



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**PROOF**

**ADJOURNMENT**

**Gambling**

**SPEECH**

**Tuesday, 17 October 2017**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

<b>Date</b> Tuesday, 17 October 2017	<b>Source</b> House
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<b>Questioner</b>	<b>Responder</b>
<b>Speaker</b> O'Brien, Ted, MP	<b>Question No.</b>

**Mr TED O'BRIEN** (Fairfax) (19:55): I've never been much of a gambler, Mr Speaker. A lot of my old mates are terrific punters—the horses, mainly. I actually haven't known that much about gambling, and I've known even less about a particular type of gambling: playing the lottery. Now, gambling, I think, particularly in a democratic free-market economy like ours, usually comes with a social compact, one that says we recognise that there are some harmful impacts of gambling. We therefore ensure that it's regulated and some of the revenues that come through gambling industries get fed back into local communities.

I have learnt over recent times about the lottery. Typically, it operates at state and territory levels, although there are some national lottery games. Whilst state government owned operations used to be major players in the industry, many have since been privatised—so we've got a mix of private, government and not-for-profit lotteries in the industry. They are well regulated and well taxed. State and territory lotteries contributed over \$1.1 billion in specific lottery taxes in FY 2016-17. Communities do stand to gain from tax revenues that go back into the communities, hospitals, schools, roads, services and, of course, charities. And beyond those who operate directly in the lottery sector, such as Tatts and the like, you also have small businesses. There are over 4,000 registered lottery retailers in Australia, mostly family-run newsagencies and convenience stores, so this is a vital part of our small-business economy.

If you are wondering why I'm raising this industry tonight, it's because there's a new entrant that has come in the online gambling space of the lottery: Lottoland. And it concerns me. I started hearing about this player earlier in the year. A petition has since been given to me, which I've subsequently handed to the relevant House standing committee. Lottoland is a foreign online gambling business that manages players' bets on the outcome of lotteries overseas. I have no in-principle problem with that. I'm a free-trader. I have no problem with international players. I have no problem, quite frankly, with disruptors in any marketplace. What concerns me is that I've been advised that Lottoland, in contrast with existing operators, is based in Gibraltar, which is a tax haven, and apparently it pays no Australian taxes. I've been advised that it pays only a \$500,000 licensing fee annually to the Northern Territory government and is subject to no other compliance cost or regulation beyond that, including no state or territory lottery taxes.

I also understand that its marketing strategy is to replicate the look and feel of Australian lottery advertising, thereby leveraging the existing value that comes with such branding association. Apparently, it's not even a real lottery; rather, it operates through a complex international model. So while many customers think they are participating directly in a state lottery, they are actually betting on the outcome of a lottery elsewhere, a lottery for which they are not registered ticket holders. To me, this seems unconscionable; it's not the type of conduct we would expect in our market economy, here, in Australia. Simon Barrett, a constituent of mine, owns the Coolum Park News Extra and operates that newsagency. He has reported a significant fall not only in Lotto sales but also in general sales as customers seem to be in decline compared with last year. This newsagency is right next door to a Woolworths, so it's not as if it's suffering from lack of traffic.

I've raised the issue about Lottoland with Minister Mitch Fifield and his office and I'm happy that he is now examining it. I raise it today to put it squarely on the agenda for this parliament. I am encouraging not only our minister to take the necessary action to investigate and address the issues I've outlined but also our state and territory governments to do the same. The gambling industry relies on a social contract. Lottoland, in my mind, is breaching that contract and needs to be held to account.

The SPEAKER: It being 8 pm, the debate is interrupted.

**House adjourned at 20:00**