

1959  
WESTERN AUSTRALIA

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**REPORT**  
**OF THE**  
**ROYAL COMMISSION**  
**ON**  
**BETTING**

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Presented to Both Houses of Parliament

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# TABLE OF CONTENTS

Chapter	Title	Page
I.	PRELIMINARY	5
1.	Procedure	5
2.	Sittings	5
3.	Material	5
4.	The Main Questions	6
II.	A REVIEW OF THE LAW BEYOND WESTERN AUSTRALIA	7
1.	The United Kingdom	7
2.	New Zealand	7
3.	Queensland	7
4.	New South Wales	8
5.	Victoria	8
6.	South Australia	8
7.	Tasmania	8
III.	RACING ADMINISTRATION IN WESTERN AUSTRALIA	8
1.	Gallopings	8
2.	Trotting	10
IV.	THE TOTALISATOR (ON-COURSE) IN WESTERN AUSTRALIA	10
V.	BETTING BY BOOKMAKERS BEFORE THE BETTING CONTROL ACT, 1954	11
1.	On-Course Betting	11
2.	Off-Course Betting	11
VI.	BETTING UNDER THE BETTING CONTROL ACT, 1954	12
VII.	THE BETTING CONTROL BOARD	13
1.	Constitution and Personnel	13
2.	Staff	14
3.	Administration	14
4.	Relationship to the Government	14
5.	Relationship to the Premises Bookmakers' Association	15
6.	Policy of the Board	15
VIII.	THE REVENUE PROVISIONS AFFECTING BOOKMAKERS	15
1.	License Fees	15
2.	Turnover Tax	16
3.	Stamp Duty	16
4.	Records	16
IX.	THE VOLUME OF BETTING, AND REVENUE DERIVED THEREFROM	16
1.	Volume of Betting	16
2.	Revenue and Distribution	17
3.	Tax Potential	17
X.	THE DISSEMINATION OF INFORMATION	17
1.	Newspapers	17
2.	Broadcasting	18
3.	Press Agency	19
XI.	THE EFFECT OF BETTING SHOPS UPON RACING BODIES	20
1.	The Declining Prosperity of the Racing Bodies	20
(1)	The Western Australian Turf Club	20
(2)	The Blood Horse Breeders' Association of Australia	20
(3)	The Breeders, Owners and Trainers' Association (Racing)	21
(4)	The W.A. Turf Club Bookmakers' Association	21
(5)	The Western Australian Trotting Association	22
(6)	The W.A. Trotting Breeders, Owners, Trainers and Reinsmen's Association	22
(7)	Automatic Totalisators Ltd.	22
2.	Assessment of the Reasons for the Decline	23

# TABLE OF CONTENTS—continued

Chapter	Title	Page
XII.	SOME OTHER CONSIDERATIONS OF THE EFFECTS OF THE ESTABLISHMENT OF BETTING SHOPS	24
	1. Beneficial Results	24
	2. The Shops as an Encouragement to Betting and Loitering	24
	3. The Off-Course Bookmakers' Monopoly and Profits	25
	4. The Premises Bookmakers' Association	27
	5. The Starting Price System of Bookmaking	30
XIII.	POSSIBLE CHANGES	33
	1. Modifications to Betting Shops	33
	2. Abolition of all Betting Off-Course	33
	3. The Off-Course Totalisator	34
XIV.	THE OFF-COURSE TOTALISATOR SCHEME	34
	1. T.A.B. in New Zealand	35
	2. The Proposal for Western Australia	36
	(1) Administration	36
	(2) Hours of Closing	37
	(3) Communications	37
	(4) Methods of Betting	37
	(5) Information to be Supplied in Offices and Payment of Dividends	37
	(6) Betting on Eastern States Races	37
	(7) Turnover	38
	(8) Capital Costs	38
	(9) Costs of Operation	39
	3. Arguments Against the Proposal	39
	4. Summing Up	40
XV.	THE SUPPRESSION OF ILLEGAL BETTING	40
	1. Reform of the Law	41
	2. Administration	42
XVI.	RUMOURS OF CORRUPTION	42
XVII.	CONCLUSIONS AND RECOMMENDATIONS	48
	1. Conclusions	48
	2. Recommendations	49

## INDEX TO SCHEDULES

No.	Subject Matter	Page
I.	Convictions for betting offences	50
II.	Total turnover of all bookmakers and tax paid	50
III.	Gross collections of turnover tax and distribution	51
IV.	Distribution of turnover tax to metropolitan racing clubs	51
V.	Revenue derived from stamp duty on betting tickets	52
VI.	Totalisator returns, 1953-1959	52
VII.	Comparison of the distribution of racing revenue in each State	52
VIII.	Graph showing revenue and expenditure, Western Australian Turf Club, 1949-1959	53

## ROYAL COMMISSION ON BETTING.

*To His Excellency Lieutenant-General Sir Charles Henry Gairdner, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Knight Commander of the Royal Victorian Order, Companion of the Most Honourable Order of the Bath, Commander of the Most Excellent Order of the British Empire, Governor in and over the State of Western Australia.*

*May it please Your Excellency.*

BY a commission under the hand of His Excellency the Lieutenant-Governor dated the eighteenth day of June, 1959, I was appointed to be a Royal Commission to inquire into and report upon betting within the State on horse-racing in or beyond the State, including with respect to that subject matter, but without limiting its generality:

- (a) characteristics, features and operation of existing legislation, and of control and administration thereunder;
- (b) effects and influences of or under existing legislation, including the Betting Control Act, 1954-1957, and the Bookmakers Betting Tax Act, 1954-1956, upon bodies and persons interested in, or connected with, horse-racing or betting thereon; and
- (c) undesirable features, results and influences of, and practices and trends under, existing legislation, control, or administration;

and to make recommendations for legislative amendments or administrative improvements in relation to any of the foregoing matters.

In pursuance of that commission I have the honour to submit the following report.

### CHAPTER I.

#### PRELIMINARY

##### 1.—Procedure.

Prior to the first sitting of the Commission on 21st July, 1959, three notices were published in each of the daily newspapers and one notice in each of the more prominent country newspapers, inviting any person in possession of information relating to any aspect of the terms of reference to communicate with the Secretary. Those wishing to present a case to the Commission were requested to forward to the Secretary a concise statement of the evidence they wished to tender.

Apart from these advertisements, the Betting Control Board, the Treasury Department and the Police Department together with bodies concerned with the dissemination of racing information were requested to prepare evidence. In addition a number of organisations who were likely to be affected in some way by the inquiry, were invited to submit evidence to the Commission.

The majority of the witnesses submitted their evidence in the form of a written statement and this was read by the witness after being sworn and was incorporated in the transcript in this form. This arrangement achieved a considerable saving in time.

##### 2.—Sittings.

At the first sitting of the Commission, leave to appear was sought by counsel representing the bodies listed hereunder and in each case the application was granted.

The Western Australian Turf Club.

The Breeders, Owners and Trainers' Association (Racing).

The Western Australian Trotting Association.

The Premises Bookmakers' Association of W.A. (Inc.).

The W.A. Turf Club Bookmakers' Association.

The Blood Horse Breeders' Association of Australia, W.A. Branch.

The United Council for Social Reform.

The Chairman of the Betting Control Board sought leave to appear as an advocate to watch the interests of the Board and despite the fact that he was also to be called as a witness, I granted his application.

Counsel also appeared to assist me.

After dealing with these applications, counsel assisting the Commission delivered an opening address, after which the Commission adjourned until Monday, 27th July, 1959.

The Commission commenced hearing evidence on 27th July, 1959, and except for two adjournments, each of one week's duration, sat on four days of each week until 16th October, 1959. During this time a total of 58 witnesses gave evidence and the Commission was addressed by nine counsel, and the Chairman of the Betting Control Board.

Before evidence was called, counsel for the Premises Bookmakers' Association submitted that the terms of reference did not extend so far as to permit an inquiry into the desirability of establishing an off-course totalisator. I ruled that such an inquiry was within the terms of reference.

During the course of the hearing, evidence was given which involved certain individuals who then sought and obtained leave to be represented by counsel. In addition, a breeder of trotting horses gave evidence and counsel was granted leave to appear on his behalf.

##### 3.—Material.

The transcript of the evidence and addresses of counsel covered 2,812 typed pages of foolscap. There were 140 documentary exhibits including the minutes of the Premises Bookmakers' Association for four years. I called for and perused a number of official files from the Betting Control Board, the Treasury and the Police Departments and had access to the minutes of the meet-

ings of the Betting Control Board. I personally inspected a number of betting shops and received reports from my assisting officers on others. I attended a number of gallop and trotting meetings and for a new experience indulged in betting in a mild way, only to come to the conclusion expressed by all the informed witnesses including the bookmakers, that for the punter betting is a "mug's game."

I perused the Reports or the relevant parts thereof, of other Commissions which in the past had considered the question of betting on horse-racing namely:

(1) *In Australia:*

(a) *In South Australia—*

The Royal Commission on Betting, 1932-1933.

The Royal Commission on Betting Laws and Practice, 1937-1938.

(b) *In Queensland—*

The Royal Commission on Off-the-Course Betting, 1951-1952.

(c) *In Victoria—*

The Royal Commission on Off-the-Course Betting, 1958-1959.

(d) *In Western Australia—*

The Royal Commission on Betting, 1948.

The Report of the Betting Control Board on Betting Shops and Totalisators, 1956.

(2) *In New Zealand:*

The Royal Commission on Gaming and Racing, 1946-1948.

(3) *In The United Kingdom:*

The Royal Commission on Lotteries and Betting, 1932-1933.

The Royal Commission on Betting, Lotteries and Gaming, 1949-1951.

(4) *In The United States of America:*

The Mayor's Citizens Committee on Off-Track Betting (City of New York.)

The following general conclusions can be drawn from the work and reports of the Royal Commissions to which I have referred.

- (a) That in view of the habits of a section of the community who do not regard betting as wrong in itself, it is undesirable and indeed impossible to ban betting on horse-racing.
- (b) That excessive betting is a social, economic and ethical evil.
- (c) That while logically betting should be confined to the racecourse which provides the sport, it is impossible to suppress off-course betting.

- (d) That it is expedient to consider the provision of some avenue of off-course betting so as to minimise the evil of illegal betting.

After considering all the reports, I have come to the conclusion, that, leaving Western Australia aside for the present, the problem of off-course betting has been solved with some success in New Zealand and in South Australia. New Zealand, following the report of the Royal Commission and a referendum, has established a nation-wide and exclusive totalisator system, which has operated for eight years and which I shall consider later in this report. It has not eliminated illegal betting but has rendered it unobtrusive. South Australia after nine years of licensed betting shops abolished them and except for one comparatively small town, made all off-course betting illegal. While in that State illegal betting has not been eliminated, yet by the operation of severe laws and penalties and good police administration, it has been rendered unobtrusive.

#### 4.—The Main Questions.

In relation to Western Australia the main questions which emerge from the inquiry are:—

- (1) Should betting shops be continued in their present form?
- (2) Are modifications of the present form of betting shops desirable?
- (3) Should the betting shops be abolished?
- (4) If they should be abolished, should all off-course betting be banned as in South Australia?
- (5) Alternatively, should some form of off-course totalisator be established as an avenue of off-course betting?

The issue contested most intensively before me was whether an off-course totalisator should be adopted in preference to the betting shops. This was the issue considered by the Betting Control Board in 1956, pursuant to Section 8 of the Betting Control Act, 1954. The Board, by a majority comprising the Government nominees, reported in favour of the betting shops and against the off-course totalisator. The minority reported in favour of an off-course totalisator.

In the present inquiry the Premises Bookmakers' Association contended for the continuance of the existing betting shop system without modification. The Western Australian Trotting Association contended for the abolition of the betting shops and sponsored an off-course totalisator system. The Western Australian Turf Club, while preferring the closing of the shops and the banning of all off-course betting if that were practicable, supported the Trotting Association. The Turf Club in its turn was supported by the Associations of breeders, trainers and owners. The W.A. Turf Club Bookmakers' Association supported the totalisator scheme or alternatively a very restricted betting shop system. The Churches, or such of them as gave evidence, and the United Council for Social Reform, while opposing for the most part all

forms of betting on race horses, were prepared to concede that by way of compromise betting should be allowed on the course and there only.

In considering the issues there is a postulate which I think ought to be made, namely that horse-racing is a national sport and that for the prestige of the State the industry ought to be maintained. It would be a pity if Western Australia were to be without a racecourse.

In the course of the Report I have used the phrase "racing clubs" to include both galloping and trotting clubs. Also the words "bettor" and "punter" have been used interchangeably.

It is noted that a Bill has been under consideration in Parliament which would alter the revenue provisions affecting bookmakers and betting off-course. I have not had regard to this circumstance in preparing my Report.

## CHAPTER II.

### A REVIEW OF THE LAW BEYOND WESTERN AUSTRALIA.

Whilst comprehensive reviews of the law and practice existing in the United Kingdom, New Zealand, the other Australian States, and elsewhere are available in the reports of the above-mentioned Royal Commissions, it seems desirable to preface my Report with a brief sketch of such law and practice in order to provide the background against which to view the position in Western Australia.

Furthermore, it is of some importance to have regard to the practice in the other Australian States because betting on horse-racing throughout Australia is becoming increasingly interwoven. The evidence indicated that there was no practical difficulty to bookmakers in this State engaging in betting transactions with bookmakers in other States and vice versa. For instance Mr. P. B. Healy (the largest bookmaker in Perth) is constantly in telephone communication with the Eastern States and indeed, whilst I was visiting his premises he received messages from Darwin and Launceston concerning odds fluctuations on a horse shortly to start in a race in Melbourne.

Further, the great interest exhibited by Western Australian punters in horse-racing in the Eastern States, makes the position in those States a relevant matter for my consideration.

#### 1.—The United Kingdom.

Betting on racecourses approved by the Race Course Betting Control Board with either bookmakers or on the totalisator is lawful. Off the course it is unlawful to keep a place for betting if it is done with persons resorting thereto or for cash. The only lawful off-course betting is that done exclusively for credit, whether by telephone, telegram or post. Betting in the street or in public places and also betting with infants is expressly prohibited by statute. There is some

credit off-course totalisator betting in England, this betting being handled by two independent companies. The bets are forwarded to the racecourse and included in the totalisator pool.

At the present time there is a Bill before Parliament to provide for off-course betting by licensed bookmakers operating in licensed premises, the significant features of the proposed legislation being:—

- (a) The bookmakers will be required to hold a permit from the local Justices in England and Wales or the Licensing Court in Scotland. The applications will be heard in public.
- (b) Preference will be given to bookmakers already in business in the three years ending when the Bill was introduced.
- (c) The betting shops may not be used for any other purpose and people under the age of eighteen years will not be admitted. Loitering inside or outside will be forbidden.
- (d) Radio and television inside the premises will be forbidden.
- (e) There are heavy penalties for illegal bookmaking.

The proposal is in pursuance of the recommendations of the report of the Royal Commission on Betting, Lotteries and Gaming 1949-51, dated 16th March, 1951.

#### 2.—New Zealand.

Bookmaking, whether on or off-course is unlawful. The totalisator has been the sole on-course betting medium for many years and since 1951 it has been lawful to bet off-course by means of a totalisator scheme, to which I have already referred and which I will examine at length. The legislation established a Totalisator Agency Board which manages the off-course scheme. All bets laid off-course are incorporated in the totalisator on-course. All other betting and also betting with infants is prohibited.

#### 3.—Queensland.

It is lawful to bet on the racecourse either on the totalisator or with licensed bookmakers. Betting with infants is prohibited.

Prior to 1954, all forms of off-course betting were expressly prohibited. The Racing and Betting Act, 1954, following the report of the Royal Commission in 1952, provided for the establishing of an off-course Betting Control Board to license off-course bookmakers in certain electoral zones if and when a majority of electors in those zones voted in favour of such a licensing scheme. Brisbane and Rockhampton were excluded. The Act provides for a referendum to be held in any of the nominated zones on a petition of not less than 10 per cent. of the electors in that zone.

I am advised by the Commissioner of Police in Queensland that this legislation has not yet been implemented, so that in the result there is still no lawful medium of off-course betting in Queensland.

#### 4.—New South Wales.

Betting on the racecourse either by means of registered bookmakers or on the totalisator is lawful. Betting with infants is prohibited. All off-course betting is unlawful.

#### 5.—Victoria.

At the present time it is lawful to bet on the racecourse with registered bookmakers or on the totalisator. Betting with infants is prohibited. All forms of off-course betting are unlawful.

A Royal Commission sat in Victoria towards the end of 1958 and in his report published in February of this year, the Commissioner recommended the establishment of an off the course totalisator. At the present time, a Bill is before the Victorian Parliament, which seeks to implement the recommendation of the Royal Commissioner though in a modified form. The Bill as introduced embodies a proposal for an off-course totalisator but with facilities for betting only by telephone, telegraph or post against an established credit.

#### 6.—South Australia.

In the first instance all betting with bookmakers was illegal, the only legal avenue being the on-course totalisator. In 1933 provision was made for licensing bookmakers to operate on-course and off-course respectively. In the following years, besides licensing on-course bookmakers, the Betting Control Board established under the Lottery and Gaming Acts, registered a large number of betting shops and licensed off-course bookmakers to operate therein. During the war racing was temporarily suspended under the Commonwealth National Security Regulations; the licenses lapsed and the shops were closed. In 1945 a new scheme was introduced by an amending Act. The Board is precluded from registering any premises within the metropolitan area of Adelaide. Outside the metropolitan area, the Board may register premises provided that the relevant local authority has approved of both the site and the suitability of the premises and after the Board has held a public inquiry in the town where the premises are situated. The Act provides that premises should only be registered if, in the opinion of the Board, such registration is reasonably necessary in the public interest.

Since this machinery was provided in 1945, 90 applications for registered premises in country towns have been received by the Board and a total of 78 public inquiries have been held. In the result, at the present time, betting shops are operating in only one town in South Australia, the town of Port Pirie, whose inhabitants number about 14,000. With this exception, all off-course betting is now prohibited. On-course betting is conducted through on-course bookmakers and the totalisator. Betting with infants is unlawful.

#### 7.—Tasmania.

It is lawful to bet on the racecourse with registered bookmakers or on the totalisator. Off the course, registered bookmakers may

bet in licensed premises subject to the approval of the Tasmanian Racing Commission. The registered bookmakers may operate both on and off-course, and the off-course premises must close whilst a race meeting is in progress. It is customary for registered bookmakers betting off-course in Tasmania to take up their stand in a central premises in a particular locality, which then takes on more or less the appearance of the betting ring at the course. When the premises close the bookmakers move to the course.

Street betting, betting in unlicensed premises and betting with infants either on or off the course is prohibited.

### CHAPTER III.

#### RACING ADMINISTRATION IN WESTERN AUSTRALIA.

##### 1.—Gallopings.

The racing of gallopers in Western Australia dates from the early days of the Colony, the first race meeting being held in 1833. However, the sport did not become systematised until 1852, with the formation of the Western Australian Turf Club. The club's present headquarters course at Ascot occupies ground which was the subject of a Crown Grant in 1877. The club received statutory recognition in 1892, with the passage of the Western Australian Turf Club Act. Provision was always available whereby other galloping clubs could register with the Western Australian Turf Club, and with the passage of the Racing Restriction Act of 1917, all unregistered racing in Western Australia was eliminated; from that time the Western Australian Turf Club exercised jurisdiction over all galloping racing in Western Australia.

Prior to the second world war, five courses were operated in the metropolitan area, each by a different club; with the exception of the Western Australian Turf Club all the metropolitan clubs were proprietary in nature. About 1945 the Western Australian Turf Club bought out all four clubs together with their courses. It closed down two of the courses, namely those at Canning Park and Goodwood, but continued to develop and use the courses at Helena Vale and Belmont Park, in addition to its headquarters course at Ascot. The passing of proprietary clubs from racing in Western Australia was in line with the trend throughout the Commonwealth.

