

s.22 - irrelevant to scope of request

From: Ben Kearney <ben@alna.net.au>
Sent: Wednesday, 3 May 2017 10:41:58 AM
To: Senator.Mitch.Fifield@aph.gov.au
Cc: Tobin, Luke; Adam Joy
Subject: Letter from the Australian Lottery & Newsagents' Association (ALNA)

Dear Minister,

Please see attached a letter from the Australian Lottery & Newsagents' Association (ALNA) along with an article from the Herald Sun regarding two issues that are threatening State Lotteries Revenues and the viability of over 4000 retailers across Australia.

We would like to request your urgent attention regarding these and to meet with you to discuss them further.

Kind regards
Ben

Ben Kearney MBus GradCertPublicPlcy
General Manager Policy, Government & Stakeholder Relations
Australian Newsagents' Federation T/as
Australian Lottery and Newsagents Association
Suite 1.7 & 1.8, 56 Delhi Road, North Ryde, NSW 2113.
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3rd of May 2017

Senator The Hon Mitch Fifield
Minister for Communications

By email: Senator.Mitch.Fifield@aph.gov.au

cc. luke.tobin@communications.gov.au

RE: Threats to Official State Lotteries Revenues

Dear Minister,

The Australian Lottery & Newsagents' Association (ALNA) is the peak national industry body representing Newsagents' and Lottery Agents.

We would like to request your urgent attention regarding two issues that are threatening State Lotteries Revenues and the viability of over 4000 retailers across Australia. The majority of these are small businesses with a material reliance on the revenues generated from official state licensed lottery sales.

Lottoland, the fake 'lotto' that is not a lottery

Please find attached a recent article from the Herald Sun on 21 April 2017 regarding Lottoland.

The attached article highlights some of the concerns of our members across Australia – confusion for consumers who think they are entering an official lottery draw, threats to State Revenues and the viability of local small businesses, and the aggressive marketing of Lottoland through advertising and sponsorships.

Herein lies the problem, the relationship between this fake 'lotto' betting product and existing pool-based lotteries is a fiction, and in practice simply is a marketing tool: the reason they can double the payout on an official State lottery is because they have nothing to do with that lottery – its sole function is to be the random number generator for their product with no context. Yet they effectively borrow the 'lotto' brand by using it in this way to acquire customers and bets. This is not 'disruption' as they would like us to believe, it is a fabrication that confuses consumers and governments alike.

The aggressive marketing they are undertaking is in large part funded by the fact that Lottoland is a Northern Territory licensed bookmaker which pays no state lotteries or wagering taxes and is in fact not a lottery. Australian taxpayers are being potentially ripped off with leaked state lotteries revenues subsidising Lottoland advertising and sponsorships at stadiums and major events. This is very similar to the gambling advertising on free to air television during sports matches which has recently caught the attention of the Government.

ALNA encourages you to take urgent action by supporting a policy position that will impose similar legislative restrictions to those already in South Australia, which make it an offence for Lottoland to sell products to South Australian residents. Legislation there **does not permit** betting on lottery outcomes and therefore, Lottoland is not permitted to sell its products in South Australia.

Supporting the recent amendment moved by Senator Pauline Hanson to the Interactive Gambling Amendment Bill 2016, or a similar government led initiative, will help support the 4000 retailers across Australia. We would appreciate discussing this matter further with you and have requested a meeting with your office for when we are in Canberra next week.

Australian Newsagents' Federation T/as
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Yours sincerely,



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General Manager Policy, Government & Stakeholder Relations
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Attached below:

- Herald Sun, 21/4/2017 – "Lotto to land Cup", Matt Stewart



21 Apr 2017

Herald Sun, Melbourne

Author: Matt Stewart • Section: Sport • Article type : News Item
 Classification : Capital City Daily • Audience : 317,517 • Page: 66
 Printed Size: 595.00cm² • Market: VIC • Country: Australia • ASR: AUD 33,038
 Words: 356 • Item ID: 761391677



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Lotto to land Cup

Likely new race sponsor sure to raise eyebrows

MATT STEWART

VICTORIA Racing Club is poised to sign bookmaker Lottoland as its Melbourne Cup sponsor.

