

## NATIONAL COMPETITION POLICY

### REVIEW OF RACING AND BETTING LEGISLATION GOVERNMENT RESPONSE

#### PURPOSE

This paper sets out the Government's response to the recommendations and findings of the report "*The NCP Review of Racing and Betting Legislation*".

The former Government commissioned the independent consulting firm the Centre for International Economics (CIE) to undertake this report during 1998. CIE consulted widely throughout the racing and gaming industry in the course of preparing the report and received over 30 written submissions.

#### BACKGROUND

Under the three agreements comprising National Competition Policy (NCP), signed by the Council of Australian Governments in April 1995, Victoria agreed to, inter alia, the examination of all legislation for the presence of restrictions on competition and to assess those restrictions against the following guiding principle:

*Legislation should not restrict competition unless it can be demonstrated that: the benefits of the restriction to the community as a whole outweigh the costs; and the objectives of the legislation can only be achieved by restricting competition.*

In accordance with its commitments to legislation review under NCP, in March 1998, the former Government commissioned a review of Victoria's racing and betting legislation.

The pieces of legislation under review were the:

*Racing Act 1958;*

*Gaming and Betting Act 1994* as it relates to betting;

*Lotteries Gaming and Betting Act 1966* – Part 3, Part 4 (except Division 7) and Part 5 (except sections 69, 72 and 73); and

*Casino Control Act 1991* – Part 5A and other provisions as they relate to the conduct of approved betting competitions.

#### REPORT RECOMMENDATIONS AND GOVERNMENT RESPONSES

The report applies economic analysis and competition principles to the structure of the racing industry and associated betting, consistent with the overriding guiding principle for all NCP legislative reviews.

The Government welcomes this report as an indicator of ways that the racing industry in Victoria may develop and expand and operate more effectively and efficiently. The Government's response outlined below commits it to action appropriate to the circumstances of each restriction. In particular the Government response indicates:

- (a) It will remove any unnecessary competitive restrictions, except where there is an overriding community benefit;

- (b) The Government supports in principle the opportunities that alternative codes and proprietary racing may provide. It will not maintain legislative obstacles where there are viable alternatives proposed that would contribute to the racing industry; and
- (c) Implementation of some proposals is best advanced at a national level. Where appropriate, the Victorian Government will actively promote deregulation at an inter-jurisdictional level.

In summary the Government response confirms its willingness to take action to promote a competitive racing industry in Victoria.

The recommendations of the review report are identified below, together with a brief discussion. This is then followed by the Government's response to each of the report's recommendations.

***CIE Recommendation 1:***

***On restricting the activities of other codes to participation via ministerial permit***

*It is recommended that:*

- *other codes be given an opportunity to demonstrate to a committee convened by the Minister that they have an adequately constituted controlling body, rules of racing and integrity assurance architecture to offer their sports as a potential totalisator betting product;*
- *the elements of integrity assurance put forward by these codes be scrutinised using the standards of the traditional codes as benchmarks for acceptance;*
- *all costs of implementing quality assurance be borne by the respective prospective codes; and*
- *provisional licences be issued to clubs under the controlling bodies of these codes to allow racing to occur on presently licensed racecourses, but with totalisator wagering opportunities withheld while integrity assurance provisions are scrutinised.*

***CIE Recommendation 2:***

***On access of other codes to existing racecourses, track infrastructure and race meetings***

*To open up the possibility of other codes utilising facilities where capacity permits, the legislation should be changed to allow for the licensing of clubs from other codes to extend the provisions of the Act to those that have satisfied the Minister of the adequacy of their control and quality assurance structure. The requirement on the Minister to revoke racecourse licences should then only apply if none of the approved codes require their use.*

***CIE Recommendation 3:  
On access of other codes to totalisator betting***

*The legislative obstacles to betting on other codes, provided those codes demonstrate adequate integrity assurance, should be removed. TABCORP should be free to provide parimutuel and fixed odds betting services on events staged by these codes using the same commercial criteria it would apply to any other sport. Access by these codes to a share of totalisator revenue should be a matter of commercial negotiation between TABCORP and the controlling body of the code.*

**Discussion**

The report considers that other codes of racing (such as quarter horse and Arabian horse racing) should be allowed an opportunity to demonstrate their capacity to generate a racing and betting product that meets the level of integrity assurance required for totalisator wagering.