Consequent on these changes, the Western Australian Turf Club now has the entire responsibility for the conduct of race meetings within the metropolitan area. The club finds it necessary to maintain the three courses in order to provide a full round of fixtures and proper facilities for training throughout the year, particularly because the Ascot racecourse is not suitable for winter racing. Ascot is an attractive and well-equipped course with extensive lawns and gardens and will bear comparison with the major courses in the Eastern States. Belmont Park and Helena Vale are on a less elaborate scale but provide the essentials for an enjoyable race meeting. It was not seriously contended

before me that the maintenance of three courses was unnecessary or represented a misuse of resources by the club, and I do not find this to be so.

The present membership of the club is 717 out of a maximum membership permitted by the by-laws as approved by the Governor-in-Council of 850. The club's activities are directed by a committee of twelve, six of whom retire each year but are eligible for re-election. The work of the Committee is entirely honorary.

The betting facilities provided on the club's courses are as follows:

*Ascot Racecourse, both Enclosure and Leger:*

- (i) Automatic totalisator with indicators, for both win and place.
- (ii) Quinella betting by totalisator.
- (iii) A bookmakers' ring on a paved area shaded by trees, fitted with moveable stands for bookmakers and providing facilities in separate areas of the ring for straight out betting on local races, doubles betting on local races and each way betting on Eastern States races.

*Belmont Park and Helena Vale:*

- (i) Automatic totalisator — win and place.
- (ii) Quinella totalisators.
- (iii) A paved bookmakers' ring with complete overhead cover and fitted with moveable stands for bookmakers who collectively provide facilities similar to those at Ascot.

Admission fees (inclusive of entertainment tax) to the various courses are:—

*Ascot:*

- To the Enclosure — Gentlemen 13s. 11d., ladies 6s. 11d.  
To the Leger — Gentlemen 4s., ladies 2s., Children 1s.

*Belmont Park and Helena Vale:*

- To the Enclosure — Gentlemen 13s 3d., ladies 5s. 2d.  
To the Leger — Gentlemen 3s. 9d., ladies 2s., Children 1s.

A number of criticisms were directed against the administration of the Western Australian Turf Club. Some points of criticism, for example that admission fees are too high, that stakes are too low and that the price of beer on the course is excessive are conceded by the club. It claims, however, that the present financial predicament precludes any immediate change.

Another criticism was implied in the cross-examination of Mr. Lee Steere, the Vice-Chairman of the Western Australian Turf Club, relating to one or two incidents of inconsistent running which resulted in disqualification of the persons concerned. On

the other hand it was asserted by Mr. Lee Steere that the standard of racing in Western Australia, despite the difficulties of recent years, is still high, that racing is well-conducted and is as clean here as in any other part of the Commonwealth; indeed, in his address, counsel appearing for the Premises Bookmakers' Association conceded that there was really no criticism to be levelled at the cleanliness of the sport in Western Australia.

It was also said that the Western Australian Turf Club had failed to play its part in the scheme of off-course betting, and had done its best—by a sort of passive resistance—to bring about the downfall of the scheme. It was frankly admitted by the club's witness that it was always their belief that the off-course bookmaker system would kill racing, and that they strenuously fought the introduction of the scheme, but Mr. Styants, the Chairman of the Betting Control Board testified that the club's representative on the Board had proved a valuable member of the Board, bringing to its deliberations a wide experience in racing affairs and a co-operative and helpful attitude.

The first country race meeting in Western Australia was held at York in 1843 and since then country racing has become firmly established throughout the State. At the present time there are fifty country clubs, all of them registered with the Western Australian Turf Club. They are organised under Associations conforming to the districts in which they exist. There are seven of these Associations, as follows:

- South West Racing Association.
- Eastern Districts Racing Association.
- Great Southern Racing Association.
- Eastern Goldfields Conference.
- Central Districts Racing Association.
- Murchison Racing Association.
- Northam Districts Amateur Racing Association.

The Eastern Goldfields Racing Conference is the largest of the country Associations and conducts 27 meetings in each year. All country meetings are held on dates allotted to the particular club or conference by the Western Australian Turf Club. The country Associations are linked into a Conference of Country Clubs which meets once a year in Perth to discuss the ensuing year's programme and racing problems as they affect the country.

The evidence showed that on the whole country race clubs prospered in the decade following the second world war and that in this period every club spent money on improvements; that for some years prior to 1955-1956 country clubs had received subsidies from the Western Australian Turf Club to assist their improvements programme, but that these subsidies had been discontinued by the Western Australian Turf Club because of their own financial difficulties.

Betting is conducted on all country courses by means of bookmakers who are recommended by the Western Australian Turf Club,



licensed by the Betting Control Board, and granted permits from the several clubs to bet at their respective courses. Totallisator betting is also available on country courses. In most country courses there is a manual totalisator but at the near city courses of Pinjarra, Northam, York, Toodyay and Beverley a mobile automatic totalisator is used and is operated by Automatic Totalisators Ltd. At Bunbury the club has installed its own automatic totalisator.

## 2.—Trotting.

Trotting has been conducted in Western Australia since about 1912, the premier club being the Western Australian Trotting Association. This Association was created a body corporate by the Western Australian Trotting Association Act, 1946. Its by-laws are set out in a schedule to the Act. The management of the Association is vested in a committee consisting of ten members including the President. Five of the members of the committee retire each year and are eligible for re-election. The President is appointed annually. The association conducts night trotting meetings at its headquarters at Gloucester Park in Perth. It also owns a second course at Richmond Park, Fremantle, which it leases to the second metropolitan club, the Fremantle Trotting Club. This club also holds its meetings at night. The course at Gloucester Park with its appointments and amenities is reputed to be the finest trotting ground in the Southern Hemisphere. There are nineteen country trotting clubs. The majority of these also race at night. Some of these country clubs are organised into three district trotting councils which co-ordinate the interests of the clubs in the respective geographic areas. These three councils are described respectively as — The North Eastern District Trotting Council, The Great Southern District Trotting Council and The South Western District Trotting Council. The Western Australian Trotting Association is the controlling body throughout the State and all fixtures are subject to the approval of the Association.

Betting facilities at Gloucester Park comprise a win and place totalisator, doubles and quinellas totalisators and bookmakers' rings accommodating about twenty bookmakers in the Enclosure and six in the Leger. Richmond Park provides similar facilities except that instead of the Doubles totalisator, jackpot totalisator betting is conducted. A totalisator operates on country courses together with bookmakers. Admission fees to Gloucester Park are as follows—

To the Enclosure—Gentlemen 10s., Ladies 5s.

To the Leger—Gentlemen 5s., Ladies 3s.

At 31st July last the membership of the Western Australian Trotting Association numbered 501, of which 135 were honorary members. The present nomination fee in respect of membership of the Association is £50 with an annual subscription fee of £3 3s. 0d. Membership entitles a member to free tickets for himself and two ladies to both

metropolitan courses throughout the year. The evidence tendered to me during this inquiry does not warrant any criticism of the Association for the manner in which it administers the sport in this State.

## CHAPTER IV.

### THE TOTALISATOR (ON-COURSE) IN WESTERN AUSTRALIA.

Totalisators on a racecourse were first permitted in 1883 by the Totalisator Act. The Act authorised any *bona fide* club established for the promotion of horseracing to use the totalisator on the club racecourse during any race meeting held thereon. By an amending Act in 1899 designed to clarify the meaning of "*bona fide* club," the Colonial Treasurer was empowered to authorise any club registered by the Western Australian Turf Club to use a totalisator on the racecourse during a meeting on the course.

A subsequent Act, the Totalisator Regulation Act, 1911, authorised the Colonial Treasurer to issue to clubs not registered with the Western Australian Turf Club a license to operate a totalisator on their course, and imposed an annual license fee in respect thereof. This Act also provided for the payment of a similar fee by the Western Australian Turf Club, and every club registered by it and authorised to operate a totalisator. The present license fee is fixed at the rate of £1 for every £1,000 turnover.

The Totalisator Duty Act, 1905-1958 imposed a duty on all totalisator investments. The rate has varied from time to time but at present is 13½%. The amount realised is shared between the racing club conducting the meeting and the Government as follows:—

	Metropolitan % Turnover	Country % Turnover
Win or Place—		
To Clubs	6%	10%
To Government	7½%	3½%
Quinellas, Doubles or Jackpot—		
To Clubs	10%	10%
To Government	3½%	3½%

In addition to this revenue, unclaimed dividends and fractions, are available for distribution and are shared on the proportions set out hereunder. The fractions comprise the residue of the pool after the calculation of dividends to an even 6d.

	Metropolitan Win or Place	Quinella, Doubles, Jackpot and All Country
To Clubs	92½%	96½%
To Government	7½%	3½%

At the present time automatic totalisator machinery is installed on the metropolitan racecourses. Country courses are serviced by either a mobile automatic totalisator, or one that is manually operated. The only significant distinction between a mobile totalisator and the totalisators installed on metropolitan courses is that the indication

of odds on the former require manual adjustment, whereas the latter are fitted with barometers which are automatically controlled.

The totallisator legislation is administered by the Commissioner of Stamps.

## CHAPTER V.

### BETTING BY BOOKMAKERS BEFORE THE BETTING CONTROL ACT, 1954.

#### 1.—On-Course Betting.

Bookmakers operated on the racecourses throughout the State for many years prior to 1955. Some doubts were expressed as to whether on a strict construction of the Criminal Code their operations were legal; nevertheless, their activity received authoritative recognition, the racing clubs licensing the bookmakers and receiving fees in consideration of their being allowed to bet on the course and the Government exacting a Stamp Duty on all tickets issued by the bookmakers on the course.

#### 2.—Off-Course Betting.

By virtue of the Police Act Amendment Act, 1893, and the Criminal Code, it was unlawful to keep a place of betting, if the betting was done with persons resorting thereto or for cash. There was no statute expressly dealing with street betting, nor was betting with infants prohibited. It appears there was nothing to stop a bookmaker carrying on a credit betting business, provided there was no resorting to the premises.

Evidence was given that prior to 1954 there were probably 150 bookmakers throughout the State operating a credit business through the medium of the telephone, telegraph or post. In the metropolitan area these bookmakers were linked in an Association styled "The Turf Commissioners' Association," with a membership of about 65.

Illegal bookmaking was extensive in Western Australia over many years. Prior to 1942, it was largely a matter of illegal shop betting with police efforts of enforcement being frustrated by the inadequacy of the then existing law.

Following an amendment to the law in 1942, the police were able to close the betting shops whereupon the illegal bookmaker moved into the street. In the absence of any specific prohibition of street betting, the only avenue for law enforcement was to take prosecutions under a regulation made under the Traffic Act, the basis of which was the obstruction of traffic and loitering and acting in any way to the annoyance of other pedestrians.

The police encountered difficulty in proceeding against bookmakers, as can be seen from the evidence of Inspector Flebig, formerly the Inspector in charge of "the Gaming Squad", who said *inter alia*—

Evidence was difficult to obtain as clients of the bookmakers always warned them of the approach of police or strangers,

and to obtain convictions the police had to establish that the person charged was engaged in betting.

In country towns, particularly, the police met with a great deal of opposition from all sections of the public if local bookmakers were prosecuted for "obstruction" in places where no actual obstruction was being caused. On the other hand, if prosecutions were not taken the police were accused of graft. This also applied to a lesser degree in the city.

In many country towns, local Justices of the Peace frequently would not sit on the bench or convict on obstruction charges and it was necessary for the Police Department to arrange for these charges to be heard by magistrates.

Mr. Styants, the present Chairman of the Betting Control Board, stressed the inadequacy of the law and emphasised the inconsistency of law enforcement. He said—

Except for sporadic attempts little was done to stamp out illegal off-course betting on racing. In one town bookmakers blatantly ignored the law by having their betting boards, wireless sets and umbrellas set up in the open opposite the central portion of the main street.

To the best of my knowledge there never was a prosecution instituted against any bookmaker in that town for illegal betting.

On the goldfields the bookmakers for most of the time operated openly in shops, many of them being in the main streets of Kalgoorlie and Boulder. One man operated on the pavement with a wireless set under the shade of a pepper tree. At infrequent intervals a crusade would be made against them, but after a few weeks it would die out and the betting would go on again in the premises or on the pavement.

There appeared to be a roster or something similar when each bookmaker would be charged with "obstructing traffic" and be fined. Rarely if ever were the cases defended.

Rarely was the principal charged. The custom was to have a "stooge" or "dummy" available on the day when the bookmaker was to be apprehended.

The bookmaker would put up the bail money, then pay the fine imposed on the "stooge" and pay him a sum of money for taking "the rap".

This was the procedure generally adopted throughout the State, except rare cases where the local police officer would strictly enforce the law and apprehend the shop bookmakers every week.

Everyone knew that in cases where the "stooge" was provided that the principal was not being charged. The enforcement of the betting laws in country districts was entirely according to the views of the local police officer.

The operations of off-course bookmakers were facilitated both by the ample broadcasting and press coverage of racing news, and more particularly by the service provided by two press agencies, *Tates Press* and *Telegram Agency* and *The Goldfields Press Agency*.

The racing service was provided by these press agencies during the course of each race meeting, and embraced details of the results of each race in Melbourne and Sydney as well as local meetings, together with the starting prices of the winner and favourite and the totalisator dividends. This information was generally distributed to their clients within half an hour of the race being run.

In 1948 *Tates Press* and *Telegram Agency* serviced a total of 175 bookmakers, 91 of them in the metropolitan area and 84 in the country. In 1954 their bookmaker clients totalled 231, of whom 131 were in the metropolitan area and 100 in the country.

During the years 1948 to 1954 the *Goldfields Press Agency* supplied racing information to the *Kalgoorlie*, *Boulder* and districts area. This agency received its material from *Tates Press* and *Telegram Agency* but otherwise was independent. In 1954 the *Goldfields Press Agency* supplied information to 25 bookmakers in *Kalgoorlie* and *Boulder* and to seven bookmakers in the adjacent country areas.

I refer to the comment upon these Press Agencies made in the report of the Royal Commission on Betting held in Western Australia in 1948, that "there is no doubt that these Press Agencies provide a very efficient service to their subscribers and that the present system of off-the-course betting is largely dependent on their services for its successful operation."

The same Royal Commission reported on the then state of the law on betting as follows:

This review will serve to show that Western Australia has lagged far behind England and the other States so far as betting legislation is concerned. The present state of the law here can only be regarded as chaotic and hopelessly inadequate and ineffective in the light of present-day conditions. The enactment of a betting and gaming code is an urgent necessity.

It was this chaotic state of the law which ultimately brought about the enactment of the Betting Control Act, 1954 under which all bookmakers were to be licensed. The 1948 Royal Commission reported against the establishment of an off-course totalisator mainly on the ground that it was impracticable. Nevertheless there appeared still to be advocates of that system and in consequence Section 8 was inserted in the Act requiring the Betting Control Board to hold the inquiry to which I have referred. As I have said, by a majority, the Board decided against the totalisator.

## CHAPTER VI.

### BETTING UNDER THE BETTING CONTROL ACT, 1954.

The Betting Control Act was passed on 30th December, 1954. For administrative purposes it came into force immediately, but its full operation was delayed until 1st August, 1955, on which date licensed off-course bookmakers commenced business. The Act provided for the constitution of a Betting Control Board with authority to license bookmakers, both on-course and off-course and to register premises off-course wherein licensed off-course bookmakers could operate.

The regulations prescribed a variety of bookmakers' licenses dependent upon the place where the licensee is permitted to bet. They also provided for the licensing of bookmakers' employees.

The following are the different categories of licenses, together with the number in force as at 31st July in each of the years specified:

	1955	1956	1957	1958	1959
Bookmakers' Racecourse Grandstand Enclosure	56	50	53	52	47
Bookmakers' Racecourse Leger	22	22	27	19	17
Bookmakers' Racecourse Doubles	11	11	11	9	5
Bookmakers' Country Racecourse	20	33	37	44	44
Bookmakers' Exclusive Premises (Off-Course)	181	210	213	214	209
Bookmakers' Joint Premises (Off-Course)	—	—	—	—	—
Bookmakers' Employees	1,528	2,143	1,940	1,937	1,834

Although the regulations contemplated that the Board might license two or more bookmakers to operate in respect of a single registered premises for which the appropriate license would be a Bookmakers Joint Premises License, as a matter of practice the Board has declined to grant such licenses. Without exception, each bookmaker has occupied a single registered premises exclusively, being authorised to operate as a bookmaker only in respect of such premises. The premises may or may not be registered in the name of the bookmaker; in the majority of cases they are. In practice, the registration of premises and the licensing of a bookmaker to operate therein are always handled contemporaneously by the Board.

The Act provides that the Board may register such number of suitable premises as it considers is commensurate with the reasonable requirements of the public and the general interests of the community.

The Act further provides that bookmakers' licenses granted by the Board shall not be transferable. This, however, did not prevent betting businesses being sold. The sale would be subject to the purchaser obtaining a license. The practice was for the seller to notify the Board of the sale with the name of the purchaser, who would make an application for a license in lieu of that of the seller. In the absence of an adverse police report, the new license would in general be granted.

Bookmakers licensed to bet on a racecourse can only operate if they also hold a permit to do so from the club controlling the course. In practice, the Board satisfies itself that the appropriate club has no objection to the issue of a permit in respect of a particular applicant, before it proceeds to deal with the application.

Bookmakers may lay bets either for cash or by credit transactions. The cash bettor receives a ticket as a record of his bet. The credit betting transactions off-course are carried on for the most part by telephone. No specific record of such a bet is required to be given to the punter. The evidence revealed an increasing proportion of credit betting to cash betting off-course. In 1956 the percentage of credit bets to cash bets was 3.93%; in 1959 it was 9.13%. The proportion of off-course turnover represented by credit transactions is now between 30% and 40%.

The table hereunder lists the average investment on each bet with bookmakers for the years mentioned:

	1956	1957	1958	1959
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
On-Course				
Enclosure				
Bookmakers	3 1 5	3 15 1	3 11 4	3 8 11
Off-Course				
Leger and Country				
Bookmakers	*	2 11 1	2 2 0	2 5 3
Off-Course				
Bookmakers	18 8	1 1 9	18 10	17 11

\* Figure not available.

The Act prescribes a number of offences with the object of ensuring that all book-making shall be carried on in accordance with the terms of the appropriate license. For example, a licensed bookmaker is prohibited from carrying on betting anywhere other than in the premises in respect of which he is licensed, and the owner or occupier of any place which is used for unlawful betting is liable to a penalty.

It is an offence for the punter to bet otherwise than in accordance with the Act and Regulations.

Other provisions are directed to the prevention of loitering in front of registered premises, the presence of juveniles (being persons under the age of 21 years) on any registered premises, betting by or with juveniles, and the presence of intoxicating liquor or persons apparently under the influence of intoxicating liquor on registered premises.

The Regulations forbid a bookmaker to pay commission to any person for obtaining bets on his behalf.

The penalties provided appear to be appropriate to the gravity of the offence in each case; in the case of a bookmaker convicted of betting elsewhere than on his registered premises, he is liable to a fine not exceeding £100 or imprisonment for six months and the Board shall, in any such case, permanently suspend the license of the bookmaker and permanently disqualify him from again obtaining a license; in the case of the owner or occupier of premises used for unlawful betting, the penalty for a first offence is £100 or imprisonment for

three months; for the second offence £200 or imprisonment for six months; for a third or subsequent offence imprisonment for not less than six months and not more than twelve months without the option of a pecuniary penalty.

A summary of convictions recorded since 1955 is appended to this Report and marked "Schedule I."

## CHAPTER VII.

### THE BETTING CONTROL BOARD.

#### 1.—Constitution and Personnel.

The Board as constituted by the Betting Control Act, 1954, consists of five members appointed by the Governor. Three are nominated by the Government, one by the Western Australian Turf Club and one by the Western Australian Trotting Association.

The personnel of the Board as originally constituted were as follows:—

Mr. T. H. Andersen, then Commissioner of Police (Chairman);

Mr. R. H. Miller, then Director of the Government Tourist Bureau (Deputy Chairman);

Mr. H. W. Byfield, Under Treasurer;

Mr. H. T. Stables, representing the Western Australian Turf Club; and

Mr. J. P. Stratton, representing the Western Australian Trotting Association.

