



**“Strengthening the IGA by Removing the
Parasites”**

Tab Limited’s Submission to the Commonwealth
Interactive Gambling Review

**Tab Limited Stands for Strength,
Integrity and Contribution**

Commercial In Confidence

"Strengthening the IGA by Removing the Parasites"

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EXECUTIVE SUMMARY

The Issue

- The Commonwealth Government is reviewing the Interactive Gambling Act, 2001 (IGA) to ensure that its overall aims in limiting potential problem gambling in the on-line gambling environment are being achieved.
- Tab Limited submits that the IGA in its current format is appropriate to achieve this objective. Some fine tuning is, however, required to achieve greater focus on areas of concern and to more effectively deter access by Australian customers to prohibited services.

Current Situation

- The IGA prohibits Australian customer access to interactive gambling services. This action has been effective in relation to Australian based/licensed gambling providers who have complied with the legislation. As such the offering to Australia customers by Australian operators of new on-line gambling forms such as simulated casinos and poker machine games has ceased. However there remains substantial non-compliance with the IGA by **offshore** operators, the significance of which is compounded by offshore operators non-compliance with State and Territory gambling regulations, including harm minimisation measures.
- In recognition that such gaming options were fundamentally different to Wagering on live racing and sports events, the IGA contains an exemption for these latter activities.
- Tab Limited notes that, in stark contrast to other forms of gambling, growth in overall **wagering** since the enactment of the IGA has been continued to be very low – essentially in line with inflation and at less than the rate of growth in Household Disposable Income. Growth in **interactive wagering** via the internet has been almost entirely derived from transfers from other wagering distribution channels (ie. phone and retail outlets).
- The recent emergence of large offshore wagering businesses which target the Australian market, has become a significant issue. Such operations do not contribute revenues to Australian Governments or the Racing Industry, nor more broadly the communities they serve nor can they be locally regulated in respect of integrity, probity and responsible gambling standards. The recent action by the Australian Broadcasting Authority under the IGA in relation to "Betfair", a large UK based operator, provides just one illustration of offshore operators targeting Australian customers without complying with Australian requirements.

- Internationally, regulators have been increasingly focused on foreign operators offering interactive gambling to local residents, particularly given the difficulties associated with monitoring and enforcing compliance with local standards and regulatory requirements by foreign operators not licensed in the local jurisdiction. This has led to international regulators in jurisdictions such as Hong Kong, Japan, a number of European countries and the USA taking steps to seek to prevent interactive gambling being offered to their residents by operators not licensed in their jurisdiction.

Our Recommendations

- Tab Limited supports the essence of the IGA and believes that the legislation in its current form with some fine tuning as follows, is appropriate in achieving its objectives.
- Existing exemptions for wagering should remain but, consistent with the trend internationally, should be confined to Australian licensees only.
- Tab Limited supports the more active use of regulations under S. 69A of the IGA to prohibit the transfer of funds between Australian residents and illegal offshore interactive gambling providers.
- Tab Limited supports an alternative regulatory approach to restricting high-rapidity interactive sports betting during the conduct of the actual game / event. Such an approach would allow the resumption of appropriate "In-The-Run" wagering options which are available via other distribution channels, while preserving appropriate safeguards.

Further Assistance

- Tab Limited is one of the largest wagering operators in the world and has over its forty year history achieved a widely acknowledged reputation for operational integrity and strong links / contributions to the community, government and racing industry within NSW.
- The company is a world leader in the provision of interactive wagering services and as such would be both willing and qualified to provide further detailed information to the Commonwealth in respect of the matters raised in our submission.

We thank you for the opportunity to participate in this review.

WARREN WILSON
Managing Director

1. Introduction

The Commonwealth Government is reviewing the Interactive Gambling Act 2001 (IGA) to ensure that its overall aims in limiting potential problem gambling in the on-line gambling environment are being achieved.

The review is required to consider the matters set out in s 68 of the IGA, including the social and commercial impact of interactive gambling services and the effectiveness of the IGA in dealing with these impacts.

Tab Limited is vitally interested in the outcome of this review. The Company is currently impacted by the existing legislation in the following areas:-

- Our internet Wagering service (NetTAB), commenced in 1997, allows registered account customers to bet on racing and sports events and is, with the following exception, exempt from the prohibitions on other interactive gambling services;
- Our sports wagering operations via the internet are, however, impacted by the current ban on the acceptance of interactive bets during the course of the actual event;
- The current wagering exemptions in the IGA include offshore providers of interactive racing and sports wagering. These services are in our view parasitic in that they compete directly with onshore operators without contributing to the Australian racing industries or government tax revenues or being required to comply with Australian regulatory requirements, including harm minimisation measures. The growth of such services has direct economic and social consequences within Australia including a reduction in the regulatory standards and harm minimisation measures expected and required from Australian operators, a reduction in Australian Government tax revenue which funds social programs and gambling harm minimisation measures and the potential loss of substantial employment within the Australian racing industry.

Tab Limited submits that the IGA in its current format is an appropriate vehicle for the Commonwealth Government to address community concerns over a potential explosion in new online gambling services and opportunities. Tab Limited, however, proposes some fine tuning to the IGA to achieve greater focus on areas of concern and to more effectively deter access to Australian customers by prohibited gambling service providers.

2. About Tab Limited

Tab Limited was established by the NSW Government in April 1964 through the enactment of the Totalizator (Off-Course Betting) Act which established the Totalizator Agency Board of NSW.

In 1998 Tab Limited changed its status to a public company, culminating in its listing on the Australian Stock Exchange on 22 June, 1998.

The Company conducts a broad range of Wagering (racing and sports betting) services, owns Sky Channel – a satellite television service which broadcasts Australian racing events, owns Radio Station 2KY, and operates poker machine monitoring services on behalf of the NSW Government.

Tab Limited remains one of the few gambling operators in Australia that has Wagering as its mainstream business.

The vast bulk of its revenues are derived directly from its wagering business operating on racing and sports events.

Integral to these businesses are Tab Limited's strong links to the NSW Racing Industry, under contractual arrangements entered into in 1997 as part of the privatisation process. These links provide continuity of a relationship that extends back to the inception of Tab in 1964. Similar links exist in other Australian States and Territories between the off-course wagering operators and racing industry. In aggregate, Tab Limited and its subsidiary Sky Channel provided more than 80% of the total funding of the NSW racing industry in the year ended 30 June 2002.

Tab Limited corporate highlights include:

- Awarded 99 year New South Wales Government licences to operate offcourse and oncourse wagering in NSW, with the first 15 years exclusive for off course.
- One of Australia's most substantial retail networks in any sector with almost 2000 individual selling outlets.
- The largest wagering sales in the Southern Hemisphere.
- The biggest volume of live racing coverage (via Sky Channel) in the world.
- Awarded an exclusive NSW Government licence to develop and operate a system to monitor the duty payable on all NSW gaming machines.
- The first NSW State wide Linked Jackpot Games for Poker machines in Clubs and Hotels.
- Extensive racing radio network in NSW.
- One of the world's first internet wagering (racing and sports) sites.

2.1. Responsible Wagering

Tab Limited is committed to responsible gambling and is doing much to address problem gambling.

Tab Limited has an extensive responsible gambling program. This program was developed in consultation with leading academics (the Australian Centre for Gambling Research) and has been approved by the NSW Minister for Gaming and Racing. In addition to providing information and practical help to customers requiring advice and assistance, Tab Limited participates in various external advisory boards and committees – evidence of the importance which the Company places on harm minimisation and the provision of responsible wagering services. These include the National Advisory Body on Gambling and the Australian Gaming Council. Tab Limited's Managing Director is a direct participant as a Board member in both of these bodies.

