

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the Victorian Auditor-General's Reports no. 99: Follow up of Regulating Gambling and Liquor (2019) and no. 213: Reducing the Harm Caused by Gambling (2021)

Melbourne – Tuesday 5 September 2023

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Paul Hamer

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O'Brien

Ellen Sandell

WITNESS

Steven Lang, Director, Regulatory Strategy and Safer Gambling, Entain Australia.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee. I ask that mobile telephones please be turned to silent.

I will begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting, and we pay our respects to them, their elders past, present and emerging, as well as elders from other communities who may be joining us today.

On behalf of the Parliament, the committee is conducting this follow-up inquiry into the Victorian Auditor-General's reports on the regulation of gambling and liquor and the reduction of gambling harm in Victoria.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check, and verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome you, Steven Lang, Director, Regulatory Strategy and Safer Gambling from Entain. Steven, I am going to invite you to make an opening statement or presentation of no more than 5 minutes, and this will be followed by questions from the committee. Over to you.

Steven LANG: No worries. Thank you, Chair, and thank you for the opportunity to provide a submission to the inquiry and to appear before you here today. At the outset I would say that Entain supports a considered and balanced approach to the regulation of gambling in Victoria. While betting is an entertainment activity that is enjoyed safely by the vast majority of our customers, we also understand that as a product, it can cause harm. That is why it is important for regulation to strike the right balance between freedom of choice and evidence-based safeguards to protect those in our community who are vulnerable and to minimise gambling-related harm. We recognise our role in providing a safe environment for our customers and contributing to improving the understanding of gambling harm. Our commitment to safer gambling is evidenced through an industry-leading suite of customer safety tools and our data-led approach to identifying and intervening with at-risk customers. We have outlined these in our submission, but I am more than happy to provide further detail on that today if that will assist the committee. The work of this inquiry is timely and presents an opportunity to ensure that all licensed online bookmakers, regardless of where they are licensed, are subject to consistent and robust standards to provide their services safely.

It has been put to this committee that online bookmakers licensed in the Northern Territory are somehow subject to less onerous regulation. This is not actually the case. There are currently 31 online bookmakers licensed in the NT, and they must comply with minimum standards of responsible gambling practices to minimise harm. These requirements are set out in a code of practice which requires us to monitor customers who display red-flag behaviours and have an appropriate customer interaction. The code goes into some detail, setting out 17 problem gambling red-flag behaviours that must be monitored, including but not limited to gambling for an extended period, changing gambling patterns, increases in deposit frequency and escalating sums of money deposited.

There are also 27 online bookmakers licensed here in Victoria. These bookmakers are required to implement a responsible gambling code of conduct, and a ministerial direction further specifies the codes must require them to interact with customers to foster responsible gambling, including how this will occur. However, there are no specific requirements to monitor for red-flag behaviour or other signs of gambling-related harm.

A code from one online bookmaker published on the VGCCC website in July this year says that:

Where a customer is displaying indicators of distress, they will be provided with information for problem gambling support services, directed to the responsible gambling policy or be asked if they have a gambling problem.

However, it only says that indicators of distress exist when the customer states that they do or may have a gambling problem or that the gambling is causing them distress. Not a single other indicator of distress or red-

flag indicator is identified, so basically this says that it is enough to interact with a customer only if they actually say that they have a gambling problem. Now, for these customers, we just think that is not good enough. We are really proud of the work we have done to develop robust systems and processes to identify customers displaying signs of gambling-related harm and to interact with them quickly and appropriately. We also know that improvements can always be made, and it is a key priority of ours to build on this work going forward. At the same time, we expect that all online bookmakers, regardless of where they are licensed, should be held to the same high standard. I am aware that the department of justice has recently commenced a review of the framework for responsible gambling codes, and I am hopeful that this review will lift these standards so that Victorian online bookmakers do need to identify and respond to signs of harm.

We respect and value our social licence to operate; we do not take it for granted. We understand that to have a viable and sustainable industry, we need to listen to and address community concerns. A number of those concerns were outlined through the recent Commonwealth inquiry, which made 31 recommendations. On gambling advertising, we have accepted that the level of advertising is no longer meeting community expectations, particularly around the exposure of children to advertising and its connection to sport, and we are supportive of targeted reforms that genuinely address those priorities. We have already announced that we will no longer be sponsoring the jerseys of Australian professional sporting teams, and we think that some changes to limit gambling advertising on TV are also necessary. However, in our view the recommendations for an immediate ban on inducements and a complete ban of gambling advertising are not sufficiently targeted and go too far. A more nuanced and targeted approach is needed so we can protect those who need it while ensuring the vast majority of customers who gamble safely and for enjoyment can continue to do so. This approach will also ensure that the racing industry, along with the tens of thousands of jobs it supports, is not placed at unnecessary risk.