The original appointments were made on 5th January, 1955. All the members were to hold office for a term of three years from that date. The Chairman and Deputy Chairman were full-time members of the Board. The remaining three members acted in a part-time capacity. In March, 1956, Mr. Miller resigned from the Board and returned to his post as head of the Tourist Bureau. The Hon. H. H. Styants was appointed a member of the Board and Deputy Chairman, with effect from 16th April, 1956. The personnel of the Board then remained constant until 5th January, 1958, when Mr Andersen vacated his position at the expiration of his term and commenced leave prior to his retirement from the Police Department. Mr Styants succeeded Mr. Andersen as Chairman of the Board and Mr Miller returned to the Board as Deputy Chairman but from this time the position called for part-time service only. The remaining three members of the Board were re-appointed and the only change that has been made since January, 1958, has been the retirement of Mr. Byfield as Under Treasurer and his replacement by Mr. R. J. Bond. Mr. Bond occupied the post of Under Treasurer for only a few months and was succeeded by Mr. K. J. Townsing who is now a member of the Board. The system provides that members of the Board may be represented by deputies; the Under Treasurer has been constantly represented by the Deputy Commissioner of Stamps, formerly Mr. G. W. Leslie and on his retirement in January, 1958, by Mr. J. Klumpp.

## 2.—Staff.

The Board's staff comprises a Secretary (a qualified accountant and experienced officer seconded to this position from the Public Service), a starting price officer, a record clerk and two typists. The duties of the starting price officer involve his attendance at all race meetings in the metropolitan area and nearby country centres for the purpose of fixing the starting price of all runners and transmitting that information to the representative of Bates Press Pty. Ltd., the Board's authorised price agent. In the case of meetings in the more distant country centres, each race club nominates to the Board a starting price officer, whereupon the Board appoints such nominee.

## 3.—Administration.

The administration of the Act is divided between the Commissioner of Stamps and the Betting Control Board. The Commissioner is responsible for the collection of the turnover tax and stamp duties and for this reason controls the supply of betting materials and undertakes the receipt and inspection of bookmakers' returns. On the other hand, the Betting Control Board is responsible for the granting of licenses, the registration of premises, the licensing of employees and for the collection of the fees appropriate to these matters. The Board also supervises the compliance by off-course bookmakers with the regulations with particular reference to the condition of the premises and the conduct of the business generally. The Police Department provides the physical check on these matters. The Board Chairman endeavours to inspect all premises within the State at least once a year. The Board also acts as a referee in disputes between the punter and the bookmaker, and plays a useful role in this regard. Mr. Styants expressed the opinion that it would be desirable, and make for economy and efficiency, if the work presently done by the Commissioner of Stamps were made the responsibility of the Board. He cited the South Australian position as an example of such an arrangement. On the other hand the Betting Control Act being a temporary measure no doubt made it desirable to commit the collection of tax to the Treasury Department, which already was responsible for the administration of the Totalsator Acts and of the Stamp Duties Act. The present arrangement works satisfactorily and, while some economy in time may be effected if the two branches were amalgamated, it does not seem to be a matter of any great moment. Certainly the temporary character of the Board militates against any change at the present time.

At the inception the Board was faced with a very difficult task. Within six months, the whole scheme of off-course betting had to be evolved; regulations had to be prepared and gazetted; premises had to be registered, and bookmakers licensed to operate. There were 145 regulations, together with the rules of betting and numerous forms relating to the machinery of the scheme. This work for the

most part fell upon Mr. Andersen and Mr. Miller who discharged a very onerous and exacting task.

## 4.—Relationship to the Government.

As I have said the Board was constituted of three Government appointees and one from the Turf Club and one from the Trotting Association.

In the main, the Government left the administration of the Act and Regulations to the Board, but there were some instances where the Government influenced the administration.

As early as February, 1956, the undesirable effects of the off-course bookmakers laying multiple doubles on local races was brought to the attention of the Board by the racing representatives. The Board unanimously expressed its opinion that the laying of multiple doubles on local events should be prohibited. However, a direction was received from the Government that it was not in favour of the abolition of multiple doubles. The Premises Bookmakers' Association was in favour of their retention. Despite representations from the racing clubs from time to time for their abolition, nothing could be done unless the policy of the Government favoured it, because the change required the amendment of the regulations. It was not until 17th May, 1957, that the Government finally gave its consent to the abolition of multiple doubles and a regulation was gazetted accordingly.

Another instance of Government direction occurred in relation to the provision of seats in the betting shops. On 4th May, 1955, that is, before any licenses were granted, the Betting Control Board passed a resolution that the premises bookmakers should not provide seating accommodation.

In October, 1955, the Chairman, Mr. Andersen, announced to a meeting of the Board that he had received a communication from the Minister that Cabinet policy was to allow seating accommodation. In the ensuing discussion every member of the Board voiced his opposition to seating, and the Board's views together with those of the Acting Commissioner of Police were submitted by memorandum to the Cabinet. The Government replied to the effect that the representations of the Board and Commissioner had been considered by the Caucus, and that it had been decided to re-affirm the previous decision conveyed to the Board, and requested that seating be given a trial. Mr. Andersen then moved that the resolution of the 4th May, 1955, be rescinded. He and Mr. Miller voted in favour of it, but the other three members of the Board voted against it. They included Mr. Leslie, the deputy for the Under Treasurer. The matter came up again on 16th December, 1955, when Mr. Andersen stated that he had revived this matter at the request of the Hon. Minister, and again moved for the rescission of the resolution. This time it was carried by a majority, the racing club members dissenting. Mr. Leslie, who voted on this occasion in favour of the rescission, said

that he did so only because he had been directed so to vote by the Under Treasurer whose representative he was. From that time there has been seating in the premises, but it has been restricted for the most part to plain wooden forms, with or without backs.

The provision of seats was an important matter because without them persons resorting to the premises would not be so likely to loiter; it was, of course, in the interests of the bookmakers that their customers should be given an inducement to remain and continue their betting.

A third instance occurred when the Board on 27th May, 1957, passed a resolution that bookmakers making application for the renewal of their licenses should be required to lodge with their applications, a list of their assets and liabilities and the values thereof. The bookmakers were notified of the resolution. On 19th June, the Chairman submitted a minute received from the Minister directing that this requirement should not be enforced and the bookmakers were advised accordingly that it had been waived.

The Premises Bookmakers' Association, in a letter to the Board, disclaimed having taken any part in the Government's decision, and asserted that, on the contrary, it had advised its members to comply with the requirement. The minutes of the Association confirm that this was so.

On these matters of intervention, Mr. Styants said that he regarded this as a proper exercise of ministerial responsibility in a democratic system of government. His view was that the Board was in the same position as any other Government Department. Mr. Styants, prior to becoming a member of the Board in 1956, was the Minister in charge of the Betting Control Act.

#### **5.—Relationship to the Premises Bookmakers' Association.**

The evidence of the minute books and circulars of the Premises Bookmakers' Association indicate that the Board regarded the Association as an integral part of the machinery of administration and used it as a means of liaison between the Board and licensed premises bookmakers. For instance, on every change of a licensee the Board by letter asked the Association for its opinion of the suitability of the proposed transferee. Notice of amendments to the regulations and of resolutions of the Board were sent to the Association for transmission to its members. On one occasion a member protested that the Board was asking the Association to go to the expense of doing the work of the Board.

#### **6.—Policy of the Board.**

The policy of the Board was subject to criticism by counsel and witnesses at several points.

The first point concerned the licensing of premises in close proximity to an hotel, particularly in the suburbs and country towns. It was said that this practice resulted in the passage of patrons between the hotel and the

betting shop throughout the day, and that it encouraged both betting and drinking. Mr. Styants said the Board granted such licenses out of consideration for what it viewed as its major task, namely the elimination of illegal betting. Nevertheless it was contended that such an arrangement encourages the patronage of the betting shop and probably facilitates excessive betting by reason of the effect of liquor on the self-control and judgment of the punter.

Secondly, the Board was criticised for having failed to develop a positive policy aimed at minimising the volume of off-course betting. Section 13 of the Betting Control Act authorises the Board to register "such number of suitable premises as the Board considers is commensurate with the reasonable requirements of the public and the general interests of the community . . .", and it was urged that there had been a failure on the part of the Board to pay any regard to "the general interests of the community." Mr. Styants claimed that the Act had given the Board no mandate to minimise the incidence of betting, but merely to control it. The actions of the Board seemed to reflect this view, and there was no general discouragement to the off-course punter. On the contrary, he was provided with many facilities to induce him to bet.

Thirdly, the Board was criticised more particularly for failing to discourage betting on Eastern States races. I think it would have been within the province of the Board to restrict still further than it has done the number of Eastern States meetings on which the punter is allowed to bet, and to seek the co-operation of the press in curtailing the publication of information relating to such meetings.

As will be seen, more than 50 per cent. of the turnover of off-course betting in Western Australia on gallops is in respect of races run in the Eastern States. This is not surprising, when one considers the opportunities given for such betting. For instance in the year ended 31st July, 1959, punters could bet on 218 metropolitan meetings in the Eastern States as opposed to 58 metropolitan meetings in Western Australia.

I am inclined to agree that the volume of betting on Eastern States racing is unhealthy and unnecessary and that any steps which can be taken to minimise it would be well deserving of consideration by the Board.

## **CHAPTER VIII.**

### **THE REVENUE PROVISIONS AFFECTING BOOKMAKERS.**

#### **1.—License Fees.**

On-course bookmakers pay an annual license fee varying from £5 to £15 according to where they field. Off-course bookmakers pay an annual license fee which varies from £50 to £500 according to the volume of turnover during the previous year.



Fees are also payable in respect of applications for licenses, etc. and employees' licenses.

A fee in respect of registration of premises is payable each year; this is a flat fee of £10.

These matters are prescribed pursuant to the Betting Control Act, 1954-1957.

## 2.—Turnover Tax.

The Bookmakers Betting Tax Act, 1954-1956 imposes a tax on on-course bookmakers of 1½% on the first £50,000 turnover in any year and 1¼% on all turnover handled during that year in excess of £50,000.

Off-course bookmakers are taxed at the rate of 2% on their turnover.

The revenue derived from this tax is apportioned between the Government and the racing clubs. Of the turnover tax collected from bookmakers fielding on-course, 60% is retained by the club conducting the meeting and 40% is paid into Consolidated Revenue.

In the case of tax collected from off-course bookmakers, the racing clubs receive 10% of the revenue derived from turnover on Western Australian events only. This money is distributed amongst the clubs in the proportion that each club's aggregate stakes for the year bear to the total stakes paid by all clubs in the same period.

The tax derived from off-course betting on Eastern States races is payable wholly to Consolidated Revenue.

## 3.—Stamp Duty.

Stamp Duty is payable on all betting tickets and in the case of telephone betting, where no tickets are issued, then on all such bets. The rate of duty is 1d. in respect of all telephone bets, all off-course betting tickets, on-course metropolitan ledger and all country betting tickets. The duty is 3d. in respect of on-course metropolitan enclosure tickets.

## 4.—Records.

The regulations prescribe the returns which shall be compiled by bookmakers and the betting material which is to be used by them in the conduct of their business. All betting transactions are required to be recorded on forms as prescribed by regulations and prepared and issued by the Commissioner of Stamps.

Off-course bookmakers are required to submit to the Treasury by the Thursday of each week, a complete return of their betting transactions in the week ended on the preceding Saturday, together with a remittance equivalent to the Turnover Tax levied on such bets.

On-course bookmakers submit their returns to the club conducting the meeting, which body in turn submits them to the Commissioner of Stamps together with a remittance representing the Government's share of the tax paid by the bookmakers.

In addition to the provisions that relate directly to the recording of bets laid by a

bookmaker and the compilation of Treasury Returns relating to the Turnover Tax, Regulation 133 provides that—

A bookmaker shall—

- (a) keep books of account in accordance with the system commonly known as the "receipts and payments system";
- (b) enter each week in the books of account all transactions relating to his business as a bookmaker in a manner so that the weekly entries shown therein cover the same period as the written record of bets lodged with the Commissioner covers;
- (c) each page of a book of account kept by the bookmaker pursuant to this regulation shall be ruled and headed in accordance with Form T9 in the second appendix.

Form T9 provides for the entry of the following particulars:—

### Receipts:

W.A. Racing.  
Eastern States Racing.  
Total Receipts.

### Payments:

Winning bets paid.  
Betting Tax on holdings.  
Purchase of Tickets.  
Rent.  
Clerks' Wages.  
Sundries.  
Total.

The bookmakers did not comply literally with the regulation but contended that their accounts were in fact kept on the "receipts and payments" system of accounting basic to Form T9 and that the summarised particulars required by the form could be extracted or compiled at any time. I think that the regulation should have required a completed Form T9 to be returned to the Treasury at weekly intervals, because the information would be most material and helpful to any consideration by the Treasury of the tax potential of the industry. It would also have provided useful material to the Betting Control Board.

## CHAPTER IX.

### THE VOLUME OF BETTING AND REVENUE DERIVED THEREFROM.

#### 1.—Volume of Betting.

The total turnover of betting for each of the years of the current legislation is as follows. The year in each case ends on 31st July.

	1956	1957	1958	1959
	£	£	£	£
Off-Course	16,704,011	16,881,545	18,372,967	17,249,457
On-Course	8,679,543	9,062,335	8,717,465	7,097,976
Grand Total	25,383,554	25,943,880	27,090,432	24,347,433

The totalisator returns for the same period, but in this case based on the year ended 30th June, were as follows:—

	1956	1957	1958	1959
	£	£	£	£
	2,263,653	2,176,584	2,487,718	2,018,312

It is impossible to draw any firm conclusion as to whether the gross turnover for the first year of licensed off-course betting represented a significant increase in the volume of betting over previous years. No evidence was given from which one could assess the volume of off-course betting, both credit betting and street betting, in the years prior to 1955. Evidence was given by one bookmaker to the effect that the licensing of his business brought him new customers, mainly women who apparently had preferred not to bet off-course prior to the betting shops being established. Moreover off-course betting on trotting events would be expected to have increased substantially with the opening of betting shops, because the former illegal street bookmakers seldom operated at night.

The probability is that the total turnover off-course in the first year of betting shops, namely, £16,704,011 represents a significant increase in the volume of betting. Since the shops were established, the volume of betting increased from £16,704,011 in 1956 to £17,249,457 in 1959, with a peak of £18,372,967 in 1958.

Other comments which are pertinent to the survey of the volume of betting over this period may be summarised as follows:—

- (a) The turnover of bookmakers fielding on-course at the gallops has declined substantially from £6,035,028 in the year ended 31st July, 1956 to £4,450,671 in the year ending 31st July, 1959.
- (b) Off-course betting on local trotting meetings has increased substantially from £2,616,405 in 1956 to £3,733,352 in 1959. These figures can be compared with the on-course turnover of £2,644,515 in 1956 and £2,647,305 in 1959.
- (c) Betting on local gallops in the off-course premises has steadily declined over the years from £7,144,443 in 1956 to £5,764,385 in 1959.
- (d) On the other hand, betting off-course on Eastern States galloping races has shown a substantial rise over the period from £6,924,067 in 1956 to £7,670,608 in 1959, with a peak turnover in 1958 of £8,213,568.

These figures confirm the evidence that there is a substantial interest in Western Australia in Eastern States racing and that this interest is increasing while the interest in local racing is declining. For the future there seems little doubt that if not restrained the punters' interest in Eastern States racing is likely to increase to the detriment of interest in local races, unless the present conditions adverse to the local racing clubs are changed.

## 2.—Revenue and Distribution.

The gross turnover tax derived from the activity of both on and off-course bookmakers rose from £317,445 in 1956 to £442,262 in 1959, with a peak figure of £488,127 in 1958.

Of these amounts, the Government retained £274,839 in 1956, £395,549 in 1958 and £364,992 in 1959.

The galloping racing clubs received, as their proportion of the turnover tax, aggregate amounts ranging from £32,702 in 1956 to £61,026 in 1958 and £48,080 in 1959. The trotting clubs' share ranged from £9,904 in 1956 to £31,552 in 1958 and £29,190 in 1959.

The total revenue from Stamp Duty on betting tickets and telephone bets ranged from £102,676 for the year ended 30th June, 1956 to £102,149 for the year ended 30th June, 1959.

Revenue received in respect of bookmakers' license fees and related charges, amounted for the year ended 30th June, 1958, to £30,685 and there is little change in this figure from year to year.

Appended to this Report are detailed statistical analyses of these matters marked as Schedules II, III, IV, V, VI, and VII. The last mentioned Schedule is included to enable a comparison to be made with the distribution of racing revenue in other States.

## 3.—Tax Potential.

Mr. Elliott, a Treasury officer, read a statement setting out the different ways in which more revenue could be derived from betting on horse racing. I understand this material is available to the Government and therefore I do not discuss its contents.

Of the various avenues the investment tax would seem to be a fair proposal. This tax would be payable by off-course punters only and take the form of a tax levied on each bet and paid by the punter when he makes the bet. It does seem an equitable arrangement for the off-course punter to make some contribution in this way, because the facilities for betting off-course are provided to him free of charge, whilst the punter on-course has considerable expense to bear in travelling to the course and gaining admission thereto.

This tax could equally be applied in conjunction with the operation of an off-course totalisator scheme.

# CHAPTER X.

## DISSEMINATION OF INFORMATION.

### 1.—Newspapers.

That there is a substantial demand by the public for racing information on both local and Eastern States races is reflected in the coverage provided by the daily press. The evidence in relation to the daily metropolitan press was given by Mr. Uren, the Assistant to the Managing Editor of Western Australian Newspapers Ltd. I quote portion of his evidence—

We publish two daily newspapers—*The West Australian* (circulation in excess of 152,000 daily) and *Daily News* (circulation just short of 100,000 daily). Both newspapers circulate throughout the State.



Each carries a substantial amount of sporting news, including adequate galloping and trotting information.

Each of the dailies, although operating in the same field, must, because of the varying hours of publication, provide the news in different forms.

The peaks of galloping and trotting news coverage in *The West Australian* are on Mondays (results) Wednesday (comments about week-end meetings) and Fridays (form guides and further comments following acceptances).

The *Daily News* gives its greatest attention to galloping and trotting on Fridays (form guides) and Saturdays (race results and descriptions) for both local and Eastern States racing.

Mid-week country galloping meetings (usually on a Wednesday) are covered by both dailies and Monday holiday events, both galloping and trotting, also get attention.

A statistical analysis was made of the material published in each paper during the week ended 4th July, 1959. The total sporting material published in *The West Australian* that week represented 22.19 per cent. of the total news space and of the total sporting news, that devoted to racing and trotting amounted to 38.3 per cent.

In the *Daily News* 22.35 per cent. of the total news space was devoted to sport and of this 51 per cent. to racing and trotting. The week chosen would appear to represent an average week.

Evidence was also adduced to show a similar analysis of racing news in Eastern States metropolitan dailies.

It appeared that the local dailies publish proportionately more racing news than their counterparts in the Eastern States. This was attributed by Mr. Uren to two reasons. First, because so many Western Australians are interested in Eastern States racing and are eager for Eastern States turf news, including form guides, track notes, nominations and acceptances, etc.; second, because the local dailies are state-wide newspapers and therefore have to provide a coverage of galloping and trotting news from country centres. In the other States country meetings are largely ignored by dailies in the capital cities, because they are fully covered by local provincial press.

The *Sunday Times*, whilst devoting a substantial proportion of its space to racing information is confined, in effect, to the publication of the results of the previous day's racing. The space is generally distributed in roughly equal proportions between local and Eastern States racing.

## 2.—Broadcasting.

### (1) Australian Broadcasting Commission National Stations.

(a) Galloping. — The national stations broadcast all the races in running from the local metropolitan courses. The only country

races broadcast in running are the principal races at the annual Kalgoorlie carnival. Descriptions in running from Sydney or Melbourne are confined to the principal races, rarely more than one or two on any Saturday, except in the case of the big carnival meetings. Only a few races are broadcast in the course of the year from Brisbane or Adelaide. The results of the Eastern States races which have not been broadcast in running are broadcast in the course of the afternoon, as soon as convenient after the running of the race.

No betting summaries are broadcast until after the last race of a meeting; in the case of Eastern States meetings, these are usually broadcast about 3 p.m. and are repeated at 6.30 p.m. Betting details of Perth meetings are broadcast about 5 p.m. on Saturday, soon after the last race.

Results and dividends of important country meetings are usually broadcast at 6.30 p.m. on the day of the meeting.