Tab Limited also provides direct funding for the employment of a full time problem gambling counsellor at the highly credentialed NSW addiction rehabilitation centre, Odyssey House.

Tab Limited's activities in this field are also strictly regulated under a number of NSW Government legislative instruments including the Totalizator Amendment (Responsible Gambling) Regulation 2001 which places restrictions on advertising, promotions and inducements as well as requiring the provision of specific customer related information.

Specific measures are also made available to Tab account holders in terms of their ability to request self selected spending and access limits being placed on their accounts. In this way a customer can request that (for example) a betting limit of \$50 per week is placed on their account, after which the Tab system will refuse to process further bets. Alternatively customers may exclude or limit their use of credit cards to make deposits into their betting account, or may request total exclusion from re-opening a betting account for a fixed period. Such measures enhance the account customer's ability to closely monitor and control their Tab betting – something not possible in the cash betting retail environment. Tab Limited is nevertheless working with the NSW Government to develop appropriate self – help measures in its retail environment, ideally including a workable self exclusion scheme.

2.2 Community Affiliations

Tab Limited is actively involved with supporting charities and community bodies as well as racing and sporting organisations.

Organisations such as the Children's Cancer Institute Australia, Sydney Children's Hospital, the Australian Paralympic Committee, the NSW Community Disaster Relief Fund and the Returned and Services League are ongoing beneficiaries of Tab Limited's support throughout its retail network and direct corporate sponsorship programs.

2.3 Tab Wagering Services

"Wagering" is the term used to describe gambling on live racing or sports events. Its distinction from "Gaming" is traditionally derived from:-

- Wagering's reliance on the outcome of a live racing or sports event to settle the bet; and
- Wagering's skill based customer participation focus as opposed to games of pure chance.

Tab Limited holds government licenses to conduct on and offcourse totalizators¹ in NSW and fixed odds wagering on approved sporting and racing events. The Wagering licences each have a term of 99 years (commencing March 1998) while Tab Limited's off course licence is exclusive until 2013. Oncourse services are provided at most NSW racecourses.

Some 5,000 race meetings per annum held in Australia and overseas are available for betting through Tab Limited's totalizator and fixed odds services.

SportsTAB fixed odds sports wagering commenced in July, 1998 and is now approved to offer betting on 24 domestic and international sports.

Totalizator sports wagering is also offered on the National Rugby League (NRL) competition via "FootyTAB" products.

In total more than 460 million individual transactions were made through Tab Limited's wagering network during the last financial year equating to total sales of approximately \$4.5 billion. The average bet size equated to approximately \$10 per transaction.

¹ Totalizator betting is the term given to the "pooling" of all bets made on an event or contingency. After a percentage "commission" is deducted, the remaining monies are then distributed amongst the winning investors. Totalizator "odds" or "dividends" are therefore determined by the relative weight of money on each starter or contestant as opposed to fixed odds wagering where prices are set by Tab as the wagering operator or "bookmaker".

As a “snapshot” image, Tab’s estimated 450,000 regular wagering customers each invest (turnover) an average \$170 per week at a loss/spend of \$29 per customer per week.

2.4 Distribution of Turnover

NSW legislation requires minimum proportions of the total totalizator betting turnover received by Tab Limited to be returned to customers by imposing ceilings on the “commission rate” which Tab Limited may deduct from totalizator pools. Under those restrictions, the maximum commission rate on any totalizator pool must not exceed 25% and the average commission rate over a financial year must not exceed 16%.

The NSW Government also imposes wagering tax on the amount retained by Tab Limited of 28.2% in the case of totalizator wagering and 20% in the case of fixed-odds wagering. In aggregate, in the financial year ended 30 June 2002 Tab Limited paid the NSW Government more than \$206 million in wagering tax.

In addition, under the 99 year agreement with the NSW racing industry negotiated at the time of privatisation, Tab Limited pays NSW Racing a percentage of its Net Wagering Revenue (21.64%, increasing to 21.9965% from 1 July 2003) and 25% of Wagering Earnings (pre tax and interest). Total payments to the NSW racing industry under this agreement amounted to \$191.9 million in the financial year ended 30 June 2002 or 4.3% of turnover.

The complete breakdown of distribution of Tab Limited turnover is as follows:-

Returns to Customers (Winnings)	83.2%
NSW Government Tax	4.6%
NSW Racing Industry	4.3%
TAB Expenses	3.5%
Sales Commissions	1.8%
Income Tax	0.8%
Tab Limited Profit	1.8%
<hr/>	
Total	100%

2.5 Wagering Distribution Channels

Agencies: 346 dedicated Tab retail outlets operated by commissioned Agents who employ their own staff. The Agent transacts business on behalf of Tab Limited for which the Agent receives a commission based on turnover.

PubTABs: The provision of Tab facilities in approximately 1,000 hotels throughout NSW which receive a commission based on turnover.

ClubTABS: The provision of Tab facilities in approximately 600 registered Clubs in New South Wales which receive a commission based on turnover.

PhoneTAB: Telephone Wagering services (commenced by TAB in 1965) are currently provided to more than 200,000 registered account holders. Customers are able to place bets, using funds pre-deposited in their Accounts, via a telephone operator at our 650 seat call centre, 420 port automated key pad system, or 1,000 port automated Natural Language Speech Recognition system (Tabatha).

NetTAB: Tab Limited was one of the first organisations in the world to offer totalizator Wagering through the internet. Tab Limited's 2 internet sites www.racetab.com.au and www.sportstab.com.au are available to the general public for information services and to account holders (only) for actual betting.

Oncourse: Tab Limited is the only provider of oncourse totalizator facilities in New South Wales and operates at over 175 racetracks across the State.

2.6 Employment

In total employment terms Tab Limited employs approximately 3,000 staff on a full or part time basis.

Although more difficult to quantify, thousands more are also indirectly employed in the hospitality (Pubs and Clubs) industry due to Tab Limited's retail presence in these venues.

3. **Racing Industry in Australia**

The racing industry is an important part of the national economy and a major employer, particularly in regional and rural Australia. It also plays an important social role.

Nationally, the thoroughbred racing industry employs in excess of 249,000 people (including full time, part time and casual employees) (Source: Size & Scope of Australian Thoroughbred Industry, December 2001). This does not include people employed in the harness and greyhound racing industries, which collectively employ about half the number of people employed by the thoroughbred racing industry. Annexure B contains some further summary information concerning the role of the Australian thoroughbred racing industry.

In NSW the three codes of racing collectively employ approximately 125,000 people. (Source: NSW Department of Gaming & Racing).

Tab Limited and its subsidiary Sky Channel provide more than 80% of the total funding received by the NSW racing industry, collectively contributing more than \$200 million to

fund the NSW racing industry in the year ended 30 June 2002.

The racing industry in other States and Territories are similarly dependent on funding received from their licensed off-course wagering operator and Sky Channel, although percentages of total industry from these sources varies.

4. Tab Limited and Interactive Gambling

4.1 Telephones:

Tab Limited's participation in interactive Wagering can be traced back to the commencement of telephone betting services on racing events in 1965. As a means of providing communications access between customers and betting agency, telephone betting was a success, although at no point has such betting ever exceeded 20% of Tab Limited's total wagering turnover.

A number of technological enhancements have since provided customer alternatives (other than traditional call centre operator services) such as automated touch tone keypad and natural language speech recognition systems.

In 1991 an automated modem link from select customers' PC's to the Tab Wagering system was established. This service, known as "BetStream", was designed to allow higher volume PhoneTAB customers to transmit their bets via personal computer without the need for a telephone operator. BetStream is currently used by approximately 300 high volume account customers who typically use the PC based system to download large numbers of individual bets, particularly exotic forms such as Trifectas, instantaneously into TAB's host computer. BetStream sales turnover is currently in the vicinity of \$50 million per annum, representing approximately 6% of all account based betting.

