



SUBMISSION
to
INDEPENDENT GAMBLING
AUTHORITY

REVIEW 2006 –
REGULATORY FUNCTIONS

On behalf of
RACING SA PTY LTD

28 April 2006

RACING S.A. PTY LIMITED

Contact Details

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This submission is in response to the Authority's request for submissions as contained in the document issued by the Authority on 25 January 2006.

The solicitor acting for Racing SA Pty Ltd notified the Authority of its intention to address the inquiry and also made enquiries as to specific issues described as "second stage issues".

A copy of the correspondence is appended hereto being:

1. Letter from the solicitor acting for Racing SA dated 3 March 2006 to the Authority.
2. The Authority's response dated 8 March 2006.
3. Solicitor for Racing SA Pty Ltd letter dated 21 March 2006.
4. The Authority's response dated 30 March 2006.

In response to second stage issues – "starting points for discussion" appearing in Appendix 4 to the guide, the following submissions are made:

1. We refer to our previous submissions to the Authority.
2. Mandatory Warnings in Advertising (Code Issue 1).

We repeat that Racing SA has no objection in principle to mandatory warnings.

Any mandatory warning should relate only to the advertising of, or provision of a gambling product and not the advertising or promotion of an event or the provision of information relating to an event.

Racing as of necessity has to provide such information to the "public". There is a clear distinction between the advertising of gambling, that is the act of placing a bet and the provision of information.

3. On - and In – Venue Signage (Code Issue 2).

We believe from discussions with the concerned sector that this is not an issue applicable to the Racing Industry. We note that your starting points for discussion refers only to gaming machines and requests suggestions from Submitters in that regard.

We are concerned that any prohibition would inhibit the advertising of events and impact on the rights of the public to be informed about venues, dates, events and entertainment.

4. Mandatory Breaks in Play (Code Issue 3).

We again submit that this would only relate to gaming machines, in that this already exists in racing to the extent that gambling is not continuous.

Codification in this regard might inadvertently affect racing operations, eg: there is generally at least a five minute break between races but sometimes if a race is delayed it might be three minutes or less.

In the circumstances we submit any proposed regulations should not apply to racing.

5. Screening of Sights and Sounds of Gambling (Code Issue 4).

It should not be relevant to racing.

It would be impossible to screen the sights and sounds of a racecourse, given the geographic size and outdoor location of a racecourse. The cost would be prohibitive.

6. We note that second stage issues 5, 6, 7, 10, 11, 13 and 16 each specifically relate to a form of gambling other than wagering. We also note that you have advised that items 12, 14 and 15 are effectively resolved.

7. Relationship with Counselling Agencies (Code Issue 8).

We refer to our previous submissions and that Racing SA wishes to develop relationships with counselling agencies.

We also suggested there should be recognised accreditation process for counselling agencies.

8. Reporting of Potential Problem Gamblers (Code Issue 9).

The Authority's "starting point for discussion" comments identifies issues within hotels and club gambling businesses.

We repeat our submission as to the difficulties perceived in a racing club attempting to identify problem gambling. SATAB as the oncourse totalisator provider has undertaken to utilise its system (as it does with offcourse gambling) in accordance with the current policy relating to problem gamblers.

9. In regard to issues 12, 14 and 15, we presume from the Authority's comments in Appendix 4 that these matters do not relate to the Racing Industry.

Advertising Codes of Practice and Responsible Gambling codes of Practice

Racing SA has had the opportunity to review the submission prepared by SATAB and in general terms agrees with the views expressed therein to the extent that it is aware of the SATAB operations. We agree that it is difficult to maintain supplies of Helpline Cards, the comments made concerning Mandatory Warnings in Advertising and with their commitment to the Codes.

We refer you to the Independent Gambling Authority Act in that the Authority must have regard to, amongst other things, the maintenance of a sustainable and responsible gambling industry in this State.

We submit that the Authority should be aware that the Racing Industry has operated in the State for well over 100 years and conducts meetings at a number of racecourses. These operations are supported by a vast number of volunteers that are involved in the sport of racing and not solely in the gambling aspect of the sport.