Apart from this service, short sessions confined to racing notes are given regularly as follows—

Thursdays—1.23-1.30 p.m.: Acceptances.

Fridays—6.30 p.m.: Racing Notes.

Saturdays—8.45-8.55 a.m.: Racing Preview.

Saturdays—10.00-10.10 a.m.: Turf News (Eastern States).

(b) Trotting.—Trotting broadcasts by the Australian Broadcasting Commission are confined to the broadcast of metropolitan meetings usually on a Saturday night with an occasional Monday night. No country meetings and no interstate meetings are broadcast. The broadcast of metropolitan meetings include the running of all races on the programme and betting summaries are given after the final event is run.

Trotting acceptances are broadcast at 6.15 p.m. on Wednesdays over regional stations only; short trotting notes are given on Fridays at 6.30 p.m. and again on Saturdays at 7.35 a.m.

### (2) W.A. Broadcasters Pty. Ltd. (6IX Perth, 6WB Katanning, 6MD Merredin, 6BY Bridgetown).

These stations do not broadcast any trotting information but they provide a complete cover to all local metropolitan gallop meetings, the annual Kalgoorlie carnival and all gallops in Melbourne and Sydney. Only three races per year are broadcast from Brisbane, these being the Stradbroke Handicap, the Doomben Ten Thousand and the Doomben Cup. Only the results of Adelaide races are broadcast. No betting information is broadcast during the course of the meeting, but immediately the last race is concluded these stations broadcast details of starting prices and tote dividends.

The broadcast of Eastern States races by this broadcasting network is subsidised by the Premises Bookmakers' Association, their contribution going to meet the cost of the land-lines involved.

**(3) Western Broadcasting Co. (6KY Perth, 6NA Narrogin).**

(a) Galloping.—These stations completely cover all the mid-week country racing. Betting information is not broadcast until the conclusion of the meeting when complete details of placings and prices are given. Other sessions are broadcast as follows:—

Fridays—7.30-8.00 p.m.: Preview of local metropolitan meetings.

Saturdays—8.30-8.45 a.m.: Preview of Melbourne and Sydney racing land-lined from Melbourne.

Saturdays—10.15 a.m.: Preview of Melbourne and Sydney racing land-lined from Melbourne.

(b) Trotting.—A complete trotting coverage is afforded to metropolitan meetings. Previews are broadcast on Saturday from 8.20 to 8.30 a.m. and at 6.05 p.m.

The cost of mid-week country racing is met by the Premises Bookmakers' Association.

**(4) Whitfords Broadcasting Network (6PM Perth, 6KG Kalgoorlie, 6AM Northam, 6GE Geraldton).**

The only sessions devoted to racing broadcast over the metropolitan stations are as follows—

Saturdays—7.50-8.00 a.m.: Trotting Highlights (sponsored by the Western Australian Trotting Association).

Saturdays—9.15-9.45 a.m.: Preview devoted to Melbourne and local metropolitan races.

Saturdays—11.30 p.m.: Trotting results including the winners and prices and dividend.

The Kalgoorlie station broadcasts a description of the Melbourne and Sydney races in running. These descriptions are broadcast on relay from 6IX and are sponsored by the Premises Bookmakers' Association. 6KG also broadcasts mid-week country races on relay from station 6KY Perth. These broadcasts also are sponsored by the Premises Bookmakers' Association. No betting information is broadcast from Kalgoorlie.

Station 6GE Geraldton broadcasts a description of the Melbourne and Sydney races in running. This broadcast is relayed from 6IX Perth and sponsored by the Premises Bookmakers' Association. No betting information is broadcast by this station.

**3.—Press Agency.**

Tates Press Pty. Ltd. is the successor to the former Tates Press and Telegram Agency and plays a key part in the present scheme of off-course betting.

The Company is the authorised price agent of the Betting Control Board and operates pursuant to a written contract with the Board. The company pays £500 per annum for the rights and privileges accorded it under the agreement. Its charges to bookmakers are subject to the approval of the Betting Control Board.

The company has a representative on all Perth and country courses in Western Australia which are the subject of betting off-course. The representative receives the official starting price of all horses from the starting price officer accredited by the Board, and telephones such prices together with the totalisator dividends and any incidental information such as late scratchings through to the city office of the company as soon as possible after the running of each race. The city office receives information on Eastern States races by urgent telegram after each race.

The racing service supplied to licensed bookmakers may be summarised by quoting the following extract from the evidence:—

Our Melbourne service provides advance scratchings if any, distributed as soon as available with the weather report and the condition of the track, as a general rule, about thirty minutes before the advertised starting time of the race meeting. The results give the starting price of the winner, a favourite, if not the winner, as returned by the *Sun* Newspaper and the place tote dividends as soon as possible after such prices are available and can be transmitted to our Perth office. The average time taken would be in the vicinity of twenty-five minutes.

The Sydney service is the same as Melbourne with advance scratchings, weather and the condition of the track about thirty minutes before advertised starting time. The result, the starting price of the winner and the favourite, if not the winner, as returned by the *Sydney Morning Herald* and the tote dividends are given as soon as available and can be transmitted to our Perth office. The average time taken would be in the vicinity of thirty minutes.

From Adelaide, advance scratchings are available and distributed approximately thirty minutes before the advertised starting time of a race meeting, and the winners and favourites, starting price as returned by the *Adelaide News*, with the tote dividends are distributed in the same manner as Melbourne and Sydney.

As regards Perth and country race meetings, the jockeys and scratchings of the first race of each programme are distributed approximately thirty minutes before the running of the first race, and the starting price of the winner and favourite, as determined by the Betting Control Board prices officer, with the tote dividends, are rung through to Perth office as soon as available, from where they are immediately released to licensed shops. Similar information is supplied in connection with the metropolitan trotting events.

The company provides a very efficient service to its subscribers and in most cases, the prices and dividends of any particular race are received by the licensed bookmakers well before the next succeeding race is run.

At the present time, the company supplies racing information to every off-course bookmaker in the State, a total of 209 licensed premises bookmakers. The scale of charges levied by Bates Press varies according to the geographical location of the licensed premises; the average charge to each bookmaker is about £5 per week.

The network of communications emanating from the city office of Bates Press is truly remarkable. For instance, within the metropolitan area by means of direct lines the company is in instantaneous touch with 50 bookmakers. A teleprinter provides immediate service to the Goldfields and several intermediate towns. Trunk line calls involving very little delay suffice for other country distributing centres. Telegrams are used for the distant North-West ports.

## CHAPTER XI.

### THE EFFECT OF BETTING SHOPS UPON RACING BODIES

The following bodies presented evidence upon this subject:

- (1) The Western Australian Turf Club.
- (2) The Blood Horse Breeders' Association of Australia, W.A. Branch.
- (3) The Breeders, Owners and Trainers' Association (Racing).
- (4) The W.A. Turf Club Bookmakers' Association.
- (5) The Western Australian Trotting Association.
- (6) The Western Australian Trotting Breeders, Owners, Trainers and Reinsmen's Association.
- (7) Automatic Totalisators Ltd.

Without exception they demonstrated a declining prosperity in recent years and in each case it was asserted that the blame lay with the betting shops. I propose to sketch briefly the position as described by each body and then discuss the answer propounded by the off-course bookmakers.

#### 1.—The Declining Prosperity of Racing Bodies.

##### (1) *The Western Australian Turf Club.*

The Vice-Chairman of the Turf Club, Mr. Lee Steere, described an "immediate and drastic deterioration of the financial position of the club in all departments" following the institution of betting shops. He claimed that the deterioration had become worse month by month, and produced figures to explain and illustrate his assertion.

**Revenue and Expenditure.**—In 1945 the club's revenue was £260,245. It rose to £399,703 in 1955, from when it declined to £311,829 in 1959. In each case the year is ending as at 30th April. Expenditure amounted to £191,014 in 1945 and increased until 1959 when it was £329,292. The year 1959 was the first year for several decades that the expenditure exceeded revenue. A graph illustrating these figures is appended to my Report and marked "Schedule VIII."

**Admission Receipts.**—Admission receipts amounted to £62,926 in 1950 and rose to a peak of £84,297 in 1955 from when it dropped steeply to £44,498 in 1959. There was no change in the price of admission during these years, except for a variation in entertainment tax, which was passed on to the public. The percentage decline in admission receipts from 1955 to 1959 was 47.2 per cent.

**Totalisator Investments and Revenue.**—In 1950 investments totalled £835,861 and rose each year to a peak of £1,167,708 in 1955, and then declined to £618,117 in 1959, a percentage decline of 47 per cent. The net totalisator revenue being the investments less the dividends paid, amounted to £44,818 in 1950 rising to £53,283 in 1955 and dropping as low as £30,477 in 1959, a percentage decline since 1955 of 42.8 per cent.

**Number of Paying Patrons.**—The number of paying patrons more or less consistently declined from the year 1950, when the figure was 239,197 to the year 1959 when the figure was 120,428. However, here again the significant change has occurred between the years 1955 to 1959, the aggregate decrease for the years 1950 to 1955 amounted to only 18,000 and from the year 1955 to the year 1959 to 101,000. This decrease of 18,000 was explained by an increase in membership of the club of 75 members making available a further 225 tickets for each meeting, or a total of 13,000 per annum, the majority of which would have been used.

**Number of Horses in Training.**—The Western Australian Turf Club provides facilities for the training of horses at both Ascot and Belmont Park courses. For the year 1955, there was a total of 926 horses in training at these courses. This number declined by 30 per cent to 644 horses in 1959.

**Number of Bookmakers.**—In 1955 there were 38 bookmakers fielding in the enclosure on metropolitan courses. In the leger in the same year, there were 19 bookmakers betting straight out and three doubles bookmakers.

In the year 1959, there were only 24 bookmakers betting straight out in the enclosure on metropolitan courses and three doubles bookmakers, and in the leger 10 straight out bookmakers and two doubles bookmakers.

##### (2) *The Blood Horse Breeders' Association of Australia, W.A. Branch.*

Evidence was given by the President of the Western Australian branch of the Association. This branch has 40 members, drawn in the main from stud property and thoroughbred stallion owners. The branch provides about 80 per cent. of the gallopers racing in Western Australia.

The witness said that since the 1955-56 season there has been a marked decrease in the demand for thoroughbred yearlings due to a falling-off in stakes; a rise in the cost of producing yearlings; a reduction in the number of brood mare owners sending their mares to established studs with a consequent falling-off in the number of yearlings produced; a drop in the average price of yearlings and a drastic falling-off in the total return from yearling sales.

He said that by contrast in the years from 1950 to 1955 there was an upward trend and a buoyancy in every branch of breeding and racing.

**Stud Fees.**—Figures were adduced relating to the largest stud in Western Australia, one which stands 3 to 4 stallions, to show that aggregate stud fees ranged from £3,014 for the year 1950 to a peak figure of £3,707 for the year 1955 declining to a figure of £961 for the year 1959. The same stud has suffered a decrease in the number of owners boarding mares permanently from 1955 to 1959 of 85 per cent. The number of mares other than boarders at the same stud in 1959 was only one-third of the number at the stud in 1955.

**Yearling Sales.**—The number of yearlings catalogued at the annual yearling sales for all studs in Western Australia have varied from 129 at the sale in March, 1950, to a peak of 147 at the sale in March, 1955, to 77 at the sale in March, 1959.

The same trend is reflected in the number of yearlings sold at the annual sales. These ranged from 79 in 1950 to 66 in 1953, then up again to 74 in 1955, since when there has been a consistent decline to 45 in 1959. Not only have less horses been sold, but the average price paid for them has shown a marked decline since 1955 from an average price of 237 guineas at the 1955 sale to 160 guineas at the 1959 sale.

### (3) *The Breeders, Owners and Trainers' Association (Racing):*

This Association has about 200 members and embraces within its membership at least 95 per cent. of the licensed trainers in Western Australia. The President of this Association said that trainers' fees rose from £3 per horse per week in 1949 to £6 in 1955. Since then there has been no change in training fees although costs have risen substantially. This rate compares with £8 per week in Adelaide, £10 per week in Melbourne and £10 to £12 in Sydney. A number of smaller trainers are charging less than £6 per week because they cannot get horses at that figure. The trainer is responsible for providing feed, stabling and exercise yards and the necessary labour by stable boys and apprentices. It costs from £3 to £3 10s. per week to feed a horse.

With training and other expenses it costs an owner about £10 per week to keep a horse racing.

The stakes in Western Australia are the lowest in Australia. In the metropolitan area the average stakes are £350 per race while in Adelaide the average is £600 to £700 and in Melbourne and Sydney in the vicinity of £1,000 per race. Stakes in the country meetings average £70 per race. The present stakes are quite insufficient to pay the cost of keeping the horse in training and the owner, if he regards his racing as a business proposition, must gamble to make it pay.

Like the Blood Horse Breeders' Association, this Association regards the stake money as the vital key to the prosperity of their respective industries.

### (4) *The W.A. Turf Club Bookmakers' Association:*

This Association comprises all the bookmakers fielding at galloping meetings within the State. Members are licensed by the Betting Control Board but also require a permit from the Turf Club before they are permitted to field. The annual fee payable to the Betting Control Board ranges from £5 to £15, according to the nature of the license. In addition to this, each bookmaker pays fees to the club for his permit to field on each race day. The fees presently payable in respect of metropolitan meetings are as follows:—

In addition there are three doubles bookmakers in the enclosure and two in the leger who pay the following fees—

	Enclosure			Leger		
	£	s.	d.	£	s.	d.
Ordinary Days (approx. 52 meetings)	29	0	0	15	0	0
	(each meeting)			(each meeting)		
Christmas Carnival (4 meetings inclusive)	212	15	0	115	15	0
Easter Carnival (3 meetings inclusive)	149	0	0	61	15	0
	Enclosure			Leger		
	£	s.	d.	£	s.	d.
Ordinary Meetings	30	0	0	6	0	0
Christmas Carnival	120	0	0	46	0	0
Easter Carnival	90	0	0	24	0	0

At near country courses all bookmakers pay a flat fee of £10 per meeting to the appropriate club.

In addition, as already indicated in Chapter VIII the bookmakers pay turnover tax at the rate of 1½ per cent. on the first £50,000 turnover and 1½ per cent. on turnover in any one year in excess of that sum. They also pay stamp duty on each ticket written at the rate of 3d. per ticket in the enclosure and 1d. per ticket in the leger and on country courses. Statistics were produced to show that the aggregate of these contributions by on-course bookmakers in Western Australia are far in excess of contributions made by bookmakers on-course in any other State.

Members of the Association paid in permit fees, a total of £67,796 to the Western Australian Turf Club for the year ending 30th June, 1958.

The Turf Club conceded that the permit fees paid by bookmakers fielding on their courses are excessive in the light of present day conditions, but it was said that the club is unable to rectify the position because of its own financial predicament.

**Drop in Turnover.**—The earliest figures available were for the year 1955-56, that is the first year of the operation of the Betting Control Act. In that year the aggregate turnover of bookmakers fielding on metropolitan courses was £4,818,644. This figure declined in each of the succeeding years to a figure of £3,474,417 for the year recently concluded, representing a decline of 27.9 per cent.

**Decline of Membership.**—During the period from 1955 to 1959 there were 21 resignations from the enclosure and 18 resignations from the ledger, with a net drop in the number of bookmakers fielding of 11 in the enclosure and 10 in the ledger.

It was said that only a small proportion of the resignations were brought about by ill-health and old age and that the majority were due to the fact that bookmaking on-course under present conditions was hardly a paying proposition. Figures from 21 out of a total of 22 bookmakers who fielded in the metropolitan enclosure throughout the whole of the financial year 1958-1959 were produced. These showed that 13 of them made a loss, and that taking the 21 bookmakers together there was an aggregate net loss of £9,289. It was asserted that 80 per cent of the total membership of the Association had failed to clear their expenses.

*(5) The Western Australian Trotting Association:*

Mr. J. P. Stratton, the President of the Association, said that the position of his Association has deteriorated considerably since betting shops were licensed. He produced the income and expenditure figures for each of the years 1949 to 1959. The figures are complicated because in the years 1953 and 1957 the Inter-Dominion Trotting Carnival was held in Perth, inflating the results of those years. The more significant comparisons were as follows:—

**Stakes Paid.**—These ranged from £132,547 in 1949 to a peak in 1953 (Inter-Dominion year) of £175,994, dropping to £156,363 in 1955 and to £137,730 in 1959.

**Bookmakers' Fees.**—These ranged from £32,570 in 1949 to a peak of £40,545 in 1955 diminishing to £30,920 in 1959.

**Paid Attendances.**—The number of people who paid for admission to the course were 291,813 in 1949, 308,017 in 1953, diminishing to 250,373 in 1955 and 172,829 in 1959. It is noted that in the year 1956 the number of persons who attended amounted to 168,561, but in this year only 39 meetings were held against 44 in 1959. The average number of persons attending a meeting in 1955 was 5,443 compared with an average of 3,929 in 1959.

**Totalisator Investments.**—The aggregate amount invested on the totalisator in 1953 amounted to £1,353,993 or an average investment per meeting of £31,488. In 1955 the aggregate amount invested was £1,146,994 or an average investment per meeting of £24,935. In subsequent years the figures dropped further until in 1959, the aggregate amount invested was £690,368 or an average investment of £15,690 per meeting.

*(6) The Western Australian Trotting Breeders, Owners, Trainers and Reinsmen's Association:*

Mr. Reid, the Secretary of the Association gave evidence. He said that his Association had been in existence for about 30 years and

had a membership of 380 embracing the large majority of breeders and trainers of trotting horses and reinsmen.

This witness expressed concern at the marked drop in attendances at trotting meetings since the licensing of premises in 1955 and the consequent diminution in the stakes paid by the Association.

He said that the costs of preparing horses for racing have increased considerably over the last five years and that if these trends continue, it will be impossible to carry on; many breeders and owners are finding it too expensive these days and are drifting out of the sport; the big breeder had virtually disappeared because of the increased costs in breeding, training and racing horses in contrast with the smaller stakes; it is difficult to secure adequate prices for yearlings.

*(7) Automatic Totalisators Ltd.*

This organisation specialises in the manufacture and operation of totalisator equipment. The company handles about 80 per cent of the aggregate totalisator turnover throughout Australia. In Western Australia it operates under contract the equipment installed at the three metropolitan courses of the Turf Club and at the trotting grounds of Gloucester Park and Richmond Park, and also provides a mobile totalisator service to the country racing clubs at Pinjarra, Northam, York, Beverley and Toodyay.

The company, in consideration of its operating and maintaining the equipment, receives a return based on the volume of turnover. For this reason, its revenue is directly affected by variations in turnover.

Mr. Fairburn, the General Manager of Operations of the company in Australia, said that the company's revenue in Western Australia showed an alarming decrease immediately the betting shops commenced to operate in August, 1955. He produced figures to show that, for the year ended 30th June, 1955, the company's turnover in Western Australia was £2,700,503, a figure which was reasonably consistent with turnovers handled in the preceding three years. For the year ended 30th June, 1956, the aggregate turnover fell by 23 per cent to £2,076,156. In the succeeding years, turnover continued to decline and for the year ended 30th June, 1959, amounted to only £1,557,441, a drop of 42 per cent as compared with 1955.

The drop in turnover was most dramatic at the country meetings. In the year ended June, 1956, the average daily turnover dropped from £4,500 in the previous year to £2,500, a fall of 45 per cent. The trend continued until for the year 1959 the average daily turnover was £1,680, a decrease of 63 per cent. on the year 1955. At the present time the company finds itself in a very difficult position. It is bound by contracts with the clubs on whose courses it operates the equipment, and the clubs are seemingly in no financial position to make any adjustments of the contract rates.

In the years prior to 1955, the company's operations in Western Australia, according to Mr. Fairburn, were reasonably profitable, but during the four years since 1955, continuing and increasing losses have been incurred. These losses have been borne as an increasing burden by the company's operations in the other Australian States.

From further figures given by Mr. Fairburn distinguishing between galloping and trotting meetings, the fact emerges that the company's turnover at the former meetings has been more severely affected than in the case of the latter. The percentage decline in turnover when comparing 1959 with 1955, is 51 per cent on gallops and 33 per cent. on trots.