4.2 Internet

In June 1997 Tab Limited accepted its first bets via the internet. It is significant to note that the NSW Government regarded this new service (NetTAB) as no more than an extension to pre-existing PhoneTAB operations, simply providing an alternative telecommunications based link between account customers and Tab Limited. (This approach was also consistent with that of all other State and Territory regulators in respect of internet betting).

Such an approach was appropriate given that NetTAB was and still is operated along near identical lines to pre-existing PhoneTAB and BetStream services with customers undergoing the same account establishment and identification procedures. Having established a betting

account customers could use the same account for both internet and / or telephone betting.

It is also important to note that, with the exception of betting during sporting events (“In-The-Run”), both NetTAB and BetStream offer an identical selection of Wagering options that are offered in Agencies, Pubs and Clubs. These services are therefore just two of a number of distribution channels offering the same betting options on a prescribed range of live racing and sporting events. [NB: The “segregation” of “In-The-Run” sports betting in the IGA has provided some difficulties for Tab Limited in the areas of software system maintenance and customer relations. Tab Limited’s customers continue to make complaints about the disparity in sports betting services between the internet and our other distribution channels.]

NetTAB, as it now appears on our www.racetab.com.au and www.sportstab.com.au internet sites, is approaching its sixth full year of operation. Approximately 75,000 Registered customers are now using the service, as opposed to 130,000 standard PhoneTAB users. In terms of TAB’s overall wagering business NetTAB sales of approximately \$200 million per annum currently represent 25% of all account based betting and approximately 4.5% of the overall wagering business.

As the following table indicates, this proportion is increasing, which reflects customer preference for the enhanced service / information elements provided. Key to this is NetTAB’s ability to provide a flow of information valued by customers including up to date betting odds, track information, sports statistics, form etc.

Table 1 also indicates a clear transfer of PhoneTAB investments to NetTAB, with telephone betting sales actually decreasing during the last financial year.

Table 1

Tab Limited and Internet Betting Sales				
Financial Year 1999 – 2002				
Phone (\$000's)	FY99	FY00	FY01	FY02
Parimutuel Racing	549,658	605,488	620,081	543,340
Sports	12,592	19,968	22,154	36,996
Combined	562,250	625,456	642,235	580,336
Internet (\$000's)	FY99	FY00	FY01	FY02
Parimutuel Racing	20,622	41,310	114,318	174,888
Sports	1,795	3,603	12,446	29,386
Combined	22,417	44,913	126,764	204,274
Total All Tab Wagering (\$000's)	FY99	FY00	FY01	FY02
	4,040,617	4,153,453	4,290,711	4,485,394

As illustrated by Table 1, combined Phone and Internet sales during the last four years have increased by 34% (as compared to a 11% increase in Tab Limited's total Wagering sales). Despite this growth Internet betting still only represents approximately 4.5% of total Tab Limited's wagering turnover. The growth in Phone and Internet sales has resulted from a shift in customers from traditional outlet based betting. A number of factors have contributed to the increase in account betting (Phone and Internet), including the improvement of phone and internet services and facilities, the introduction of the "Sky Racing" pay television service which enables customers to view racing at home rather than racing telecasts only being available in wagering outlets.

A summary of Tab Limited's experiences to date with its NetTAB internet betting services is as follows:-

- NetTAB internet betting is provided via Tab Limited's leading edge communications technology on the www.racetab.com.au and www.sportstab.com.au internet sites.
- The growth in NetTAB betting primarily comes from transfer of pre-existing telephone and retail bettors.
- NetTAB is Tab Limited's most cost effective sales channel providing benefits to the company and its key stakeholders.

- Internet betting is a vital tool ensuring that Tab Limited's Wagering (especially on racing) remains an attractive option in a very competitive gambling market.
- Tab Limited's internet wagering users are predominantly pre-existing racing and sports customers rather than "new" gamblers [see Annexure "D" for a profile of the "typical" NetTAB customer].

5. The Federal Government Got It Right with the IGA

The enactment of the IGA represented a turning point in traditional State and Commonwealth Government roles in the regulation of gambling.

The Commonwealth Government's entry into the gambling public policy arena was primarily attributed to community concerns over the growth of gambling opportunities on the internet and the perception that such additional opportunities would exacerbate problem gambling.

With the internet being viewed as a borderless delivery mechanism for gambling and with the various State and Territory Governments unable to reach consensus on internet gambling regulation, the intervention of the Commonwealth (in implementing an initial "moratorium" which later evolved into the IGA) was in Tab Limited's view an appropriate course of action. These actions provided an appropriate brake on new internet gambling opportunities while allowing time for Government to properly investigate the issue and determine appropriate long-term policy.

Under the IGA it became an offence to provide certain interactive gambling services to customers physically located in Australia. This offence applies to all onshore and offshore gambling operators and carries high penalties of up to \$220,000 per day for individuals and \$1.1 million per day for corporations. Advertising or promotion of such gambling services were also prohibited under the Act. These prohibitions were supplemented by the ability to impose restrictions on persons involved in supplying ancillary aspects of interactive gambling transactions such as Internet service providers and financial institutions. This approach has now been followed in a number of overseas jurisdictions.

The interactive gambling services prohibited typically consist of "gaming" offerings such as casino type games, online poker machines and rapid draw Keno and lotteries.

Certain types of interactive gambling were specifically exempted:

- telephone betting services;
- excluded Wagering services offering racing and sports betting; [Note that "In-The-Run" sports betting was not exempted].
- excluded lottery services comprising traditional low frequency draw lotteries;

- excluded gaming services provided in public place;
- services with a dedicated broadcasting or data casting link;
- certain contracts (including options and futures contracts) that are exempt from Wagering and Gaming laws under the Corporations Act 2001; and
- any service declared exempt by the Minister.

In addition to the offence provisions, the IGA provides for a complaint based surveillance regime whereby persons encountering prohibited on-line gambling content or advertising can inform the Australian Broadcasting Authority (ABA). The ABA in turn is required to investigate such complaints and if warranted inform the Australian Federal Police or State / Territory Police in respect of Australian hosted content.

If the prohibited content is hosted overseas, the ABA is required to notify the makers of filters listed under the Interactive Gambling Industry Code in order to facilitate the blocking of such sites in filtering software available to internet users.

5.1 Wagering Should Remain Excluded From the Ban

Interactive forms of race and sports wagering were largely exempted from the gambling services prohibited under the IGA.

