

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Sportsbet Pty Ltd
GPO Box 4755, Melbourne VIC 3001

ABN 87 088 326 612
Tel +61 3 8631 6000 • Fax +61 3 9654 1999

21 November 2016

C/O ec.sen@aph.gov.au

RE: Inquiry into the Interactive Gambling Amendment Bill 2016

Dear Secretary,

Thank you for the opportunity to provide a submission to the Senate Environment and Communications Legislation Committee's Inquiry into the *Interactive Gambling Amendment Bill 2016* (the Bill).

By way of background, Sportsbet is the leading online wagering provider in Australia accounting for 24 per cent of Australia's online wagering market.¹ We are an industry-leading digital e-commerce business with over two million Australian customers and more than 650 employees.

Sportsbet is committed to making sports betting a fun and entertaining experience while protecting those with potential gambling problems and we support sensible regulation which is evidence based, platform neutral, designed with consumers in mind and minimises regulatory burdens.

We commend the Australian Government for acknowledging illegal offshore wagering is a significant problem that has "*detrimental effects on the Australian wagering, racing and sporting industries, problem and at-risk gamblers, consumers and government*".²

Sportsbet believes there are some prudent measures in the Bill to help fight illegal offshore wagering which we support. These include:

- Making it illegal for overseas gambling companies to offer gambling products to Australians without a license;
- Empowering the Australian Communications and Media Authority (ACMA) with new civil penalties for breaches; and
- Introducing other disruption measures to curb illegal offshore gambling activity such as utilising the Movement Alert List to identify offending individuals.

Consistent with the Selection of Bills Committee Report³ we understand that the reasons for referring the Bill to the Senate Environment and Communications Legislation Committee (the Committee) was, among other things, due to concern about whether the Bill will prevent illegal offshore wagering in a meaningful way.

¹ Based on the percentage of gross win.

² *Interactive Gambling Amendment Bill 2016*, Second Reading Speech.

³ Selection of Bills Committee Report No.8 of 2016.

Sportsbet shares these concerns for two reasons:

1. While we acknowledge the Government's intent to ban 'click to call' in-play sports betting services, Sportsbet opposes this ban because it will ultimately drive more Australians to wager with illegal offshore operators; and
2. As reflected in the Bill's Explanatory Memorandum, the Second Reading Speech and the Australian Government's Media Release, the Australian Government remains uncertain about the size of the illegal offshore wagering market.⁴ In the absence of certainty or indeed an official government measure of the size of the illegal offshore wagering market, there will be limited capacity to evaluate the Bill's performance or to hold the Government's reforms to account.

Sportsbet's representations on these important issues include submissions to the *Illegal Offshore Wagering Review* in November 2015 and to the Department of Communications and the Arts' *Exposure Draft Interactive Gambling Amendment Bill 2016* in September this year.⁵

In particular, Sportsbet would like to take this opportunity to reiterate our concerns about the introduction of the new "sporting event" definition which may have the unintended consequence of affecting whether or not bets are placed on the ultimate winner(s) of sporting events with scheduled extended breaks.

In short, the definition of 'sporting event' under the Bill unintentionally restricts betting on sports with scheduled extended breaks (e.g. tournaments) and requires amendment

In our view, the unintended consequence of the Bill arises because, taking golf as the example, a tournament and an individual round are both defined broadly as a 'sporting event' without any distinction and the IGA prohibits internet betting on the outcome of the sporting event once the event commences (i.e. the tournament and the individual round).

Taking **golf** as an example, the effect of section 10A appears to be that:

- a. the US Masters is a sporting event, with the consequence that once it has commenced, bets cannot be taken on the outcome of that event (i.e. the ultimate winner of the US Masters);
- b. however, each round is also a sporting event, such that bets can be placed on round 2 at the conclusion of round 1, without contravening the 'in-play' prohibitions in the Bill; and
- c. combining these elements, at the conclusion of round 3, bets can be taken on round 4, but possibly not (as currently drafted) on the ultimate winner of US Masters.

Potential solution for consideration

Sportsbet considers that the objects of the Act can be more simply achieved by clarifying that the prohibition on in-play betting over the internet does not apply during a hiatus in the sporting event which extends for more than a prescribed period of time. This could be addressed by introducing the concept of a 'Scheduled Extended Play Break', defined to include any hiatus in play which extends for a prescribed period of more than 1 hour.

⁴ It's estimated that "between \$64 million and \$400 million is spent on illegal online wagering services" Senator the Hon Mitch Fifield, Minister for Communications and the Hon Alan Tudge, Minister for Human Services "Coalition Government introduces legislation to combat illegal offshore wagering" Media Release 10 November 2016.

⁵ Sportsbet's submissions can be provided for the Committee's information on request.

Sportsbet therefore urges the Committee to recommend the Senate pass the Bill with amendments.

We recommend that the Bill include the following amendments:

- 1. Introducing the concept of a ‘Scheduled Extended Play Break’ defined to include any hiatus in play which extends for a prescribed period of more than 1 hour⁶; and**
- 2. A new measure requiring the Australian Communications and Media Authority to estimate and report on an annual basis to Parliament, an official measure of the size of the illegal offshore wagering market.**

If you have any questions or need any further information please do not hesitate to contact me on

Yours faithfully,

Ben Sleep
Chief Financial Officer and Regulatory Affairs Director, Sportsbet

⁶ In relation to Section 10A “Sporting Event”.