## 2.—Assessment of the Reasons for the Decline.

The foregoing represents a survey of the factual situation in which the various racing clubs and related bodies find themselves. It now remains to discuss the question whether their decline is to be attributed to the betting shops.

On the one hand the witnesses who represented these various bodies testified vehemently and without exception to their conviction that the off-course betting system was the cause of all their troubles. Each witness was the holder of a responsible office in his particular organisation and was possessed of long experience in that aspect of the racing industry which he represented. Whilst this evidence may be attacked as mere opinion, it is nevertheless opinion of an expert character and should be given due weight.

The argument against the conclusion that the betting shops are responsible for the declining prosperity of these bodies was pressed by the Premises Bookmakers' Association. This argument, in effect, was that the racing industry was already entering a period of decline for a variety of reasons and that it was merely fortuitous that the institution of betting shops coincided in point of time with the decline. In support of this, it was observed that the Trotting Association suffered a significant decline as early as 1954, and a similar decline was experienced in studs before the shops opened. Reference was also made to the fact that clubs in the Eastern States have suffered a reduced prosperity in recent years. To further the view being represented by the Premises Bookmakers' Association, evidence was given by Mr. Tauss who conducted a survey of trends in sport in Western Australia over the past decade. The broad import of his evidence was that interest in a variety of sports has been increasing in recent years, with bowls and soccer as the more spectacular examples. It was said that this increasing interest in sport together with the general economic conditions were largely responsible for the decline in patronage of the racecourses.

The reference to bowls is not without interest and, I think, significance, in the consideration of this question. It appears that

bowling clubs are rapidly increasing their membership and are generally in a flourishing condition. The provision of facilities for betting off-course may well be partly responsible for this prosperity. I say this because in the course of the Commission, my attention was drawn to a situation that existed in one particular bowling club. In this club, it was the practice for some members of the club to combine their interest in betting on horses with their playing of bowls. The barmen received bets from the members and telephoned them through to a licensed bookmaker, using the telephone installed in the bar of the club. During each ensuing week the barman visited the bookmaker's premises and received accounts relating to each of the punters, together with any necessary money to enable him to settle the bets. The transactions were then finalised at the club. Whilst the Betting Control Act clearly provides that betting must not take place anywhere except on licensed premises or in the appropriate part of the racecourse, it appears that so long as the barman on the facts I have stated is acting as the agent of the punters, no offence has been committed. However, in the police investigation which resulted in these facts coming to light, the barman asserted that he was in receipt of an illegal commission paid to him by the bookmaker of 1s. in the £1. The bookmaker denied the payment of commission, the evidence was deemed insufficient and he was not prosecuted.

Having regard to a situation of this nature, the personal attendance of punters in the betting shops in the course of a race meeting may not be the only index to the number of people who have been attracted away from the course. The legislation enables other punters to closely associate their betting with another Saturday occupation without attending the shops. The system also enables the punter to make his bets at a shop before midday on Saturday, thereby freeing him to follow his other sporting interest during the afternoon. Were it not for the facilities provided by the betting shop, such a person might choose to attend the racecourse on the Saturday afternoon.

The evidence relative to the argument that economic conditions were responsible for the decline in prosperity of the racing clubs, was altogether too nebulous to support such a conclusion.

It is pertinent to recall the sequence of events in South Australia. Betting shops were established in that State in 1933. In 1937 the prosperity of the racing clubs had shown such a decline and the shops were so flourishing that a Royal Commission was set up to re-examine the position. It found, inter alia, that the existence of the shops had seriously affected the attendance at race meetings and the prosperity of the clubs. Subsequent to these findings, as I have already indicated in Chapter II, betting shops with one slight exception were abolished. Mr. Alexander, the Secretary to the Betting Control Board in South Australia who gave evidence before me, said that racing in South Australia, in



contrast to the years when the betting shops were operating, is now flourishing; he said that for instance the Adelaide Racing Club meeting held in August, 1959, was very well attended and established new turnover records; the attendance at the meeting on Saturday, 15th August, was 22,000 persons.

On a consideration of all the evidence, while making due allowance for the changing pattern of interest in other outdoor sports, I find that the betting shops have had a substantial and adverse effect not only on the attendances at racecourses but also on the prosperity of the racing clubs and the bodies associated with racing.

The evidence shows that the effect of the betting shops is progressively cumulative, particularly in the case of the Western Australian Turf Club. By providing easy facilities for off-course betting, the shops induce people to remain away from the course; the small attendances cause a psychological depression on the enthusiasm of the race-goers and still more are led to stay away; the club loses revenue from admission fees and from on-course betting; it is unable to increase the stakes; owners of outstanding horses take them to the Eastern States; good jockeys likewise tend to go East; breeders, owners and trainers are discouraged; the betting ring is weak and its turnover small. The effects on trotting are not so serious, but both the Western Australia Trotting Association and the Western Australian Turf Club assert that unless the shops are closed the racing industry in the course of time will come to a standstill. They contend that the decline in their prosperity cannot be cured merely by the grant of a greater proportion of the betting tax. They want the people back on the course.

## CHAPTER XII

### SOME OTHER CONSIDERATIONS OF THE EFFECTS OF THE ESTABLISHMENT OF BETTING SHOPS.

#### 1.—Beneficial Results.

The betting shops have achieved four important objects which lay behind the legislation.

First, they have provided the Government with a fruitful source of revenue.

Second, they have provided those persons who desire to bet off-course on horse-racing with a wider legal avenue to satisfy those desires. Such persons have the opportunity of betting with bookmakers licensed and vouched for by the Betting Control Board and subject to its control. They may bet in premises which physically are respectable, well-equipped from a business point of view, and well-conducted. The punter paying cash receives a voucher for his bet and can be paid his winnings, if any, immediately the race is concluded. Credit bettors have telephone facilities for making their bets and receive prompt accounts and settlements. Both classes of bettors can bet on

local and Eastern States races. For the basic elements of betting, the desires of the punter are satisfied in an orderly manner.

Third, the betting shops have eliminated to a very great degree the illegal bookmaker—not altogether, as the minutes of the Bookmakers Association show, there being several references therein to the operations of illegal bookmakers.

Fourth, with the virtual eradication of illegal bookmaking has gone a major problem in police administration which was so disturbing in the days prior to the operation of the Betting Control Act, 1954, (hereinafter referred to as the "pre-Act days"). The policing of the shops is almost routine and scarcely any trouble is encountered.

In the submissions of the Premises Bookmakers' Association, of Mr. Styants the present Chairman of the Betting Control Board, of Mr. Andersen the former Chairman of the Board and of Inspector Flebig, the Acting Chief Inspector of the Police Department, these considerations are sufficient to justify the existence and the continuance of the shops. They contend that any alternative will give rise to illegal bookmakers with the evils of the pre-Act days. The present system, they say, satisfies the off-course punter and no other system will meet his requirements; if any other system is introduced, inevitably he will go to the illegal bookmakers.

The question then arises whether, in the interests of the community, the price paid for these advantages is too high. This brings me to a consideration of other effects of the system, some of which are not apparent even to that section of the public which indulges in betting.

#### 2.—The Shops as an Encouragement to Betting and Loitering.

Within the frame-work of the regulations the bookmakers, as is only natural, provide their customers with every inducement to bet. I shall take a typical Saturday. The boards in the shops display the starters and riders in each race with a note of the track and weather conditions; newspapers are available on the counters with anticipated prices and accounts and photographs of previous performances of the horses. The running description of each race is provided through a commercial broadcasting station. As on an ordinary Saturday there may be no less than 35 races, the broadcasts are practically continuous. Results, starting prices and dividends are placed on the boards very shortly after each race is run, and successful punters can forthwith collect their winnings and continue to bet therewith. The shops open at 9.30 a.m. or even earlier. Owing to the difference in time between the States, races in the Eastern States commence as early as 10 a.m. local time, while the last trotting race is run about 10.30 p.m. so that bettors in the aggregate have a continuous period of 12 hours in which to engage in their pastime, with seats and toilets provided for their accommodation and about 35 races in

all on which they may bet. The customers are provided with all the knowledge, and in some respects more knowledge than persons betting on-course, with the exception that they do not know the fluctuations in the odds. They do not have to pay any admission fees or undertake a journey to the course.

### 3.—The Off-Course Bookmakers' Monopoly and Profits.

There is no doubt that the licensing of an off-course bookmaker represents the grant of a valuable monopoly. The off-course bookmakers who operated in pre-Act days, whether legally on credit or illegally for cash, knew the profits to be derived from the enterprise. There was a rush for licenses with more than 500 applicants for the 200 licenses which the Board had decided to grant.

The value of the monopoly was immediately reflected in the rental or price which the bookmaker was prepared to pay for an approved site. The evidence indicates that rentals charged by landlords to bookmakers were much higher than rentals charged for comparable premises in relation to other businesses. In one case, premises which had been let as a billiard saloon at a weekly rental of £3 0s. 0d. were leased to a bookmaker for £20 0s. 0d. a week.

A further index to the value of a betting shop is to be found in the evidence given by an officer of the State Housing Commission concerning some land sales by his Commission. It appears that when the State Housing Commission was preparing for the sale of business sites in a new housing estate, it would confer with the Betting Control Board with a view to a particular site being sold as suitable for the erection of a betting shop. The Betting Control Board co-operated to the extent of indicating their approval of the location, although it would not commit itself in any way to the issue of a license to the purchaser of the land. To meet this requirement, the State Housing Commission inserted a condition in the contract of sale to provide for its annulment in the event of the purchaser being refused a license by the Board. In one of the cases referred to in the evidence a betting shop site was auctioned at North Innaloo. The undisclosed upset price was £1,930. The block sold at auction for £2,600. This sale took place on 26th April, 1958. Following this sale, however, the purchaser was not able to obtain a license from the Betting Control Board; consequently the sale was annulled. The site was re-offered for sale by auction on 27th September, 1958, the undisclosed upset price for this sale being fixed at the former sale price of £2,600. On this second occasion the block was sold for £5,500, and the purchaser subsequently received his license. Similar blocks in the same estate were sold by the Commission for normal business purposes at £1,000.

Another aspect which illustrates the value of a license is the amount paid by way of goodwill when premises changed hands. Although the Betting Control Act, in Section 11, provides that the premises bookmaker's

license shall not be transferable, in practice the system developed whereby bookmakers were able to sell their business subject to the Board granting a license to the purchaser. It was customary for the outgoing bookmaker to notify the Board the price at which he was selling his business, so that the Board could more properly assess the financial position of the incoming licensee. However, the impression got abroad amongst bookmakers that the Board was interested in the amount being paid for goodwill and might take action to control such payments. This impression, so far from discouraging the transfer of businesses for substantial sums of money, resulted merely in the Board being deceived in many cases as to the amount which was to be paid. Even so a schedule produced by Mr. Styants setting out particulars of all sales of licenses during the currency of the Act showed that in 11 out of 59 cases the goodwill disclosed to the Board amounted to £1,500 or more. The maximum in any one case was £4,500 for a city shop. Mr. Styants said in evidence that he placed no great reliance on these figures and was satisfied that in many cases they were understated. He adverted to a recent case in which the licensee and his successor were with him in the Betting Control Board offices telling him that the goodwill was only £1,500 when, as Mr Styants said, he knew that it was between £4,000 and £5,000. Mr. Styants' evidence relating to the deception of the Board on the matter of goodwill is startling. Two glaring examples will appear later in this report. Mr. Styants was in a position to measure the value of the business because he was in possession of the progressive data in relation to turnover.

The value of the monopoly is further illustrated by the profits made by 130 bookmakers for the year ended 30th June, 1958. Information was tendered in respect to only 130 bookmakers because for various reasons the information was not available from the remainder. The salient features of the survey were as follows:

Under £50,000 Turnover			
Licensing Group	Turnover	Gross Profit	Net Profit
Total of 47	£1,252,261	£144,585	£46,797
Lowest Net Profit			£64
Highest Net Profit			£2,720
Average	£26,644	£3,076	£996
% to Turnover		11.55%	3.74%

Exceeding £50,000 not Exceeding £100,000 Turnover			
Licensing Group	Turnover	Gross Profit	Net Profit
Total of 41	£3,100,077	£333,555	£84,823
Lowest Net Profit			£418
Highest Net Profit			£6,394
Average	£75,612	£8,135	£2,069
% to Turnover		10.76%	2.74%

Exceeding £100,000 not Exceeding £150,000 Turnover			
Licensing Group	Turnover	Gross Profit	Net Profit
Total of 27	3,209,963	£329,507	£97,921
Lowest Net Profit			£1,133
Highest Net Profit			£6,478
Average	£118,887	£12,204	£3,627
% to Turnover		10.26%	3.05%

Exceeding £150,000 not Exceeding £200,000 Turnover			
Licensing Group	Turnover	Gross Profit	Net Profit
Total of 7	£1,175,162	£110,881	£25,885
Lowest Net Profit			£2,059
Highest Net Profit			£4,824
Average	£167,880	£15,840	£3,698
% to Turnover		9.44%	2.20%



Exceeding £200,000	not Exceeding £250,000	Turnover	
Licensing Group	Turnover	Gross Profit	Net Profit
Total of 2	£414,049	£34,520	£7,403
Lowest Net Profit			£3,162
Highest Net Profit			£4,241
Average	£207,025	£17,260	£3,701
% to Turnover		8.34%	1.76%

Exceeding £250,000	not Exceeding £300,000	Turnover	
Licensing Group	Turnover	Gross Profit	Net Profit
Total of 3	£841,093	£77,700	£14,488
Lowest Net Profit			£3,656
Highest Net Profit			£6,325
Average	£280,365	£25,900	£4,829
% to Turnover		9.24%	1.72%

Exceeding £300,000	not Exceeding £400,000	Turnover	
Licensing Group	Turnover	Gross Profit	Net Profit
Total of 2	£744,895	£56,982	£13,419
Lowest Net Profit			£6,632
Highest Net Profit			£6,787
Average	£372,448	£28,491	£6,710
% to Turnover		7.65%	1.80%

Exceeding £400,000	Turnover		
Licensing Group	Turnover	Gross Profit	Net Profit
Total of 1	£706,732	£43,931	£8,780
% to Turnover		6.22%	1.24%

There were only three bookmakers included in the survey who made losses. All three were in the "Under £50,000 Turnover" bracket and their losses were £147, £173 and £222 respectively. These survey figures were produced by the Premises Bookmakers' Association after being gathered by a firm of independent accountants and auditors from the taxation returns of the various bookmakers. The accuracy of the statement of net profits is open to question. The accountants obtained the turnover figures from the Treasury Department and the gross and net income from the bookmakers' income tax returns but they did not check whether the turnover, as stated in the income tax figures corresponded with the Treasury return. For the purpose of making such a check, the Commission obtained a breakdown from the actual income tax returns of eight bookmakers, and in some cases sighted the actual return. In only four cases were the turnover figures set out; in the other four they were not. In one case, that of Jones of Victoria Park, the turnover stated for the purpose of the income tax return was £6,000 less than the Treasury record of his turnover, giving rise to the suggestion that the net income was under-stated in the income tax return by £6,000. In relation to this case I quote the evidence of the accountant who compiled the figures in the survey.

I notice that in relation to C16 (Jones), you have shown the turnover for that person in exhibit 61 as £134,000?—That is correct.

Yet in exhibit 62 you show his turnover as £128,000?—That is correct.

What happened to the difference of £6,000?—That gets back to the same problem, the method of recording the gross turnover. The bookmakers record their books in different manners. Some do not record credit bets and there is no uniformity among them.

Then these figures of turnover do not mean anything?—The turnover figures shown in the schedules are those supplied by the Stamp Office.

Was the discrepancy in the turnover figures disclosed by the Stamp Office as against those supplied by this bookmaker to the extent of £6,000?—That is correct.

As a chartered accountant do you regard that as unsatisfactory and with suspicion?—What else can you do? There are so many factors. Unless you carry out a complete investigation and check of the books you cannot find out.

Do you regard this as something requiring investigation and explanation?—I understand that the Taxation Department has rung up the Stamp Office in this regard on many occasions, but the department has given it up as a bad job.

In fairness to Jones, it should be stated that he was not asked to explain the discrepancy.

Another consideration which may throw doubt on the accuracy of the profit figures is that the opportunities for evasion, both of income tax and turnover tax are so obvious that one can never be certain that it does not take place.

It is possible for evasion to be effected in two ways. First, by the failure to record a bet. Second, by the entry of a fictitious winning bet. By failing to record a bet not only is the turnover tax avoided, but the stake does not enter into the bookmaker's gross profit and to that extent is free of income tax. That this system of evasion has been practised is shown by the fact that seven bookmakers have been proceeded against for the offence of not entering bets. The licenses of six of them were cancelled following their conviction, and the remaining one was dealt with by the Commissioner of Stamps who has the power summarily to impose penalties. The majority of the offenders engaged in a systematic evasion over a period of time and several of them were discovered only because of information supplied by a third party to the police or to the Treasury officials. However, Mr. Elliott, the Betting Tax Inspector of the Treasury Department and Mr. Byfield, the former Commissioner of Stamps, each said that he was satisfied that the Treasury was getting practically 100 per cent. of what it was entitled to get by way of tax. They contended that there was cross-checking of bookmakers' returns with a view to ensuring that all bets were recorded. It is difficult to see how any amount of cross-checking of returns will reveal bets which have not been recorded. Mr. Byfield gave evidence before the Betting Commission in Melbourne on behalf of the Bookmakers Association in support of the betting shop system, and he then asserted that in effect there was no evasion of turnover tax and that all bets were accounted for. The Commissioner expressed scepticism of that evidence.

While it is true that with telephone betting it is the practice of most bookmakers to make out an account for the customer, nevertheless some customers do not trouble to get their accounts and merely settle for cash on the bookmaker's word. Some of them ask

that accounts should not be sent to them. Then again accounts may be kept in a system of pseudonyms. Mr. Healy, for instance, uses such ciphers as "Z", "Peter", "George" and "Vin", and said that he might have 100 telephone betting accounts recorded in this manner and that in some instances he did not know who the customer was and had never seen him. I am not suggesting that Mr. Healy used these pseudonyms to avoid taxation, but they illustrate how impossible any system of cross-checking must be. The person who pays the money and receives the winnings is kept secret and the bookmaker himself may not even know his identity.

The second possibility of evasion consists in the entry of fictitious winning bets. This may be directed specifically to the evasion of income tax. It involves the writing in of a fictitious winning bet after the race has been run; for example, if a bookmaker once a month writes in a bet for £20 on a horse which has already won at 10 to 1, the effect of such an entry, while it increases his turnover by £20 upon which he pays two per cent turnover tax, nominally increases his payout by £200, thereby reducing his gross profit and of course his taxable income. It can easily be seen that where the customer is known only by a pseudonym and does not ask for his account, such a system could be practised. The pseudonym may be the bookmaker himself.

The only direct evidence which emerged in the course of the hearing on this type of evasion was that of Mr. Humphrys, the President of the Premises Bookmakers' Association, who was himself the victim of such a scheme perpetrated by two of his employees, but in addition to this a number of witnesses testified that entering a fictitious winning bet was a comparatively simple manoeuvre. Mr. Byfield in particular spoke of the ease of this type of evasion and said that he had actually seen it carried out by a bookmaker on-course. He added that the Treasury was not concerned with it because it increased the turnover and the consequential tax.

There was said to be still a further indication that the profit figures were not accurate. The totalisator in general appears to pay higher odds than the starting price, yet it shows a gross profit of about 14½ per cent., whereas the gross profit of the bookmakers as disclosed by their income tax returns was in the vicinity of only 9 per cent. This argument, however, may be inconclusive unless an examination is made of the relative patterns of betting through bookmakers and the totalisators.

#### 4.—The Premises Bookmakers' Association of W.A.

One of the inevitable consequences of the Betting Control Act, 1954, was the establishment of the Premises Bookmakers' Association of W.A. Its predecessor was the Turf Commissioners' Association of pre-Act days, constituted of the bookmakers who carried on a telephone betting business. In December, 1954, when the Betting Control Act was

passed it had 65 members, all of whom received licenses from the Betting Control Board. They became the nucleus of the new Association which was formed on 11th August, 1955 and which eventually became an incorporated body.