In reaching that policy position, Government recognised that fundamental differences exist between interactive wagering and interactive gaming. These may be summarised below:-

Table 2. Interactive Wagering V's Gaming

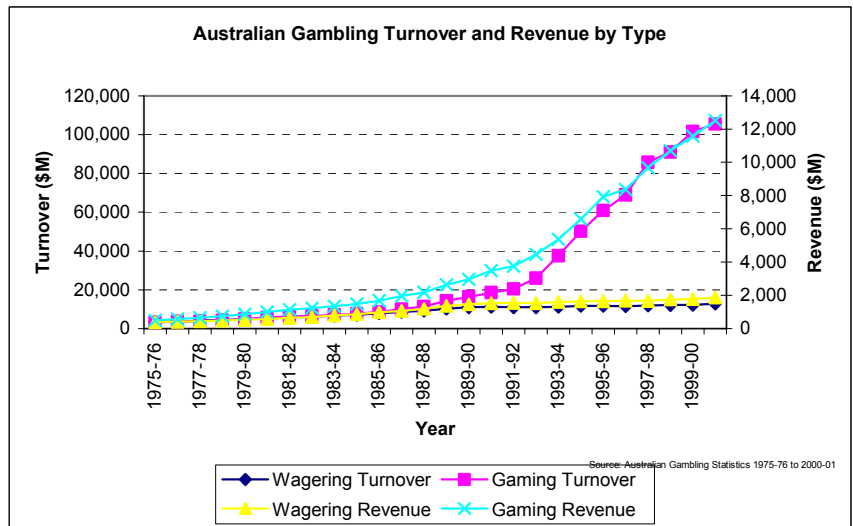
	Interactive Wagering	Interactive Gaming
Types of Events Conducted	<ul style="list-style-type: none"> ▪ Live Thoroughbred Racing ▪ Live Harness Racing ▪ Live Greyhound Racing ▪ Live approved sporting events. 	<ul style="list-style-type: none"> ▪ Simulated Casino type games (Blackjack, Roulette, etc) ▪ Simulated Poker Machine games ▪ Online Keno ▪ Online Lotteries ▪ Other simulated events
Event Result Determined By:	"Live" Racing / Sports events	Computer generated random results
Participation By Gambling Operator In Result	No	Yes
Typical "Frequency" of Events / Play	Low - Medium	High
Product Offering "Off Line"	Identical (subject only to variations required to comply with IGA)	Dissimilar

Other factors which may have influenced the exemption include:-

- "Interactive" at home participation in wagering has a long history of acceptance in Australia, extending back to telephone betting with wagering operators which commenced in the 1960's and progressing to computer to computer and internet options in the 1990's.
- Withdrawal of the exemption for wagering services would materially damage the revenues of the racing industry. This would in turn lead to a loss of employment, particularly in regional areas.
- Wagering growth over the past 5 years (ie. since internet wagering was introduced) has remained flat. National wagering growth since 1997/8 (when Tab Internet wagering commenced) has been less than 2% per annum.
- Total expenditure on wagering has fallen as a percentage of Household Disposable Income in this period.
- In contrast, gaming has grown at approximately 7 times that rate (14% p.a.) in the same period.

- As such, fears that the internet would create significant growth in overall wagering have proven to be false.
- Table 3 below illustrates the huge distinction between growth in gaming versus wagering over the past 25 years.

Table 3. Australian Gambling Turnover and Revenue by Type - 1978 - 2001



5.2 Existing Gaming Exclusions

Tab Limited submits that the current exclusions for gaming activities in S.8B of the IGA should remain unchanged.

5.3 Other Provisions under review

Tab Limited makes no submissions in relation to the effect of the provisions referred to in S.68(1)(d)(iii)-(v) of the IGA.

6. What Changes Are Needed?

Whilst Tab Limited believes that the Government's objectives have been substantially achieved in the current legislation, there are some improvements to be made. These are:-

- Access by Australian residents to offshore interactive gaming and wagering needs to be prohibited and effectively enforced; [NB: offshore operators are in this context defined as any operation which does not hold an Australian issued licence]; and;
- The ability of licensed Australian wagering operators to accept sports bets during the conduct of a game should be restored under alternative and appropriate regulatory controls which prevent the offering of high rapidity "ball-by-ball" type betting.

The prohibitions on access to offshore wagering (racing and sports) operators is vital for a number of reasons. These are as follows:-

- Offshore wagering operators who do not hold an Australian Government jurisdiction license cannot be adequately monitored and controlled to ensure appropriate levels of integrity, probity, commercial soundness or responsible gambling standards. Examples of inappropriate event coverage (eg. Iraqi war), lack of adherence to Australian harm minimisation/social standards, non-payment of winnings, credit card fraud and betting scams involving corrupt insider activities have been reported. Such practices not only effect involved Australian residents but also work to undermine consumer confidence in the legitimate onshore industry.
- Such operators do not contribute to Government taxation within Australia, nor to (in the case of race betting) the Australian racing industry which provides the infrastructure and events upon which the betting is based.
- Customer exposure / access to offshore interactive wagering providers appear to be increasing. The width of the existing IGA exemptions, combined with concerted attempts to market offshore services to Australians, are key factors assisting this growth. (Refer to "BetFair – an offshore wagering case study" at Annexure A).
- Should this trend of increasing offshore provider access continue, Tab Limited predicts that along with returns to local wagering licensees, the revenues accruing to Australian Racing Industries and Australian Governments will also commence to fall. Effects on the Racing Industry, particularly in regional areas where the viability of race clubs and participants is often marginal, will be drastic. [Refer Annexures A – "Things to Know About Tab and Betting Exchanges" and B – "The Importance of the Racing Industry"].

6.1 Specific Recommendations for Change

The abovementioned issues can, in Tab Limited's view, be managed in the following ways:-

Offshore Access: The current exemption for wagering services under S8A of the Act should be narrowed to comprise Wagering services **which hold a license within an Australian jurisdiction** only.

Note that this would not prevent overseas interactive wagering operators from doing business with Australian customers. They would however be required to seek and obtain a licence from an Australian jurisdiction in order to do so. As previously stated, this measure will ensure that acceptable standards of integrity, probity, commercial soundness and responsible gambling are demonstrated and provided by such operators for the benefit of Australian customers and community. In addition it will allow Australian Governments and the Racing Industry to obtain appropriate

and equitable taxation and revenue returns from such overseas based operators.

It is noted that several overseas jurisdictions including Hong Kong and Japan have recently introduced legislative restrictions such as those proposed, with successful outcomes. The USA and certain European countries are also currently considering similar measures as the increasingly outdated concept of an "unregulated and borderless" internet comes under scrutiny by Governments world wide.

Enforcement action: It is important that enforcement actions are effective. This will be reinforced by the restriction of the wagering exemption to operators who hold an Australian wagering licence. Although Tab Limited does not itself offer **interactive gaming**, it understands that the current legislation has not resulted in a substantial reduction in customer access to offshore internet gaming / casino websites.

Undoubtedly this is a difficult area and one in which "less reputable" operations such as many "Caribbean type" internet casino sites are most likely to ignore any illegality established under Australian legislation. However, Tab Limited believes that most benefit will come from deterring the mainstream operators who comprise the majority of the global market.

In the circumstances Tab Limited believes that the Commonwealth must introduce regulations as empowered under S. 69A of the Act, to prohibit the processing of financial transactions to / from offshore Wagering / gaming operators who are not licensed in Australia.

In particular, the use of credit cards in establishing accounts and conducting gambling with offshore operators, should be the target of such regulations.

Tab Limited's experience in this field indicates that the majority of customers gambling with an overseas operator will

use credit cards as a preferred method of account establishment and payment for participation.

The regulations do however need to be carefully drafted to ensure that they do not apply to, or negatively impact upon, gambling operators in their offering of services which are not prohibited under the IGA.

Sports Betting Restrictions: The wagering exemptions provided under S.8A of the Act have excluded under S.8A(2) interactive betting on sport where the bet is made after the commencement of the game / event in question. Tab Limited defines this type of betting as “In-The-Run”.

Definition:- “In-The-Run” Sportsbetting

Tab Limited commonly refers to sports betting where the bet is accepted after the start of a match / event as “In-The-Run” betting.

“In-The-Run” (ITR) sports betting is currently a small part of Tab Limited’s overall Wagering business. Estimates for the current financial year suggest that approximately 2-3% of total Tab Limited’s sports betting sales will be placed during the conduct of the match / event, equating to some \$5 million.

A breakdown of estimated FY03 Tab Limited sports betting sales is represented as follows:-

Table 4.