We have been a strong supporter of the reforms through the national consumer protection framework for online wagering, and we note that a review of the framework has commenced. We support evidence-based reform and welcome a thorough assessment of the effectiveness of the measures introduced. Thank you again for the opportunity to be here. I really hope I can assist the committee, and I am more than happy to take questions.

The CHAIR: Thank you, Mr Lang. I am going to throw to the Deputy Chair.

Nicholas McGOWAN: Thank you. Thanks, Steven, very much for the presentation. I am just curious, in terms of basing yourself in the Northern Territory, I know there was the review last year and some documents were released. What is the current status of your presence there?

Steven LANG: We continue to be licensed in the NT. The NT is currently reviewing their legislative framework around online bookmakers, and that process is ongoing.

Nicholas McGOWAN: Why not license yourself in Victoria?

Steven LANG: I guess the reason that we have been licensed in the NT is it is the only jurisdiction that actually has a fit-for-purpose licensing regime for online bookmakers. There are online bookmakers that are licensed here in Victoria, but the licensing regime itself was effectively set up and designed for on-course bookmakers. It has had provisions that have been added to the framework to allow, for example, bookmakers to take bets over the phone and for bookmakers to take bets via the internet, but the framework itself has not really been designed for that purpose. So we have got the Victorian racing controlling body, Racing Victoria, who are responsible for much of the regulation. For example, it is the racing body who is required to approve the betting control systems, not the gambling regulator. So effectively NT is the only option at the moment in terms of that fit-for-purpose licensing regime around online bookmakers.

Nicholas McGOWAN: Okay, thank you. In terms of international wagering, what does the market look like in that respect?

Steven LANG: In terms of what, sorry?

Nicholas McGOWAN: Competition with other international players in Australia.

Steven LANG: So in terms of – are you talking about the regulated licensed bookmakers here in Australia?

Nicholas McGOWAN: I am talking about more competition. What sort of market share do you have?

Steven LANG: In terms of the Australian market, we are roughly at about 20 per cent of the market here.

Nicholas McGOWAN: And the major other competitors?

Steven LANG: I understand that in terms of the online market Tabcorp is relatively similar to us. Sportsbet is probably the dominant market player. And then there are a range of other online bookmakers, which probably make up the remainder of the online market here in Australia.

Nicholas McGOWAN: In respect to advertising, what is the position of your own company? Where do they think the happy medium lies in terms of allowing some advertising, or do they think none should be allowed? What is the position there?

Steven LANG: We think that there really should be targeted reforms. We think that those blanket bans are not appropriate. So in terms of what we think that looks like, we think that in order to address the priorities, which are around exposure of children to gambling advertising and the connection to sport, that would include things like prohibitions on social media advertising where there are not effective age-gating capabilities and in terms of TV advertising, volume and frequency caps during child-friendly viewing hours and volume and frequency caps during live sport broadcasts. So that is where we think that there is an opportunity to make some of those targeted changes that will address those issues that have been raised.

Nicholas McGOWAN: Have you given some consideration to both volume and the frequency caps and what they should look like? Presumably you have done some work on this.

Steven LANG: I think there would certainly be a consultation process that would need to occur with all of the relevant stakeholders, including the broadcasters. We do not have a formal position at this stage in terms of exactly what that would look like.

Nicholas McGOWAN: Okay. Does your company sell any of the data or outsource its data storage management to other companies?

Steven LANG: I not aware that we sell any data. We certainly do not sell any customer data. But I probably would just need to take that on notice and come back to you with the detail. I am just not across that particular issue.

Nicholas McGOWAN: Sure, okay. Thank you very much. Thank you, Chair.

The CHAIR: Thanks, Deputy Chair. We will go to Mr Hilakari.

Mathew HILAKARI: Thank you so much for appearing today. I appreciate your initial introduction, and your submission as well. You just mentioned concerns around advertising. Has your organisation made any changes to television advertising so far?

Steven LANG: To date we have not made any sort of formal changes to our advertising on TV. As I said, there has been this process that has been ongoing, including driven through the Commonwealth inquiry, and we have certainly accepted that the community sentiment around the level of advertising on TV has shifted and that there is a need to make some changes, and those changes that I have outlined are where we think that that probably needs to go.

Mathew HILAKARI: And I appreciate in your submission a number of actions that Entain takes around people with gambling issues and addiction issues. Do you have an assessment with these tools of the number of customers that have gambling addiction problems?

