

Responsible Wagering Australia Questions on Notice		
	Question	Response
1	<p>Nicholas McGOWAN: In your presentation you talked about investment in local sports. What is the magnitude we are dealing with there? How much money actually goes into local sport from gambling proceeds?</p> <p>Kai CANTWELL: I would probably have to take that on notice. A lot of money flows through product fees and the like through to sports. Within sports there is generally a significant portion of money that then goes through to sport integrity programs. I was meeting with Sport Integrity Australia yesterday to discuss just that and unpack how that money flows through and why it is important to continue integrity programs within sports. Also a component of those fees then flows into junior sports and grassroots level sports. Then of course through broadcasters and other arrangements as well it goes into keeping sports free and cheap to participate in, which obviously is also a really important thing for Australians to see, so they can keep seeing their sports on free-to-air TV, keep attending sports games and keep the healthy practice that is sport popular within Australia.</p> <p>Nicholas McGOWAN: In the evidence you have provided there – I am certainly aware of a lot of local sports in my electorate, and I can say to you I cannot see any evidence on the ground of gambling proceeds assisting them in any way, shape or form in reducing their fees.</p> <p>Kai CANTWELL: As I say, I would have to take on notice the specifics of that question and am very happy to do so.</p>	<p>RWA members paid more than \$70 million in 2022 to sports bodies. These bodies are responsible for the distribution of those funds to all areas of their operation, including youth and community sports for their respective codes.</p>
2	<p>Nicholas McGOWAN: Thank you. Last question – I will pass over; I know we have got limited time – your organisation would have looked at, I guess, at this stage the impact of the increased point-of-consumption tax here in Victoria from 10 to 15 per cent. What is the likely impact on the revenue of your members?</p> <p>Kai CANTWELL: Once again, I might take the specifics on notice, only because that is a commercial aspect for members and we do not always have visibility of all of the commercials for obvious reasons. But I guess what I would say is the 15 per cent is obviously a relatively reasonable landing place in terms of where point-of-consumption tax sits around the country, and we obviously welcome the flowthrough into the racing industry of the increase.</p> <p>Nicholas McGOWAN: Thank you very much. Thank you, Chair.</p>	<p>In FY2021/22, RWA members paid a collective \$166 million in POCT in Victoria. While revenue fluctuates each financial year, we can expect that RWA members will collectively pay approximately \$250 million in POCT in Victoria once the tax is raised to 15%.</p>
3	<p>Danny O'BRIEN: Do you have any evidence or do you have any idea of the interchangeability for punters between online sports betting, or sports betting, full stop – racing – and, say, gambling at casinos and at pokies venues?</p> <p>Kai CANTWELL: I could take that on notice. I was looking at some research on that only the other day, but it was not</p>	<p>A 2019 study (Hing et.al., 2022) estimated that 43.1% of Australians were non-gamblers, 39.5% were land-based only gamblers, 12.8% were mixed mode gamblers and 4.6% were online only gamblers.</p>

	<p>RWA's own research, and I do not have those figures off the top of my head.</p> <p>Danny O'BRIEN: But do you recall – do punters go from one thing to the other, or are punters predominantly a racing punter or a Sportsbet punter and they do not go into a gaming venue, and vice versa?</p> <p>Kai CANTWELL: I believe there were three distinct categories in the research that I was looking at, which were those that live in that sort of online sports and racing punting world, those that live predominantly in the land-based pokies-type world and then those who jump across both. I am really sorry, I cannot remember the stats on how many live in each of those categories.</p> <p>Danny O'BRIEN: No, that is fine. If you would share with the committee that report, that might be useful if that is something that is publicly available.</p> <p>Kai CANTWELL: Great.</p>	