After the licensing was completed there were altogether 210 licensed off-course bookmakers and a substantial proportion of them immediately joined the new Association. It was recognised that such a body could be a useful adjunct to the scheme of the Act and such recognition came not only from the bookmakers themselves, but also from the Government and the Betting Control Board; in fact the minutes of the Association disclose that both these authorities from time to time urged the Association to bring all the off-course bookmakers into its ranks. In time they succeeded so that at present there are only three off-course bookmakers who are not members. Two of them operate in remote country towns, at Cranbrook and at Witte-noom Gorge. The third is in York. There was one other bookmaker who held out and the Association considered taking measures to constrain him to join, but before they put them into effect he capitulated.

The Association was active upon a variety of subjects and in a variety of directions. I shall examine some of them.

##### (1) The Association's Funds:

The Association derives its funds from its members in three ways:—

- (a) An annual subscription from each member.
- (b) An annual fee from each member to be used in sponsoring the broadcasting of races.
- (c) An annual premium to the Association for providing a fidelity bond for each member required by the regulations.

The total amount received from these three sources from August, 1955 to July, 1959 was £91,778. These moneys were applied as follows:—

- (a) As to £42,506 in payment of fees to broadcasting stations.
- (b) As to £10,000 in establishing a trust fund to answer fidelity bonds.
- (c) As to £6,708 in assisting the Labor Party in two political campaigns; £1,708 for the 1956 election and £5,000 for the 1959 election.
- (d) As to £2,203 in preparing for and financing a delegation to give evidence before the Victorian Royal Commission to explain the working of the betting shop system in Western Australia and to advocate its advantages as against those of the totalisator system.
- (e) As to £12,518 in meeting routine administrative expenses of the Association.

The balance of funds in hand on 31st July, 1959, amounted to £17,844 in addition to the £10,000 trust fidelity fund. The fidelity fund

was created with the consent of the Betting Control Board out of general funds so that the Association might issue its own bonds in lieu of the members having to take out fidelity bonds with Insurance companies.

Subject to calls on the fund in respect of these bonds, it belongs to the members: there is provision for members retiring from the Association to receive their equity both in the fidelity fund and the general fund.

*(2) The Association as a Political Force:*

The Betting Control Act, 1954 was a temporary measure and unless continued would expire on 31st December, 1957. It was sponsored by the Labor Government of the day. An election was due early in 1956 and it was essential to the Association that the Government should be returned to power.

The minutes of the Association disclose that on 8th March, 1956, a Confidential Committee was appointed "to act without question on behalf of the Association and for the benefit of its members," and moneys up to £2,000 were placed at its disposal as a "fighting fund." The original members of the Confidential Committee were Mr. P. B. Healy and Mr. H. Solley, the two largest bookmakers in Western Australia. Contemporaneously with their appointment, the President, Mr. Humphrys, "stressed the fact that the stage was now reached where all bookmakers must be 100 per cent. behind the Association, as a force of approximately 200 bookmakers and their staffs was a body not to be considered lightly by any political or other organisation." For the election in April, 1956, the Confidential Committee spent a total of £1,708 on advertisements in the interests of the Labor Party and in assisting individual Labor candidates in marginal seats by paying the wages of organisers and canvassers and by providing meals for polling day workers. In addition, 27 bookmakers made 34 cars available to get voters to the polls. The Government was returned to office. In 1957 the Act was extended to 31st December, 1960. For the 1959 election, instead of taking the direct measures employed in the 1956 election, the Association, through the Confidential Committee, contributed £5,000 to the Labor Party funds. The payment was made in cash in £10 notes by Mr. Godwin, a member of the Confidential Committee and no receipt was obtained. £1,750 was returned to Mr. Godwin in £10 notes with instructions as to how to apply it. He kept this money at his home. He used some of it to reimburse himself for contributions made by his own cheques to country branches of the party. Receipts for these moneys were returned to him by the respective country branches. The bulk of the £1,750 was disbursed in cash to party purposes and no receipts were obtained. About half the disbursements of the Confidential Committee for the 1956 election were also in cash without vouchers.

Other cash disbursements without receipts were made by the Confidential Committee over the period between the elections, including "honoraria" paid to Mr. Milligan, a

retired education official, who in March, 1956, was appointed a "liaison officer to act as Association representative to approach the Betting Control Board and any other body." The minutes show that "a Minister of the Crown had asked him to act in liaison on behalf of the Association." He regularly attended the meetings of the Committee until October, 1958, when he went on an extended holiday to New Zealand. He appeared from the minutes to be in constant touch with Ministers and on some occasions other members of Parliament, both State and Federal, in the interests of the Association.

At one stage the Association was endeavouring to induce the Australian Broadcasting Commission to give running descriptions of all races at meetings held in Melbourne and Sydney and Mr. Milligan was very active in political negotiations for that purpose. If they had been successful they would have saved the Association the very high fees which had to be paid to the commercial stations. In the two years from 1956 to 1958, Mr. Milligan received from the Confidential Committee £310 in cash by way of honoraria, without receipts. Incidentally, the minutes show the tremendous importance placed by the Association upon the broadcast of running descriptions of races.

As receipts were not obtained by the Confidential Committee for so many of its payments, the auditors quite properly refused to vouch its accounts and each year qualified their certificate of audit accordingly.

It is not to be thought that there was anything corrupt in the political activities of the Association, but there is no doubt that it sought to use its political influence in a secret manner to further its own interests. It is true, no doubt, as Mr. Humphrys said, that other business bodies engage in political activities. The evidence showed that the Turf Commissioners' Association in pre-Act days made contributions from time to time of £500 to the Liberal Party.

*(3) The Association as a Disciplinary and Protective Force for its Own Members:*

On the one hand the Committee of the Association was very anxious that all its members should comply strictly with the Act and the Regulations. They wanted the betting shop scheme to succeed and to be free of any tinge of illegality such as existed before the Betting Control Act was passed. They were fully aware, however, that there were many breaches of the Act and Regulations. The minutes have constant reference to them and to admonitions and warnings given to the members in general.

On the other hand, the Committee did not like prosecutions because they reflected on the whole body of members. Consequently when members reported that breaches had been detected by the police, the Committee took steps to plead with Inspector Fiebig on the delinquents' behalf. Mr. Humphrys said, however, that such interventions occurred only where breaches were minor or borderline cases. Where the breaches were serious,

he said the law was left to take its course. It will be sufficient to quote a few extracts from the minute books, and one passage from a circular to members to illustrate both the disciplinary and protective aspects of the Committee's activities.

30/8/56.—The Chairman spoke on the matter of members breaking provisions of the Act and Regulations and quoted the case of Mr. W. Shardlow. Twenty-six members had been saved from punishment for various breaches but this could not continue. He said that he knew of six members who had been pinpointed to be apprehended for betting on hotel premises but he had been successful in having this action delayed until a warning had been issued to all members. This would be done by circular.

7/1/57—Misdemeanours by Members.—The Chairman said that this was a very awkward matter to handle. Thirty-one members had been in trouble and had been forgiven, but the Board was now going after those who commit breaches. All the authorities concerned considered the Association to be an integral part of the Act and those who transgress will be dealt with. He had promised that a list of non-members would be sent to the board.

9/10/56—Commission.—Mr. Humphrys stated that it appeared that one member would lose his license, having been caught paying commission, but he (Mr. Humphrys) had arranged that the charge be postponed pending the finalisation of the Turnover Tax debate in the House.

18/7/57—Commission.—The Chairman said that he had received confidential information that one or two members were likely to be in trouble and that despite all warnings issued by the Association it appeared that some members were still doing the wrong thing. The Chairman said that he thought sufficient official warnings had been sent out by the Association, but now suggested that Committee members spread the warning by word of mouth to other members.

19/9/57—Commission.—The Chairman told the meeting that there were four bookmakers still paying commission. This was known to the authorities he said and at all costs must be stopped. Mr. Humphrys hoped that no action would be taken at present while the Betting Control Act was before the House and requested the Committee members to advise all members with whom they came in contact as to the seriousness of the position.

24/10/56—Wrapped Bottle Beer.—In reply to a question by Mr. Coffey, the Chairman advised that wrapped bottled beer on licensed premises would not be enquired into by the police.

10/12/57—Extract from a Circular.—Alcohol on Premises: Reports indicate that the leniency which has been

extended to bookmakers in connection with bottled beer in paper bags in betting premises, is being abused. It appears that in some premises, these have been seen stacked in half-dozen lots on counters and floors, which can only be viewed by the authorities as wholesale flouting of the law. It is realised that this is a very difficult matter to police, but an all out effort must be made to minimise the public exhibition of alcohol in bottles. In extreme cases it might be preferable for the bookmaker to put them out of sight under counters, or in an inside office if he finds it impossible to prevent their entry to the premises, or to have them removed entirely.

In relation to these matters Mr. Humphrys explained he was inclined to exaggerate the seriousness of the position so as to impress the members and secure their co-operation, and Inspector Fiebig denied that he had ever withheld or delayed a prosecution at the instance of the Association.

#### (4) *The Association and the Victorian Royal Commission on Betting:*

In September, 1958, the Victorian Government announced its intention to appoint a Royal Commission to inquire into betting in that State. The Committee of the Bookmakers' Association realised the threat to their own existence if the Commission should recommend a totalisator system in Victoria.

Mr. Humphrys took immediate steps to meet the threat and in asking the Committee to confirm his action, he said that "the main purpose was to fight the totes". He employed Mr. Andersen, the former Chairman of the Betting Control Board and Mr. Byfield, a former member of the Board to collect material upon which to base evidence to be placed before the Commission. An account subsequently rendered by Mr. Andersen showed that he spent a period of six weeks in compiling the material for which, including services of a typiste, he charged the Association £239 10s. 0d. He subsequently spent three weeks in Melbourne attending the sittings of the Commission, during which in addition to giving evidence he advised and assisted Mr. Humphrys and participated in conferences with counsel and solicitors. His charges for that work amount to an additional £377 10s. 0d. Mr. Byfield also attended and gave evidence; his fee was £75. These sums were in addition to their air fares and expenses in Melbourne. Mr. Humphrys himself worked hard on the project and gave valuable evidence from the Association's point of view. He made no charge other than his expenses. The total amount expended in relation to the Victorian Commission was £2,203.

The first reference to the Victorian Commission in the minutes was made on 23rd. October, 1958, as follows:

Victorian Royal Commission.—The Chairman told the meeting that . . . the time had now arrived for action . . . Messrs. Andersen and Byfield were pre-

pared to give evidence before the Commission and were now assembling information for that purpose. Mr. Humphrys said that it was vital that we convince the Commission that the Western Australian system was the best, because in the financial field our system could not compete with New Zealand and if totes were introduced into Victoria the difference in financial returns could give our own Government food for thought.

According to a later minute of 18th December, 1958, Mr. Humphrys is recorded as saying—

"Although the Commission had been an expensive matter it was essential and he thought it could still be a winner".

The Victorian Commissioner however, in spite of the Western Australian efforts recommended the totalisator.

Other aspects of the activities of the Association were disclosed in the minutes, particularly in relation to certain aspects of betting such as doubles and fixed prices, the securing of fluctuations in prices from the course, times of opening and closing of shops, complaints by individual members and the operations of the starting price officer.

To sum up, all this goes to show that the Association was a closely-knit and powerful body with strong finances and with the means of exerting its influence both in the relations of the members with one another and of the whole body to the authorities concerned with the administration of the Act.

#### 5.—The Starting Price System of Bookmaking.

The system of off-course betting established under the Betting Control Act and the regulations thereunder, is essentially a starting price system. The regulations provide that on local races, with the exception of a very limited number of set events, bookmakers may not bet other than at starting price for a win and at totalisator odds for a place. On Eastern States races, although technically off-course bookmakers may offer fixed prices on all events, by agreement amongst themselves and by a ruling of their Association they are not allowed to bet otherwise than at starting prices for a win, and at totalisator odds for a place. This, again, is subject to limited exceptions in the case of set events.

The starting price is fixed in Western Australia by a starting Price Officer appointed by the Betting Control Board, who attends the on-course betting ring while the meeting is in progress, and at the close of the betting for each race ascertains a fair assessment of the best odds shown on the on-course bookmakers' boards for each horse. The price so ascertained by him becomes the official starting price. He informs the representative of Tates Press of the starting price of the winner and of the favourite where necessary. Tates Press then communicates these particulars together with those of the totalisator dividends to the off-course bookmakers and to the newspapers and broadcasting stations. The details are displayed immediately in the premises of the off-course bookmakers and

winnings are payable forthwith. The broadcasting stations are not permitted to broadcast the starting prices or the dividends until the whole meeting has been concluded.

From the punters' point of view the theory behind the starting price betting is, no doubt, that at barrier rise, the respective chances of the horses engaged in a particular race have been measured as between the on-course bookmakers and the punters by the betting on-course over the preceding 30 minutes, and that the starting price is a fair indication of the final market. That seems fair enough to the interests of the ordinary off-course punter. He has "backed his fancy" at the ultimate market price, that is to say the starting price, determined as he thinks by the betting of the punters on the course.

But in between the off-course punter and the starting price may be interposed the transaction of "laying-off." An off-course bookmaker holding what he considers to be too much money on a particular horse—that is, having bet the punter that the horse will lose—makes a bet on his own account with another bookmaker that the horse will win. He "lays off" his money at the same odds as he has given to the punter, namely, the starting price. If the horse wins he has set off against his pay-outs to the punters the amount derived from the lay-off. If the horse loses, the amount he lays off is so much loss to him. The off-course bookmakers are so organised in "families" that the lay-off moneys ultimately concentrate in a few of the larger bookmakers, so that they are in command of a substantial proportion of the punters' money. They, in their turn, use some of that money to back the horse on-course; in other words, they lay off on-course. They not only get the odds ruling at the time they make the lay-off, but the effect of their bets on-course is to reduce the odds and ultimately the starting price; in the result they get odds for themselves better than the starting price and at the same time reduce their own liability and that of all other off-course bookmakers by lowering the starting price.

The system can also be used unfairly against the punter in the case of place bets for which the punter receives the totalisator dividend. This happens particularly in connection with country meetings where the totalisator pool is small. The procedure is called "bearing the tote". An off-course bookmaker desires to lower the place dividend so as to reduce his liability to punters who have backed a particular horse for a place. He sends money to the course and just as the totalisator is about to close, he puts a substantial place bet on that horse. This has the effect of reducing the place dividend, not only for his own benefit, but also for the benefit of all off-course bookmakers and to the detriment of all place punters whether off-course or on-course.

The converse transaction is called "bulling the tote" and is aimed against the off-course bookmaker. A bettor who desires to enhance the place dividend on horse "B" which he hopes will win, at the last minute puts place

money on horse "A", which has the effect of depressing the totalisator odds on horse "A", but at the same time increasing those on horse "B". The bettor will have backed horse "B" substantially off-course and so derives an unfair return. At the same time the genuine punter on horse "A" suffers.

There is another direction in which the system can be made to work unfairly against both the punter and the off-course bookmaker. It leads to a state of conflict between such bookmakers and the "connections" of the horse, that is to say the owner, trainer and others associated with them. The "connections" may have reason to believe that their horse has a good chance of winning and they desire to make as much money as possible out of the betting. If they commence to back the horse on-course the price will soon drop, not only because of their money going on the horse, but also because the betting is being done openly and it will probably become known that the "connections" are backing it. Also it may be that the "connections" want to back the horse each way, which they cannot do with a bookmaker on-course. Accordingly they back it secretly off-course by a "commissioner", who spreads the money among a number of off-course bookmakers so that it will not be known who is backing the horse, or that it is being backed to any extent. If they are secretive enough, the off-course bookmakers do not "wake up to the ruse", the money does not get back to the course and so the starting price is likely to be higher and the "connections" get a good return on their off-course bets.

That these considerations are not mere theories of what can be done in this system of starting price betting but are put into practice, was made clear by the evidence.

Mr. P. B. Healy frankly admitted that some of the money bet with the off-course bookmakers was taken to the course for the very purpose of reducing the starting price. It is perfectly legitimate to do so, and Mr. Healy saw no reason why the off-course bookmakers should not make use of this type of transaction for their own advantage.

Further, both he and Mr. Humphrys, another large bookmaker, when asked where the punter "came in in all this", said that no regard was paid to the punters' interest and Mr. Healy added "He (the punter) gets crucified every time. And now I see they want to put a punters' tax on—it is a crying shame. There would be no races or bookmakers if it weren't for the punters".

Some examples were given in evidence of "bulling" or "bearing" the totalisator so as to affect the place dividends. In 1955 a trotting trainer "bulled" the totalisator so as to raise the place dividend on his horse. It cost the off-course bookmakers a lot of money. In 1956 he tried to do the same thing again, but the off-course bookmakers "got wind of it" in advance, and as an Association they combined and "beared" the totalisator, that is, put a lot of money in

place bets on the particular horse and thereby reduced the place dividend to less than 5s.

Two other incidents of "bulling" or "bearing"—it is impossible to say which—occurred in recent months at country meetings at York. In May, 1959, a regular race-goer named Zempilas attended the York meeting, and on the last race put a place bet of £25 on each of two horses. He must have known the approximate amount of the pool and must also have known that the effect of the bets would have been to reduce the place dividends. In fact, they did. Each of the horses was placed and for his £50 Zempilas received back £82 10s., showing a profit of only £12 10s., for which he had risked the sum of £50. Zempilas gave evidence before the Commission and contended that the two bets were genuine. Mr. Healy, in the light of his experience, did not agree; he said that the bets were made for a purpose and that if he were given time he could find out what the purpose was. His own theory was that the bets were intended to increase the place dividend on a third horse which, however, to use his words "failed to come home." He thought it was an example of "bulling the tote" which did not achieve its purpose. Its effect, however, was to cause a loss to genuine punters who had backed each horse for a place.

Again at the York meeting in October, 1959, there was another incident of this kind. The circumstances were not given in evidence. I happened to attend the meeting after the hearing had been concluded and I got the particulars first-hand. Just as the mobile totalisator was closing and the barrier about to rise, a place bet of £25 was put on a horse named "Sanbeck." "Sanbeck" came in first and "Azure Blue" second. If this £25 bet had not been made the place dividend on "Sanbeck" would have been 6s. and the place bet on "Azure Blue" 9s. The effect of the investment of the £25 was to reduce the dividend on "Sanbeck" to 4s. 6d. and to increase the dividend on "Azure Blue" to 11s. 6d. The total place pool was only £119 so that this final bet of £25 accounted for nearly one-fourth of the pool. The bettor when placing his bet must have known that if "Sanbeck" won he would not get his place money back. Whether he wanted to reduce the place dividend on "Sanbeck," that is to "bear the tote" or whether he wanted to increase the place dividend on "Azure Blue" or some other horse that is, to "bull the tote" cannot be known, but again this incident shows that the totalisator on country courses can be abused to the detriment of the genuine punter. That "bulling the tote" is quite a common practice is shown by a minute of a Committee meeting of the Association of 28th April, 1958, which reads:

Mr. Humphrys said it was well known that bulling of the tote was going on and that members would be well advised not to take large amounts for place betting unless the money could be got back.

The use made of the betting shops by the "connections" to the detriment of punters



and others is illustrated by what happened in the case of "Juraco" at the Hannan's Handicap meeting at Kalgoorlie on 22nd August, 1959. Over the preceding years, "Juraco" had started 61 times and had never won a race. Then the horse came into the hands of a trainer named Purvis. Watching its progress, he apparently became convinced that "Juraco" could win the Great Boulder Handicap for which he was entered. Accordingly he and the owner decided to work what has variously been called a "commission" or an "S.P. job." They distributed £400 among the off-course bookmakers in Perth and Fremantle, investing £200 for a win and £200 for a place. By this means they hoped to make a profit of about £1,600, anticipating a starting price of about seven or eight to one. Mr. Healy must have had some information as to the training of the horse because as he said, he was "waiting for Juraco." When he saw that money was being placed on the horse off-course, he came to the conclusion (correct, as it turned out) that this was an "S.P. job." Thereupon he sent a message to Kalgoorlie and within five minutes or less of the barrier rise, £606 was invested with the on-course bookmakers in bets of £10 and upwards. Instead of the starting price being seven to one or eight to one as the "connections" expected, it was reduced to four to one. The race cost the on-course bookmakers £3,930. The profit of the Juraco "connections" was reduced from £1,600 to £800, and the liability of the off-course bookmakers was halved. Mr. Healy said that he had not sent money to the course but had merely sent a message that it was an "S.P. job."