Steven LANG: It is a difficult one to measure. We know that there is quite a lot of literature that exists around the problem gambling rates that exist, and while those rates are quite low, we recognise that we do have a role to play in identifying customers that are at risk of harm and intervening with those customers. In terms of what we do, we are really looking at indicators of harm, and where we do identify indicators, we will have the interaction that we determine is appropriate. It is challenging to always quantify the harm itself that has occurred, and the experience of harm is really going to be different for every customer, so that can be a

challenge because there are going to be indicators that we look at that might be indicators of harm but will not necessarily be indicative of harm. An example might be age. Age is a consideration that feeds into our data monitoring, and if there is a customer who has displayed other red-flag behaviour, that might make it more of a risk if they are a particularly young customer, but age in and of itself is not necessarily indicative that somebody is being harmed. So it is a challenge, but it is certainly something that we continue to work with and grapple with, and we are certainly working with other organisations, including the University of Sydney, to help us understand that and continue to improve and build on our systems and processes.

Mathew HILAKARI: Great. And it might be hard to quantify that, but certainly you could quantify maybe the percentage of customers or interventions per customer base that you actually undertake. Do you have that available in terms of those percentages that you actively intervene in?

Steven LANG: I do not have the detail with me here today, but we can definitely provide that information on notice if that would assist, yes.

Mathew HILAKARI: That would be really great. And you have got 11 dot points that you have outlined, from deposit limits through to pending withdrawals. Are you able to provide percentages of those interventions as well, either on the customer or the number of gambling interactions you have? I am happy to take either.

Steven LANG: Yes, we could certainly provide that. In terms of those lists of things, I think there is sort of a distinction between what are the account management tools – so they are the ones that a customer can voluntarily choose to use – and then the customer interactions that we have following our data monitoring, but we can provide –

Mathew HILAKARI: You have got to my next question, so that is great. That is those five dot points about soft interactions and stronger interactions that you have outlined, so we would really appreciate if you have got any data that you could share on that. That would be fantastic.

Steven LANG: Yes, I am happy to do that.

Mathew HILAKARI: You have got a safer gambling team in place. Do you understand or are you able to share with us the number of referrals per day that they receive and that they act on?

Steven LANG: Again, I would probably have to come back to you in terms of some of the specific detail around that, but, yes, we can certainly do that.

Mathew HILAKARI: And you mentioned on page 6:

This approach has seen more than 300,000 unique tools created by our customers in the last year alone.

Could you just expand for the committee what that means? This is in relation to your online gambling tools.

Steven LANG: Sure. In terms of the Punter Assist tools, and this is what we certainly see as an industry leader of account management tools which go over and above the tools that are mandated, that figure of 300,000, I think – I ran it recently; it was around 340,000 for the last 12 months – refers to individual circumstances that a customer has used or modified one of the tools that are available to them, whether that is the deposit limit tools, whether that is the curfew tool or the block-out tool – that range of tools. That is the total of those.

Mathew HILAKARI: So that might be somebody changing, for example, their monthly deposit limit from, say, \$250 to \$275. That would count as an interaction for those purposes?

Steven LANG: It would, yes. That is right.

Mathew HILAKARI: Thank you for that. Just in terms of addiction with gambling, I was wondering if you could speak to people's gambling addiction but also then the idea around choice, because it seems to me that people who are addicted have lesser degrees of choice in the decision-making they have. How do you deal with that as an organisation – in helping those people who are addicted but also describing that as choices to be made?

Steven LANG: It is a really good question, and it is something that we need to continue to work through. Yes, there is choice that is available, and we certainly provide a range of choices to all of our customers through the account management tools that are available to them. We do understand that for some customers they are not able to control their gambling, and that is why we support those account management tools that are available at an individual customer level to the data monitoring that we do. Really what that data monitoring is doing is looking for changes in behaviour. Where we identify that there is a change in behaviour, we will look to have a conversation with that customer, because we know that we actually need to make contact and to talk to them to understand whether that gambling is comfortable for them or whether it is putting them in a situation where they might need some sort of an intervention. There is certainly a distinction in relation to those two elements.

Mathew HILAKARI: And do you take into account any factors like a person's income or their household income when making these decisions?

Steven LANG: The issue of affordability is absolutely something that we would take into account, where we have access to that information.

Mathew HILAKARI: I reckon that would be difficult to access, but I would love it if you could take it on notice – how you find that out. Just finally, we have discussed some issues around bet limits and applying them to all betting organisations and all forms of gambling across Australia, and I understand that is something that has been taken up overseas. What would you say to such a proposal?

