

DRAFT SECOND READING SPEECH

HON. JEREMY ROCKLIFF MP

Racing Regulation Amendment (Bookmaker Betting & Miscellaneous Provisions) Bill 2016

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Madam Speaker, I move that the Bill now be read a second time.

The Racing Regulation Amendment (Bookmaker Betting & Miscellaneous Provisions) Bill 2016 is yet another step in the process of this Government not only delivering on its commitment for red tape reduction reforms for the tourism, hospitality and racing sectors, but also its commitment to ensuring the long-term viability of the State's racing industry.

There has been a continual decline in on-course bookmaker numbers nationally over a number of years, which can be linked to a variety of legislative, behavioural and operational reasons. These include the removal of prohibitions on transmitting betting odds off-course, licensing of corporate bookmakers and betting exchanges, and increased competition for the gambling dollar.

Moreover, customer behaviour in racing, similar to what is occurring in the sporting landscape in general, is to attend feature events, but to seek the most convenient and cost effective solutions at other times. We therefore have a situation whereby major race meetings in Tasmania continue to be well attended, however, for the remainder of the year there is minimal attendance at the meetings.

Madam Speaker, this pattern should not be viewed as a decline in the interest for racing. The significant increases in wagering on Tasmanian racing in recent years clearly demonstrates this. However, what we are seeing is that punters are generally betting from an off-course location using the convenience of services offered in the on-line environment by TABs, corporate bookmakers and betting exchanges.

The combination of declining race day attendances and the ability for punters to operate from an off-course environment has been a potent mix for the current and future viability of on-course bookmakers. This is clearly illustrated by the fact that in 2004-05 there were 15 registered bookmakers in Tasmania with total local turnover of \$3 million, whilst in 2014-15 there were nine registered bookmakers with total local turnover of \$1.1 million. This represents a 40 per cent decline in the number of bookmakers and 63 per cent decline in local turnover in a 10 year period.

Madam Speaker, it would be simple to form the view that market forces have largely contributed to this outcome and that governments should not involve themselves in such matters. However, a reasonable consideration of the role and contribution of on-course bookmakers for many years and an analysis of how the current wagering landscape has evolved would suggest that in fact it is quite proper that governments provide on-course bookmakers a

mechanism which enables them to develop a business model that is far more competitive than is currently possible.

It was not that long ago when Tasmania had regular Saturday race meetings which aligned with major interstate meetings and attracted good attendances. It was also not that long ago when there were no corporate bookmakers, no betting exchanges and importantly no ability to bet on-line. The choice for punters was limited, they would either go their local TAB or they would go to the races. Anyone serious about their punting activities would go to the races where they had exclusive access to on-course bookmakers and the market moves on each race.

However, that all changed due to the decisions of governments and the changing race broadcasting landscape.

Madam Speaker, from a governmental perspective, changes to legislation in a variety of jurisdictions saw the licensing of corporate bookmakers and betting exchanges and just as importantly, the removal of the prohibition to transmit on-course bookmakers odds off-course. Each of these changes resulted in adverse effects to on-course bookmakers as, to a significant degree, they removed the need for serious punters to attend race meetings.

From a broadcasting perspective, the emergence of a national broadcaster in Sky Channel resulted in all jurisdictions vying to have their product shown in premium time slots. The outcome for Tasmania is well known and continues to be a cause for concern amongst industry participants and racegoers. Thoroughbred meetings are now conducted primarily on Sunday afternoons or Wednesday nights, harness meetings are conducted primarily in the Sunday twilight timeslot, whilst greyhound meetings are conducted on Monday, Thursday nights and Tuesday afternoons. None of these timeslots are considered to be premium spots.

Therefore, as a direct result of decisions by governments and movements in race broadcasting, on-course attendances in Tasmania have continued to decline with the resulting adverse effect for on-course bookmakers who have seen their customer base continue to shrink.

Given that this outcome has been brought about by decisions largely outside the bookmakers' control, this Government believes that it is appropriate to provide bookmakers the opportunity to reset their business models to enable them to more effectively compete.

Madam Speaker, the Bill before the House today amends the *Racing Regulation Act 2004* to enable registered on-course bookmakers to also undertake bookmaking activities in the off-course environment under a strictly controlled regulatory regime.

Currently, the *Racing Regulation Act 2004* provides for an on-course bookmaker to be granted a telephone endorsement, which enables the bookmaker or their Agent to take bets by telephone whilst operating at a race meeting.