The recommendations suggest a process for assessing this capacity and outline some of the legislative reforms which would be required to elevate these codes to the same status as the thoroughbred, harness and greyhound codes of racing.

In particular, the report recommends that no totalisator wagering occur until the integrity of the other codes can be scrutinised.

Mixed sports gathering permits are available under section 19 of the *Racing Act 1958*. They provide the legislative authority for other codes to conduct race meetings at any place outside a radius of 25 kilometres of the Melbourne GPO. Apart from making race meetings lawful, the permits also allow for the operation of bookmakers at such meetings. The Government considers these permits a suitable means for allowing the other codes to demonstrate their integrity.

Some reform of the mixed sports gathering legislation is supported to enable other codes to conduct race meetings in the metropolitan area and to remove a legislative prohibition on Victoria Racing Club licensed jockeys and Harness Racing Board registered drivers participating in races.

The report recommends that the other codes themselves should bear the cost of evaluating their corporate structure, stewardship and general viability. Similarly, the codes would need to underwrite the cost of any subsequent legislative and regulatory reforms.

It is worth noting that the other codes have also made submissions for legislative reforms in interstate jurisdictions - particularly in the Australian Capital Territory and New South Wales. Any final assessment should include liaison with other jurisdictions and possibly the Australian Racing Ministers Conference to ensure proper consideration of the national impact of any decision.

### Government response

The Government supports the recommendations for access to totalisator betting services by any other racing code that can demonstrate their proposals are viable and meet levels of integrity comparable to the levels in place for the existing codes of racing.

The Government will seek to establish appropriate mechanisms to assess the integrity of other prospective codes of racing, subject to the new codes financing the cost of the assessment process. This will include detailed, costed recommendations for their independent regulation.

In the transition stage, the Government will support the use of mixed sports gathering permits for race meetings using the new codes. This will facilitate the assessment of the integrity and viability of new codes, while at the same time minimise the barriers to entry potential new operators face in this demonstration. Some reform to the mixed sports gathering legislation is supported to enable other codes to conduct race meetings in the metropolitan area and to remove a legislative prohibition on Victoria Racing Club licensed jockeys and Harness Racing Board registered drivers participating in races.

The Government will not assign priority to legislating removal of restrictions on access to totalisator betting services until there are viable propositions for new codes. This means that the Government will defer any legislative reforms pending the outcome of the assessment process. The Government would not impede the removal of legislative restrictions in the face of any positive assessment.

#### *CIE Recommendation 4: On the prohibition of proprietary racing*

*Until such a time as proprietary racing interests can provide detailed, costed recommendations for their independent regulation, it is recommended that the ban on proprietary racing remain.*

### Discussion

An internal Departmental working group reporting on one proposal for proprietary racing, recommended that:

- (i) the Government not consider any legislative changes which would authorise the proposal until the completion of a national review of the general principle of direct proprietary participation in the conduct of racing;
- (ii) the national review recommend an appropriate regulatory model should any jurisdiction elect to authorise proprietary involvement in racing; and
- (iii) the Government not proceed with any legislative changes to authorise proprietary participation in the conduct of racing unless one or more proponents can provide the Government with financial surety to underwrite the regulatory regime that would need to be established.

These recommendations remain valid.

Proprietary racing has the potential to profoundly change the structure and nature of Australian racing and the industry regards it a major national issue. Accordingly, it is important that any move to relax the current prohibitions on proprietary racing be examined in an appropriate national forum such as the Australian Racing Ministers Conference.