Steven LANG: I think one of the challenges with bet limits, and with a range of new regulations that have been proposed, is that the level of affordability or the level of gambling that can be safely sustained is really going to differ for each customer. The challenge is finding that happy medium where we can protect those people who do need protecting but not create unnecessary and onerous interventions for those customers who are gambling safely and enjoying it. What we are looking to do is, I guess, make sure that any changes that are proposed really do have a sound evidence base and are not going to create those unintended consequences. When we are talking about those consequences, they are around things like putting in place things that make it too difficult for customers to be able to safely gamble in the Australian regulated market and then accessing the unregulated market, where there are illegal offshore bookmakers who are not providing taxes to Australian governments, are not providing product fees to racing and sporting codes and are not providing those protections to their customers. Some of the examples that we have seen out of Europe in some of the very heavy regulated markets show that the offshore illegal markets have really grown substantially.

Mathew HILAKARI: Thank you so much. That is it for me.

Sarah CONNOLLY: Thanks, Mr Hilakari. Mr O'Brien.

Danny O'BRIEN: Thanks, Chair. Thanks, Mr Lang. You talked just a bit about international competitors there. Can you give us a bit of an idea of the illegal online gambling sector – how big it is and how easy it is to access in Australia?

Steven LANG: I think the most recent information that has come out has been through the Australian Communications and Media Authority – the federal regulator. I think they estimated the size of the offshore market at about \$1.6 billion a year, so it is certainly not insignificant. Certainly in terms of the number of new illegal offshore bookmakers that continue to appear on the Australian market and are shutdown by ACMA, it suggests that it continues to be a problem that they are grappling with and that they are working to address.

Danny O'BRIEN: Is that just bookmakers? What about online gaming, as such, where you can sort of play pokies and other games online?

Steven LANG: I think that would be both of those sectors – so that would be online wagering plus the online pokies and the online casinos.

Danny O'BRIEN: Okay. Can I ask a bit about your programs? One of the issues I think regulators as well as companies have to grapple with is that line between privacy of a customer and monitoring what they are doing. How do you manage that, and how do your customers respond when you presumably are making

contact and saying, ‘Hey, we’ve seen some activity that we’re a bit concerned about; is everything okay?’ How do you handle that?

Steven LANG: We have specialists who are trained to have those conversations, and generally we get really positive feedback from our customers when we actually have those interactions. I think they are appreciative of the fact that we are looking to help protect those customers and to help them gamble safely. The overwhelming majority of feedback that we get is really positive about those interactions.

Danny O’BRIEN: Including for someone with a real problem? Are they the most difficult in some respects?

Steven LANG: Look, I would probably have to come back to you on notice with a bit more information around the distinction between the different types of customers. Sometimes I think what we find is that when people are experiencing that acute harm, they are probably the ones that appreciate it the most because they realise that they are at the point where they need to take some really serious action, so some of those conversations actually are taken on board really well by the customers. I think the other important thing to note is that sometimes, and this has been borne out in the conversations that we have had and what research has shown in terms of other sectors as well, just simply having the conversation, creating the opportunity for the person to go away and have a think about it, is often the catalyst for them to change their behaviour as well. So we do see that post contact we do have an uptake in the use of the Punter Assist tools, which I think is a really positive thing as well.

Danny O’BRIEN: Nice segue to my next question, which is: do you know what sort of percentage of your customers utilise Punter Assist?

Steven LANG: Again I will probably come back to you with the detail around that as a whole and in relation to the individual tools as well.

Danny O’BRIEN: Okay. One of the issues I have a question or a concern about with the online wagering, full stop, is the personal contact. Is it accurate to say a customer can sign up with Entain products to their heart’s content for years and never actually engage with a person, either directly or over the phone?

Steven LANG: I think it would certainly depend on the nature of the customer and their own unique circumstances. If there is a customer who is betting in a really safe and sustainable way, then there may be very few interactions that exist. Particularly where there are significant changes in behaviour where we do identify that red-flag activity, that is always the catalyst for us to intervene and to have a conversation, to have a discussion with the customer.

Danny O’BRIEN: Okay. And those people that are doing outreach – you mentioned specialist people who are trained. What type of specialist? What sort of training do they get? Are they formally qualified in any particular specialty?

Steven LANG: There is no – they do not have formal training. They are not trained counsellors, because that is certainly not their job. All of our staff, including the safer gambling team, are trained in relation to looking for the various red-flag behaviours. We have significant in-house mentoring programs and on-the-job training too about how to have the conversations with the customers. They have mental health first aid training so that they are trained to deal with difficult conversations, and then I guess throughout the process of their employment there is always part of our quality assurance program about reviewing calls where we think that there are opportunities to improve, having those discussions so that we are always having the conversations with the customers in the best way that we can.