Estimated SportsTAB Sales FY03		NetTAB Component
ITR Sports betting sales (via Telephone and Cash Outlets)	\$5 million	Nil (Prohibited under IGA)
Pre match / event sports betting sales (via Internet, Telephone and Cash Outlets)	\$195 million	\$30 million
Total Sales	\$200 million	\$30 million

Estimates of foregone ITR sales as a result of the IGA prohibition are somewhat difficult to quantify, however based on non-internet channel sales they are likely to be relatively low as a percentage of overall sales.

As such, the commercial impact of the current restriction on offering ITR sports betting via the internet is minimal.

The current prohibition is however an inconvenience to the organisation and its wagering customers who utilise our NetTAB internet service. These customers fail to see the rationale for banning a form of betting that can be alternatively obtained on the telephone (PhoneTAB) or in a TAB Agency, PubTAB or ClubTAB.

It should be noted at this point that all of Tab Limited's sports betting operations are tightly regulated by the NSW Government. The extent of this regulation can be demonstrated in the following table:-

Table 5.

NSW Government Regulation of SportsTAB	
<ul style="list-style-type: none"> ▪ Types of Sports / events authorised for betting:- 	Major sports at senior / professional level (24 in total) (refer Annexure C).
<ul style="list-style-type: none"> ▪ Types of contingencies within each game / event authorised for betting:- 	Strictly limited schedule of contingencies. No micro or "ball-by-ball" betting allowed (Refer Annexure C).
<ul style="list-style-type: none"> ▪ TAB distribution channels available for sports betting:- 	<ul style="list-style-type: none"> ▪ TAB Agencies ▪ PubTAB's ▪ ClubTAB's ▪ PhoneTAB ² ▪ Internet (Sportstab.com.au) ³

From Tab Limited's perspective there is concern that the current IGA In-The-Run prohibition breaks down the company's ability to offer a seamless and consistent betting service across all of its sales distribution channels. This involves some additional expense in differential software requirements and, as stated above, is not well understood nor accepted by our NetTAB Customers. In short, they do not understand why they have to pick up the telephone to place such a bet with Tab Limited.

From a Commonwealth perspective it is acknowledged that the intent of the ITR carve out was that wagering operators would be prevented from offering high rapidity, micro type betting to customers during a game / event. This type of betting may have been considered as being "too similar" to (banned) internet gaming options like on-line casino and poker machine games which are characterised by their potential for high velocity play by customers.

The reality with approved Tab "In-The-Run" sports betting operations is otherwise.

As can be seen at Annexure C, there is no authorisation for Tab Limited to offer high velocity or micro type sports betting under its NSW Government approvals.

The NSW Government has strictly defined the types of betting contingencies allowable.

² PhoneTAB includes automated keypad (IVR) and Natural Speech Recognition System (Tabatha)

³ Internet betting available for pre match / game bets only due to IGA requirements.

Recommended Policy Solution to "In-The-Run" Interactive Wagering

In the circumstances Tab Limited suggests that the current IGA carve out of "In-The-Run" betting be removed and the capacity of operators to offer this form of betting be restored under alternative regulatory controls.

In order to allay concerns that wagering operators will offer on-line customers high rapidity "ball-by-ball" betting options, the Commonwealth should consider reference to existing State / Territory regulatory conditions to safeguard its objectives. In this respect an appropriate IGA legislative reference to an "approved State / Territory regulatory regime for ITR betting" might be considered appropriate. The Commonwealth could then satisfy itself that there were adequate safeguards / limitations in each State and Territory's licensing conditions to prevent operators offering these products. Tab Limited suggests that the NSW Government "template" (attached at Annexure C) be used as a best practice model in such circumstances.

Once again, Tab Limited would be pleased to discuss the merits of these options in more detail, should this be requested by the Commonwealth.

7. Summary and Recommendations

Tab Limited is the largest Wagering operator in the Southern Hemisphere and the third largest in the world on a participation basis. Since its inception as a NSW Government statutory authority in 1964 the organisation has provided racing and (later) sports betting services to its customers via both traditional cash betting in outlets (racecourse, Agencies, PubTABs and ClubTABs) and registered account betting via telephone and internet.

Tab Limited's major beneficiaries are the NSW Racing Industry, via product and profit fees and the NSW Government via Wagering Taxes. In the financial year ended 30 June 2002 NSW Racing received \$191.9 million and the NSW Government \$206.6 million in respect of such payments. By comparison, in that year Tab Limited's total net profit after tax was \$76.6 million.

During the Commonwealth's review of interactive gambling in the lead up to the creation of the IGA, Tab Limited submitted that interactive forms of race and sports betting had a long and well accepted history in Australia and that these forms of betting were inherently different to interactive gambling games ("Gaming") increasingly being made available via the internet.

Tab Limited further argued that, as race / sports wagering growth in Australia has been very low for many years now, any moves to ban its interactive forms would have no social impact benefits and would seriously impact the revenues of the important Australian Racing Industry which largely relies on payments from Australian

licensed off-course Wagering operators such as Tab Limited to remain viable.

These arguments were recognised by the Commonwealth through the Legislative exemptions ultimately extended to race and (most) sports wagering in the resultant legislation.

Tab Limited believes that the IGA represents an appropriate intervention into gambling regulation by the Commonwealth. The Company acknowledges that community concerns exist in respect of the growth of gambling on the internet. The focus of the Commonwealth in addressing these concerns has properly in our view been directed at internet gaming services.

Tab Limited now submits that the IGA should be fine-tuned in order to sharpen its focus and ensure its effectiveness. Measures to achieve same should be:-

1. Narrowing of the section 8A wagering exemptions to prohibit non Australian Licensed (offshore) Wagering operators from accessing Australian customers.
2. Strengthening enforcement measures against non Australian Licensed gaming and wagering operators via the creation of banking related regulations targeting funds transfers under section 69A of the Act; and
3. Easing of current "In-The-Run" sports betting restrictions for Wagering operators governed by appropriate controls against the offering of "micro-type" betting options.

Tab Limited would welcome the opportunity to discuss any aspect of this submission with the Commonwealth during the conduct of this legislative review.

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THINGS TO KNOW ABOUT

Tab & BETTING EXCHANGES

1. Tab:-

- Tab has the lowest parimutuel commission rate in the world (per attached).
- Tab contributes a significant proportion of revenues to racing and government (per attached).
- Tab funds some 80% of the total cost of running racing.
- Tab is a highly regulated business operating to a high integrity standard.
- Tab caters for 50¢ customers via almost 2,000 retail outlets and electronic channels such as PhoneTAB and NetTAB.
- Tab has wide ranging responsible gambling initiatives together with funding problem gambling counselling services.
- Tab is also active in sponsorships including Children's Cancer Institute, Australian Paralympic team, etc and is actively involved in community fund raising for items such as the Bushfire Appeal, Drought Appeal and RSL etc.

2. Betting Exchanges

- No betting exchanges are currently licensed in Australia.
- Most betting exchanges are licensed in the UK, where private bookmakers have dominated the Wagering market and revenue returns to the racing industry have been poor.
- Betting Exchanges are likely to have short-term benefits for some punters but longer term detriment to the whole racing and wagering industry.
- Jurisdictions such as Hong Kong and Japan have enacted legislation that makes betting exchanges illegal both from the perspective of the resident of the country and also for the foreign operator.

3. Impact of Betting Exchanges on Australian Racing and Wagering Industry

- Without doubt, the single most significant issue facing the industry since inception.
- Existing offshore betting exchanges are "parasitic" by nature.
- Unless positively managed, Racing as we know it will be severely damaged due to a massive reduction in revenues and perceived integrity problems.
- Individuals can be either a punter or bookmaker. This enables unlicensed persons to lay a particular horse and benefit from it not winning. The ability to trace these types of transactions is low.