In order to identify viable proprietary racing proposals, the Government has issued a public invitation for submissions from interested parties.

### Government response

**Any potential operator must be able to demonstrate that it meets the required levels of integrity and general viability. The Government recognises the need for any proponents of proprietary racing to provide detailed, costed recommendations for their independent regulation.**

**The Government will not assign priority to legislating removal of restrictions until there are viable propositions for proprietary racing on the table. However, should any such proposition emerge, the Government will not impede the removal of restrictions. In this regard, the Government has issued a public invitation for submissions from parties wishing to conduct proprietary racing.**

**The appropriate national forums such as the Australian Racing Ministers Conference should continue to review issues surrounding proprietary racing.**

### *CIE Recommendation 5:*

*On access of other codes to services of personnel licensed by the traditional codes*

*It is recommended that, in the interests of competitive access and occupational mobility, the Victorian Minister takes up the benefits of allowing personnel to demonstrate their fitness to participate in any particular code with counterparts in other states, with a view to encouraging amendment to the Rules of Racing.*

### Discussion

The national rules of thoroughbred and harness racing prohibit licensed jockeys and drivers from participating in race meetings not authorised under the respective rules.

It is worth noting that the application of these rules in relation to race meetings authorised under other provisions of racing legislation has come under legal scrutiny in a recent Supreme Court hearing in Queensland. Further legal opinion will be sought to determine the application of the rules in Victoria in the case of a licence or a permit being in place to authorise other codes or proprietary racing organisations to conduct race meetings.

### Government response

The Government accepts that where other racing codes are established that it will not impede access by other codes to licensed personnel. Legal advice will be sought on the application of national rules of thoroughbred and harness racing against such personnel.

#### ***CIE Recommendation 6.1:***

##### ***On restrictions on sports and race betting operators - advertising restrictions***

*It is recommended that:*

- 6.1.1 advertising restrictions be removed on fixed odds sports betting provided by licence holders in Victoria, or entities licensed by other states;*
- 6.1.2 advertising restrictions on parimutuel race betting providers in other jurisdictions be maintained unless reciprocal access can be agreed; and*
- 6.1.3 advertising restrictions on fixed odds race betting providers whose principal business is not parimutuel wagering be removed. For non Victorian fixed odds race betting providers whose principal business is parimutuel wagering, advertising restrictions should be maintained unless reciprocal access can be agreed.*

### Discussion

All Victorian licensed betting operators are entitled to advertise their services in Victoria. Legislation in certain interstate jurisdictions prohibits Victorian (and other States') operators advertising in those jurisdictions.

The report observes that "Victorian bookmakers may be disadvantaged by allowing interstate operators to advertise in Victoria if reciprocal access is not available to Victorian operators. This highlights the case for a national approach to advertising/access issues".

The Government concurs with this observation. While allowing interstate operators to advertise in Victoria will expand consumer choice, it is expected that Victorian operators will encounter great difficulty in recouping the transfer of market share unless they can freely advertise interstate.

This disadvantage is likely to outweigh any benefits arising from providing interstate operators with the right to advertise in Victoria. Therefore reciprocal access is regarded as a pre-requisite to removing the current Victorian restriction. This matter should therefore be referred for review at appropriate national forums such as the Australian Racing Ministers Conference.

The *Casino Control Act 1991* permits the holder of the casino licence – Crown Limited - to conduct fixed odds and totalisator betting competitions on any approved event. The Minister cannot approve betting on any horse, harness and greyhound race on which TABCORP conducts betting. Further the Act restricts the competition to persons present in the casino.

As the Act is silent on the ability of Crown to advertise any of its games or competitions, it is reasonable to infer that there was no intention that there should be any restriction on advertising by Crown other than by general regulation under the Act.