Danny O’BRIEN: Righto, so they are trained in a specialty, but they are not qualified psychologists or –

Steven LANG: No, certainly not. They are certainly trained to refer, so if there was a customer who the team member thought that there was a significant mental health issue or something that would require further support that they were not qualified to give, they are trained to refer that person on to the appropriate support service and to provide information in relation to that.

Danny O’BRIEN: Yes, okay. Chair, can I sneak in one more?

The CHAIR: Sure.

Danny O'BRIEN: Just in your experience, given you are an international company, Mr Lang, is there a nation that does gambling harm better or best or that is the gold standard? And you are welcome to say it is us if it is, but I suspect not.

Steven LANG: Look, I can probably only speak in detail to the Australian environment, and I think that in terms of what we offer here, we do have really robust systems and processes, both around the account management tools that we offer the customer to allow them to control their gambling in the way that suits them and the way that we intervene with our customers. Certainly there are different things that have been trialled in other countries around the world and that have been implemented over there. I think that it is important to recognise that there are different markets as well. Some of these international markets are very different in terms of the products that they offer, so whether they are offering online casinos and online pokies, I think that is a very different type of thing and potentially requires different sorts of interventions, particularly during the gambling experience. Certainly from my experience, I think Australia does have really good systems and processes in place. Can we continue to improve? Absolutely, and that is something that we are always striving to do.

Danny O'BRIEN: Yes. And just to be clear: Entain's products are only sports betting; you do not do any online casinos or anything like that in Australia?

Steven LANG: In Australia – so racing and sports betting, correct.

Danny O'BRIEN: Thank you. Thank you, Chair.

The CHAIR: Thanks, Mr O'Brien. We will go to Ms Kathage.

Lauren KATHAGE: Thank you, Chair. Thank you, Steven. We have spoken a bit about using data for preventing harm through indicators: I just want to ask about how you use the data or the red flags to increase sales?

Steven LANG: Sorry, to increase sales?

Lauren KATHAGE: You are noticing the behaviour of gamblers; are there behaviours that you notice in gamblers that would then, instead of triggering the harm reduction, have more of a sales focus, or is there a sales team monitoring that sort of data?

Steven LANG: The red-flag indicators that we collect in our system are designed exclusively and used exclusively to monitor for risk of harm and to intervene with the customer where that is appropriate.

Lauren KATHAGE: So not that side of the data, but a different side, data monitoring for sales purposes.

Steven LANG: Look, I probably need to come back to you with the detail around that. That is probably not my area of expertise, but I could certainly see what I could find and come back to you on that issue.

Lauren KATHAGE: Okay, thank you. I guess this leads to questions of algorithms and understanding behaviour and triggering responses based on what has been noticed. So can I ask: are there any industry standards related to algorithms to market online gambling?

Steven LANG: Sorry, is this in terms of monitoring for red-flag behaviour around gambling harm?

Lauren KATHAGE: No, I am talking about sales, increasing market share, advertising, algorithms that are used internally and for people browsing online.

Steven LANG: Yes, again, that is not my area of expertise. I would need to take that on notice and see what information I can collect on that and come back to you, if that is okay.

Lauren KATHAGE: Okay. We have heard from Meli, a service providing help for gamblers in the Geelong area, that they are having parents bringing children as young as 12 to them for assistance with problem gambling. Obviously that is concerning for them. I want to ask around industry standards or your processes for verifying IDs and processes in place to prevent the fraudulent use of IDs for people accessing your products.

Steven LANG: Sure. There are existing protections around under-age gambling, and they are principally through the identity verification processes. The current requirements are that verification must occur within 72 hours of the account being created. From the end of this month that will actually be changed, and there will need to be verification of the identity before the account can effectively be allowed to operate. I think the mandatory account-based nature of online wagering does provide some of those additional protections around identity verification. Outside of the formal verification process we have a range of fraud rules which we look at and try to identify where there might be an under-age user, and that could be things like monitoring calls or customer contact for phrasing or language that is used or the email addresses that have been signed up. So, for example, if there is a school account that is used, obviously that would be a significant red flag that would be investigated. I am not aware that there is a significant issue in terms of the numbers, but obviously it is something that is a very important issue. We are an entertainment product, but we are an entertainment product designed for adults and we only want adults using our product.

Lauren KATHAGE: And what is the process for verifying IDs?

Steven LANG: We principally use a third-party provider, greenID, to verify identity.

Lauren KATHAGE: Okay. Thank you. Certainly the service providers that provide assistance to gamblers have told us that they are seeing an increase in the number of young people that are accessing gambling products. We have heard from you that you understand that community sentiment has shifted regarding gambling advertising, so marrying that with the uptick in youth gamblers, I am wondering why you do not make changes to your gambling advertising now ahead of future regulated changes?