The *Herald Sun* understands the Darwin-registered bookie, which invites punters to gamble on the results of lotteries around the world, has been approached for a five-year naming rights deal for the \$6.2 million Cup, with likely sponsorship also of the \$1 million VRC Oaks.

Emirates' longstanding sponsorship of the Melbourne Cup finishes this year, as does

Crown's sponsorship of the Oaks.

Lottoland's \$1 million sponsorship and branding of NRL club Manly's home ground, Brookvale Oval, created anti-gambling community backlash in January this year and any involvement with the VRC is tipped to create angst with the club's wagering partner, TAB.

In January, senator Nick Xenophon slammed the pro-gambling message of the NRL club's branding. "The Manly Sea Eagles and Lottoland are in a race to the bottom, this goes even further than other brazen sponsorship deals just to rebadge an entire stadium," Xenophon said.

TAB, which has a VRC partnership until 2024, is on the verge of merging with Tatts, which is regarded as a direct competitor to organisations such as Lottoland.

TAB made no comment

yesterday.

VRC issued the following statement when asked about

discussions with Lottoland yesterday.

"The Victoria Racing Club is unable to comment on our commercial partnerships as we treat these agreements with the utmost commercial confidence," the statement read.

"The VRC is exploring a number of prospective partnership opportunities and any new partners will be announced in due course."

It is understood Lottoland executives have met VRC figures more than once in recent months.

In January last year, Gaming Minister Jane Garrett warned local punters against confusion over Lottoland's offering, when 107,000 Australians punted on a \$1.5 billion US powerball draw.

Their scramble caused the site to crash.

Garrett said players had to be aware they were betting on the result of the lottery, not participating in the draw.

matthew.stewart@news.com.au



Full form at Punters
Download from the app store



21 Apr 2017
Herald Sun, Melbourne

Tabcorp

Author: Matt Stewart • Section: Sport • Article type : News Item
Classification : Capital City Daily • Audience : 317,517 • Page: 66
Printed Size: 595.00cm² • Market: VIC • Country: Australia • ASR: AUD 33,038
Words: 356 • Item ID: 761391677

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Lottoland is expected to sign on with the Victorian Racing Club to be the new Melbourne Cup sponsor.



6 March 2018

The Relevant Officer
Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

Dear Sir/Madam

Formal Complaint – Lottoland

Tabcorp Holdings Limited (**Tabcorp**) submit this letter as a formal complaint regarding the operations of online gambling company, Lottoland Australia Pty Ltd (**Lottoland**).

Section 18 of the Australian Consumer Law (as set out in Schedule 2 of the *Competition and Consumer Act 2010*) prohibits a person, in trade or commerce, from engaging in conduct that is misleading or deceptive or is likely to mislead or deceive.

In that regard, Tabcorp has serious concerns that recent advertising and marketing campaigns of Lottoland are in breach of the Australian Consumer Law on the basis that the campaigns are misleading or deceptive to consumers or are likely to mislead or deceive consumers.

Our complaint is made on the basis of the following matters:

- Lottoland misrepresenting that consumers will receive a full lottery payout prize as advertised in relation to a particular lottery draw; and
- Lottoland misleadingly implying that it is a lottery and keno operator when in fact it is offering a bookmaker service.

Further, we also have strong reservations as to the integrity of Lottoland's business model. In our view, the model does not have the same regulatory oversight as Australian domestic lotteries and Keno licensees. As such, the requisite level of consumer protection, particularly in respect of paying out prizes, does not apply to Lottoland offers as it does with lottery and keno operators.

The ACCC should take appropriate steps to investigate these matters raised.

1. Lottoland's advertising is likely to mislead consumers

Lottoland holds a sports bookmaker licence issued by the Northern Territory Racing Commission (**NTRC**). Lottoland is authorised under this particular licence to provide online betting services to Australian customers on the outcome of international lotteries or keno draws. We note that Lottoland was recently prohibited (by the NTRC) from taking bets from consumers on the outcome of Australian domestic lotteries.

