



RACING VICTORIA

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Committee Secretary
Parliamentary Joint Committee on Corporations and Financial Services
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Dear Secretary

Racing Victoria (RV) is a not-for-profit company limited by guarantee and is the Principal Racing Authority governing body of thoroughbred horse racing in Victoria. Our primary aim is to promote the interests of horse owners, trainers, punters and racegoers across the state.

At the heart of RV's role is ensuring the promotion of Victorian thoroughbred racing and the ongoing financial sustainability for all Victorian Thoroughbred Racing Industry (VTRI) participants through generating revenue, which is distributed to industry participants through the payment of prizemoney, race club funding, infrastructure investment, participant welfare programs and other channels.

In addition to this, RV focuses on meeting its social obligations to Victoria and the communities in which it operates, including by promoting Victorian country thoroughbred racing, encouraging responsible wagering and optimising employment in the VTRI.

The VTRI is a major economic and community asset for the State of Victoria generating nearly \$3.2 billion in value for the Victorian economy and sustaining the employment of more than 25,000 full-time equivalent jobs.

The VTRI works effectively with Australia's licensed betting industry, and we believe that a well-regulated and responsible domestic wagering sector strengthens the racing industry.

We welcome the opportunity to provide comment to the Inquiry into Regulation of the use of financial services such as credit cards and digital wallets for online gambling in Australia.

Unlike other sports, where income is predominantly sourced from admissions, memberships, sponsorships and broadcast rights, the VTRI has always been primarily reliant upon funding from wagering sources to underpin its viability and sustainability (~85% of industry funding). RV and other racing PRAs receive the majority of industry funding from state and territory taxation revenue derived from point of consumption taxes levied on Australian-licensed wagering service providers, as well as product fees levied directly on wagering operators' net wagering revenue on our products. A responsible and well-regulated domestic wagering sector is beneficial to Australian racing.

Australia's betting industry is already well covered by the National Consumer Protection Framework, which offers Australian online betting customers extensive consumer protections and controls. RV supports these effective regulatory measures and notes that they operate with the full support of wagering operators.

A diverse range of organisations have raised concern over the operation of illegal overseas gambling websites that continue to target Australian consumers. As these unlicensed websites operate without any oversight or regulation, pay no Australian taxes, provide no contributions to Australian racing and pose a threat to the integrity of racing, they remain a major and pressing threat.

The Australian Government, the Australian wagering industry and other international bodies have each published credible estimates of the size of this illegal market, typically reported as being in excess of AU\$1.0 billion per year.

Evidence to the current Senate Standing Committee Inquiry into the Interactive Gambling Act provided by academic researchers, Government agencies and the industry demonstrates that banning Australian consumers from using credit cards on their online betting accounts risks Australian consumers shifting to illegal overseas betting websites. This represents a very negative consumer, industry, and regulatory outcome.

As there is a close link between Australian wagering turnover and racing industry funding from industry and government, any regulatory shift favouring illegal overseas websites would come at a cost to the domestic racing sector.

As the peak representative body for thoroughbred racing in Victoria we believe that any regulatory proposal must be supported by an independent and verifiable evidence base and an explicit understanding of the consequences of any proposed regulation.

Thank you for consideration of our comments.

Yours faithfully,

GILES THOMPSON
Chief Executive Officer
Racing Victoria Limited