Another variant of this type of transaction occurs when the on-course bookmaker himself is interested in a particular horse. In such a case the "commission" may be secretly laid off-course and whether the money comes back or not, the on-course bookmaker, in conjunction with some of his fellow bookmakers, may lengthen the odds to the detriment of the off-course bookmaker.

The above illustrations show the manner in which the existence of the betting shops may lead to the influencing of the starting price on the course.

There are other objections inherent in the starting price system. In order that "books" may be adjusted and the lay-off system successfully operated, it is important that the larger off-course bookmakers should know the fluctuations in the betting on the course. The Western Australian Turf Club strongly objects to this information getting off the course to be used by the off-course bookmakers or for that matter by illegal bookmakers. If it finds a person taking such information off the course he is banned from its meetings. At one time, Mr. Healy employed a man whose duty it was to secretly obtain and supply the necessary information from the course, but the Turf Club discovered his identity. Thereupon a number of leading bookmakers each agreed to provide a man, so that a different individual

could attend the meeting each week for this purpose. This appears to be a very undesirable feature of the starting price system.

Similarly, the secret off-course betting of the "connections" is deprecated by the Turf Club. In the club's view this betting should be done on the course. There is a steward in the ring whose duty is to see how the betting is proceeding and who is putting money on a particular horse. This is useful information if an inquiry should become necessary into the running. Where the "connections" bet off-course this information is denied to the stewards. It is true as both Mr. Healy and Mr. Humphrys said that the club can get similar information from the off-course bookmakers, but it may be difficult to get reliable information until after the meeting is over or perhaps until several days later, and even then if the betting is by way of a "commission", it may be difficult to relate it to the "connections".

The off-course bookmakers themselves object to the "connections" betting secretly with them because subject to the money getting back to the course it keeps up the starting price and increases the liability of the off-course bookmakers. The proper place for the "connections" to bet, they say, is on the course.

Hence it can be seen that there is, in effect, continual strife between the Western Australian Turf Club, some of the owners and trainers, the on-course bookmakers and the off-course bookmakers, and in all this strife, as Mr. Healy said, the ordinary punter is crucified.

The "Juraco" incident shows how the off-course betting plus lay-off operates to the detriment of the on-course bookmaker and of the racing club. The on-course bookmaker is required to show his odds openly and he is bound to accept money at the odds displayed up to a maximum liability for each bet of £100. To use racing jargon, the money which comes from the off-course bookmakers to the course is, in the main, "hot", "informed" or "educated" money, that is to say, money carrying the greatest chances of liability. The consequences are that on the one hand the on-course ring is weakened and on the other hand punters are unable to draw the proper inferences from the fluctuations on the course, and are discouraged from attending the meetings.

The Regulations themselves are designed to promote the system of lay-off and to protect the off-course bookmaker from "educated" money. Thus Regulation 95 provides that an off-course bookmaker need not accept a bet of more than £2 straight-out or each way, within 15 minutes of the starting time of a race. This gives the bookmaker 15 minutes in which to make his lay-offs on the course or with his fellow bookmakers and to refuse bets in excess of £2, which he suspects are coming from the "connections". In other words, the bookmaker has 15 minutes in which to get rid of "hot" or "informed" money and to lay it off directly or indirectly with the on-course bookmaker, who must

take it up to the limit of a liability of £100 in respect of each bet. It is no wonder that while practically all off-course bookmakers show substantial profits, a majority of on-course bookmakers are making substantial losses. For the year 1958-1959 on an aggregate turnover of 21 bookmakers on-course amounting to £2,741,420, there was an overall loss of £9,239, whereas the figures for 1957-1958 for 130 off-course bookmakers reveal a total turnover of £11,444,232 and a net aggregate profit of £299,516.

There are other respects in which the on-course bookmaker is at a disadvantage as compared with the off-course bookmaker. He is not allowed to bet for a place or each way; he is not allowed to bet from the same stand on local races and Eastern States races; his opportunities of laying off are restricted; his clientele is confined to punters who attend the course.

The foregoing description leads to the conclusion that the starting price system as operated in Western Australia is, in effect, similar to a totalisator system with the off-course bookmakers holding the pool and making the profit instead of the totalisator. Except for feature races, all off-course bookmakers bet on the same basis, the starting price. There is no competition between them. Their "family" system of lay-off is such that over a period they cannot lose. The figures produced to the Commission show that they do not lose. The size of the profits of each individual bookmaker depends for the most part upon his skill in deciding how much to lay off and when to do so. His decision is guided by the "information" he can obtain from his fellow bookmakers in "the family", from the fluctuations in the odds on the course and from other sources.

## CHAPTER XIII.

### POSSIBLE CHANGES.

In view of the criticisms of the betting shop system, I pass to a consideration of the various remedial courses that have been suggested.

#### 1.—Modifications to Betting Shops.

A number of proposals were made in which the betting shops would be retained but would be modified so as to eliminate some of the disadvantages inherent in the present system.

(1) The on-course bookmakers suggested that the shops within a radius of 50 miles from Perth should be closed and that to cater for off-course betting within this area, the on-course bookmakers should be authorised to conduct a telephone business from the racecourse, betting either at odds or at starting price. Beyond the 50 mile limit the shops would continue to operate as at present. The 50 mile radius was chosen because it was said that within that distance from Perth the majority of intending punters

had access to the facilities on the racecourse. This proposal was not fully developed in its details.

(2) Another suggestion was that there should be no shops within 50 miles of Perth, again because residents in that area had reasonable access to the racecourse and that outside that radius the shops should only be licensed following a public inquiry. This proposal is similar to the South Australian legislative scheme.

(3) Another proposal was that the shops should be closed at say 11 a.m. on any day on which a race meeting was to be held within a radius of say 15 or 25 miles from the shop. The Premises Bookmakers' Association expressed the view that such a course would be tantamount to the repeal of the Act. They stressed that the bulk of their business on Saturdays is done after the hour of 11 a.m. It is impossible to forecast what effect the early closing of the shops would have on their turnover. It might well encourage a shift in patronage to an earlier hour on Saturday morning. It would probably give rise to illegal telephone betting.

(4) Another proposal was to convert the present licensed premises to betting offices, being places where bets could be lodged but which would offer no incentive to the punter to loiter in or about the premises. This would change the present atmosphere of the shops drastically; there would be no wireless, no selections, form guides and other racing information, and dividends need not be payable until the next business day. Furthermore, no seating would be provided and it would not be necessary in the case of any new premises which might be opened to have toilet facilities. One can conceive that such a change may encourage the punter to attend the course. In fact this proposal is a similar scheme to that embodied in the Betting and Gaming Bill at present before the British Parliament.

The objection to these proposals is that they perpetuate the starting price system.

#### 2.—The Abolition of all Off-Course Betting.

This proposal was urged primarily by the United Council for Social Reform, the Church of England and the Methodist Church, and the Women's Christian Temperance Union. The United Council itself is a body with which is affiliated the Church of England, the Methodist, Presbyterian, Congregational and Baptist Churches, the Church of Christ, the Salvation Army, the Seventh Day Adventists and the Society of Friends together with a number of social welfare organisations, such as the Y.M.C.A., the W.A. National Council of Women, and the W.A. Temperance League. These bodies were strongly opposed to the betting shop system, claiming that whilst it may have eliminated the former scandal of illegal betting, it was objectionable because it has made betting respectable by giving it the cloak of legality, and thereby encouraging it. They maintained that gambling and therefore betting is wrong per se and in conflict



with Christian and social ethics. It was conceded however, that a great many people in the community do not think that there is anything inherently immoral about betting. Nevertheless it was said that from a community or social point of view, betting has nothing whatever to commend it and that the legislative policy should always be one of restriction with a view to minimising the habit. It was submitted that, as a practical compromise betting should be confined to the racecourse.

There is a great deal to be said in favour of this proposal and if it were not for other considerations, I would favour it. It is the soundest solution in principle.

The difficulty of confining betting to the racecourse is that a significant section of the community desires facilities for betting off-course and if all off-course betting were made illegal, there would be the danger of many punters resorting to the illegal bookmaker. In fact whenever in the course of this Commission, a modification or the abolition of the betting shop system was proposed, those who favoured the shops raised the objection that it would lead to illegal betting. In their view this objection was decisive. If however it is admitted, as the Churches contend, that a comparatively small degree of illegal betting is to be preferred to unrestricted legal betting, the difficulty is not insuperable. If off-course betting is made illegal there will be many members of the community who, while they do not regard betting as morally wrong, will nevertheless respect the law. Moreover, young people can be taught the moral dangers of betting and if it is unlawful they are less likely to become interested in it.

The Churches appeal to the South Australian experience to show that the problem of illegal betting can be met with a degree of success. If illegal betting cannot be entirely eliminated, it can be rendered so unobtrusive that to the ordinary citizen who does not desire to bet it is unknown, and even to the police it is difficult to detect. That this is the position in South Australia was shown by the evidence of Mr. Alexander, the Secretary of the South Australian Betting Control Board and of Mr. Giles, the Sergeant in charge of the Gaming Squad in that State. The powers vested in the police are such that a close check is kept on the illegal bookmaker, preventing him from blatantly defying the law. The evidence given to the Royal Commission in Victoria showed similarly that the vigorous enforcement of the anti-betting laws by the Healy Squad achieved substantial results in minimising the volume of illegal off-course betting.

The difficulty in Western Australia is that by December, 1960, the betting shops will have provided the community with facilities for legal off-course betting over a period of more than five years and that the sudden cessation of all off-course betting will be likely to impose a considerable strain on police administration. The position in South Australia was different. The shops

disappeared because racing was suspended in war-time conditions and they were not re-opened. There was, so to speak, a transitional period between the closing of the shops and the total prohibition of off-course betting.

If it is thought that in Western Australia police administration and manpower could cope with a sudden change at the expiry of the Betting Control Act, I would favour total prohibition, but I fear that a burdensome task would be laid upon the police. The task would be all the heavier because of the local interest in Eastern States racing. The large majority of employees do not work on Saturday mornings. Eastern States racing commences about 10 a.m. Western Australian time. It is not likely that punters who desire to bet on the earlier races in the East would want to go to the course during the time when no local racing was in progress and there would be a strong temptation to resort to the illegal bookmaker.

However desirable it may be to confine betting to the racecourse which provides the sport, I feel that in Western Australia it is impracticable and that some avenue of off-course betting should be available.

### 3.—The Off-Course Totalisator.

This was proposed by the Western Australian Trotting Association, and because of its importance is elaborated in the next chapter.

I deal with the totalisator question in some detail because I am aware that both the McLean Commission in 1948 and the Betting Control Board by a majority in 1956, recommended against the introduction of such a scheme. On the other hand it was recommended by the 1933 Commission in South Australia, the 1946-1948 Commission in New Zealand, the 1958-1959 Commission in Victoria and the New York City Citizens' Committee in 1959. Reference may also be made to the Queensland Commission in 1951-1952 where the question was discussed. The question was argued exhaustively before me by eminent counsel and detailed expert evidence was adduced and it is fitting that this Report should deal with the evidence and arguments at length.

## CHAPTER XIV.

### THE OFF-COURSE TOTALISATOR SCHEME.

The Western Australian Trotting Association formulated a proposal that the best interests of the community in general, and of the racing bodies and betting public in particular, would be served by the abolition of all off-course betting with bookmakers, and the establishing of an off-course totalisator scheme.

In support of the proposal, the Association adduced evidence from Mr. Smythe, the general manager of the Totalisator Agency Board in New Zealand. Mr. Smythe spent

some weeks in Western Australia and tendered a detailed statement setting out the scheme as it operates in New Zealand, together with a proposal for the operation of a similar scheme in Western Australia.

It will assist in the understanding of the proposal in relation to Western Australia if I preface it with a brief description of the scheme as it operates in New Zealand.

#### 1.—T.A.B. in New Zealand.

The Totalisator Agency Board conducts off-course betting in New Zealand and has a legal monopoly of such betting. It was established by the Gaming Amendment Act, 1949, which, as I have already observed in Chapter I, followed on the recommendation of a Royal Commission and a referendum.

The Board consists solely of persons appointed by the New Zealand Racing Conference and the New Zealand Trotting Conference, these being the bodies who administer racing and trotting in the Dominion. It has eight members of whom the Chairman and Vice-Chairman are members ex-officio, being the presidents of the two Conferences. The other members are appointed by each Conference in equal numbers. The Chairmanship alternates annually between the ex-officio members. The two Racing Conferences provided the money to finance the Board's capital expenditure. This money was reimbursed to the sponsors by a one-half per cent. levy on all totalisator investments on and off-course for five years from November, 1950.

The scheme provides for the operation of branches and agencies throughout the Dominion where punters may make their bets. A total of 301 such offices have been established. All moneys received through the off-course system are placed on the totalisator operating on-course. The dividends paid through the T.A.B. are the same dividends as declared on the racecourse. The procedure is that the bets are received at the agency or branch, and at the appropriate time when betting closes on a particular race, the number of bets received at that office on each horse is transmitted to a nearby centre known as a sub-collating centre. The majority of branches have associated with them a sub-collating centre. This centre receives the details of the bets made in the agencies and branches within its areas, collates them into aggregate totals on each horse and transmits these totals to a district collating centre. There are eight such centres which collate the betting details for their districts and transmit them to head office.

The head office, which is situated in Wellington, collates the information received from each of the district collating centres, and then communicates to its representative on the particular racecourse where the meeting is conducted, the total units invested off-course on each particular horse. The information when received on the racecourse is given to the totalisator in time for the information to be exhibited at the start of betting on-course for the particular race. The time for the transmission and collation

of bets throughout the off-course system is approximately 45 minutes in the case of straightout and place betting and the information is shown on the totalisator approximately 42 minutes prior to the race. This means that betting closes in the off-course premises 1½ hours before the race is timed to start.

In the case of doubles betting, off-course punters may invest on one double in relation to each race meeting. Betting on the "daily double" as it is called involves additional time in collection and transmission and therefore closes two hours before the first leg is run.

The unit of investment on the T.A.B. is 10s. in the case of straight-out and place betting and 5s. in the case of doubles betting.

Betting is accepted by the T.A.B. in three ways:—

- (i) In cash over the counter, which accounts for approximately 95 per cent of the total betting through T.A.B.
- (ii) By telephone, provided the bettor has first made a deposit of £2 or more; this betting comprises only 5 per cent. of the total off-course betting.
- (iii) Postal betting, the letters being accepted up to 8 p.m. on the day prior to the race meeting. This betting comprises only one-tenth of 1 per cent. of the off-course turnover.

The popularity of doubles betting is demonstrated by the fact that 48 per cent. of all off-course betting is doubles betting.

The majority of racing and trotting meetings in New Zealand are held on Saturdays, with the result that most of the bets are made in branches and agencies on Fridays and Saturdays. The offices are open for business from 10 a.m. to 8 p.m. on Fridays (Friday being a late shopping night in New Zealand) and from 8.30 a.m. to 3.30 p.m. on Saturdays. It has been found that sales after 12.30 p.m. on Saturdays are negligible.

The offices provide only the minimum information to enable a punter to place his bet. Race lists are displayed showing the meeting, the number of the race and the number of each horse entered in that race.

No other information is available in the betting office, no broadcast is permitted in the premises, no seating is provided and the payment of dividends is not made until the business day next following the particular meeting. In this way, there is no loitering or congregation of persons in the vicinity of a T.A.B. office.

When the race is concluded, the results and dividends are telephoned to T.A.B. head office by the T.A.B. representative on-course and head office conveys the information to the New Zealand Broadcasting Service, which then broadcasts both the result and the dividends of the race. The Board's offices throughout the country record details from these broadcasts and calculate the total dividends due to each office, together with the amount of refunds on scratched horses.

The balance between the total bets received and total dividends payable is calculated both on the course and at head office. The on-course representative who holds an open cheque, settles immediately with the racing club.

Settlements between all off-course offices is made by telegraphic bank transfer on the business day next following the meeting.

The T.A.B. maintains a permanent staff at its head office and at its collating centres and branches. In the case of its agencies, of which there are 278, the agents are remunerated by a fee based primarily on the number of tickets written at that agency, and to a lesser extent on the turnover each week. The agent is then responsible for engaging the casual staff which may be required. The T.A.B. carries all the overhead costs in relation to each agency.

At the present time T.A.B. conducts approximately 50 of its 278 agencies at a loss; these are invariably placed in the smaller centres, where as a matter of policy it is deemed desirable to provide facilities for betting off the course. A relevant factor in relation to the cost of operating these smaller agencies is the Government policy which prescribes that all agencies must be in separate premises with separate entrances to the street, thereby precluding the conduct of a T.A.B. agency in conjunction with another business.

The totalisator duty in New Zealand is fixed at 17.35 per cent. of the investment moneys. The duty is deducted by T.A.B. from its pool and 9.35 per cent. thereof is paid to the Government, .5 per cent. is applied to a statutory levy and 7.5 per cent. is retained by T.A.B. together with all fractions and unclaimed dividends which approximate about 1 per cent. of turnover. Thus T.A.B.'s gross profit is 8.5 per cent. of its turnover. Its costs of operation approximate 6 per cent., leaving a net profit of 2½ per cent. of the turnover available for distribution to the racing clubs.

In the year ended 31st July, 1959 the turnover of T.A.B. was £21,995,392 and out of the 17.35 per cent. duty the Government received £2,056,569 and T.A.B. after payment of expenses amounting to £1,324,000 retained £631,586 for distribution to the racing clubs.

In the eight years from the inception of the scheme the Government has received in revenue from off-course totalisator betting, about £13,000,000 and the total amount distributed to the clubs amounted to approximately £4,500,000.

It should be added in connection with the New Zealand scheme that the on-course totalisator is run by the individual clubs. The total turnover approximates that of the off-course totalisator and the revenue received by the Government from that source is about the same as the revenue received through the operations of the T.A.B.

The New Zealand scheme operates within the following legislative frame-work:—

- (i) The Gaming Amendment Act, 1949.
- (ii) The Gaming Amendment Act, 1950.

(iii) The Gaming Amendment Act, 1953.

(iv) The Scheme for the Establishment and Operation of Totalisator Agencies approved by the Minister and published in the New Zealand Gazette, 5th December, 1957, No. 90, page 2270.

(v) Rules relating to Investments at or through Totalisator Agencies published in the New Zealand Gazette, 5th December, 1957, No. 90, page 2274.

## 2.—The Proposal for Western Australia.

The New Zealand pattern in general is recommended by Mr. Smythe. In essence in its application to Western Australia it would exhibit the following features:—

### (1) Administration:

The scheme would be administered by a Totalisator Agency Board (hereinafter referred to as "T.A.B.") consisting of six members, three of whom would be nominated by the Western Australian Turf Club and three by the Western Australian Trotting Association. It is suggested that the respective Presidents of these two bodies should be included in the nominees, and that the chairmanship of T.A.B. should alternate year by year between the two Presidents. A head office together with the main collating centre would be established in Perth. Branches and agencies where bets could be received would be established throughout the State. It is proposed that branches combined with district collating centres be established at Perth and at five country towns, namely Geraldton, Northam, Kalgoorlie, Narrogin and Bunbury, and that 63 agencies should be set up in country towns. These agencies would feed into the district collating centres and thence to the main collating centre at Perth. The extent of the initial coverage envisaged by the scheme is shown by listing the towns in which agencies would be established.

#### Branch and Collating Centre.—Agencies.

Geraldton.—Carnamah, Carnarvon, Cue, Meekatharra, Mount Magnet, Mullewa, Northampton, Perenjori, Watheroo.

Kalgoorlie.—Boulder, Coolgardie, Esperance, Leonora, Norseman.

Narrogin.—Albany, Boddington, Denmark, Gnowangerup, Katanning, Kojonup, Mount Barker, Nornalup, Pingelly, Wagin.

Northam.—Beverley, Bruce Rock, Bullfinch, Cunderdin, Dalwallinu, Dowerin, Goomalling, Kellerberrin, Kondinin, Merredin, Moora, Narembene, Quairading, Southern Cross, Toodyay, Wongan Hills, Wyalkatchem, York.