-
- **tablimited** most certainly mean the end for existing Bookmakers.

As "Win" bets are the majority of betting exchange transactions at a very low margin, bookmakers will not be able to compete.

The demise of bookmakers is likely to have a negative effect on racing attendances.

- For every \$100 million in turnover that transfers from the Tab to betting exchanges, the racing industry is \$4.75 million worse off (As per attached).
- It is estimated that total revenues from exchanges is between 1 and 2%. On this basis they would be returning only \$100,000 (10% of revenue) to the Racing Industry for every \$100,000,000 in turnover versus \$4.3 million to the industry by Tab.
- If Tab lost significant turnover to betting exchanges it will not be able to service the small customer.

This will decimate racing's customer base.

BetFair – An Offshore Interactive Wagering Case Study

- ◆ BetFair is the trading name of The Sporting Exchange Ltd a UK registered company founded in August 1999. BetFair operates its betting exchange website under the UK Betting, Gaming and Lotteries ACT and holds a bookmaking license in England and Wales.
- ◆ Within four years of inception BetFair has grown into one of the largest Wagering organisations in the world. The firm currently handles around AUD \$130 million per week in matched bets on racing and sport.
- ◆ BetFair's current business model involves the targeting of foreign jurisdictions (including in Australia) whereby a "locally attractive" offering of racing and sports betting events are made available to wagering customers via the www.betfair.com website. Australian event options currently include major Australian racing events, NRL Rugby League and AFL Football games.
- ◆ Customers from around the globe are invited to deposit funds (via credit card, bank transfer and other options) and subsequently make bets on the outcome of racing or sports events with other customers via sophisticated internet and back end technology. Such transactions are "matched" at agreed odds.
- ◆ BetFair does not currently hold a gambling license within Australia. It therefore does not pay any local betting taxes on Australian sourced bets, nor any product fees or contributions to the Australian Racing Industry. This lack of financial obligation in turn allows the firm to offer betting returns (odds) that are more attractive than locally provided alternatives such as Tab.
- ◆ BetFair (and similar offshore wagering operators) provide a serious threat to the Australian wagering environment, and its stakeholders such as the Australian Racing Industry and State / Territory Governments. As an unlicensed emerging force in the Australian gambling industry it also provides a number of public policy dilemmas for Australian Governments.
- ◆ BetFair's Australian operations are largely exempt from the Interactive Gambling Act, 2001. It is deemed to be an excluded wagering service under section 8A of the Act.

The Importance of Australian Racing

1. The footprint of Australian Thoroughbred Racing spans the Australian continent. A total of 22,000 races are held around Australia each year. These are staged by 428 race clubs, of which thirteen are metropolitan and 415 are located in country or provincial areas. Of the 22,000 races conducted each year, 23% take place in cities – 77% take place in the bush or regional areas of Australia.
2. Australian Racing is a major agribusiness which is one of the mainstays of the economic base of regional Australia. Racing currently contributes some \$6 billion per annum to GDP, 40% of which is generated in regional areas.
3. Approximately 100,000 Australians derive their employment from racing. Breeding and racing are labour intensive activities providing employment in a wide range of jobs including as jockeys, trainers, strappers, farriers, stable hands, track work riders, stud masters, racecourse curators, barrier attendants, starters, judges and stewards. Much of the employment racing provides consists of jobs in regional Australia.
4. Racing and breeding provide irreplaceable jobs in regional Australia. Reduced employment opportunities in gaming related activities are replaceable as employment in other sectors benefits from reduced expenditure on gaming. However, if Australian Racing declines then people employed in racing related callings, particularly in regional areas, are highly unlikely to find replacement jobs in substitute industries.
5. Australian Racing makes a real and significant social contribution. 1.7 million people attend a race meeting at least once a year. This is second only in popularity to Australian Rules football. For most rural communities their Cup race day and the agricultural show are the two social highlights of the year – and for those not large enough to have an agricultural show the annual race day is their major opportunity to socialise as a community.
6. Australian Racing is a major generator of sports tourism. For example, the Victorian Spring Racing Carnival has an annual economic impact of more than \$240 million, the highest of any annual sporting event in Australia. The Carnival attracts approximately 600,000 people, including over 80,000 visits from overseas tourists.
7. Australian Racing has immense cultural significance. Its champions such as Phar Lap are part of the national identity.

[Source: Australian Racing Board Fact Sheet – 2001]

[Note that the above statistics relate only to the thoroughbred sector of the overall racing industry. The harness racing and greyhound sectors provide similar benefits, albeit on a lower scale.]



**A Full and Comprehensive Schedule of
Sports Betting Events**

and Approved Forms of Betting

(Approved and Regulated by the NSW Government)

ANNEXURE D

PROFILE OF TAB'S "TYPICAL"

INTERNET WAGERING CUSTOMER

Our Internet wagering customer is likely to appear as follows:-

➤ He is **MALE**

Only 10% of NetTAB users are females. This contrasts with an even M / F split reported for on-line gambling.

➤ He is **AGED 37**

56% of users are aged between 25 and 49 years. Only 13% are aged 18 – 24 years and 9% are over 55.

➤ He is a **MANAGER**

56% of users described their employment as Professional or Management.

71% were in full time employment.

➤ He is a **MIDDLE INCOME EARNER**

80% earn more than \$30,000 per annum.

60% earn between \$30,000 and \$70,000 per annum.

Only 2% are unemployed; and

Only 9% are retired.

➤ He **GAMBLES ONCE A WEEK**

84% gambled at least once a week; but only 15% daily.

➤ He **BETS ON RACING**

91% of customers bet on racing.

86% had bet on sports.

➤ He **HAS ACCESS TO OTHER ON-LINE GAMBLING OPTIONS**

27% of NetTAB customers had also gambled with on-line casinos or wagered with offshore betting exchanges.

(Source:- Australian Centre for Gambling Research; Survey of Internet Wagering Users – September 2002)

SCHEDULE OF SPORTS BETTING EVENTS AND APPROVED FORMS OF BETTING

(under sections 18 and 20 of Racing Administration Act 1998)
(updated Dec 2002)

SPORT

SPORTING EVENTS OR CLASSES OF SPORTING EVENTS

APPROVED FORMS OF BETTING

1	ATHLETICS	World Athletic Championships Australian Open Championships State Open Championships Professional events sanctioned by an Australian Professional Athletics Assoc'n Grand Prix events sanctioned by International Amateur Athletics Federation Commonwealth Games Goodwill Games	Winner/placegetter in event or stage Quinella Exacta Trifecta Favourite Out betting Field Betting Head to head Best of the select (Group betting) Individual performance Reach final/specified level	
2	AUSTRALIAN RULES FOOTBALL	Australian Football League Premiership Competition State Premier Division AFL Competition State of Origin Games AFL Official Pre-season Competition Most Valuable Player awards sanctioned by AFL	Head to Head Handicap Margins Line Team to lead at end of specified time period(s) Match score total Match score competitor Match score exact Scoring methods (Ranges) First, next or last specific scoring play/scorer Individual performance Ladder betting Team(s) to win or reach finals/specified level Wooden spoon Best of the select (Group betting) Favourite out betting Field betting Last team standing/winning Win Quinella Exacta Match with highest total score in round or series Match with highest winning margin in round or series Winner	Match Match/Premiership/Series Match Match Match Match Match Match Match Match Match/Premiership/Series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Award, etc

SCHEDULE OF SPORTS BETTING EVENTS AND APPROVED FORMS OF BETTING

(under sections 18 and 20 of Racing Administration Act 1998)
(updated Dec 2002)