If the *Lotteries Gaming and Betting Act 1966*'s advertising restrictions do impact adversely on Crown, and restrict its ability to advertise its products, then the Government will legislate to clarify the original intent of the *Casino Control Act 1991*. In the first instance, the Government will seek legal advice from the Victorian Government Solicitor to determine whether the issue does in fact require legislative clarification.

### **Government response**

**The Government supports the principle that Victorian licensed betting providers should be allowed to advertise their operations throughout Australia and internationally.**

**Because of the national nature of the industry the Government will advance this through appropriate national forums such as the Australian Racing Ministers Conference.**

**The Government considers that the intent of existing legislation is that Crown Limited should be allowed to advertise the casino's approved betting competitions. Legal advice will be sought to determine whether legislative clarification is required.**

### ***CIE Recommendation 6.2:***

#### ***On restrictions on sports and race betting operators - licensing restrictions***

*The following actions are recommended:*

- 6.2.1 *Alternative Victorian fixed odds sports betting providers should be granted exemption from the illegal betting provisions of the Lotteries Gaming and Betting Act 1966 and issued a non-exclusive licence by the Minister, where the Minister is satisfied that the potential provider(s) –*
- (i) meet appropriate probity requirements and are — or could be — adequately regulated, and*
  - (ii) can demonstrate they have sufficient financial resources both for the establishment of sports betting operations and running costs*
- 6.2.2 *The licence, once offered, should not distinguish between modes of service, which should be a commercial decision of the licence holder. The existing licence available to Crown should be amended to reflect this view and thereby permit Crown to accept telephone bets.*

6.2.3 *It is not appropriate to expect the Victorian Government to be responsible for the licensing and regulation of interstate betting service providers. For the above liberalisation of licensing provisions to be extended to non-Victorian fixed odds sports betting service providers, a national system for licensing service providers and reviewing taxation rates would need to be established. Extending the above recommendation to non-Victorian fixed odds race betting service providers would also be subject to these provisions.*

### Discussion

The Government believes there is an overriding community benefit from continuing the current arrangements for fixed-odds sports betting rather than legislating to enable a proliferation of sports betting licences. Issuance of further sports betting licences can be expected to produce a major expansion of the presence of sports betting outlets and opportunities in Victoria that will in turn significantly stimulate demand. While this would deliver the benefit of expanding consumer choice, the Government considers this quantum liberalisation of sports betting opportunities will exacerbate problem gambling in Victoria.

Moreover, the supervision of multiple sports betting operators is a resource intensive exercise and would add a further cost to the proposal. It would be difficult, if not impossible, to develop a regulatory scheme of sufficient breadth or depth to monitor these additional providers. The Government considers that the integrity of the off-course betting product would be threatened, thus jeopardising the high probity standards that underpin the efficient operation of the betting sector.

By comparison, at present, sports betting is confined to TABCORP's network and registered bookmakers. This arrangement is considered to provide sufficient and appropriately controlled access to sports betting facilities in Victoria.

In line with the Government's position relating to the limitation on the size of the sports betting sector, namely to curb sports betting at its current levels, the proposal to allow Crown Limited to provide a telephone betting service is also not supported. The entitlement for Crown to conduct approved betting competitions for persons physically present at the casino is regarded to be a very specific and narrow right incorporated in the general casino licence. To extend telephone-betting facilities to Crown radically changes the nature of this operation to, effectively, a statewide betting operation. The Government considers that the consequential expansion in sports betting facilities will lead to a higher incidence of problem gambling in Victoria. It considers that this cost outweighs the benefits derived from expanded consumer choice derived through the ability to place telephone bets at Crown.

Given the position on expanding sports betting rights in Victoria, the Government regards the proposal to allow interstate betting operators rights in Victoria to be a secondary matter should the policy situation in Victoria be altered at some future stage.

The only possible change of the sports betting licensing regime the Government is prepared to consider relates to its pre-election policy commitment to introduce a football tipping competition for the benefit of health and sporting programs.