Despite not being a lottery or keno operator, Lottoland only includes a minor disclaimer on its website alerting consumers to this fact. In many circumstances, this disclaimer is not legible or fails to appear within advertising collateral. Further, words such as "draw", "jackpot", "pick", "watch the draw live" and images of lotto balls and game cards are often used by Lottoland on their website and within advertising material, creating an overall misleading impression that consumers are entering into a lottery or keno draw and not placing a bet on the outcome of the particular lottery.

2. Misrepresentation in relation to prize payouts

Lottoland is failing to clearly communicate with consumers by misleading consumers into believing that they will receive the full jackpot payout prize if successful when placing a bet on the outcome of a particular lottery or keno draw. In that regard, we have outlined below an example of Lottoland engaging in such conduct.

US Power Ball - \$1.1 Special Jackpot Offer

The screenshot shows the Lottoland website interface. At the top, there's a navigation bar with 'Lottoland' logo and various menu items. The main banner features a football player in a stadium, with the text 'JACKED UP! SUPER BOWL' and 'SPECIAL JACKPOT'. A large red box highlights '\$1.1 Billion*' as the 'Special jackpot' for the 'US POWERBALL'. Below this, there are three smaller lottery banners: 'Swedish Lotto' with '\$29 million' and '2 days 14 hrs', 'WorldMillions' with '\$50 million' and '3 days 13 hrs', and 'Friday Lotto' with '\$32 million' and '4 days 10 hrs'. Each banner includes a 'GET NOW' button.

The asterisk displayed in the above graphic alongside the "\$1.1 Billion Special Jackpot" offer is traceable to a disclaimer at the bottom of the Lottoland website which is outlined below.

* Divisions 1 to 3 for bets on the US Powerball and US MegaMillions are subjected to a 38% reduction, whilst Division 1 bets are paid out as 30 year annuity or discounted lump sum as per T&C's. US Powerball is not connected to the Australian Powerball. Divisions 1 to 3 for bets on SuperEnalotto are subject to 12% reduction as per T&C's

This disclaimer, despite being in very small font, states that Divisions 1 to 3 bets on the US Powerball and US MegaMillions are subject to a 38% payout reduction, whilst Division 1 bets are paid out as a 30 year annuity or discount lump sum as per Lottoland's terms and conditions. In our view, the average consumer is likely to believe that upon reading the advertisement graphic identified above, they will receive a payout of \$1.1 billion should they successfully bet on the outcome of this particular lottery. Alarming, in accordance with Lottoland's terms and conditions, a winning consumer would be paid an amount significantly less than the prize amount advertised and have this reduced amount paid out as a 30 year annuity. These terms are material conditions attaching to the promotion offered by Lottoland and in our view are hidden at the footer of the Lottoland website. It is pertinent to note that there is no further disclaimer or explanation provided on the Lottoland website in relation to the prize payable should a consumer successfully bet on the outcome of this advertised lottery.

The Lottoland prize payouts are also subject to additional monetary deductions, which are only disclosed within clause 11 of Lottoland's Terms and Conditions (<https://www.lottoland.com.au/terms>) as outlined below.

"The Winnings payable in respect of each Lottoland Winning Bet in a Type A Prize Category (as defined in the table in 11.1., for example Prize Category 1 in EuroMillions) will depend on the number of the Underlying Lottery Winning Tickets in that Prize Category, the number of Lottoland Winning Bets in that Prize Category, the payable Prize by the Underlying Lottery Operator for the Underlying Lottery Winning Tickets in that Prize Category as well as the Underlying Lottery Jackpot in that Prize Category."

"The Player is primarily responsible for correct payment of taxes, duties and levies. In the event that Lottoland is required to pay any taxes, duties or levies directly to the regulatory authorities of a country in respect of a Player's winnings, then it shall be entitled to deduct those from the Player's Account or claim them from the Player accordingly."

"Any third party bank and payment processing charges and fees are borne by the Player and Lottoland is entitled to debit the Player Account accordingly. This also applies to foreign exchange charges"

The same terms outlined above appear to apply to the all of the prize payouts across the most high-value overseas lotteries advertised by Lottoland on their website, including EuroMillions, EuroJackpot, MegaMillions, PowerBall and German Lotto.

