

15 July 2011

Ms Lyn Beverley
Committee Secretary
Joint Select Committee on Gambling Reform
PO Box 6100
Parliament House
CANBERRA ACT 2600

By email: gamblingreform@aph.gov.au



Dear Ms Beverley

I refer to your letter of 27 June 2011 to Tabcorp Holdings Limited's (**Tabcorp's**) former Managing Director and Chief Executive Officer, Elmer Funke Kupper, inviting Tabcorp to provide a formal submission on the Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011 (**Bill**).

On 30 June 2011, Tabcorp provided a submission on online gambling matters to the Joint Select Committee on Gambling Reform, which remains relevant to the Bill. In addition to this, we provide the following comments specifically in relation to the Bill.

1. General

Tabcorp welcomes the National Policy on Match-Fixing in Sport which was signed by Australia's Sports Ministers on 10 June 2011 (**National Policy**). It is appropriate that the federal, state and territory governments each work together and with sporting organisations and betting agencies to mitigate against corruption in sports. This approach, which will see a national policy underpinned by legislation, codes of conduct and industry standards, represents a more holistic and coordinated approach to addressing sports integrity issues in Australia than that contemplated by Bill.

The Federal Minister for Sport, Mark Arbib, said in his announcement of the National Policy on 10 June 2011, that a working party would now develop a detailed implementation plan for Sports Ministers to consider in the next three months. Attorneys General were also expected to commence work on nationally consistent legislative arrangements when they next met in July. We therefore query the timing of the Bill given the work which is currently underway involving the various government and other key stakeholders.

We note that the Bill refers to regulations and contemplates that a number of important definitions are contained in those regulations. We presume that the regulations are not yet drafted or available for review. Our submission is therefore being provided on the basis that it is qualified by reference to the Bill only, without Tabcorp having had the benefit of considering the regulations

Our submission on specific items in the Bill follows.

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2. Prohibitions on corporations offering gambling services

Section 3 of the Bill seeks to address integrity in sport by proposing a blanket prohibition on corporations which offer a gambling service from offering spot betting, exotic betting, in-play betting or any similar form of betting. There is also a prohibition on offering bets on losing outcomes.

As noted above, the proposed framework set out in the National Policy is focused on, amongst other things, putting in place appropriate legislation and other arrangements to address match-fixing and protect the integrity of sport. This will include legal agreements and integrity arrangements between sports and betting companies, which will include the requirement to share information, provide sports with a right to veto bet types and provide a financial return from sports betting to sports.

In our opinion, exotic and other similar bets placed with Australia's TABs pose no greater risk to sports integrity than head to head contests because suspicious betting activity on all bet types is monitored and reported by the TABs. If exotic bets were to be prohibited, then consumers would either discontinue their betting activity or such activity would be driven underground, either to illegal domestic or offshore operators. This would ultimately lead to a decrease in product fees collected by sports and taxes collected by governments. The above prohibitions in the Bill therefore do little to address the real issue, which is integrity in sports.

We note that in the run or in play sports betting is currently prohibited under the *Interactive Gambling Act 2001 (IGA)*, although some domestic and international operators continue to offer this service to customers without penalty. It is appropriate that this matter should be considered as part of the review into the IGA which is being undertaken by the Department of Broadband, Communications and the Digital Economy, as announced by the COAG Select Council on Gambling Reform on 27 May 2011. Tabcorp has offered its views on the review of the IGA in its 30 June 2011 submission.

With respect to spot betting, exotic betting, in play betting and betting on losing outcomes that occurs through non-online channels, Tabcorp's position is that these are matters for the consideration of state and territory governments. There is a role for the Commonwealth in encouraging national consistency in the regulation of such matters.

3. Schedule 1 – Amendments relating to online transactions

Schedule 1 of the Bill seeks to amend the IGA to insert a new Part 2B relating to financial transactions for interactive gambling payments.

In Tabcorp's view, if enforcement measures around the IGA (in its current form) are to be strengthened then alternative controls, including financial transaction controls, could be used to better effect than those outlined in the Bill. Examples of such controls are outlined in Tabcorp's 30 June 2011 submission.

4. Schedule 2 – Amendments relating to inducements to gamble

Schedule 2 of the Bill seeks to amend the IGA by inserting 'an inducement to gamble' as a gambling service into the IGA.

As noted in our 30 June 2011 submission, the IGA prohibits interactive gambling services with the exception of wagering services. It is appropriate that wagering services continue to be exempt from the prohibition.

In relation to 'gambling services' which do not include wagering, the amendments proposed in Schedule 2 of the Bill appear to be targeted at on-line poker and casino operators. A consistent and tailored approach needs to be taken to this issue, with reference to state and territory regulation that is already in place.

5. Schedule 3 – Amendments relating to broadcasting about gambling

Schedule 3 of the Bill seeks to amend the *Broadcasting Services Act 1992* and introduces conditions for commercial television broadcasters in respect of the advertising of betting venues, online gambling sites and gambling odds.

We note that on 27 May 2011, the COAG Select Council on Gambling Reform announced a consultative process to deal with the promotion of live odds during sports coverage. Tabcorp looks forward to being part of this process, which is an appropriate way to deal with concerns about gambling related advertising during sports coverage.

6. Schedule 4 – Amendments about obtaining a financial advantage by deception, in relation to a code of sport

Schedule 4 of the Bill amends the *Criminal Code Act 1995* to make match-fixing a crime.

We note that, in respect of the National Policy, the Australian Crime Commission gave Sports Ministers a detailed briefing on 10 June 2011 about the impact of organised crime internationally and the potential impact on the local economy and sport. Tabcorp believes that it is more appropriate for the National Policy to deal with this issue in a comprehensive manner rather than through the Bill.

Further, we note that as part of the National Policy, the proposed funding to be made available by the Commonwealth will be contingent on sports implementing suitable anti-match-fixing and anti-corruption policies and practices.

Please contact me if you wish to discuss the above submission in detail or if you require further information from Tabcorp.

Yours sincerely

Amanda Lean
General Manager
Government, Community & Employee Communications