

22 June 2022

Committee Secretary
Legal Affairs and Safety Committee
Parliament House
George Street
Brisbane QLD 4000

By email: lasc@parliament.qld.gov.au

Dear Sir

Response to the *Casino Control and Other Legislation Amendment Bill 2022*

Thank you for the opportunity to provide this submission in response to the proposed *Casino Control and Other Legislation Amendment Bill 2022* currently before the Legal Affairs and Safety Committee.

As the independent peak body for Australian-licensed wagering service providers, Responsible Wagering Australia (RWA) is heavily invested in promoting and ensuring transparency and consumer protections in the sector. RWA aims to proactively promote safer habits and tools that help reduce the incidence of problem gambling while also acknowledging the shared sense of responsibility, accountability and collaboration between the consumer, wagering service provider and regulators.

Our membership includes Australia's leading wagering services providers – bet365, Betfair, Entain, PointsBet, Sportsbet and Unibet who collectively employ a significant highly skilled workforce in Australia and particularly Queensland. In 2021, RWA members contributed more than \$1.8 billion in tax, and direct contributions to local racing and sport.

As part of our submission, we seek to address two key objectives of the *Casino Control and Other Legislation Amendment Bill 2022*. These include the intention to strengthen casino integrity and regulation and the proposed frameworks for simulated events.

Strengthening casino integrity and regulation

RWA supports all proposed amendments to relevant legislation which purport to further strengthen casino integrity and regulation including those outlined in the *Casino Control and Other Legislation Amendment Bill 2022*.

We would like to acknowledge the government's positive steps to strengthen casino integrity in Queensland by implementing the key regulatory recommendations that came from independent inquiries into casino operators in other jurisdictions. We also note the State Government's recent announcement on June 14, 2022 to additionally review *Star Entertainment's* suitability to hold a casino licence.

We believe it is healthy for government to regularly review the fitness of long-term licence holders, particularly in the gambling space to ensure accountability for licence holders and that the highest standards continue to be met. Similar to the review referred to above, we hope to see the State

Government take similar action to hold other licensees such as UBET (Tabcorp Holdings Limited) to equally high standards as Star Entertainment. UBET has the exclusive rights to offer retail in-venue and on-course wagering for sport and racing until 30 June 2044 (a 30-year term) affording it significant commercial advantages over direct competitors in the wagering sector.

We respectfully request the Committee consider a broader inquiry into to license holders in the gambling space in order to enact the integrity intentions of the Bill across the sector. **An examination of the integrity and regulatory measures as outlined by the *Casino Control and Other Legislation Amendment Bill 2022*, specifically the suitability of licensees and their broader implementation for all wagering license holders is recommended.** We believe this wider assessment of standards is vital to more fulsomely assist the Queensland Government in achieving the integrity goals it set out in the tabling of this bill.

Frameworks for simulated events

RWA cautions against immediate implementation of the framework for simulated events under the Wagering Act 1998, as outlined in the *Casino Control and Other Legislation Amendment Bill 2022* without further consideration of the unintended consequences and broader impact on the wagering industry.

First, it appears as though UBET will be granted, if these proposed amends are put into effect, the right to take bets on simulated events without paying for this right. In 2011, Tabcorp Holdings Limited, UBET's parent, paid \$150 million for the redevelopment of Randwick Racecourse in Sydney when it was granted this right by the NSW Government. It is not enough to say that bets on simulated events will be subject to a point of consumption tax – this right is a monopoly right and like all monopoly rights should be paid for in full. Otherwise, the Queensland taxpayer is getting ripped off.

RWA notes with concern the close relationship UBET QLD has established with the current Queensland Government as the exclusive race wagering licensee and sports betting licensee under the *Wagering Act 1998*. Through this relationship, and recently announced changes, including a \$50m one-off payment, it is legislated that UBET retains several exclusive monopolies in the space resulting in an estimated windfall of \$30m annually, through to 2044. Given the highly lucrative agreement already in place with the Queensland Government and subsequent announcements in June which will benefit UBET, we question the need to further advantage a single entity.

RWA believes this is well-intentioned legislation designed to modernise a stagnant operator. However, the bill would only serve to further entrench UBET'S unfair competitive advantage over other wagering operators by propping up their failed outdated and failed businesses model without providing any material additional benefit to the Queensland Government, its budget bottom line, or to Queenslanders.

Additional suggested measures

The RWA notes that the proposed changes to wagering taxation and racing industry contributions announced by the Queensland Government will terminate the key industry agreements with Racing Queensland through which UBET paid for its exclusive access to the retail and tote wagering environment in the State. It appears inconsistent with a fair market approach to further extend the advantage of the retail monopoly at no cost.

The RWA also seeks confirmation as to the proposed tax treatment of simulated racing revenue, if implemented, in Queensland. In this context, the RWA notes that simulated racing revenue would not generate Queensland race fields fees payments for Racing Queensland and therefore any substitution from customers from live to simulated racing betting would be to the financial detriment of the Queensland racing industry.

Licenseses have critical obligations to the state, the foremost of which is integrity. It is also in the public interest to expect licensees to meet performance benchmarks that ensure they deliver promised returns to the community, whether that be by way of their economic contribution, employment, taxes generated or – in the case of the wagering licensee – returns to the racing industry. Poor commercial performance by a long-term licence holder, as has been the case with UBET, has consequences for the broader community. We recommend the committee consider whether commercial performance ought be a key pillar of determining fitness to hold a licence and indeed, whether poor commercial performance ought be a trigger for considering broader reform to licensing arrangements that promotes greater competition and consumer choice.

Maintaining a system of exclusive monopoly licences also poses integrity risks for the state. Where only one operator is licenced to provide a product upon which the state relies for taxation revenue (and the racing industry for funding), the state faces an inherent conflict of interest. Serious integrity breaches by that operator would necessitate strong action and potentially a cancellation of the licence. But the commercial disruption such action would cause would inevitably have consequences for tax and racing revenue. The state should not put itself in a position where the need to uphold integrity standards conflicts with its own financial interests.

With only one licensed operator, the state and the racing industry are exposed to any and all failures by that operator – be they commercial, legal, ethical or otherwise. The way to insulate against this exposure is to end monopolies and promote competition.

We thank the committee for its time, consideration, and the opportunity to provide comment. RWA would welcome the opportunity to participate in the public hearing on July 11, 2022 to expand on our submission further and provide additional detail to the committee.

Should additional information on the matters and positions outlined in this submission be required, please James Duncan, General Manager External Affairs at

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Yours sincerely

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