3. Lottoland fails to meet consumer protection principles and regulatory expectations

We are concerned that information regarding the details of Lottoland's business model are not available to Australian consumers. Unlike Lottoland offers, traditional lotteries and keno licensees have guaranteed prize pools funded by the revenue raised from the sale of lottery and keno tickets which are bound by strict terms and conditions and robust regulations.

A recent article by Ben Butler published on 29 Jan 2018 in *The Australian (Article)*, outlined a concerning business model implemented by Lottoland in an attempt to cover its liability against paying out large jackpot prizes. Lottoland stated within the Article that it would not be able to cover the payout of enormous jackpots, such as \$US1.5 billion Powerball payout last year. Further, Lottoland's spokesperson acknowledged that in such cases, to ensure its ability to pay out its liability, the company simply buys physical tickets in the specific lotteries as a way to mitigate its payout risk. This overly simplistic approach to risk management exposes Australian consumers to a potential risk that Lottoland will fail to pay prizes won by consumers.

In light of the issues outlined above, we request that the ACCC investigates the conduct of Lottoland.

Yours sincerely,



SEAN HUGHES
Group General Counsel

6 March 2018

Ms Nerida O'Loughlin
Chair
Australian Communications and Media Authority
PO BOX Q500
Queen Victoria Building NSW 1230

Attn: Manager, Interactive Gambling Taskforce

By email: info@acma.gov.au

Dear Ms O'Loughlin

Tabcorp complaint under the *Interactive Gambling Act 2001 (Cth)* (IGA)

In line with a similar complaint raised by Tatts Group Limited (**Tatts**) (reference ACMA2017/792-1) on 11 September 2017, Tabcorp wishes to make a complaint in relation to services provided by Lottoland Australia Pty Ltd (**Lottoland**). In our view, these services are in breach of the IGA.

By way of background, in December 2017, Tabcorp completed its acquisition of Tatts resulting in Tatts becoming a wholly-owned subsidiary of Tabcorp. As a result of this acquisition, Tabcorp is now in possession of the complaint made by King & Wood Mallesons on behalf of Tatts (as referred to above) and the response received from the Australian Communications Media Authority (**ACMA**) in relation to that complaint (**ACMA's Response**).

Tabcorp has reviewed ACMA's Response and in particular its finding that "betting on the outcome of the lottery is a permitted form of 'excluded wagering service'". In order for ACMA to reach this conclusion, ACMA had to satisfy itself that "betting on the outcome of the lottery is an excluded wagering service" within the meaning of sub-sections 8A(1) to 8A(5) and that no relevant exemptions set out in sub-sections 8A(5)(b) to 8A(5)(c), apply. For the reasons discussed below, Tabcorp disagrees with this analysis and requests that ACMA reconsider its position.

Lottoland service is not "an excluded wagering service"

Section 5(3) of the IGA sets out a number of services that are not prohibited interactive gambling services, within the meaning of section 5 of the IGA. One of these is an "excluded wagering service"¹, as defined in section 8A of the IGA.

Pursuant to section 8A, an excluded wagering service is (in summary):

- o a service to the extent to which it relates to betting on a horse race, a harness race, a greyhound race or a sporting event²; or
- o a service to the extent to which it relates to betting on an event, a series of events, or a contingency, which does not relate to the events above.³

¹ IGA, section 5(3)(aa)

² IGA, section 8A(1) and Section 8A (3)

³ IGA, section 8A (5)

Services provided by Lottoland do not relate to betting on racing or sporting events, therefore it is not an excluded wagering service on that basis. Further, the IGA does not define the terms "event" or "contingency", therefore these terms must be interpreted in accordance with their ordinary meaning within the context of the IGA.

The Oxford English dictionary defines these terms as follows:

- **Event:** "the (actual or contemplated) fact of anything happening; the occurrence of".
- **Contingency:** "the quality or condition of being contingent. The condition of being liable to happen or not in the future; uncertainty of occurrence or incidence".