Although the Industry is committed to support the Codes and the intent of the Act to minimise the effect of gambling on the community by “fostering the responsibility in gambling and, in particular, the minimising of harm caused by gambling, recognising the positive and negative impact of gambling on the communities”, the Authority should be aware of the current effect of the Codes on the operation of Clubs. All clubs have limited budgets in that they are not profit making operations and are community based. Over zealous enforcement of the provisions of the Codes would not, in our opinion meet the objects of the Authority and maintenance of a sustainable and responsible gambling industry.

Racing SA through its member organisations, Thoroughbred Racing SA Ltd, Harness Racing SA Ltd and Greyhound Racing SA Ltd has compliance officers appointed and is directing its Clubs to comply with the Codes.

It is our wish to work with the Authority and to identify any issues that are of concern without the need for a Club to incur costs that are not effective in harm minimisation, especially in regard to issues such as correct signage being in place and helpline stickers being provided.



Independent Gambling Authority

A.B.N. 13 916 836 475

IGA REF: AUTH 05/0077

30 March 2006

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Dear Mr Cooper

Review 2006

Thank you for your letter dated 21 March 2006, and received on 27 March 2006.

Thank you for confirming that you and Miss Nelson QC represent all of the licensed racing clubs that are subject to codes of practice.

With respect to research, there is no research commissioned by the Authority which is not mentioned on the website or in the annual reports. So far as a wider survey of research which might be relevant, I refer you to the document *A Decade of Gambling Research in Australia and New Zealand (1992-2002)*. This literature review was prepared by Dr Paul Delfabbro and Dr Amanda LeCouteur of the University of Adelaide, and is available on the publications page of the Authority's website under the title "Other Publications".

Finally, I note your further question concerning the second stage issues and, inferentially, the scope of the review exercise.

Second stage issues 5, 6, 7, 10, 11, 13 and 16 each specifically relate to a form of gambling other than wagering. Items 12, 14 and 15 are effectively resolved. However, the remaining issues are all potentially applicable to licensed racing clubs as wagering providers.

I had considered that your clients would also be likely to make submissions in respect of issues which go beyond the second stage.

In that respect, I recall being present at a hearing of the Parliament's Statutory Authorities Review Committee during 2005, at which the chief executive of Thoroughbred Racing SA expressed some concern about the compliance impact of the existing code of practice requirements on racing clubs, in particular country racing clubs. While the burden was expressed to be onerous, it was not articulated.

As you will note from the guide for making submissions, the Review 2006 exercise incorporates the statutory biennial review required to be conducted into the advertising and responsible gambling codes of practice. This provides your clients

John J.B. Cooper LLB
Review 2006

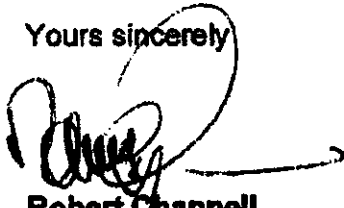
30 March 2006

with the opportunity to raise any issue of concern with respect to the measures to be contained in the codes.

In view of the views put to the parliamentary committee, it would be surprising if a submission to the Authority did not address the codes as a whole.

I look forward to receiving the licensed racing clubs' submission in due course.

Yours sincerely



Robert Chappell
Director

APPENDIX

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Your ref

Our ref: TRSA\aa0068

21 March 2006

Mr Robert Chappell
Director
Independent Gambling Authority
PO Box 67
RUNDLE MALL SA 5000

Dear Mr Chappell

Re: Review 2006 – Regulatory Functions

I refer to your letter of 8 March 2006.

Miss Nelson QC and the writer are instructed by Racing SA Pty Ltd and also by the managing authorities for each of the Racing Codes being Thoroughbred Racing SA Ltd, Harness Racing SA Ltd and Greyhound Racing SA Ltd and according by all licenced racing clubs.

The shareholders of Racing SA Ltd are the three authorities.

In regard to my request for information concerning research, I presume from your reply that there is no other research that exists other than that referred to in your annual reports and your website.

I also ask whether you are able to indicate that other than item (i) of the Second Stage issues, any other issues apply to Racing.

Yours sincerely,



John J B Cooper

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Independent Gambling Authority

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IGA REF: AUTH 05/0077

8 March 2006

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Dear Mr Cooper

Review 2006

I acknowledge receipt of your letter dated 3 March 2006, in which you advise that you act for Racing SA Pty Ltd, and have been instructed to brief Miss Nelson QC, and raise a number of questions concerning the scope of the review.

