



Speech by

Mark McArdle

MEMBER FOR CALOUNDRA

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RACING (RACE FIELDS) AMENDMENT BILL

Mr McARDLE (Caloundra—Lib) (7.45 pm): I start by congratulating the member for Surfers Paradise for bringing this excellent bill before the House tonight for debate. This bill comes in response to the threat that Betfair and other unauthorised betting exchanges pose to the Queensland racing industry. The bill is similar to the legislative approach already taken both in New South Wales and in Victoria and is in line with the opinion of many other Asian neighbours, including Japan, Singapore, Hong Kong, India, South Africa and Korea. We all know that racing is a sport that depends on public confidence in its integrity and is a major economic activity that generates substantial employment. The coalition understands the economic benefits that the racing industry provides Queensland as well as the social and cultural benefits.

The bill creates a new offence prohibiting the publication of race fields by unauthorised wagering service providers like Betfair because these providers generate or have the potential to generate significant revenue from Queensland racing without putting anything back into the industry or the government as bookmakers and TABs do. The bill aims to ensure that the integrity of racing is upheld through maintaining government revenue and effectively administering the conduct of racing to ensure that the high standards of probity are reserved. The bill has been drafted to avoid anticompetitive arguments. The bill states at new section 326A(1)—

A betting service provider must not, in the State or elsewhere, publish or otherwise make available a race field for a race in the course of business without the approval of the control body under the control of which the race is to be held.

In essence, the bill therefore states that the state itself can grant approval if it so wishes.

Betting exchanges provide an online facility for punters to back horses to win against odds laid by another punter, meaning punters could back a horse to lose rather than win and then take a commission. Unlike traditional wagering providers like TABs and bookmakers who support the racing industry through direct funding, traditional wagering providers are part of the commercial circle with the racing industry. Exchange operators make their profits out of breaking that cycle. The industry depends on a commercial linkage between wagering activities and the racing industry's cost base. The ongoing viability of racing depends on a commercial income stream from wagering back to racing to meet its cost base. Furthermore, traditional wagering providers are subject to clearly defined regulatory obligations vis-a-vis the racing industry. Betfair will not allow Australian racing authorities the same access. The regulatory environment that is in place is designed to protect the revenue streams the industry needs. As a result, unauthorised betting exchanges pose a real risk to the integrity of racing and have the propensity for criminal and unethical behaviour to result from their operation—race fixing, for example.

Perceptions of corruption would lead to a loss of confidence in the industry from punters. The threats posed by Betfair come at a time when Queensland racing is undergoing a great and growing popularity. It will damage the industry and damage the government. The Australian Trainers Association provided statistics back in 2004 stating that if betting exchanges are legalised and attract a transfer of 20 per cent of the existing totaliser turnover, the racing industry would lose approximately \$120 million and the state and federal governments \$130 million. The Beattie government currently pockets \$63 million from UNITAB's wagering taxes each year. The coalition does not want to see the Beattie government again act retrospectively and waste taxpayers' money when it has the opportunity right now to be proactive and

properly safeguard our racing industry. The Racing (Race Fields) Amendment Bill 2006 should be supported now in line with other jurisdictions and with respect to the lobbying of our racing authorities for several years.

The government has made statements that Betfair is a threat to the industry. However, it plans to oppose the bill. This is contradictory to its statements that the government is opposed to Betfair—another example of not supporting good legislation purely because the coalition introduced it. This government has not got the basics right. It is putting its own interests before that of the racing industry. I again say to the member for Surfers Paradise: well done. It is an excellent bill and deserves to be passed by this House tonight.