The Government has recently announced its intention to invite expressions of interest for a football tipping competition licence. Football tipping is a well accepted and popular activity and is not regarded to pose the level of problem gambling risk associated with other forms of sports and race betting.

### Government response

**The Government believes that the benefits to the community as a whole from the current arrangements outweigh the costs of widening the availability of sports betting licences. The Government therefore does not accept the recommendation.**

**Consistent with this position, the Government does not support the extension of Crown casino's licence to conduct telephone betting.**

**However, the Government notes that an exception to its position may be a limited extension of the licensing regime in order to implement the pre-election policy commitment to introduce a football tipping competition for the benefit of health and sporting programs.**

### *CIE Recommendation 6.2 (cont.)*

#### *On restrictions on sports and race betting operators - licensing restrictions*

*The following actions are recommended in the report;*

- 6.2.4 Further consideration should be given to allowing hotels and clubs to enter into contracts with licensed Victorian fixed odds betting service providers. Such an arrangement would be subject to the recommendations made in this report with regard to locational conditions for bookmakers.*
- 6.2.5 Licensed sports bookmakers should be permitted to field at sporting events, provided they communicate bets taken through approved links to their representatives in racecourse auditoriums or other approved and monitored locations.*
- 6.2.6 Licensed sports bookmakers should be allowed to operate on a 24 hour basis without restriction on bet size, from premises approved by the Minister, to compete with non-Victorian operators.*
- 6.2.7 Bookmakers should be free to choose whether or not, and how, to disseminate their betting odds.*

### Discussion

The report recommends that licensed Victorian fixed odds betting service providers be allowed to enter into contracts with hotels and clubs to provide a service from such premises. As TABCORP has no legislative impediments in relation to where the company can conduct its operations, the recommendation is only relevant to racecourse bookmakers. By allowing bookmakers to offer their services at hotels and clubs – and presumably any venue whatsoever – there would be a major proliferation of betting opportunities across the State.

While this would deliver the benefit of expanding the nature, number and location of a consumer's off-course betting opportunities, the presence of bookmakers - or their agents - in hotels and clubs could be expected to exacerbate problem gambling through the expansion in betting opportunities. In particular, the nature of a "spur of the moment" bet is more likely in a pub or club environment where off-course bookmakers operate than at a TABCORP outlet. The likelihood of increased problem gambling is further heightened as there is no restriction on bookmakers offering credit betting.

The cost and difficulty of supervising multi-venue bookmaking operations is also likely to prove problematic. Design and implementation of an appropriate and effective regulatory system - including the supervision of off-course bookmakers (or their agents) at pubs and clubs - is likely to prove costly and difficult to achieve in comparison to the regulatory systems in place to govern TABCORP and on-course betting providers. The integrity and probity standards that the Government considers appropriate in order to maintain the confidence in the off-course betting product will be jeopardised by the expansion of off-course bookmakers or their agents to pubs and clubs.

The report recommends that sports bookmakers be permitted to field at sporting events, provided they communicate bets taken through approved links to their representatives in racecourse auditoriums or other approved and monitored locations. Sports betting is presently conducted on a minor scale at rural sporting venues and metropolitan athletic and cycling venues. The conduct of sports betting at major sporting venues such as Australian Football League games and Australian Cricket Board matches is supported in principle, subject to the identification of an operational model for supervision.

The adequacy of the model will rely on the financial viability of sports bookmaking at sporting venues - given that most sports betting is transacted by telephone - and the likelihood of the occupiers of sporting venues issuing permission for sports bookmakers to field. In order to explore the possibility of introducing legislation to allow sports bookmaking at any sporting venue, the Government has invited the Victorian Bookmakers Association and Victoria Racing Club (as the primary supervising body of sports bookmakers) to lodge a submission detailing the required operational model.

The recommendation for licensed sports bookmakers to operate on a 24 hour basis without restriction on bet size, from premises approved by the Minister was implemented by amendments to the *Racing Act 1958* effected by the *Racing and Betting Acts (Amendment) Act 1998*.