Steven LANG: I think as I said we have certainly accepted that that community sentiment has changed, and we are very keen for the changes that are being considered around advertising reform to be considered. We think that there are some opportunities for some really targeted reforms that are really going to address those issues around the exposure of children to gambling advertising and around the connection to sport, and I think I certainly outlined those earlier today. We are absolutely committed to implementing those once those rules have been implemented.

Lauren KATHAGE: Okay, but you would not lead the way in making changes based on community sentiment and increased harm to young people?

Steven LANG: At this stage we would comply with the regulatory framework that exists. I would only be speculating as to what would happen in the event that changes are not made or take longer to be determined.

Lauren KATHAGE: Thank you, Chair.

The CHAIR: Thanks, Ms Kathage. Mrs McArthur.

Bev McARTHUR: Thank you, Steven, for coming along and talking to us today. You state that Victoria's regulatory framework lags behind other jurisdictions when it comes to reducing gambling harm through wagering service providers identifying red-flag customer behaviours. Can you give some specific examples of Victoria lagging behind other jurisdictions?

Steven LANG: I think the point I was making in the opening statement was around the lack of formal requirements under the Victorian codes to monitor for red-flag behaviour. Obviously from our perspective that function in terms of monitoring for red flags and intervening with the customer as appropriate is such an important part of what we do to ensure we are providing a safe gambling experience for all of our customers. The current Victorian requirements for Victorian online bookmakers do not formally require that to occur. We understand that there is a process that is ongoing through the review of the codes of conduct, and are really hopeful that that will introduce those standards which apply to NT licensed bookmakers.

Bev McARTHUR: So the NT program, is that the best, or is it New South Wales, Queensland?

Steven LANG: I think there is a range. The NT market, as I said, is the only fit-for-purpose licensing regime. There are other –

Bev McARTHUR: Pretty amazing that Northern Territory is leading the way.

Steven LANG: I can only comment on the scheme that they have got. They do have that fit-for-purpose licensing regime. There are other jurisdictions that have implemented processes and regulatory requirements to minimise gambling-related harm, and some of those requirements apply to the customers that are resident in those jurisdictions, so those things do exist in other jurisdictions as well.

Bev McARTHUR: And do you think that your business or any other service provider in your area, along with the government, can be held responsible for what children are doing? Have parents got no responsibility in this area, do you think? Is it all up to you and the government?

Steven LANG: I think that there is a shared responsibility for all parties to play their role in ensuring that we are providing a safe environment for what is an entertainment product that is designed for adults.

Bev McARTHUR: If the online gambling industry was to be shut down, what would happen, do you think, to, say, the racing industry, especially in country Victoria. I am a country MP; we depend on racing in the economy. What would happen to that industry?

Steven LANG: I mean, there is an inherent link between wagering and racing, and the racing industry relies on funding that it receives from the wagering industry to sustain it and the tens of thousands of jobs here in Victoria and around the country that it supports. In the circumstance that you have described, if the online wagering industry was shut down, it would have, in my view, a crippling impact on the racing industry not just here in Victoria but around the country. We pay in Victoria alone over \$100 million to governments and to the sports –

Bev McARTHUR: Say that again.

Steven LANG: In Victoria alone we provide more than \$100 million a year to governments and to racing controlling bodies in the form of point-of-consumption taxes and product fees. So that would be a significant funding shortfall to sustain the racing industry and the other funding that is provided for government purposes.

Bev McARTHUR: There might be a couple less hospitals or something. If you were to produce the gold standard of monitoring of this industry, what would it be?

Steven LANG: We are certainly always looking to improve to provide the absolute best that we can in terms of our safer gambling monitoring framework. We already go above and beyond the mandated requirements in terms of the range of account management tools that we offer to our customers. Beyond the deposit limits and the offers of self-exclusion, which are mandated, we have a range of tools, like the curfew product, which allows a customer to set particular times of the day that they cannot access their account – so, for example, if they did not want to be able to bet at night, they could customise their account so they were not able to access it at night. Similarly, the block out feature allows customers to block out particular days of the week – so if there was a customer who only wanted to have their bet on a Saturday but did not want to have access to their account for the rest of the week, they could certainly do that. We think we already go above and beyond those mandated requirements. We are always looking to improve, and it is a key priority of ours to really provide that safe gambling experience for all of our customers, because we know that that is part of creating a viable and sustainable industry going forward.

Bev McARTHUR: You mentioned you are doing away with sponsoring sports T-shirts and whatever our athletes use running around a football oval or wherever else. Why did you come to that conclusion?