4	<p>Michael GALEA: Of course. Is there a reason that you are not also based in the Northern Territory, like most of your members?</p> <p>Kai CANTWELL: No, other than the east coast is where we are doing a lot of work. It makes sense to be headquartered in the area where a lot of our consultation occurs.</p> <p>Michael GALEA: Sure. But I also imagine the majority of your members' market is also on the east coast or in the major cities. If I can dig a bit deeper into the Northern Territory regulator, you said that there is no regulatory benefit from being in the Northern Territory. Is there any taxation benefit for them to be based – licensed – in the Northern Territory?</p> <p>Kai CANTWELL: I would have to take the specifics of that on notice. Obviously we have a list of regulatory measures and fees and the like that we pay, so we obviously have licensing fees. As I say, I would have to take the specifics on notice if I am able to. Taxation arrangements – we pay point-of-consumption tax to every jurisdiction around the country, with the exception of the NT, as we pay licensing fees there, and all the other standard taxes that you would expect: GST, corporate profits, payroll tax et cetera. So I cannot see there would be a taxation benefit of being in the NT, but I am happy to take the specifics on notice.</p>	<p>There is no loss of taxation revenue or other economic contributions to Victoria by virtue of Australia's major online bookmakers' licensing by the Northern Territory Government. RWA members pay significant amounts of gambling tax in every state and territory and make significant payments to racing and sporting codes. In 2022, RWA members paid approximately \$460 million in taxes and fees to the Victorian Government and Victorian sporting and racing codes.</p>
5	<p>Michael GALEA: Okay. This year the NTRC was found to have failed to inform bookmakers – your members – of 48 people who were on a voluntary self-exclusion register over a period of up to five years, which put those individuals at considerable risk of harm. How can Victorians be confident in this interstate regulator when they have had such a major failing this year?</p> <p>Kai CANTWELL: I am not aware of the specifics of that. I guess where I would go from there is we have been pushing for some time, leading the way – Responsible Wagering Australia and our members – on the establishment of the national consumer protection framework and of course as a</p>	<p>This issue was outside of the control of Wagering Service providers.</p> <p>The National Self-Exclusion Register – which RWA members strongly advocated for over the past five years – is now operational and will help prevent these issues from occurring.</p>

	<p>part of that of BetStop, the national self-exclusion register. We are extremely pleased to see that that has been implemented now for multiple reasons: (1) it provides those consumer protections and should, all going well, make sure that those customers who do choose to self-exclude are not contacted, and (2) it was the final measure of the consumer protection framework and it does kick off that evaluation, which will be really important in unpacking the success of those measures and what other regulation might be appropriate going forward.</p> <p>Michael GALEA: I appreciate you are also relatively new to the role, so I am prepared to be a bit understanding on this point, but you said you are not aware of this breach. This was a pretty significant breach that occurred this year. Does RWA have a position on what happened in the Northern Territory?</p> <p>Kai CANTWELL: Look, I will take that on notice and come back to you. As you noted, I am three or four months into the role, but as I said, I would suggest that our focus is on getting those nationally consistent protections in place as quickly as we can to ensure that we protect Australian punters, as I mentioned earlier.</p>	
<p>6</p>	<p>Bev McARTHUR: Can you just repeat to me how much the Australian economy, the governments around Australia, collects in taxes through your industry?</p> <p>Kai CANTWELL: I might have to grab the taxes on notice, but we do have a \$6 billion economic impact. Now, that obviously considers the sort of flowthrough benefits to the economy. We have valued that at \$6 billion and 32,000 jobs directly and indirectly. And so there are obviously a lot of jobs that are supported indirectly through the industry and then through racing, which I understand as a whole is something more like 80,000 jobs. I mean, at the end of the day these are big numbers of people that we employ through our industry. And as I say, if you get that right, we have got a legitimate, legal entertainment industry that is supporting significant amounts of jobs around the country and often through regional areas as well, which is really important.</p> <p>Bev McARTHUR: Could you take on notice how much tax revenue is collected through the industry?</p> <p>Kai CANTWELL: Most certainly.</p>	<p>RWA members made a \$1.8 billion economic contribution to Victoria in 2022 and supported more than 10,000 Victorian jobs.</p>

