



TAB AGENTS' ASSOCIATION OF N.S.W.



Address all mail to
The Secretary
P.O. BOX 466
CONCORD
N.S.W. 2137

Submission to the Australian Competition Tribunal from Tim Platt, President of the TAB Agents' Association of New South Wales

The TAB Agents' Association of NSW wishes to make this submission to the Australian Competition Tribunal in support of the application by Tabcorp for authorisation of its proposed merger with Tatts.

I am the current president of the TAB Agents' Association of NSW. I'm also an agent appointed to operate the TAB agencies at Strathfield in Sydney and Wyoming on the Central Coast of NSW.

The TAB Agents' Association of NSW is a registered union of employers, with membership made up of the 130 NSW TAB Agents who supply a dedicated retail wagering service for all racing and sports betting products offered by Tab Limited, or "the TAB" across 206 TAB agency outlets in NSW. TAB agencies operate under the terms of a distribution services agreement between each agency and the TAB.

From the day-to-day operational perspective of NSW TAB agents at a ground level, compared to agents operating in Tatts states, we don't expect the merger to result in a lot of visible difference. However, there are certain benefits the merger will have for NSW TAB agencies and their customers, including benefits associated with a potential national pool and a stronger inter-state TAB brand.

Industry trends and challenges faced by NSW TAB agencies

There has been a significant decline in the number of TAB agency outlets in operation in NSW in the face of a number of changes in the wagering industry over recent years, including:

the introduction of PubTABs and ClubTABs by Tabcorp approximately 15 years ago; and

more recently, the expansion in the market of corporate bookmakers, which has coincided with a broader shift away from "bricks and mortar" wagering towards online products.

These changes have resulted in the number of TAB agencies falling over time.

In the experience of NSW TAB agents, the approach of corporate bookmakers directly competes with the products of Tabcorp, but does so using online platforms and big marketing budgets but does not involve the same significant investment "on the ground" in the racing industry, bricks and mortar outlets, staff and technology.

The environment that TAB agents operate in today is particularly challenging and this has got worse in recent years because of corporate bookmakers. The high-value regular customers who used to come into agencies have now often moved online, where they are often attracted to fixed odds products offered by corporate bookmakers.

We also face the challenge that many younger customers are more familiar with technology and so tend to use online betting more than coming into physical outlets. Over time, this combination of both regular, more valuable customers and younger customers shifting to online betting, is having a real impact on our agencies.

Implications of the proposed Tabcorp/ Tatts merger for NSW TAB agents

As the merger will strengthen the TAB retail presence across the country, we expect this to lead to a stronger performance of NSW TAB agencies in competition with the online offerings of corporate bookmakers.

The coordination of administrative aspects of TAB agencies across states and territories, such as the potential streamlining of identification requirements which currently differ between Tabcorp and Tatts states, may also better enable interstate punters to place wagers at retail venues while in NSW, whereas currently they may see online wagering as the only accessible wagering option.

If the proposed merger helps to lead, more quickly, to the development of a national totalisator pool, this would also be a very good development for NSW TAB agents and their customers. This is because a larger national pool may result in the return of higher value punters to retail TAB agencies because the pools will be of a sufficient scale for these punters.

For these reasons, the TAB Agents' Association of NSW supports the merger of Tabcorp and Tatts.

Yours Sincerely,



Timothy Platt
President, TAB Agents' Association of NSW