Steven LANG: This was part of what we were hearing in terms of the community sentiment around the connection between gambling and sport, and we thought it was a really important first step to take to really remove that link. We were the first company in Australia to move away from the sponsorship of Australian professional sporting teams. We have said we think it is an important step. We have recognised that community sentiment has shifted, and that is why we think there needs to be some further restrictions, particularly around the volume and frequency caps on TV broadcasts during sporting telecasts.

Bev McARTHUR: It seems like a very honourable effort. Thank you.

The CHAIR: Thank you, Mrs McArthur. I am just conscious of time. We started not exactly on time, so we are going to go just over, Mr Lang. Ms Sandell, I am conscious you may have some questions, and then we will go to Mr Galea last.

Ellen SANDELL: Thank you, Chair. My first question is around, again, registering in the Northern Territory. So your head office I understand is in Queensland. Is that correct?

Steven LANG: That is right, yes.

Ellen SANDELL: And you answered Mr McGowan's question about why you are not registered in Victoria – because you feel like our regulatory system is not fit for purpose. But why not register in Queensland or any other state? Is it because the regulatory system in the Northern Territory is more advantageous for your business?

Steven LANG: I think the NT is the only jurisdiction that has a fit-for-purpose licensing regime for online bookmakers.

Ellen SANDELL: You talked about having a staff team in customer monitoring that are solely focused on identifying customers who might be at risk and then taking action. It looks like you have got 800 people employed overall. Do you know how many FTE staff are in that customer monitoring team?

Steven LANG: In the dedicated safer gambling team there are currently 16 staff. That is going to be 19 within a couple of weeks; we are building that team up. In terms of our customer-facing staff, that is about a quarter of our workforce. All of our customer-facing staff are trained to be able to identify red-flag behaviour and to refer to that specialist team, and it is that specialist team who really do the detailed reviews of customer account activity and then determine the form of intervention that is appropriate in the circumstances.

Ellen SANDELL: Thank you. Could you just remind us how many customers overall you have – how many unique customers?

Steven LANG: In terms of active customers, I think in the last year we had around 700,000 active customers.

Ellen SANDELL: Thank you. You mentioned training provided. Is that just to your customer-facing staff?

Steven LANG: No, sorry, all staff receive both mandatory and organisational training on safer gambling. One of the national consumer protection framework measures was mandatory training around the responsible service of online wagering. That training, which was developed independently, goes through a range of the regulatory requirements that exist around the country, around the things to look for in terms of red-flag behaviours and around how to intervene with customers. We have our own safer gambling training which really looks to complement that by working through the systems and processes that we have in place to refer customers to our safer gambling team.

Ellen SANDELL: So you said that that was independently developed, but is it delivered in-house?

Steven LANG: No, it is an online training course which is run by TAFE Queensland.

Ellen SANDELL: Can you just talk us through what that training looks like in terms of how many hours a staff member gets each year, for example?

Steven LANG: As part of the national consumer protection framework training there is a requirement for refresher training, so that is an annual training that needs to occur. I would probably need to come back to you in terms of exactly how long we expect that that –

Ellen SANDELL: Yes, it would be good just to get a ballpark. You know, is it just a kind of one-hour online module or is it longer? Is it once a year, or is it more frequent? That kind of thing.

Steven LANG: Sure. Happy to take that on notice and come back to you.

Ellen SANDELL: Thank you. You talked about your organisation supporting some limits on advertising; you mentioned TV advertising specifically. Would you support limits to outdoor advertising at physical sports venues?

Steven LANG: Look, I do not have a formal position to provide to the committee on that. It is something that I could certainly take on notice and come back to you on.

Ellen SANDELL: Thank you. Does your organisation – I assume you do – monitor trends in how people are using your product and whether that is changing over time?

Steven LANG: In what respect, sorry?

Ellen SANDELL: There might be trends in the way people use your product in terms of people betting more, betting less; larger bets, smaller bets; more often, less often; older people using it more, younger people using it more; women using it more, men using it less – things like that. I am just thinking: what are the trends that you might have seen over the last few years? We have been hearing from other witnesses about trends in online gambling, and I am keen to hear your perspective on that.

Steven LANG: Look, again I can take that on notice and come back to you with any particular things. In terms of the question about male versus female, I think those percentages have been fairly stable over the last, I think it is about four years. In terms of other particular trends, I can certainly have a look at that and come back to you with some information if that would assist.

Ellen SANDELL: Okay, thank you. I will pass back to you, Chair, in the interests of time.

The CHAIR: Thanks, Ms Sandell. Mr Galea.

Michael GALEA: Thank you, Chair. Thank you for joining us, Mr Lang.