<p>7</p>	<p>Ellen SANDELL: You talked a bit about the illegal offshore market and people transferring to the illegal offshore market if regulation on organisations that you represent is too onerous. We have heard evidence that really the greatest indicator of harm from gambling is felt in jurisdictions where gambling is the most easily accessible and available. So that is really the biggest correlation: where it is more easily accessible, you get greater harm. These illegal offshore online casinos, for example, are not advertising as heavily here. They are not as accessible, as in they are not kind of in your face with lots of different advertising and accessible everywhere. Do you actually have evidence that a large proportion of people who currently use the services of your members would actually transfer to these illegal operations?</p> <p>Kai CANTWELL: I will just quickly run through a couple of examples internationally of where this has occurred. In Norway there were affordability checks, advertising restrictions and restrictions on stakes, and the offshore market increased to 66 per cent of the entire market. Italy abandoned advertising; the offshore market increased to 23 per cent. Spain – a near total ban on advertising; the offshore market increased to 20 per cent. And Denmark, when they were introducing tighter restrictions on inducements, as a result anticipated a 9 per cent increase to the offshore market. This tells you that those international governments either experienced an increase directly related to the increased regulation or they were already expecting it before even implementing it. So they understood the risks of those kinds of policies. The fact that we see an Australian market of 15 per cent and \$1.6 billion a year would tell me that the market is known and it is there, and the tighter our restrictions go, the more likely people are to go and seek out the products that they are seeking in that market. So whilst it might not be</p> <p>Ellen SANDELL: We are talking about a difference between – you said it is 15 per cent of the market now compared to, in some of these examples that you cited, 20 per cent, so it is not a wholesale transfer –</p> <p>Kai CANTWELL: Or 66 per cent in Norway.</p> <p>Ellen SANDELL: And one of those examples was around an anticipation. Do you know if that actually happened?</p> <p>Kai CANTWELL: I do not have that in front of me, so I will have to check that out.</p>	<p>The Australian illegal offshore market currently makes up 15% of the total Australian gambling market, is worth more than \$1.63 billion per year according to ACMA, and is expected to cost the Australian economy up to \$3 billion over the next 5 years.</p> <p>The safest gambling environment for Australians is a legal and regulated onshore market which is why it's essential to get the balance right between keeping customers safe without overregulating and driving them to illegal offshore operators.</p> <p>The number one reason people go to offshore markets is to get promotions that they can't get in the legal onshore market. Gambling is a legal product in Australia and advertising of the product allows Australians to know what products are legal and safe to use.</p> <p>Illegal offshore casinos and gambling sites advertise online, and are readily accessible via a simple google search. It is not illegal for a person to use those sites, so there is little disincentive for them to do so.</p> <p>In Norway there were affordability checks, advertising restrictions and restrictions on stakes, and the offshore market increased to 66 per cent of the entire market. Italy abandoned advertising; the offshore market increased to 23 per cent. Spain – a near total ban on advertising; the offshore market increased to 20 per cent. And Denmark, when they were introducing tighter restrictions on inducements, as a result anticipated a 9 per cent increase to the offshore market. RWA is unaware if the anticipated increase has occurred.</p>
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Further Committee Questions	
Question	RWA Response
<p>What impact and changes to industry practice have Responsible Wagering Australia (RWA) and its members seen as a result of the implementation of VAGO audit recommendations across gambling licensing application and assessment processes?</p>	<p>RWA members are not licensed in Victoria and therefore are not party to Victorian gambling licensing application and assessment processes. The Northern Territory Racing Commission, which licenses RWA members have strong processes and protections in place to ensure that NT-licensed bookmakers continue to offer the safest form of gambling in Australia. These protections and requirements are constantly under review by the NT Government. RWA members however must comply with all Victorian ministerial directions related to the provision of online gambling in the state.</p>
