



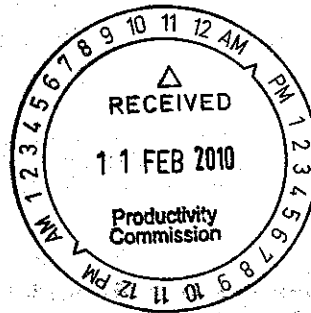
Racing Victoria Limited

RACING VICTORIA LIMITED

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10 FEB 2010



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Mr Gary Banks AO
Chairman
Productivity Commission
Locked Bag 2, Collins Street East
MELBOURNE VIC 8003

Dear Mr Banks

Draft Report on Inquiry into Gambling – Proposed Gaming Regulatory Changes

Racing Victoria Limited is the governing body of the Victorian thoroughbred racing industry and writes to you on behalf of its constituent racing clubs – and in particular those clubs which operate gaming venues.

As you would be aware from the submissions made to you by the Australian Racing Board and other racing bodies in relation to the wagering aspects of the inquiry, thoroughbred racing is a not for profit sport that generates significant economic and social benefits for the Australian community.

The Victorian racing industry creates a significant portion of these benefits with a total estimated annual economic value of \$1.8 billion and an employment and participant base of more than 65,000 people. Importantly, the industry's benefits extend throughout metropolitan and country regions.

Racing clubs have diversified their activities to broaden their level of service to club members and the general public and to help sustain the revenue streams required to ensure the Victorian racing industry remains viable and growing.

The operation of gaming venues is a key aspect of this diversification and at present there are 13 venues in which racing clubs have an interest. Gross gaming revenue from the 900 gaming machines within these venues totalled more than \$80 million in 2009 and the associated profits were reinvested into the racing industry.

RVL and our constituent clubs have been noting with interest the various submissions and hearings that have followed the release of the Commission's draft report and recommendations.

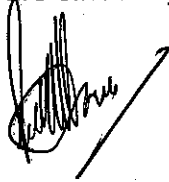
We wish to endorse the feedback that has been provided to you by the not for profit gaming sector in relation to the adverse impacts that can be expected to occur were the draft suite of gaming regulatory reform measures to be adopted.

Proposed recommendations such as the imposition of a \$1 maximum bet per spin, \$20 maximum insertions and shorter operating hours will clearly reduce revenues and increase costs but without necessarily having the desired effect of lowering the incidence of problem gambling.

We concur with the comprehensive submissions lodged by Clubs Australia and the Australasian Gaming Council which have highlighted the need for greater research and testing of the efficacy of such proposals and which generally advocate for a more balanced approach to protect the positive economic and social benefits that the not for profit gaming industry provides to the community.

Your consideration of these views would be appreciated in the course of the Commission finalising its report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rob Hines', with a long diagonal stroke extending from the bottom right of the signature.

ROB HINES

Chief Executive Officer

cc The Hon Rob Hulls MP, Victorian Minister for Racing
The Hon Tony Robinson MP, Victorian Minister for Gaming