Steven LANG: No worries.

Michael GALEA: Can I start by asking approximately how many transactions occur on your platforms each day in Victoria?

Steven LANG: Well, that is a very good question, and in Victoria – I would need to come back to you with the detail around that.

Michael GALEA: No problem. I am happy for you to take that on notice. And probably it may be a similar answer, but I am curious to know the value of those transactions as well.

Steven LANG: Yes, I am sure we can provide that. I will just need to check whether there are any commercial sensitivities, but if we can provide that, I will certainly come back to you with an answer on that one.

Michael GALEA: Thank you. Whichever time frame – if it is not day, week or whatever else would be great, if we could have some sort of indication.

Steven LANG: Sure.

Michael GALEA: You said to Mrs McArthur that you do pay Victoria's point-of-consumption tax. How much tax did you pay in Victoria last year?

Steven LANG: So in Victoria I think the figure was \$57 million. It is in the order of \$50 million to \$57 million. If that is not right, I will come back to you, but it is around that mark.

Michael GALEA: Terrific. Thank you. You also said in your presentation that you do support a balanced and considered approach to gambling regulation in Victoria. Now, I note that in May of this year the UK arm of your organisation publicly welcomed a government white paper on stronger gambling regulations and called it:

... an important step towards having a robust regulatory framework ...

But it was later revealed that at the same time Entain was actually privately funding a campaign to oppose it by encouraging people to write to MPs with all sorts of templates, including phrases such as ‘massive infringement on my personal freedom’ and it just ‘isn’t British’. It was then accused by MPs in the UK across the political divide of being underhanded and dishonest. Is that a balanced approach to getting responsible gambling regulations: publicly welcoming it and then working against it privately?

Steven LANG: Look, I am not familiar with the details of that issue, but I can come back to you on notice with an answer to that question.

Michael GALEA: Thank you. And with that track record, how can Victorians be confident, when you come to them and say all these things that you are doing and the steps that you are looking to take, that Entain is actually genuinely trying to be a good corporate citizen?

Steven LANG: So, I mean, I can only speak to what I see on a day-to-day basis, and what I see is a genuine commitment from the top down to safer gambling practices. That comes not only from our CEO but all the way down – it is part of our recruitment. We want to recruit people who share our values and our commitment to safer gambling. We have people working on safer gambling issues across all parts of the business in terms of our product, our business intelligence. It is certainly absolutely a key focus for us, and I think is evidenced by the robust systems and processes we have in place that really show that we genuinely are committed to providing a safe gambling experience for all of our customers.

Michael GALEA: There has been a lot of discussion about the Northern Territory regulator. I will not seek to go over that again, but I note that the federal committee did recommend the establishment of a federal regulator for WSPs such as you. Would you support federal regulation?

Steven LANG: We certainly support the concept of national consistency around regulation, and to an extent that has already been achieved through things like the national consumer protection framework, which provides consistent standards around safer gambling measures. Obviously the implementation arrangements for those have differed according to the different states and territories. We think it is a matter for the Commonwealth and the states to determine whether there would be an advantage to a national regulatory model to deliver safer gambling outcomes. What we think is that the principle of national consistency and ensuring that everybody is subject to the same high standards is something that we support.

Michael GALEA: And just briefly on advertising, not to go over what Ms Sandell said as well, but as you have not already changed those advertising levels, how can Victorians have faith that you do mean what you say – that you want to reduce it – if you have not actually taken those steps already, if you are waiting for it to be enforced, basically?

Steven LANG: Look, as I said, you know, we have accepted that community sentiment has shifted, and we are really keen to work with all stakeholders to be part of the solution and work through what those really sensible and targeted reforms look like.

Michael GALEA: What do you think that should look like in terms of TV hours, in terms of billboards, in terms of other forms of advertising that you do?

Steven LANG: So in terms of the things that we think – the targeted reforms to address the issues around exposure of children to advertising and around sport, are the things that I outlined in terms of prohibiting social media advertising other than where there are age-gating protections – having those volume and frequency caps during child-friendly viewing hours and volume and frequency caps during live sport are the things that we think would be a really good priority to really address those targeted issues.

Michael GALEA: And just lastly, I know some of your competitors do heavily promote chat functions within their apps. Do any of your apps have the chat functions as well?

Steven LANG: We do have chat functionality within the app, yes.

Michael GALEA: All right, thank you. Thank you, Chair.

The CHAIR: Thank you, Mr Galea. Mr Lang, thank you very much for appearing before the committee today. The committee will follow up on any additional questions or questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee is going to take a very short 5-minute break now before commencing the next hearing. I declare this hearing adjourned.

Witness withdrew.