

FROM THE VICTORIAN OFF COURSE AGENTS ASSOCIATION (VOCAA)

VOCAA currently represent 73 Agents and employ over 500 staff in the retail network. It is our priority to protect the exclusivity of our network and in turn protect the livelihoods of these people. Some of these agents and their employees have been in the network for decades and would struggle to find employment in other fields.

Currently the retail network is struggling with the introduction of corporate bookmakers and the movement to the digital landscape. VOCAA firmly believes that the network could not survive if more than one retail operator was given a licence on top of the competition we already face.

VOCAA also wish to emphasise the need of a longer contract. At present any sort of investment into the future is extremely hard to commit to as there is uncertainty amongst agents in regards to their job security and longevity.

Protection of stand alone agencies (non-alcohol) is a priority for VOCAA and we would like to be involved in any decisions being made in terms of closures. Many customers do not want to visit licensed venues to place a bet and we want to protect these people.

Agencies for many years have provided a meeting place for people to gather and socialise, creating a sense of community. VOCAA does not want to see this change. They have in many cases supported the local community through sponsorships of various organisations, like sporting clubs and have been part of the iconic landscape of Australian society. Agencies draw people to local shopping precincts and consequently help support the other businesses in those precincts.

JOHN HABERMAN (PRESIDENT)



Question 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?

VOCAA feels that measures put in place by Tabcorp and agents in terms of training and staff experience play an important role in harm minimisation.

All our staff receive regular advices on problem behaviours and how to deal with individuals who may require assistance.

We have a bet care program to help reduce the effects of problem gambling for the individual.

Recent advertising restrictions being introduced are also a step forward in terms of reducing the harm associated with wagering.

Question 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?

Restrictions around live betting outside of retail venues help to build the retail network and also to minimise the risk behaviours associated with wagering. VOCAA is extremely happy with these measures as they ensure a future for retail and also ensure the protection of our customers.

In terms of changes we would like to see an equalisation in the range of products Victorians are able to offer. Interstate licensed online bookmakers have access to a much broader product range and we ultimately feel this is unfair to both ourselves and our customers. It forces customers to go online and increases the risk of harm.

Question 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**

The current 12 year term is too short as it has created uncertainty amongst the network. This effects investment decisions, access to finance, as well as difficulty in retaining the very best agents. VOCAA believes that a longer term would help agents plan for their futures and ensure that future decisions will not be compromised by a lack of income should there be significant change. A longer term would also allow Tabcorp to make more investment into our agency network.

A term of at least 20 years as seen in the recent gaming machine entitlement extensions would provide agents with the certainty they need.

VOCAA represents 73 Agents who employ over 500 staff. Providing these people with stability is extremely important as it effects several areas of the community.

b) **number of licences**

A single licence is paramount.

Tabcorp and VOCAA have shown a reliability of service. We believe this could be at risk if a new operator is introduced.

Tabcorp and VOCAA have a proven track record of responsible wagering, something which we take pride in and wish to continue to the highest possible standards.

All other states have a monopoly retail and totaliser licensee

Tabcorp and VOCAA have proven excellence with retail and a genuine history of investment in the retail channel.

We believe that multiple licences will not be a successful. Multiple operators failed in the lotteries licence in 2008.

c) products authorised under the licence

The Government would do best to implement measures to protect the position of the retail wagering licence against corporate bookmakers (such as Ladbrokes deal with newsagents).

Our products need to be functionally equivalent to the products offered by online competitors. At present online book makers are allowed to offer several markets that we are currently not allowed to offer. This needs to be rectified.

d) exclusivity of totalisator betting

Financial parameters that ensure the retail market is competitive and protected against online only operators are paramount. Our tote product is the key differential and agents need exclusivity to remain competitive.

e) exclusivity of retail network

VOCAA would like to request that our agents be assured exclusivity in this area. The livelihood of hundreds of people relies on the exclusivity of our agents to run the network.

We are extremely happy with the support Tabcorp provide us and hope that this relationship is allowed to flourish indefinitely. If however a new licensee was appointed we would like to retain exclusivity in running our businesses.

Question 4: Is the licensing process set out in the GRA for the wagering and betting licence appropriate and why? If not, what changes could be made to the licensing process for the next wagering and betting licence and why?

VOCAA strongly believe that having an experienced wagering operator in control of the licence is the best outcome for the retail network.

The following considerations should be met for the award of the licence.

- issues of good repute
- technical capability, systems and financial background
- Financial resources and ability of the applicant to establish, maintain and ensure the financial viability of a wagering and betting business.
- that the applicant has a Responsible Gambling Code of Conduct

Question 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

Yes, the sustainability of the retail network is directly linked to the ongoing health of the racing industry and therefore vitally important to the long term success of our wagering partners.

The wagering licence must be competitive with those issued in other states in order to give wagering venues and agents support. Wagering venues also value the inclusion of simulated racing and sports products as they allow for another stream of income and perfectly compliments wagering.

Question 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?

Taxation advantages offered by licensed interstate corporates have historically provided advantages to these operators. These tax advantages have allowed the interstate corporates to spend significant amounts on advertising which has been to the detriment of retail venues.

The introduction of POCT is a positive measure to rebalance these advantages. VOCAA would hope that the income from the POCT taxes be re-invested by the government into the racing industry that supports significant employment in Victoria.

Question 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:

- a. joint venture arrangements between the wagering and betting licensee and the VRI
- b. alternative models that provide industry funding and returns to the licensee.

VOCCA's relationship is with Tabcorp and they are the current operator of the Victorian Wagering Licence. VOCAA believes that the VRI should focus on delivering the best racing product for the health of the industry, including stand alone retail venues.

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

Retail has seen a growth in fixed odds sport over the last few years and we project that this trend will continue. We would like to see greater equalisation in our ability to offer certain products that other states are allowed to offer.

Customers continue to watch events in store which makes having vision of all races and sporting events extremely important. Competition will also remain strong from corporate bookmakers.

Digital commissions will continue to play an important role in the retail space throughout the next licences. The cohabitation of digital and retail will have the greatest impact on the betting landscape over the next decade.