polling – Support for regulatory change

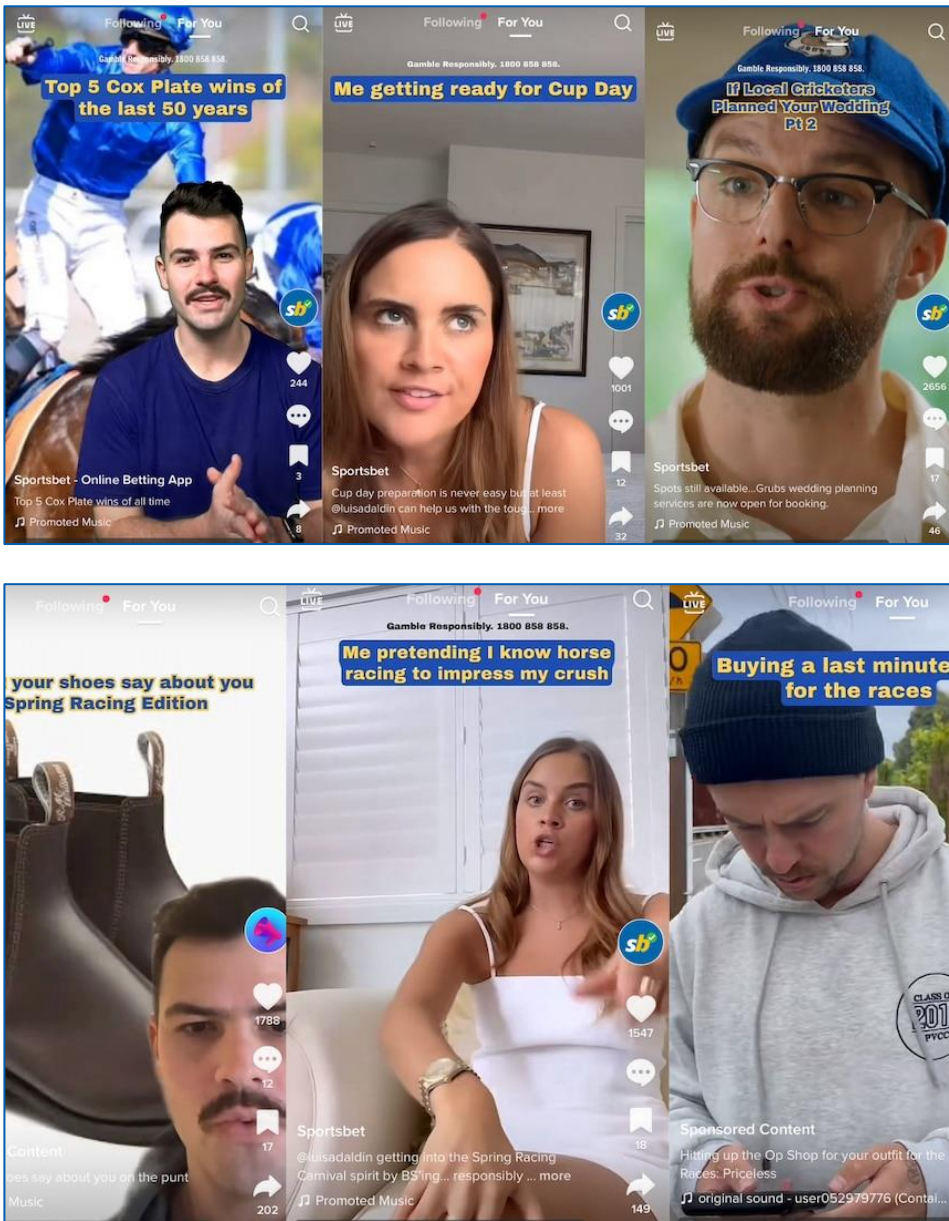
Most Australians support all regulatory proposals with the level of support increasing each year.

POTENTIAL REGULATORY CHANGE	% SUPPORT			% OPPOSE			NET POSITION (% SUPPORT - % OPPOSE)		
	August 2022	March 2021	May 2020	August 2022	March 2021	May 2020	August 2022	March 2021	May 2020
Reducing the overall amount of advertising by gambling companies	68	66	63	8	8	7	60	58	56
Preventing overseas-owned online gambling companies from deliberately registering their business in the Northern Territory.	67	62	N/A	8	12	N/A	59	50	N/A
Having regulations that are consistent for overseas-owned online gambling companies and the TAB	66	62	66	9	12	7	57	50	59
Having the Federal Government regulate gambling instead of State/Territory Governments to ensure there is a consistent approach across Australia	66	61	63	8	9	7	58	52	56
Banning TV and radio advertising by gambling companies between 6:30am and 8:30pm (i.e. only allowing it later at night)	66	64	N/A	9	9	N/A	57	55	N/A
Only allowing gambling to be advertised in places where people go to gamble (e.g. at pubs, clubs, racetracks)	62	54	51	10	10	8	52	44	43
Reducing the sponsorship of sports teams or sporting competitions by gambling companies	59	58	54	11	14	10	48	44	44
Having taxes and regulations that encourage people to bet in retail venues rather than betting online and on their personal devices at home	53	46	43	12	15	16	41	31	27

Tabcorp



Appendix Three: Proliferation of Gambling Ads on TikTok



Source: [ABC](#)