

**Wagering and Betting Licencing Project**  
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**Response to the discussion paper.**

1. Is the existing regulatory framework for the wagering and betting licence appropriate with respect to reducing harm associated with wagering and betting and why? If not, what changes could be made to the regulatory framework to further reduce harm associated with wagering and betting?

The regulatory framework is appropriate

2. Are the regulatory requirements for the wagering and betting licensee appropriate and why? If not, what changes could be made to the regulatory requirements for the wagering and betting licensee and why?

No:

Item 3.2 a single wagering and betting licence creates a monopoly on delivery of the product in Victoria which has created uncommercial practices especially in relation to licenced venues.

3. Is the structure of the Victorian wagering and betting licence appropriate and why? If not, what changes could be made to the structure of the Victorian wagering and betting licence and why? Your response may include, but not be limited to, the:

- (a) Term of the licence
- (b) Number of licences
- (c) Products authorised under the licence
- (d) Exclusivity of totalisator betting
- (e) Exclusivity of a retail network.

Your response may also consider the impact of any changes with respect to reducing harm associated with wagering and betting.

- (a) Term of licence is appropriate.

- (b) Number of licences should be more than one. If there is to be only one then unfair restrictive monopoly practices in relation to the various stakeholders should be not be allowed. It may be necessary to establish a government appointed appeals/review panel which could offer a mechanism to control the unfair practices.
- (c) Products authorised under licence is good and/ but should be flexible to allow for changing consumer demands
- (d) Exclusivity of totaliser betting.

Having only one wagering licence is not good for the licenced venues. There may be benefits for the government to have one wagering operator. It does lead to practices which may be good for the existing operator (Tabcorp) shareholders but not good for consumers and the licenced businesses associated with delivery of the product.

- (e) Exclusivity of a retail network.

It can be presumed this includes both retail agencies (92) and licenced venues (639). If there was to be more than one operator licenced venues could simply be linked to a new player. Competition would be good.

- (d) A single wagering operator has led to fees being charged to licenced venues (Approximately 639) which can be exorbitant.

#### Fees and Charges to Licenced Venues

- Live Television Broadcasting of thoroughbred racing, harness racing, greyhounds SKY TV subscriptions for licenced venues are totally unrealistic. In no way do they compare with the fees which are being charged to domestic consumers. SKY fees for licenced venues (Pub Tabs and Club Tabs) can be up to twenty seven (27) times the price paid by domestic customers.
- It is compulsory to have SKY vision if you are a licenced venue. This should be abolished. A new operator should not be allowed to enforce such punitive conditions on a licenced venue.
- Additional licenced venues are being introduced into the Victorian markets which are already well catered for. There is no problem with that but the company which owns the monopoly (Tabcorp) simply makes the playing field for existing licenced operators even more difficult as the pie is simply being spread across more venues. More venues mean more SKY TV fees for Tabcorp. There is a strong feeling in the industry this simply is a tactic to raise more revenue for Tabcorp and not necessarily a better deal for the consumer. This could be called gouging the licenced operator.
- The live broadcast issue has been an ongoing problem with all stakeholders in the Victorian wagering industry. Customers have suffered broadcast blackouts when stakeholders were fighting about ongoing arrangements. Licenced operators (i.e. hotel Pub TABS and Club TABs) have tried on many occasions to come to a satisfactory arrangement. Whist winning some concessions over the years it is a commonly held belief amongst these licenced venues they are being held to ransom and can do nothing about it.

- These practices in the modern era cannot and should not be tolerated.
- The absurdity of the situation is further amplified by Tabcorp entering into an agreement with another rival company currently (in 2018) called Beteasy which allows live SKY vision free of charge to the consumer. Customers can bet on their devices in a licenced venue and the venue gets nothing. The arguments from the existing operator (Tabcorp) are the licenced venue operator gets flow on business. This argument does not stand the competitive commercial test in most cases. .
- On top of all of this TAB customers have access to live SKY TV on the TAB betting internet applications. Customers use a licenced venue (its staff and facilities) free of charge and use all their own devices free of charge to bet in the venue. The venue gets very little return.
- All these arrangements further exacerbate the plight of the licenced venue.

Recommendation is not to allow the wagering operator/s force licenced venues into having a live television service as a part of their agreements. There could even be an issue with the ACCC in regards to this unfair and inappropriate tactic.

(f) Commissions paid to licenced venues are not commensurate with costs incurred associated with operating the business. Plenty of studies have been conducted by licensed operators which confirm this statement.

(g) Payment of commissions to licenced operators varies. The smaller licenced operator is usually the one being disadvantaged. Whilst this may be a smart thing to do for Tabcorp the variations can make it hard for some businesses to be viable at the best of times.

(e) Refurbishments/fitout of licenced premises.

Another problem associated with a monopoly wagering licenced holder is when it comes to choosing which contractor will carry out the works. Currently the licenced venue is forced into using the preferred Tabcorp contractor which can end up being up to three times the market price following the same specifications. Whilst there may be some rebate to help with the costs it cannot be called a good moral and ethical business practice. There many propriety companies in the open competitive market which enforce this principle with their commercial partners but they are not a government appointed monopoly.

5. Is the link between racing industry funding and the wagering and betting licence (including racing, simulated racing and sports betting) appropriate? Why or why not?

Arrangements are satisfactory

6. Are the current commission and taxation arrangements under the wagering and betting licence appropriate and why? If not, what changes could be made to the commission and taxation arrangements and why?

Arrangements are satisfactory

7. Are the revenue distribution arrangements under the wagering and betting licence appropriate and why? If not, what changes could be made to the revenue distribution and why? Your response may include, but not be limited to, the: joint venture arrangements between the wagering and betting licensee and the VRI alternative models that provide industry funding and returns to the licensee.

Arrangements are satisfactory

8. What are the trends, or likely future trends, in the Victorian wagering and betting landscape and how will this impact on the next wagering and betting licence?

The internet and what it might bring no doubt can influence on what the consumer (the public) wants to see. Governments can control what is happening but the speed of change can leave everyone stranded. It is important that the state governments cooperate with the federal government in controlling and /or minimising illegal offshore wagering/gambling operations.

All governments in Australia need to have more consistency with the fees and returns offered to the successful wagering operator. The Victorian Government should make all endeavours to be competitive and have in place review mechanisms to make sure all parties (the wagering operator and the licenced venues) will be able to get a fair return on their business operations to accommodate changes during the term of contract.