This Bill provides the ability for on-course bookmakers who have been registered for not less than two years prior, to apply for an off-course telephone endorsement and/or an off-course function endorsement. For consistency and clarity, the current reference to a telephone betting endorsement is changed to an on-course telephone betting endorsement.

The off-course betting endorsement will enable an on-course bookmaker to operate from a home office on any Saturday, Wednesday, statutory public holiday and a maximum of 10 other days as approved by the Director of Racing. The home office must be approved by the Director and must not be accessible by minors or members of the public. It is not a shopfront situation and bets can only be accepted by a single telephone which is approved by the Director.

Bets taken by a bookmaker with an off-course betting endorsement will all be monitored by a central independent bet monitoring service provider. It is a provider that is used by a number of other racing jurisdictions.

Madam Speaker, as well as requiring the bookmaker to be registered for not less than two years immediately preceding an application for an off-course betting endorsement, the Bill also requires the bookmaker to operate in the on-course environment at a level of not fewer than 10 race meetings per racing year. These requirements will ensure that the bookmaker has previously provided a service to on-course patrons and will continue to do, whilst at the same time enabling the bookmaker the opportunity to benefit from operating in an off-course environment.

The off-course function betting endorsement will enable a bookmaker to operate at an off-course function approved by the Director. There can be no more than three function approvals issued to a bookmaker each racing year. The types of functions would be up to the bookmaker to seek approval for, however, it would be expected that they would be aligned to major racing or sporting events.

It is important that the approved function is conducted in a controlled environment and is one which is not accessible to the general public. As such, the Bill provides that the function must be one whereby a person could be refused entry or ejected by the occupier of the premises, or their agent. It also provides for minors not being able to be present without being accompanied by a parent or guardian or a person acting with the approval of the parent or guardian.

Madam Speaker, the Tatts group has previously been granted an exclusive pari-mutuel licence in Tasmania. As part of the development of this Bill, consultation has been undertaken with representatives of the Tatts Group and also the Tasmanian and Australian Bookmakers' Association and it has been agreed that the Tatts group would be given the first option to provide a wagering service at a function. In the event that they cannot provide such a service, a registered bookmaker holding an off-course function betting endorsement may be approved to operate at that function.

The opportunity for bookmakers to operate in an off-course environment comes with some very strict controls. The days on which an off-course telephone endorsement may be used are limited. They must only use a premises and phone approved by the Director and all bets taken will be monitored. The premises will not be a shopfront situation and a bookmaker must comply with the Advertising Code of Conduct as determined by the Director.

A bookmaker holding an off-course function betting endorsement will only be able to operate a function approved by the Director and only at a maximum of three functions per racing year.

These are significant steps in providing enhanced opportunities for on-course bookmakers, however, the supporting regulatory regime is, and must be, at the highest level.

Madam Speaker, in February last year, following the airing of the Four Corners program on greyhound racing, I directed the Chief Veterinary Officer and Director of Racing to conduct a review of arrangements for animal welfare in the Tasmanian greyhound industry.

The completed Review, which was provided to me on 13 March 2015, contained 29 recommendations, the majority of which have been actioned or are in the process of being actioned.

Recommendation 16 of the review stated that consideration be given to an amendment of the *Racing Regulation Act 2004* to enable stewards to require unlicensed persons to appear before inquiries and provide documents if it can reasonably be determined that the person is of particular interest to an inquiry under the rules of Racing.

The Bill before the House today provides for the Director to issue a summons to a person to produce documents or to give evidence to a stewards' inquiry if the Director is of the opinion, on reasonable grounds, that it is necessary or reasonable for the purposes of the inquiry.

Madam Speaker, this is a very important step forward for outcomes in relation to integrity and animal welfare. The rules of racing enable stewards to investigate matters pertaining to licensed persons, however, increasingly such inquiries are being compromised by an inability to require an unlicensed person to appear.

Clearly there must be appropriate controls for the stewards to require an unlicensed person to appear and that is why the Bill places the responsibility to issue a summons with the Director, who must be satisfied that it is reasonable to require the production of documents or the giving of evidence by an unlicensed person.

The absolute need for integrity and animal welfare outcomes that meet both industry and community expectations make it essential that any person involved in the racing industry, whether licensed or not, should be required to attend a stewards' inquiry if it is reasonably necessary for them to do so.

Madam Speaker, I commend the Bill to the House.