These amendments allow the Minister to approve any thoroughbred racecourse for such operations. Flemington Racecourse was approved under the new legislation in March 1999 coinciding with the abolition of the minimum telephone bet limits for sports bookmakers.

The only restriction on dissemination of betting odds relates to race betting odds during a meeting. The Minister has power to approve dissemination in any circumstances and has exercised this power in a number of specific cases.

To date however, the bookmaking profession has not sought any approval in respect to any general release of pre-race fluctuations. It is worth noting that odds dissemination is a national issue and needs to be examined in this context.

#### **Government response**

**The Government does not support the extension of bookmaking operations into hotels and clubs on the basis that such proliferation of betting shops is not in the public interest. It believes that the expansion of betting opportunities afforded by this proposal will lead to an increase in problem gambling and the regulatory and supervisory problems associated with implementation of the recommendations outweigh the benefit to consumers from greater choice (by way of location, nature and number) of betting opportunities.**

**The Government supports in principle sports bookmakers fielding at sporting events, subject to the identification of a viable operational model for supervision.**

#### ***CIE Recommendation 7:***

##### ***On restricting control to the present controlling bodies***

*The existing administrative structure of thoroughbred racing is one based on co-operation rather than competition within the state. Criticism has been directed at the distribution of power between the principal clubs and others and the resulting business arrangements within the industry. Criticism has emphasised these elements rather than the NCP-related issues of strict regulator-operator conflicts of interest. The review team believes these latter conflicts to be relatively minor. The relative efficiency or inefficiency of present administrative arrangements is a question best addressed by a separate review with a single purpose.*

#### **Discussion**

The control of thoroughbred racing is more of an administrative question rather than an issue of restrictions on competition. Accordingly, no action is recommended in the context of this review.

It should be noted that the Government and Racing Victoria have recently convened a joint advisory panel to undertake a review of the governance structure of the Victorian thoroughbred racing industry. This panel is expected to report back by the end of November 2000.

#### **Government response**

**No action required in the context of this review.**

#### ***CIE Recommendation 8:***

##### ***On minimum bet size for bets placed by telephone with bookmakers***

*It is recommended that minimum bet restrictions be removed and that bookmakers be permitted to determine the bet size they accept on commercial grounds.*

### Discussion

The State Budget introduced on 2 May 2000 provides for the reduction of the limits commencing from July 2001 in accordance with the following table:

Year	Metropolitan thoroughbred	Country t'bred, all harness & greyhound
2000/01	\$200	\$100
2001/02	\$150	\$50
2002/03	\$100	Nil
2003/04	\$50	Nil
2004/05	Nil	Nil

The basis of this phased reduction is to minimise any immediate adverse impact on Government revenue and racing industry revenue from totalisator operations.

The restriction remains open to further review given the possibility of the Australian Racing Ministers' Conference or an interstate jurisdiction resolving to adopt a more rapid rate of reduction.

### Government response

**The Government supports the recommendation to abolish the minimum bet level for race betting and has scheduled its phased abolition in the State Budget.**

#### ***CIE Recommendation 9:***

##### ***On incorporation of bookmakers***

*If Victorian bookmakers are to compete more effectively with other betting operators, they should be free to structure their business along the most efficient lines, including the use of partnerships and incorporation. The appropriate method of determining the contribution to the guarantee fund by a bookmaker's corporation or partnership would have to be settled before this restriction was removed.*

### Discussion

In principle, the Government believes that, in the absence of overriding public interest considerations, that an industry should be free to determine its own structure, including the appropriate mix between unincorporated and incorporated providers.

This principle needs to be set against current government policy, namely, to support the viability of the bookmaking profession. In this regard, it will consider any legislative changes likely to improve bookmakers' viability. The Government is also committed to ensuring the viability of country race meetings.