3 BASEBALL	US National Baseball League Competition US College Baseball League Competition Australian Baseball League Competition Special Events sanctioned by Australian Baseball League Most Valuable Player awards sanctioned by relevant recognized governing body	Head to Head	Match
		Handicap	Match/Premiership/Series
		Margins	Match
		Line	Match
		Team to lead at end of specified time period(s)	Match
		Match score total	Match
		Match score competitor	Match
		Match score exact	Match
		Scoring methods (Ranges)	Match
		First, next or last specific scoring play/scorer	Match
		Individual performance	Match/Premiership/Series
		Ladder betting	Premiership/series
		Team(s) to win or reach finals/specified level	Premiership/series
		Wooden spoon	Premiership/series
		Best of the select (Group betting)	Premiership/series
		Favourite out betting	Premiership/series
		Field betting	Premiership/series
		Last team standing/winning	Premiership/series
		Win	Premiership/series
		Quinella	Premiership/series
		Exacta	Premiership/series
		Match with highest total score in round or series	
		Match with highest winning margin in round or series	
Winner	Award, etc		

4 BASKETBALL	European Championship Competition National Basketball Association (NBA, USA) Competition Women's Basketball Association (WBA, USA) Competition National/International Events sanctioned by Basketball Australia National Collegiate Athletics Association (NCAA) Competition Australian National Basketball League (NBL) Competition Australian Womens National Basketball League (WNBL) Competition Playoff series Australian Continental Basketball League (CBA) World Championships sanctioned by Federated International Basketball Association Most Valuable Player awards sanctioned by relevant recognized governing body Goodwill Games	Head to Head	Match
		Handicap	Match/Premiership/Series
		Margins	Match
		Line	Match
		Team to lead at end of specified time period(s)	Match
		Match score total	Match
		Match score competitor	Match
		Match score exact	Match
		Scoring methods (Ranges)	Match
		First, next or last specific scoring play/scorer	Match
		Individual performance	Match/Premiership/Series
		Ladder betting	Premiership/series
		Team(s) to win or reach finals/specified level	Premiership/series
		Wooden spoon	Premiership/series
		Best of the select (Group betting)	Premiership/series
		Favourite out betting	Premiership/series
		Field betting	Premiership/series
		Last team standing/winning	Premiership/series
		Win	Premiership/series
		Quinella	Premiership/series
		Exacta	Premiership/series
		Match with highest total score in round or series	
		Match with highest winning margin in round or series	
Winner	Award, etc		

SCHEDULE OF SPORTS BETTING EVENTS AND APPROVED FORMS OF BETTING

(under sections 18 and 20 of Racing Administration Act 1998)
(updated Dec 2002)

5 BOXING	<p>Sanctioned World Title Fights by World Boxing Association Sanctioned World Title Fights by World Boxing Council Sanctioned World Title Fights by International Boxing Federation Sanctioned World Title Fights by World Boxing Organisation Sanctioned World Title Fights by International Boxing Association Sanctioned World Title Elimination Fights by WBA, WBC, IBF, IBA and WBO Sanctioned Australian Championship Fights by Australian Boxing Feder'n Goodwill Games Commonwealth Games</p>	<p>Fight winner/draw Result/Method - KO/TKO, points decision, disqualification Result/Duration (number of rounds)</p>
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6 CRICKET	<p>World Cup of Cricket (One Day Series) Test Matches Interstate 1st Class Competition Interstate One Day Series International One Day Series</p> <p>Matches and Series sanctioned by Australian Cricket Board or affiliated international organisations Commonwealth Games English County Games Most Valuable Player awards sanctioned by relevant recognized governing body</p>	<p>Head to Head Result Margins Method of dismissal Next player out Next wicket taker Team to lead at end of specified time period(s) Match score total Match score competitor Match score exact Competitors score (ranges) at end of specified time period Individual performance</p> <p>Ladder betting Team(s) to win or reach finals/specified level Wooden spoon Best of the select (Group betting) Favourite out betting Field betting Last team standing/winning Win Quinella Exacta</p> <p>Match with highest total score in round or series Match with highest winning margin in round or series</p> <p>Winner</p>	<p>Match/Premiership/Series Match Match Match Match Match Match Match Match Match/Premiership/Series</p> <p>Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series</p> <p>Award, etc</p>
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7 CYCLING	<p>World Championships Tour de France Australian Championships Melbourne to Warrnambool Other events sanctioned by International Cycling Fed'n or Cycling Australia Goodwill Games Commonwealth Games</p>	<p>Winner/placegetter in event/stage/category (general, sprint, king of mountain) Quinella Exacta Trifecta Favourite Out betting Field Betting Head to head Best of the select (Group betting) Individual performance Reach final/specified level</p>
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SCHEDULE OF SPORTS BETTING EVENTS AND APPROVED FORMS OF BETTING

(under sections 18 and 20 of Racing Administration Act 1998)
(updated Dec 2002)

8	GOLF	<p>Australian or State Opens Australian Professional Golf Association/Ladies Professional Golf Association Championships PGA Tour of Australasia Ltd Events US Masters US PGA/LPGA Dunhill Cup US Open US PGA/LPGA Tour Events British Open World Match Play Ryder Cup President's Cup Other events (incl. "Skins") sanctioned by governing PGA/LPGA or an affiliated international organisation</p>	<p>Best of the select (Group betting) Head to head Individual performance Make cut/final series Winner/placegetter in event Quinella Exacta Trifecta Stage betting Favourite out betting Field betting Total matchscore/winning score</p>
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9	GRIDIRON (AMERICAN FOOTBALL)	<p>United States National Football League Competition Superbowl United States College Football Competition Special Events sanctioned by National Football League & National Collegiate Athletic Association Most Valuable Player awards sanctioned by relevant recognized governing body</p>	<p>Head to Head Handicap Margins Line Team to lead at end of specified time period(s) Match score total Match score competitor Match score exact First, next or last specific play/scorer Scoring methods (Ranges) Individual performance</p>	<p>Match Match/Premiership/Series Match Match Match Match Match Match Match Match Match/Premiership/Series</p>
			<p>Ladder betting Team(s) to win or reach finals/specified level Wooden spoon Best of the select (Group betting) Favourite out betting Field betting Last team standing/winning Win Quinella Exacta</p>	<p>Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series</p>
			<p>Match with highest total score in round or series Match with highest winning margin in round or series</p>	
			<p>Winner</p>	<p>Award, etc</p>

SCHEDULE OF SPORTS BETTING EVENTS AND APPROVED FORMS OF BETTING

(under sections 18 and 20 of Racing Administration Act 1998)
(updated Dec 2002)

10 HOCKEY	World Cup International Tournaments and Tests Australian Championships Commonwealth Games Other matches sanctioned by International Hockey Fed'n or Hockey Australia Most Valuable Player awards sanctioned by relevant recognized governing body	Head to Head	Match
		Handicap	Match/Premiership/Series
		Margins	Match
		Line	Match
		Result	Match
		Team to lead at end of specified time period(s)	Match
		Match score total	Match
		Individual performance	Match/Premiership/Series
		Ladder betting	Premiership/series
		Team to win or reach finals/specified level	Premiership/series
		Wooden spoon	Premiership/series
		Best of the select (Group betting)	Premiership/series
		Favourite out betting	Premiership/series
		Field betting	Premiership/series
		Last team standing/winning	Premiership/series
		Promotion/relegation	Premiership/series
		Winner/Placegetter	Premiership/series
		Exacta	Premiership/series
		Quinella	Premiership/series
		Trifecta	Premiership/series
		Match with highest points in round or series	
Match with highest winning margin in round or series			
Winner	Award, etc		

