



Suite 607, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000, Australia
t +61 (0)3 9909 7262
www.compps.com.au
Incorporation No. A0056112U

**THE COALITION OF MAJOR PROFESSIONAL AND PARTICIPATION SPORTS
INCORPORATED**

SUBMISSION TO THE DEPARTMENT OF TREASURY AND FINANCE

1 SEPTEMBER 2017



INTRODUCTION

COMPPS consists of the following organisations (the Sports):

- Australian Football League (**AFL**);
- Australian Rugby Union (**ARU**);
- Cricket Australia (**CA**);
- Football Federation Australia (**FFA**);
- National Rugby League (**NRL**);
- Netball Australia (**NA**); and
- Tennis Australia (**TA**).

These sports play a huge role in developing, promoting and presenting sport in Australia from the grass roots through to the international level. They are not-for-profit bodies and are responsible for the long-term development and sustainability of their sports.

Each of these organisations is the governing body and custodian of a major professional sport in Australia. They are mass participation sports - between them, they have more than 9 million participants and 16,000 clubs.

COMPPS members provide a wide range of public benefits through a self-funding business model. A large portion of the revenue of COMPPS members is devoted to enhancing, promoting and developing sport for all Australians both at national and 'grassroots' level.

BACKGROUND – POINT OF CONSUMPTION TAX

The COMPPS members welcome the opportunity to make a submission to this review.

In 2016, the Sports opposed the South Australian Government's decision to introduce a Point of Consumption Tax.

On October 16, 2016, the CEOs of the Sports wrote to the Honourable Daniel Andrews MP, Premier of Victoria, as follows:

"26 October 2016

*Hon. Daniel Andrews, MP
Premier
Office of the Premier
1 Treasury Place
Melbourne VIC 3000*

via email and post daniel.andrews@parliament.vic.gov.au

Dear Premier

Re: Place of Consumption Tax

We are the Chief Executives of the seven major professional sports in Australia. Between our sports we have 8.95 million participants and 16,000 clubs.

We write to express our strong opposition to the Place of Consumption Tax (POC Tax) that is currently before the SA Parliament. We urge your government to oppose any suggestion of the introduction of a similar tax in Victoria.

Premier, please be in no doubt that our primary area of concern in relation to sports-betting is the integrity of our sports.

Betting on sport is a reality, it is legal and it is popular. The sports were not consulted when sports-betting was first introduced by the States and Territories but we now accept it as part of the society in which we operate. We believe that we have succeeded in creating a strong integrity framework around our sports by co-operating with police forces, regulators and wagering operators.

We have consistently opposed measures that increase the volume of betting which takes place with illegal, offshore operators. We are working with the Federal Government to implement the recommendations of the recent O'Farrell Report into Illegal Offshore Wagering. We seek to have as much betting as possible conducted with wagering operators that are licensed with Australian regulators and with whom we have integrity agreements that enable us to work together to minimise the risk of corrupt practice. When bets are placed offshore, we have an integrity "blind-spot" as we have no way of tracking the bet.

We believe that if the SA POC Tax is introduced, licensed Australian wagering operators will pass the impost on to customers through lower odds. This is likely to increase the appeal of the illegal offshore wagering market that has lower overheads and will not be caught by the proposed POC Tax.

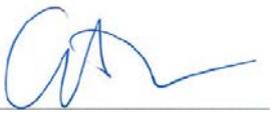
It follows that the SA's POC Tax will exacerbate the integrity "blind-spot" with further wagering activity taking place offshore.

We are determined to protect and improve the integrity of Australian sport. The proposed POC Tax is a step in the wrong direction and works against the commitment that governments, sports and other stakeholders have to protecting the integrity of sport and disrupting illegal offshore wagering.

Each of our sports is constituted as a not-for-profit entity, meaning that any money received from wagering activity conducted on our sports is invested back into our sports, including funds that support important measures to protect and improve the integrity of our sports. No money flows to outside shareholders or is provided as a profit to any entity. Naturally we are opposed to measures that could reduce revenue for our sports and thereby have a negative impact on our ability to continue the current levels of investment back into the growth of our sports.

Premier, we respectfully ask you to oppose any suggestion that a tax similar to the SA POC tax be introduced in Victoria.

Yours sincerely



*Gillon McLachlan
Chief Executive Officer
Australian Football League*



*Bill Pulver
Chief Executive Officer
Australian Rugby Union*



*James Sutherland
Chief Executive Officer
Cricket Australia*



*David Gallop
Chief Executive Officer
Football Federation Australia*



*Kate Palmer
Chief Executive Officer
Netball Australia*



*Todd Greenberg
Chief Executive Officer
National Rugby League*



*Craig Tiley
Chief Executive Officer
Tennis Australia*

The Sports continue to oppose the introduction of a Point of Consumption Tax in SA and in other States and Territories. In addition to the matters set out in the letter to the Premier, the Sports make the following points:

COMPPS supports the introduction of a national approach to regulation and taxation of sports betting and have argued for this for several years. The current system is inefficient, outmoded and it is time for change. If a national program were to be introduced, the Sports would seek a reasonable share of the revenue raised by that program from betting that takes place on the matches and events run by our sports.

Australia is becoming an increasingly uncompetitive market for online wagering when compared with overseas jurisdictions, which increases the appeal of the illegal offshore wagering market. The introduction of state based Point of Consumption Taxes will make this worse. The Sports are concerned that some wagering operators will close their Australian operations and locate offshore. As well as diminishing the taxation revenue from governments, it will decrease the funding that sports receive through integrity and product fee agreements with wagering operators, and exacerbate an integrity blind-spot referred to in our correspondence to the Premier of Victoria. This funding is used by the sports to fund their integrity departments and grassroots programs.

In conclusion, the Sports are opposed to the introduction of the Point of Consumption Tax by the Government of Victoria.

Mr Malcolm Speed AO

Executive Director

The Coalition of Major Professional and Participation Sports

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