***Australian Bookmakers' Association Pty Ltd.***

**(Formerly ARBAC Pty Ltd.) A.C.N. 066 699 607**

ACT Bookmaker’s Association Chairman: Warren Barrington

NSW Bookmaker’s Co-operative Ltd.

Queensland Bookmakers’ Association Address: City Tattersall's Club

South Australian Bookmakers’ League Inc. 198 Pitt Street

Tasmanian Bookmakers’ Association Sydney NSW 2000

Victorian Bookmakers’ Association Ltd.

W.A. Bookmakers’ Association Inc. e-mail:

les@nswbookmakerscoop.com.au Telephone: 02. 9267.7605

Facsimile: 02. 9267.4147

Mobile: 0411 250 234

via email: [Blackeconomy@treasury.gov.au](mailto:Blackeconomy@treasury.gov.au)

I refer to the Exposure Draft Legislation for an economy-wide cash payment limit of $10,000 effective for bookmakers from 1 January 2021.

As discussed at the Melbourne round table on 5 August 2019 the Australian Bookmakers’ Association seeks to have further discussions with your officers as the proposed legislation will have a profound effect on the Australian Bookmaking Industry, in particular the conduct of on-course bookmaker operations throughout the country.

As outlined in the meeting we would like to discuss the ramifications of the limit in regard to the following aspects:

* The imposition of a $10,000 limit will make it impossible for a bookmaker to accept a large transaction on a short price favourite e.g Winx stating at $1.10 favourite. It was not out of the ordinary for large investments of $50,000 to $100,000 on the horse for an expected return of $55,000 to $110,000. Whilst such large transactions are not the norm at a metropolitan race meeting the domination of a horse or the particular class and strength of a race can have a decided influence on the preparedness of investors to back a horse for considerable amounts of money.
* Bookmakers offer various odds about horses and therefore the amount bet can be vary from a few dollars to a large sum. What we term in the business as “a punting stable” might place choose to place a bet of $2,000 on a horse showing $6 on the bookmaker’s board which would result in a bookmaker exceeding the $10,000 limit with a pay-out of $12,000. Such a bet would not be unusual and the practicalities of servicing such a bet would be made extremely difficult under the proposed legislation.
* The above moderate type of bet could occur at country, provincial or metropolitan venues if the owners of a horse wanted a considered bet.
* A further consideration is that some punters (be they professionals, private individuals or owners) may have more than one bet in a race with the same bookmaker on a particular contingency depending on the fluctuation of a horse’s price. As an example a horse may initially be offered at a price of $3 about which an investor may choose to make a $2,500 bet (potential pay-out $7,500). If the price of the horse then fluctuates to $3.50 the same party may elect to claim that bookmaker for a further $1,500 (potential pay-out $5,250). Should the horse win and the punter chooses to collect both tickets on the same horse at the same time’, the bookmaker will exceed the cash limit with a liability of $12,750 being payable to the same client.
* The proposed limit will also restrict the size of possible bet backs (lay-offs of liabilities) with other bookmakers and the totalizator if such a restriction was enforced. This would effect individual bookmaker turnover levels, totalizator turnover and have ramifications for point of consumption (**POC**) tax revenues in each state at varying levels. In NSW for instance this could also affect revenue to the racing industries as each racing code receives a set percentage of POC revenue.
* The payment of such amounts by cheque would be unmanageable in a situation where there was a number of tickets to be paid at the conclusion of a race.
* The nature of betting at the track can be become frenetic when punters can be crowding a bookmaker to get a price about a horse and wanting to bet various amounts, whilst at the same time a bookmaker must be wary to a professional walking down the line of bookmakers in a ring and shouting out amounts of money to place on a particular horse. The practicality of accepting such bets and considering pay-out limits could make the whole exercise tedious and damage a bookmaker’s earning potential.
* The current refusal of the major banks to offer merchant facilities to bookmakers, or approve tap and go facilities adds to the need for punters to carry significant amounts of cash on a racecourse.
* Will this law over-ride all Australian and Local Rules of Racing since the Rules of Betting are contained with those Rules.
* Bookmakers will continue to need access to bank withdrawals of funds to prepare for race meetings. (I understand banking institutions will still be permitted to offer such a facility)
* Finally, on Melbourne Cup Day, Sydney bookmakers in particular may have up to four separate stands on Melbourne Cup Day. This may require significant amounts of cash to be transferred between stands.
* Some on course punters may also have credit arrangements established with a bookmaker and settlements in cash subsequent to a race meeting may also be caught by the proposed legislation.

For the above reasons the Australian Bookmakers’ Association strongly believes that on-course bookmakers should be given an exemption from the legislation.

Yours sincerely



Les Mellowship

**National Executive Officer**