The above definition of "event" makes it clear that the service provided by Lottoland, could not be described as a service relating to betting on "the actual or contemplated fact". Further, our review of the legislative materials indicates that the Parliament did not contemplate for the service provided by Lottoland to fall within the meaning of the word "contingency" as it is used for the purpose of section 8A(5)(a).

The Final Report 2012, Review of the Interactive Gambling Act 2001, published by the Department of Broadband, Communications and the Digital Economy, suggests that the meaning of the word "contingency" contemplated by the Parliament refers to "novelty bets" rather than interactive gambling services:

"... which can include wagering on non-sporting events. Such novelty bets provide consumers with the opportunity to gamble on the outcome of events such elections, or as recently publicised, the punctuality of public transport networks."

Further, Tabcorp refers to the *Interactive Gambling (Moratorium) Act 2000*, which, although no longer in force, is relevant to the extent that it contained an exemption to the definition of "excluded wagering service", specifically with "a service relating to betting on the outcome of a lottery" (subclause 5(3B)).

The Revised Explanatory Memorandum to the Interactive Gambling (Moratorium) Act 2000, stated:

Subclause 5(3B) provides that a service that relates to betting on the conduct or outcome of a lottery or game is not an excluded service under paragraph 5(3)(ab). This means that a wagering services on a game or lottery does not come within the exemption in paragraph 5(3)(ab). For example, an interactive gambling service which involved a bet on the outcome of the spin of a virtual roulette wheel would not come under paragraph 5(3)(ab) and would not be an excluded service for the purpose of the moratorium. This ensures that services which are properly characterised as interactive gaming or lottery services do not come within the exemption provided in paragraph 5(3)(ab).

In further support of Tabcorp's position, we refer to subsection 8A(5)(c) of the IGA, which specifically carves out services such as "conduct or supply of scratch lottery or instant lottery and service relating on the outcome of betting on a scratch lottery or instant lottery" from the definition of "excluded wagering services", as being the high-risk type of online gambling:

[This] reflects Government concerns that electronic forms of instant lottery products offer a potential avenue for 'instant' gambling which is not unlike Internet-based poker machines, and therefore should be banned by the Bill⁴.

The Government's concern does not extend to traditional types of lottery, therefore services for the conduct of a lottery or supply of lottery tickets are excluded from the definition of the prohibited gambling service⁵.

In view of the above discussion, Tabcorp submits that the service provided by Lottoland is not covered by an "excluded wagering service" exemption.

Lottoland service relates to betting on the outcome of a game of chance

If ACMA confirms its previous position, that Lottoland does provide an "excluded wagering service" on the basis that its service relates to betting on an event, a series of events, or a contingency, this exemption would not apply, as the service provided by Lottoland relates to "betting on the outcome of game of chance or of mixed chance and skill", within the meaning of section 8A(3)(e).

To this effect, we refer to and restate the position referred to in Tatts' complaint letter in relation to this point, in particular:

- The Oxford English dictionary defines lottery as "a situation whose success or outcome is governed by chance".

⁴The Supplementary Explanatory Memorandum to the Interactive Gambling Bill 2001

⁵IGA, section 8

- o The *Public Lotteries Act* (NSW), defines "a public lottery" as being any lottery, "including a game of chance (including a game such as a lottery or draw)".
- o Australian and international case law lends its support to the proposition that "lottery is a game of chance":

*R v Eames*⁶:

"A lottery is a game of chance. A roulette table, which will hardly be said not to be an instrument of gaming, is, after all, only an instrument of deciding a lottery; it is or should be purely a matter of chance where the ball will stop"

*Automatic Totalisator Ltd v Federal Commission of Taxation*⁷:

"It is well settled that the word "lottery" imports a distribution by chance and nothing but chance"

*State v Shorts*⁸:

"A lottery...is a game of chance; a distribution of prizes by chance".

Conclusion

In light of the above, Tabcorp submits that Lottoland does not provide an excluded wagering service within the meaning of section 8A of the IGA. We would welcome the opportunity to meet with ACMA to discuss our position further if that would assist.