The transition from sole trader to partnerships or corporations has the potential to profoundly change the role of the traditional bookmaker and may lead to drastic rationalisation of the number of 'traditional' (ie sole trader) bookmakers. In particular, the incorporation of bookmakers could be expected to lead to a sharp decline in small sole-traders and consequent domination of the industry by large incorporated providers.

Rationalisation could reduce consumer choice and may also eliminate bookmakers from less financially attractive venues such as country racecourses and harness and greyhound meetings. Such meetings are typically characterised by the presence of small sole-traders, who attend a large number of country race meetings, thus ensuring their financial viability. It is typical that such sole-trader bookmakers cross subsidise unprofitable activities at low-profitability small country race meetings through their attendance at larger and more lucrative race meetings (where they can better take advantage of economies of scale in bet placements and hence make large profits).

The Government believes that incorporated bookmakers would only service larger race meetings – and thus drive the sole-trader out of business at those meetings through their greater market power. The absence of the sole-trader bookmaker from many meetings would detract from the ‘atmosphere’ and ‘colour’ at such meetings.

Sole trader bookmakers would be left to service small country race meetings only – an activity which, of itself, would be insufficient to ensure their financial viability. Sole-traders could be expected to withdraw their services from these meetings. It is likely, therefore, that smaller race meetings would be left without on-course bookmakers.

The absence of on-course bookmakers would threaten the viability of smaller country race meetings, thus potentially leading to a significant decline in country race meetings held in some rural areas. The closure – or scaling back - of country race meetings will adversely effect the ‘fabric’ of rural and community life in such areas.

Alternatively, the profession is generally regarded to be in decline and it could be argued that restructuring is essential for its long term survival.

While the Government has no objection to implementing legislative changes that would allow the formation of bookmaker partnerships and corporations, it would need to identify major modifications to the existing regulatory model and guarantee scheme. In line with its policy commitment to support the viability of the bookmaking profession, the Government considers that it would be inappropriate to advance such reforms without full consultation with bookmakers and the racing industry and in the absence of a comprehensive impact study.

### **Government response**

**The Government supports the recommendation in principle and will explore the necessary modifications to the existing regulatory model and guarantee scheme in consultation with the bookmaking profession and the racing industry.**

#### ***CIE Recommendation 10:***

##### ***On restrictions on race bookmakers’ activities***

*To improve their competitive position vis a vis interstate and overseas bookmakers, Victorian race bookmakers should be permitted to accept appropriately monitored telephone or internet bets on a 24 hour basis at premises approved by the Minister.*

### Discussion

The Government considers the report's recommendation to be acceptable. However, the VBA sees no requirement for 24 hour trading on race meetings and believes that bookmakers adequately service the current demand by fielding at racecourses 3 hours either side of the race meeting. The commencement of 24 hour racecourse trading under the *Racing and Betting Acts (Amendment) Act 1998* accommodates advance-day betting on feature races.

The *Racing Act 1958* empowers the Minister to approve betting technologies such as the Internet and facsimile. Such approval will be subject to the racing industry developing effective systems for monitoring betting transactions and ensuring the services meet responsible wagering standards.

### Government response

**The Government is willing to remove the restrictions on 24 hour trading on race meetings for appropriately monitored telephone or Internet betting. It notes however that implementation will be subject to the development of effective systems for monitoring such betting transactions and ensuring the services meet responsible wagering standards.**

### *CIE Recommendation 11:*

#### *On restrictions of advertising by tipping services*

*It is recommended that restrictions on the advertising of tipping services and any restrictions on publications of critiques of these services be removed.*

### Discussion

All other jurisdictions have deregulated their tipping services.

The Government does not regard the current licensing system for pre-recorded tipping services an effective means of regulating the probity or quality of such services. Given that there are consumer protection measures available to the public, the Government considers it appropriate to adopt the report's recommended deregulation of this activity.

There remain sufficient betting offence provisions should any tipping services extend their operations to any unlawful betting activities.

### Government response

The Government supports the recommendation that tipping services be deregulated.