11 ICE HOCKEY	US National Hockey League Competition Australian National Hockey League Competition Canadian National Hockey League Competition International matches sanctioned by IHL World Championships Most Valuable Player awards sanctioned by relevant recognized governing body	Head to Head	Match
		Handicap	Match/Premiership/Series
		Margins	Match
		Line	Match
		Result	Match
		Team to lead at end of specified time period(s)	Match
		Match score total	Match
		Match score competitor	Match
		Match score exact	Match
		Individual performance	Match/Premiership/Series
		Ladder betting	Premiership/series
		Team to win or reach finals/specified level	Premiership/series
		Wooden spoon	Premiership/series
		Best of the select (Group betting)	Premiership/series
		Favourite out betting	Premiership/series
		Field betting	Premiership/series
		Last team standing/winning	Premiership/series
		Promotion/relegation	Premiership/series
		Winner/Placegetter	Premiership/series
		Exacta	Premiership/series
		Quinella	Premiership/series
Trifecta	Premiership/series		
Match with highest points in round or series			
Match with highest winning margin in round or series			
Winner	Award, etc		

SCHEDULE OF SPORTS BETTING EVENTS AND APPROVED FORMS OF BETTING

(under sections 18 and 20 of Racing Administration Act 1998)
(updated Dec 2002)

<p>12 LAWN BOWLS</p>	<p>NSW Premier League Test Series City of Sydney Masters State Number 1 Pennants (Grade 1) Australian Sides Championship NSW State Championship Final Series Trans Tasman Series Asia Pacific Games Champion of Champions Competition Australian Indoor Championships World Championships Commonwealth Games</p>	<p>Head to head Pick the winners Winning margins Competition winner Progress to an identified final Pick a winning score Total points</p>
<p>13 MISCELLANEOUS</p>	<p>Commonwealth Games</p>	<p>Select medal tally won by a specific competitor or country overall or in a specific sport Ladder Betting</p>
<p>14 MOTOR RACING</p>	<p>World Formula One Grand Prix Championship Races and Series World Grand Prix Championship Races and Series (Cars and Bikes) World/Australian Touring Car Championship Rounds and Series Indy Car Grand Prix races Bathurst 1,000 (Production and 2 litre classes) State and National Sprintcar Championships Le Mans NASCAR Championship Races & Series Indianapolis Races British League Championship (Speedway/Bikes) Speedway Riders World Championship (Bikes) Australian Rally Championships World Rally Championships World Grand Prix Support Championship Races & Series (Cars & Bikes)</p>	<p>Winner/placegetter in event or stage Quinella Exacta Trifecta Favourite Out betting Field Betting Head to head Best of the select (Group betting) Individual performance Reach final/specified level Number of competitors to complete/be eliminated from event or stage Pole Position Fastest Lap Competitor to lead at end of specified period</p>

SCHEDULE OF SPORTS BETTING EVENTS AND APPROVED FORMS OF BETTING

(under sections 18 and 20 of Racing Administration Act 1998)
 (updated Dec 2002)

15	NETBALL	Commonwealth Games Interstate Premier Competition World Netball Championships International Matches sanctioned by International Federation of Netball Associations	Head to Head Handicap Margins Line Team to lead at end of specified time period(s) Match score total Match score competitor Match score exact First, next or last specific play/scorer Scoring methods (Ranges) Individual performance Ladder betting Team(s) to win or reach finals/specified level Wooden spoon Best of the select (Group betting) Favourite out betting Field betting Last team standing/winning Win Quinella Exacta Match with highest total score in round or series Match with highest winning margin in round or series Winner	Match Match/Premiership/Series Match Match Match Match Match Match Match Match/Premiership/Series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Premiership/series Award, etc
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SCHEDULE OF SPORTS BETTING EVENTS AND APPROVED FORMS OF BETTING

(under sections 18 and 20 of Racing Administration Act 1998)
 (updated Dec 2002)

18 SOCCER	English Premier League and 1st, 2nd & 3rd Division Competition	Head to Head	Match
	FA Cup	Handicap (Points Start)	Match/Premiership/Series
	European Cup Winners Competition	Margins	Match
	World Cup	Line	Match
	Australian National Soccer League Competition	Result	Match
	European Champions League Competition	Team to lead at end of specified time period(s)	Match
	Euro Championship	Match score total	Match
	Special Matches sanctioned by Soccer Australia, FIFA, UEFA	Match score competitor	Match
	NSW State League Competition	Match score exact	Match
	Other Premier National/International Competitions/Cups sanctioned by FIFA/UEFA	Individual performance	Match/Premiership/Series
	Most Valuable Player awards sanctioned by relevant recognized governing body		
		Ladder betting	Premiership/series
		Team to win or reach finals/specified level	Premiership/series
		Wooden spoon	Premiership/series
		Best of the select (Group betting)	Premiership/series
		Favourite out betting	Premiership/series
		Field betting	Premiership/series
		Last team standing/winning	Premiership/series
		Promotion/relegation	Premiership/series
		Winner/Placegetter	Premiership/series
		Exacta	Premiership/series
		Quinella	Premiership/series
		Trifecta	Premiership/series
	Match with highest points in round or series		
	Match with highest winning margin in round or series		
	Winner	Award, etc	

SCHEDULE OF SPORTS BETTING EVENTS AND APPROVED FORMS OF BETTING

(under sections 18 and 20 of Racing Administration Act 1998)
(updated Dec 2002)

19 SURF LIFE SAVING	Australian Iron Man/Woman Competitions World Iron Man/Woman Competitions Australian Surf Life Saving Championship Events Goodwill Games	Winner/placegetter in event or stage Quinella Exacta Trifecta Favourite Out betting Field Betting Head to head Best of the select (Group betting) Individual performance Reach final/specified level
20 SURFING	World Professional Men's and Women's Tour Events	Winner/placegetter in stage/event/series/tournament Quinella Exacta Trifecta Favourite Out betting Field Betting Head to head Best of the select (Group betting) Individual performance Reach final/specified level

SCHEDULE OF SPORTS BETTING EVENTS AND APPROVED FORMS OF BETTING

(under sections 18 and 20 of Racing Administration Act 1998)
 (updated Dec 2002)

<p>21 TENNIS</p>	<p>Grand Slam Tournaments Australian State Open Championship Australian Indoor Championship Davis Cup Hopman Cup Federation Cup Association of Tennis Professional Tour Other Events sanctioned by Association of Tennis Professionals, Womens Tennis Association, International Tennis Federation or affiliated bodies</p>	<p>Head to head Correct set score in match Number of games played in a set/match Number of aces in a game/set/match Next set winner Next game winner</p> <p>Player/team to win or reach finals/specified level Best of the select (Group betting) Favourite out betting Field betting Individual Performance Exacta Quinella</p>	<p>Match/Tournament Match Match Match Match Match</p> <p>Tournament Tournament Tournament Tournament Tournament Tournament Tournament</p>
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<p>22 TRIATHLON</p>	<p>Events sanctioned by Triathlon Australia or International Triathlon Union or a recognised affiliated body Goodwill Games Commonwealth Games</p>	<p>Winner/placegetter in stage/event/series/tournament Quinella Exacta Trifecta Favourite Out betting Field Betting Head to head Best of the select (Group betting) Individual performance Reach final/specified level</p>	
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<p>23 YACHT RACING</p>	<p>Sydney to Hobart America's Cup Admiral's Cup Senior 18 Foot Sailing sanctioned by Yachting Association of NSW</p>	<p>Winner/placegetter in stage/event/series/tournament Quinella Exacta Trifecta Favourite Out betting Field Betting Head to head Best of the select (Group betting) Individual performance Reach final/specified level</p>	
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