Please do not hesitate to contact our office if you require any further information in relation to our complaint.

We look forward to hearing from you.

Yours sincerely,



SEAN HUGHES
Group General Counsel

⁶(1885) 6 LR (NSW) 118

⁷(1920) 27 CLR 513

⁸(1868) 32 NJL 398

s 22

From: s 22
Sent: Thursday, 8 March 2018 5:04 PM
To: 'Callachor, Thomas'
Subject: RE: Impacts on lottery betting services in Australia - For response by 7 March 2018 [DLM=For-Official-Use-Only]

For Official Use Only

Hi Tom,

Thank you for your response.

Should we require any further information or clarification, we will be in touch.

Kind regards,



s 22

Senior Policy Officer / Online Content & Gambling / Content & Copyright
Department of Communications and the Arts

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s 22

2 Phillip Law Street, Canberra ACT 2601
GPO Box 2154 Canberra, ACT 2601

communications.gov.au / @CommsAu
arts.gov.au / @artsculturegov

I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respect to Elders past and present and to all Aboriginal and Torres Strait Islanders.

From: Callachor, Thomas [mailto:Thomas.Callachor@tabcorp.com.au]
Sent: Thursday, 8 March 2018 5:01 PM
To: s 22
s 22
s 22
Beck, Cameron <Cameron.Beck@tabcorp.com.au>
Subject: RE: Impacts on lottery betting services in Australia - For response by 7 March 2018 [DLM=For-Official-Use-Only]

s 22

Please find attached Tabcorp's response to the below request. We are grateful for the opportunity to provide a response.

Please do not hesitate to contact me should you have any queries.

Tom

TOM CALLACHOR
GENERAL MANAGER
GOVERNMENT & INDUSTRY RELATIONS
OFFICE OF THE CEO

T +61 2 9218 1229
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E thomas.callachor@tabcorp.com.au

Tabcorp Holdings Ltd
31/680 George St
Sydney NSW 2000

Tabcorp

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s 22

Sent: Wednesday, 7 March 2018 2:27 PM

To: Callachor, Thomas <Thomas.Callachor@tabcorp.com.au>

Subject: RE: Impacts on lottery betting services in Australia - For response by 7 March 2018 [DLM=For-Official-Use-Only]

For Official Use Only

Hi Tom,

Looks like my email from the Online Gambling mailbox got filtered again... but yes, it's ok.

s 22

From: Callachor, Thomas [<mailto:Thomas.Callachor@tabcorp.com.au>]

Sent: Wednesday, 7 March 2018 2:25 PM

s 22

Subject: FW: Impacts on lottery betting services in Australia - For response by 7 March 2018 [DLM=For-Official-Use-Only]

FYI – is this ok?

From: Callachor, Thomas

Sent: Wednesday, 7 March 2018 2:00 PM

s 22

s 22

Subject: RE: Impacts on lottery betting services in Australia - For response by 7 March 2018 [DLM=For-Official-Use-Only]

s 22

Am I able to be given an extension until cob tomorrow to make this submission?

I hope to have it completed sooner, but I think I will struggle to get something useful to you by cob today.

My apologies for any inconvenience.

Many thanks,

Tom

TOM CALLACHOR GENERAL MANAGER GOVERNMENT & INDUSTRY RELATIONS OFFICE OF THE CEO	
T +61 2 9218 1229 M +61 4 17 992 933 E thomas.callachor@tabcorp.com.au	Tabcorp Holdings Ltd 31/680 George St Sydney NSW 2000

Tabcorp

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s 22

Sent: Monday, 5 March 2018 11:10 AM

To: Callachor, Thomas <Thomas.Callachor@tabcorp.com.au>

s 22

Subject: Impacts on lottery betting services in Australia - For response by 7 March 2018 [DLM=For-Official-Use-Only]

For Official Use Only

Dear Mr Callachor,

The Department of Communications and the Arts (the Department) notes that there have been concerns raised regarding the impacts of keno and lottery betting on State taxation revenues and small businesses in Australia. Many of these concerns have been reported in the media and were the centre of campaigns conducted in 2017.

