

My comments on the Gambling Inquiry are directed specifically at the Racing and Wagering aspect and my perspective on this section is purely as an owner and punter.

I found it disappointing that the only benchmarking that appeared to be carried out was on the size of the Racing Industry and it appeared to come to the conclusion that our Industry is too big (rightly or wrongly) when compared internationally. There appeared to be no benchmarking to compare how well off or not our owners and punters are when also compared internationally.

This report also seemed to only focus on improving productivity for the punter when there are two groups of Racing Consumers who make a voluntary decision to allocate some of their discretionary expenditure on Racing – both Owners and Punters, they are often one and the same and my view is that the Productivity Commission should be concerned with both equally.

The report also seemed to be advocating something along the line of the UK funding model (a percentage of gross profit) which if achieved in its entirety as per the UK model would see owners return dropping from 60% to 30% of their expenditure, and in my opinion Australian punters getting a worse deal than they do currently with the net result that the Corporate Bookmakers make significantly more money.

In regard to Punters, on the face of it the UK might be the only other International jurisdiction where Punters appear to be better off, but this is probably misleading. Punter losses in the UK are approximately 10% of turnover and in Aust. 13.5% of turnover (pro-rata Tab's/Corps/Bookies), but proportionally the UK has significantly more turnover on Win Betting than us and when that is accounted for then the gap narrows and if we had equal Government Tax rates then they would probably be worse off. Factor in the fact that anyone that wins consistently in the UK has their account closed or is refused service in their High Street Betting Shops or has to pay a Premium Charge set entirely at the discretions of the Betting Exchange(s) then it becomes a one way street as far as who benefits from any "Productivity Improvements" that mimic the UK model.

This is a complex issue and a fair deal or productivity improvements for Punters/Owners/Betting providers should also examine kickbacks/rebates, refusal of service, the use of Tote and On-Course markets by others and no doubt many other aspects. A discussion on this report was held on the following Internet Forum in a thread started by Peter Mair who has a submission published in your report, the members of this forum are punters and owners and I can recommend it as useful reading.

<http://www.racehorsetalk.com.au/index.php/topic,8022.40.html>

Yours Faithfully

Mr Ian Grljusich