<p>In light of the National Consumer Protection Framework for Online Wagering, what systems and processes have RWA members implemented:</p> <ul style="list-style-type: none"> • to restrict online inducements? • to ensure applications have easy to close accounts, have a pre-commitment scheme, provide meaningful activity statements and present with consistent gambling messages? • to ensure that staff involved in the provision of online wagering receive adequate training? <ul style="list-style-type: none"> ○ How are the above systems enforced? 	<p>RWA members adhere to all National Consumer Protection Framework measures such as providing activity statements, staff training and complying with consistent gambling messaging requirements.</p> <p>Several initiatives in RWA's Code of Conduct, such as deposit limits and a prohibition on payday lenders, have been incorporated into the National Consumer Protection Framework, bringing the rest of the industry up to the standard that we operate at.</p>

<p>In earlier hearings, several proposals were made to regulate gambling and reduce gambling harm, including:</p> <ul style="list-style-type: none"> • slowing spin rates on EGMs • placing the onus on gambling licence applicants to demonstrate a positive benefit, rather than harm minimisation • mandatory closure periods for gambling venues. <ul style="list-style-type: none"> ○ What is RWA’s position on these proposals? 	<p>RWA represents licensed online wagering providers, as opposed to land-based gambling operators. In contrast to land-based gambling, online wagering providers monitor customers in real time, allowing them to make evidence-based assessments as to users likelihood of harm, and intervene before harm occurs.</p> <p>Harm from land-based gambling remains the most prevalent form of harm in the sector. As such, RWA is supportive of measures that would enhance consumer protection and harm reduction in land-based gambling to match the standards of its members.</p>
<p>Any compulsory and voluntarily action taken by your members to reduce gambling harm in Victoria, including payment of community benefit fund contributions?</p>	<p>RWA members have world-leading consumer protections and that go beyond what is required by the 26 state, territory and commonwealth regulatory oversight bodies that our members are subject to.</p> <p>RWA and its members are committed to working with governments to implement practical measures to reduce gambling harm and look forward to the evaluation of the National Consumer Protection Framework.</p> <p>We have recently committed to partnering with the Commonwealth Government, the banking, energy and insurance industries and Telstra to develop deliver a not-for-profit body that will distribute additional funding to financial counselling services around the country from 1 January 2024.</p>
<p>What improvements are necessary for the regulation of online wagering and to mitigate harm from online gambling?</p>	<p>It is essential that any future measures designed to mitigate harm from online gambling are evidence-based and data-driven.</p> <p>RWA members eagerly anticipate participating in the National Consumer Protection Framework evaluation to ensure that future initiatives are well-informed and effective.</p>
<p>From RWA’s perspective, what benefits will the increase in the Point of Consumption Tax in Victoria from 10 to 15% effective 1 July 2024 create for the Victorian community?</p>	<p>More than 51 cents in every dollar of corporate bookmaker revenue is paid solely as tax in Australia, before any other business expense.</p> <p>RWA welcomes the flowthrough into the racing industry, which employs more than 10,000 people and contributes \$1.8 billion to the Victorian economy each year.</p>
<p>Have RWA taken any actions against members including fines, sanctions, or exclusion from RWA as a result of not meeting RWA’s Code of Conduct?</p>	<p>RWA is committed to ensuring all members are aware of, and comply with, their obligations in upholding the Code of Conduct and other Government regulations and standards.</p>
<p>At the hearings you mentioned an increase to 66% of gambling following changes to</p>	<p>The PWC Review of unlicensed online gambling in the UK (2021) identifies worrying trends in several European</p>

<p>gambling regulation overseas, can you provide evidence of this, and also the total gambling loses for before and after regulation changes, not just the percentage?</p>	<p>markets, including Norway, where the state monopoly coupled with restrictions on stakes, affordability checks and advertising has resulted in 66% of the country's interactive gross gaming revenue (GGR) being staked offshore.</p>
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