May I assume, in this context, that you are authorised to speak on behalf of all of the licensed racing clubs and licensed racing controlling authorities.

With respect to the questions you have raised, the relevant review activity relates to the Codes of Practice presently in place. However, as noted in the Guide for Making Submissions, the second stage issues are the logical starting point.

You have suggested that none of the 16 second stage issues relate to "Racing" and seek my clarification.

It is clear that some of the second stage issues, because they refer specifically to hotels and clubs, the casino or SA Lotteries, will not apply to licensed racing clubs in their capacity as wagering providers. However, there are second stage issues which will clearly apply equally to all forms of gambling regulated by codes of practice, the clearest example being the first of the second stage issues—mandatory warnings in advertising.

One approach which you might take is to address each of those second stage issues which are not expressly limited to another form of gambling in terms which indicate how (if at all) the proposed regulatory approach would relate to the activities of licensed racing clubs, in their capacity as wagering providers.

Finally, in respect of the issue raised concerning research, it is not clear to me whether you are enquiring about research which you believe exists and has been published, or research which you believe ought to be undertaken. The Authority's annual reports, and its website, carry information about research undertaken by the Authority and completed and published research is available on the Authority's website.

APPENDIX

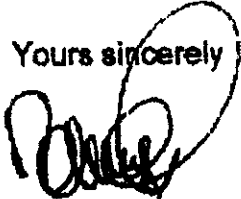
John J B Cooper LLB
Review 2006

8 March 2006

Would you please call me to clarify precisely what it is you seek in respect of research.

I look forward to hearing from you in due course.

Yours sincerely



Robert Chappell
Director

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Your Ref

Our Ref:

3 March 2006

Mr Robert Chappell
Director
Independent Gambling Authority
PO Box 67
RUNDLE MALL SA 5000

Dear Mr Chappell

Review 2006 – Regulatory Functions – Independent Gambling Authority

I act for Racing SA Pty Ltd and I have been instructed to address the inquiry.

I have also been instructed to brief Miss Frances Nelson, QC.

I note that the inquiry is entitled "Codes of Practice, Game Approval and Gaming Machine Licence and Guidelines". On the face of it would appear to relate only to Gaming Machine Licensees. However, insofar as it involves a review of the existing Codes of Practice, namely the Advertising Code and the Responsible Gaming Code, it is applicable to racing.

Clearly Racing SA will address the existing codes in due course.

The purpose of this letter is to enquire what specific issues described as "second stage issues" are considered by the IGA to be relevant to Racing SA. My client would not wish to address issues which have no application to the racing industry. It seems to me upon reading the document that none of the 16 items relate to Racing but we would ask you to clarify that is the position.

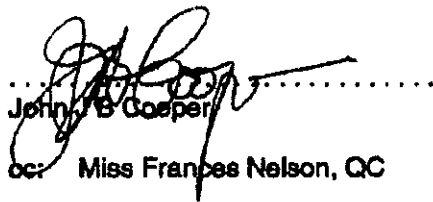
When we were last before the Authority Mr Howells made it clear that in any event items 13, 14 and 15 were not applicable to racing. The additional matter, Item 16, is obviously specific to the Casino. Item 12 relating to smoking has been superseded by health legislation. Item 10 is specific to Keno. Item 11 appears to be specific to Lotteries. The other items 1 to 9 inclusive do not seem to require a response from Racing on the grounds of relevance. I have had regard to the comments under the heading "Starting Point for Discussion".

In relation to the existing codes I am asked by my client to raise the issue of research into the effects of regulation. In order for Racing SA to appreciate the impact of such regulation, in terms of minimising problem gambling, it would be helpful to have from the Authority any

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research, data or findings which indicate the extent to which regulation has achieved the intended result. My instructions are that we would like an opportunity to consider that before completing our submissions and to that extent we would appreciate access to that information at the earliest possible opportunity in order that we can prepare our submissions in accordance with the time line set by the Authority.

Yours sincerely,


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John B Cooper
cc: Miss Frances Nelson, QC