The Northern Territory, where the majority of lottery betting services (known also as 'synthetic lotteries') are licensed, determined that the betting on the outcome of Australian-based lotteries should not be permitted, and from 30 November 2017 prohibited its licensed operators from providing these services.

The Department is interested to seek any information on the impacts of keno and lottery betting in Australia.

To assist us with this process, we are seeking information that you may be able to provide on:

- The impacts of keno and lottery betting services on Australian lottery draws. Note the Department has access to published information on the *Lottoland's Gotta Go* campaign website.
- Impacts of recent NT Government regulatory changes (to prohibit lottery betting on Australian lotteries) and whether there has been any net benefit to AHA members.
- Any further comments you believe may be relevant.

Please note that this email has been prepared for consultation purposes only and does not indicate the Commonwealth's commitment to any course of action.

Please provide your feedback or nil comment by **Wednesday 7 March 2018**.

If you have any queries or wish to discuss, please contact me or s 22 or by replying to this email.

Regards



s 22

Senior Policy Officer / Online Content & Gambling / Content & Copyright
Department of Communications and the Arts

s

s 22

2 Phillip Law Street, Canberra ACT 2601
GPO Box 2154 Canberra, ACT 2601

communications.gov.au / @CommsAu
arts.gov.au / @artsculturegov

I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respect to Elders past and present and to all Aboriginal and Torres Strait Islanders.

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§ 22

From: § 22
Sent: Tuesday, 17 April 2018 4:27 PM
To: § 22
Subject: FW: Meeting with Minister Fifield [SEC=UNCLASSIFIED]

UNCLASSIFIED

From: Callachor, Thomas [mailto:Thomas.Callachor@tabcorp.com.au]
Sent: Wednesday, 7 February 2018 8:58 AM
To: § 22
Cc: Thomas, Henrietta <Henrietta.Thomas@tabcorp.com.au>; § 22
Subject: RE: Meeting with Minister Fifield [SEC=UNCLASSIFIED]

Thanks § 22

Our concerns relate to synthetic lotteries (i.e. Lottoland and Kenoland).

There are potential consumer protection concerns – customers are not entering a regulated lottery or keno draw, winnings are subject to not well understood T&Cs (i.e. consumers think they are entering a lottery or keno draw and are unlikely to ever win the advertised jackpot due to the T&Cs), advertising is also potentially misleading.

There are also concerns that the company offering the products is headquartered in the tax haven of Gibraltar, to the best of our knowledge pays no gambling taxes in Australia and employs just a dozen or so staff.

There are also concerns with the threat of synthetic lotteries to small businesses and the community – 4,000 lottery and newsagents (many mum and dad operators) and 3,500 local pubs and clubs who receive \$485 million per year from the sale of lottery and keno tickets.

Our concerns could be addressed with a minor amendment to the IGA (i.e. similar to the restrictions for online scratchies and online poker machines).

When the IGA was drafted in 2001 synthetic lotteries did not exist. When the last amendments were debated in the parliament, synthetic lotteries were not well understood and certainly were not as heavily marketed to consumers as they are today.

Modernising the IGA with an amendment to the IGA prohibiting synthetic lotteries will address these concerns.

Hope this helps. Don't hesitate to give me a buzz on 0417 992 933 if you have any queries.

Many thanks, Tom

From: § 22
Sent: Tuesday, 6 February 2018 10:50 AM
To: Callachor, Thomas <Thomas.Callachor@tabcorp.com.au>
Cc: Thomas, Henrietta <Henrietta.Thomas@tabcorp.com.au>; § 22
Subject: Meeting with Minister Fifield [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi Thomas,

I understand you and David are meeting with Minister Fifield next Monday to discuss the following topics:

- Tabcorp's merger with Tatts Group
- Gambling advertising reforms
- **Online betting concerns**, and
- Potential arts funding stream via a lottery (within existing regulatory framework).

In regards to online betting concerns, were there any specific issues you wanted to discuss?

Regards

s 22




s 22

A/g Director
Online Content and Gambling / Content and Copyright Branch
Department of Communications and the Arts


s 22

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communications.gov.au

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