Bunbury.—Augusta, Bridgetown, Brunswick Junction, Busselton, Collie, Donnybrook, Harvey, Manjimup, Margaret River, Nannup, Pemberton, Waroona.

Perth.—Armadale, Kalamunda, Mandurah, Mundaring, North Dandalup, Pinjarra, Rockingham, Rottneest, Wundowie.

The district collating centres, on receipt of the particulars of bets lodged at the various agencies within its area, would communicate them after collation, to the main collating centre in Perth. The Perth centre would also be the collating centre for five additional branches and 40 agencies to be established within the metropolitan area.

It is anticipated that at some time in the future T.A.B. may be justified in opening another thirty agencies in country areas. This extension would be required if it were desired to make the coverage of T.A.B. as ample as the present coverage afforded by the betting shops. The North-West towns such as Port Hedland, Broome, Derby and Wyndham, which at present are beyond telephone communication could be catered for if necessary by telegraph communications. Mr. Smythe did not think that it would present any problem.

#### (2) Hours of Closing:

In New Zealand the agency is closed for the purpose of betting on any particular race 90 minutes before the race starts. This enables the total off-course figures to be collated and transmitted to the racecourse to be shown on the course totalisator when the totalisator opens for betting 42 minutes before the race commences. Dealing with the position in Western Australia, a total of 33 minutes is suggested as the time necessary to collate bets made at country centres, to transmit them to Perth for final collation and then to the T.A.B. representative on-course. The time when betting would close in the T.A.B. offices depends entirely on the length of time prior to the race commencing that it is desired to exhibit the off-course betting on the course totalisator. Mr. Smythe's suggestion is that if branches and agencies were to be closed 45 minutes before the race starts then the country figures would be displayed on the totalisator 12 minutes before the start of the race. Since the time required for collation is less for metropolitan betting, then given the same closing time such figures could be exhibited on the course totalisator 24 minutes before the race starts. These proposals relate to off-course betting on local races. I shall deal with the scheme for betting on Eastern States races hereunder.

#### (3) Communications:

When the question of an off-course totalisator scheme in Western Australia has been considered in the past, for example by the McLean Commission in 1948 and by the Betting Control Board in its inquiry pursuant to Section 8 of the Betting Control Act in 1956, communications were a major problem. For this reason I directed particular attention to this aspect of the matter. The evidence given by the representative of the Postmaster General's Department was that the proposal presents no difficulties to that Department. The whole system of communications has been greatly improved in recent years. From May 1960 subscribers will be able to make telephone calls within a radius of 25 miles

from the exchange for the price of a local call and this will facilitate still further the operation of the scheme.

#### (4) Methods of Betting:

The T.A.B. will provide facilities for betting by cash, by telephone against an established credit, and by post. The minimum unit for win and place betting will be 5s. and bets also of 5s. will be accepted on one doubles to each meeting. The double on local races will be nominated by the club concerned and will normally link the two feature races of the meeting. T.A.B. will nominate the double for Eastern States meetings. The only stipulation limiting the choice of the double is that it cannot be operated satisfactorily on successive races; at least one race must intervene between the two races which are the subject of the double.

#### (5) Information to be Supplied in Offices and Payment of Dividends:

It was submitted that the offices should conform to the New Zealand pattern as already described. There should be displayed only the race lists of each meeting indicating the acceptances for each race and the number of each horse in the race. To discourage loitering, there should be no broadcast of races in T.A.B. premises; there should be no publication of results; dividends should not be paid out until the succeeding day and no information relating to form guides, selection or of any other kind should be allowed; no seating should be permitted and toilets need not be provided. On the other hand it is recognised that these are matters of policy and can be varied if that is desired by the authorities. There is no practical objection to the payment of dividends during the course of the meeting, or after the last race of any meeting, as such an arrangement would not entail extra cost of any magnitude. At the same time, whilst admitting that it could be done, Mr. Smythe stresses the advantage of delaying the payment of dividends until the next business day as doing more than anything else to prevent loitering on and about the premises.

#### (6) Betting on Eastern States Races:

Four different methods were put forward as alternative means of providing facilities for off-course betting on racing in the Eastern States.

(a) *A Local Off-course pool.*—This would mean simply that bets would be received at all T.A.B. offices on such Eastern States races as it was desired to cover, and such bets would be collated in precisely the same way as for local races and be forwarded to the Head Office. That is the end of their journey and dividends are worked out on the normal totalisator principle. In this event betting need not be closed at T.A.B. offices until the race is about to be run because there is no necessity to transmit the information to a particular racecourse. The totalisator duty would be deducted from the total pool before

the dividends are calculated, as happens at the present time in on-course totalisator betting.

The objection to this method is based on the premise that, because all betting in such a pool would be "on the blind", it would be found that not all horses would be backed and further that often a particular horse would attract the preponderance of the money and so, despite the fact that that horse would win, the result would be the payment of a dividend amounting to less than the stake. For example, if the total pool amounted to £100 of which £90 was invested on horse "A" for a win and horse "A" duly won, then there would be available for distribution, after deduction of the 13½ per cent. totalisator duty, only 86½ per cent. of the total moneys invested. In the result, for the £90 invested on horse "A" £86 10s. would be distributed to the successful punters. In the course of the Commission some checks were made of the weight of off-course betting on several Eastern States races. They covered the operations of 51 off-course bookmakers. It was revealed that practically every horse running in the various races, the subject of the survey, was backed, and that in a totalisator scheme notionally conducted on these races only occasionally would the dividend payable to a successful punter have been less than the amount invested.

(b) *A Local Pool in which On-course and Off-course Betting is Combined.*—Experience in New Zealand has shown that where off-course betting has been uneven, when the figures are exhibited on the on-course totalisator the tendency is for on-course backers to back the horses which have not been supported off-course. The effect is to balance the holdings on the totalisator between the various horses in the race. If applied to Western Australia it would necessitate the provision on local courses of totalisator betting on the Eastern States races and for the indication on that totalisator of the results of the off-course betting. There are possible difficulties; for example, it cannot operate on those days when no meeting is held locally and the existing totalisator facilities on-course may not be sufficient to handle it.

(c) *A Local Pool with a Deduction of Totalisator Duty from Losing Bets Only.*—Under this plan instead of deducting 13½ per cent. from the total pool a deduction of say 20 per cent. from the losing bets only would be made. This ensures that even if only one horse is backed in the race and that horse wins the successful punter at least receives his stake back intact. Mr. Smythe said that this proposal was introduced in England in relation to the on-course totalisator in 1946. Prior to 1946 the totalisator duty amounted to 10 per cent. of the total pool, and in that year the law was changed to make the duty 15 per cent. of losing bets only. In the result about the same amount of revenue was derived. The latest figures indicate a stability in terms of revenue received which might be unexpected. In 1955 a 15 per cent. deduction on losing bets returned the equivalent

of 11.13 per cent. of turnover; in 1956, 11.20 per cent.; in 1957, 11.21 per cent.; in 1958, 11.27 per cent. Mr. Smythe said that a similar method operates in the United States of America.

(d) *The Investment of Off-course Betting on the Eastern States Totalisator.*—The procedure would be that after the final collation of the betting on a particular race the T.A.B. head office would transmit those totals to the appropriate racecourse in the Eastern States and the money wagered off-course in Western Australia would be incorporated with the Eastern States pool for the purpose of calculating the dividends. Some difficulties are apparent in the proposal because the statutory duty levied on totalisator betting in the Eastern States is not the same as in Western Australia, and in any event neither the Western Australian Government nor T.A.B. could afford to forgo the revenue from this betting. Consequently its practicability depends on satisfactory arrangements being made with the Governments of Victoria and New South Wales and the respective racing clubs. Mr. Stratton said that he had discussed the matter informally with Government representatives and racing club officials in Victoria and he had reason to believe that both in that State and in New South Wales satisfactory arrangements could be made. It was stated that the cost to the Eastern States totalisators of incorporating local moneys for the purpose of calculating dividends would be negligible and that the arrangements may well be made for a purely nominal consideration.

The decision as to which of these methods should be adopted is one that can be left to the appropriate authorities. For my part, I would favour the local pool with a duty levied on the total investments.

#### (7) *Turnover.*

For the purposes of costing a scheme in Western Australia Mr. Smythe estimated a minimum turnover of off-course totalisator betting in Western Australia of £7,500,000 per annum. Seeing that the present off-course turnover in the shops is between £17,000,000 and £18,000,000, I think that Mr. Smythe's estimate is very conservative. One has to allow for three factors which are likely to decrease the turnover of the totalisator as compared with the shops; first, that there will be no laying off; second, that in the totalisator there will be less re-investment of winnings from race to race; and third, that bettors who do not like the totalisator method of betting will go to the illegal starting price bookmaker. But even allowing for these factors I think that the turnover will be higher than Mr. Smythe's estimate. Each extra £1,000,000 of turnover will greatly increase the profits of the scheme.

#### (8) *Capital Costs.*

Mr. Smythe in the light of his New Zealand experience coupled with a survey of local conditions estimated a capital cost of £250,000 to handle the project, together with

**£50,000** establishment expenses. A major facet of the expense in New Zealand both in relation to capital cost and operating expenditure is that however small a country agency may be it must nevertheless be conducted in premises quite distinct from any other business. This increased the capital cost of acquiring and furnishing premises. It leads to additional operating expenditure in the remuneration of agents and other overheads. At the present time T.A.B. in New Zealand conducts some fifty agencies at a loss. It was urged that this policy need not be implemented in Western Australia and that it would be proper and suitable to permit agencies in the smaller country towns to be conducted in conjunction with other agencies such as machinery firms, insurance companies, stock firms and bulk handling companies. If such a policy were adopted then the cost both of establishing and running country agencies would be considerably reduced. I think this modification of the New Zealand scheme is worthy of consideration. However, the evidence relating to cost was presented to me on the basis that the New Zealand policy would be adhered to in this State. The Western Australian Trotting Association has undertaken to finance the scheme in Western Australia, and through its President stated that it has £50,000 in bonds readily available and is prepared to provide the additional money required. The moneys would be supplied free of interest. In return it asks for a levy on turnover such as was provided in New Zealand to reimburse the Association for its capital expenditure. In New Zealand this was a tax-free levy of  $\frac{1}{2}$  per cent. from both on-course and off-course totalisator turnover. The suggestion here is that 1 per cent. on off-course totalisator turnover for, say, five years from the date of the commencement of operations would provide in the vicinity of £300,000.

#### (9) Costs of Operation.

In New Zealand operational costs amount to 6 per cent. on a turnover of £22,000,000. Mr. Smythe costed the Western Australian scheme at  $7\frac{1}{2}$  per cent of an estimated turnover of £7,500,000. Details of his estimate are as follows:

	£
Salaries and wages at branches and head office .....	166,000
Agency costs .....	175,000
Telephone rentals and trunk calls .....	30,000
Depreciation and maintenance .....	50,000
Rent .....	62,000
Printing and tickets .....	15,000
Other .....	52,000
<b>Total</b>	<b>550,000</b>

Mr. Smythe set out in detail the basis on which he arrived at this estimated cost of operation and I have considered these together with the criticisms made of them by the Premises Bookmakers' Association. The estimates appear to be sound.

### 3.—Arguments Against the Proposal.

The arguments advanced against the off-course totalisator scheme may be summarised as follows:

- (a) The first objection was that the scheme would be detrimental to the true welfare of the community in that it brings betting in a legal form into the community and in effect makes it respectable and thereby encourages its indulgence. This is the argument of the churches and associated bodies already mentioned urging that betting be confined to the racecourse. This means that there should be no off-course betting, a situation with which I have already dealt.
- (b) The second objection was that the totalisator does not offer sufficient facilities for the punter. It would not cater for the bettor who had less than 5s. to invest, nor for "fancy" betting, that is to say for the various types of contingency betting and concession doubles betting. It was urged by the Premises Bookmakers' Association that the lack of these facilities would give rise to illegal betting. It was pointed out that in New Zealand, despite a successful totalisator scheme, there is nevertheless a strong following for the illegal bookmaker. This really amounts to a problem of law enforcement. It was suggested that there are two factors contributing to the patronage of the illegal bookmaker in New Zealand which would not be present in Western Australia: first, the minimum unit of investment in win and place betting is 10s. as compared with the proposed 5s. minimum unit here; second, in New Zealand the "connections" of a horse have no bookmakers anywhere with whom they can bet legally, while here the on-course bookmakers would provide them with betting facilities at odds.

With reference to the contention that the under 5s. bettor would not be accommodated, it is true that the proposal may necessitate some revision in the betting habits of the small punter, but I do not think this factor alone would encourage illegal betting to any extent.

So far as "fancy" betting is concerned, Mr. Smythe said that this was only a matter of policy. The totalisator could cater for it, but generally speaking it was not an economic proposition. In any event, according to the evidence this type of betting is seldom a profitable venture to the punter and he could be said to be better off without it.

It is clear that the punter can be re-educated in his betting habits. Even under the present system



punters are directed into the channels in which they may bet. For example, off-course they must bet on all but set events at starting price, and are permitted to bet on only four or five major races in Queensland each year. Betting by way of concession doubles on local races was prohibited and despite the popularity of this medium of betting, there is no suggestion that there was an upsurge of illegal betting. So long as there is a substantial avenue provided for legal betting, I think the vast majority of punters will reform to that avenue.

- (c) The third objection was that the totalisator could not satisfactorily cope with betting on Eastern States races. I do not think there is any weight in this contention, which has already been discussed in my description of the scheme.
- (d) The fourth objection was that the vast distances in Western Australia militated against the successful operation of an off-course totalisator. This objection weighed in the decisions of the McLean Commission in 1948 and the Betting Control Board in 1956. However the evidence to which I have already referred from an officer of the Postmaster General's Department satisfies me that the necessary facilities are now available in Western Australia to enable an off-course totalisator scheme to be conducted.
- (e) The fifth objection was that the revenues of a totalisator scheme were uncertain and could not present as great a taxation potential as the betting shops. It is recognised that the governing factor is the turnover. On Mr. Smythe's conservative estimate of £7,500,000 turnover and his operational costing of 7½ per cent., the annual profit to be shared between the Government and the clubs based on a 13½ per cent. duty will amount to £537,500. If, as can be well anticipated, the turnover exceeds £7,500,000 then the financial success of the scheme would seem to be assured. Moreover one of the expected consequences of the establishment of a totalisator scheme is to encourage patrons back to the course, in which case the Government revenue will benefit from entertainment tax on admission fees, and from on-course betting taxes.

I am of the opinion that an off-course totalisator scheme offers as great, if not greater revenue potential than the present betting shop system. So far as the totalisator duty is concerned, this is only a matter of the rate imposed. In Western Australia it is now 13½ per cent.; in New Zealand it is 17.35 per cent. Furthermore an investment tax payable by the off-course punter, which

is equally applicable to a totalisator scheme as to the betting shop system provides a further avenue of tax potential. In this connection, it is pertinent to quote again the extract from the minutes of the Premises Bookmakers' Association, namely—

Mr. Humphrys said that it was vital that we convince the Commission that the W.A. system was the best because in the financial field our system could not compete with New Zealand and if totes were introduced in Victoria, the difference in financial returns could give our own Government food for thought.

#### 4.—Summing Up.

(1) I think the institution of a totalisator scheme is practicable in Western Australia and that there are no decisive objections to it.

(2) I think it is desirable because—

- (a) it eliminates the undesirable features of an organised off-course starting price system;
- (b) it eliminates the proprietary interest in off-course betting.
- (c) it provides adequate facilities for off-course betting without encouraging it;
- (d) in so far as it would be a less attractive form of betting it may result in more punters attending the race-course;
- (e) it will provide a good revenue potential.

There is no doubt that if a totalisator scheme is introduced, all the ingenuity of the off-course bookmakers will be brought to bear to obstruct it. This is borne out by the minute of a statement made by Mr. Humphrys to a meeting of the committee in December, 1958, on his return from the Victorian Commission, in which he is reported as follows:—

Before leaving Melbourne, Mr. Humphrys had conferred with two leading S.P. men and had made suggestions to them for defeating the tote if it became installed in Victoria.

Before me, Mr. Humphrys explained that his suggestions were related merely to the transfer of the Victorian business to S.P. bookmakers in the other States. If a situation of this kind develops, it will have to be met firmly by legislation.

## CHAPTER XV.

### THE SUPPRESSION OF ILLEGAL BETTING.

The Premises Bookmakers' Association and many of the witnesses contended that if the betting shops were abolished and a totalisator established as an avenue of off-course betting, there would be a resurgence of illegal betting. They instanced the New Zealand experience in support of their argument. I have already pointed out that New Zealand differs from Western Australia in that in New Zealand there are no on-course bookmakers. Nevertheless I think that if a

totalisator scheme is adopted, measures should be taken to meet the threat of illegal betting. If the present Betting Control Act lapses on 31st December, 1960, the serious defects in the law and the difficulties in its enforcement which were the subject of comment by the McLean Commission in 1948, will revive. Both the law and the administration should be strengthened.

#### I.—Reform of the Law.

I think that a new Betting Control Act, while re-enacting the existing betting provisions of the Police Act and the Criminal Code, should contain a number of new clauses embodying the substance of certain provisions of the South Australian Lottery and Gaming Act, 1936-1956, and the Licensing Act, 1932-1953. I summarise those provisions as follows:—

##### *The Lottery and Gaming Act, 1936-1956:*

- (1) Section 4 gives a wide definition of "occupier".
- (2) Section 42a on the one hand makes it an offence for any person to carry on business as an illegal bookmaker and on the other hand makes it an offence for any person to bet with an illegal bookmaker. Penalty: First offence £100. Subsequent offence, imprisonment up to three months.
- (3) Section 62 makes it an offence for any person to be in or upon any street or public place for the purpose of betting except in accordance with the provisions of the Act. "Betting" is defined in Subsection (3) to include without limiting the meaning thereof "negotiating bets, receiving or paying money in connection with bets and settling bets." "Public place" has a very wide definition in Section 4 and includes hotels, shops, factories and clubs. Penalty: First offence £50. Subsequent offence, imprisonment not less than three months nor more than six months (irreducible in mitigation); third or subsequent offence, imprisonment for not less than six months nor more than twelve months.
- (4) Section 63 makes loitering in a street or public place an offence whether the loitering causes obstruction of traffic or not.
- (5) Section 64 and 65 prohibit advertising by tipsters.
- (6) Section 69 permits the police to arrest and remove a person suspected of betting. This enables the police to remove an illegal bookmaker from any sporting grounds or from any enclosed place whatever. Once a person has been so removed it is an offence for him to re-enter that place during the same day.
- (7) Section 71 gives power to a magistrate and to the Commissioner of Police upon certain conditions to

issue a warrant of entry and search in any place where there is reason to suspect that betting is taking place.

- (8) Section 88a makes it an offence for any person to give warning of the presence or approach of a member of the police force. This enables the police to deal with nitkeepers.
- (9) Section 104 makes proof of the payment of money in circumstances raising a reasonable suspicion of betting prima facie evidence of the commission of the offence of unlawful betting.
- (10) Section 105 provides that in a prosecution for any offence against the Act if the evidence for the prosecution is such as to raise in the mind of the court a reasonable suspicion that the accused is guilty of the offence charged then that evidence shall be prima facie evidence that he is guilty.
- (11) Section 115 gives to certain superior officers of the police force a general right of entry to any premises except a private house.

##### *The Licensing Act, 1932-1953:*

- (1) Sections 140 and 140a makes the licensee of a hotel in which unlawful betting takes place responsible unless he can show that he did not know it was being carried on, the onus being on him to establish absence of knowledge. Section 140a in addition enables the police to give a warning to the licensee of a hotel that a person is carrying on betting on his premises and if a subsequent offence, committed within one month thereafter, is proved against that person the licensee is responsible whether in fact he knew of the particular transaction or not. Section 141 gives power to the Court to close an hotel for a limited number of Saturday afternoons on conviction of the licensee of an offence under Section 140 or Section 140a.
- (2) Section 142 enables the police to remove from licensed premises persons who are suspected of betting. It then becomes an offence for that person to re-enter the premises during that day.

Sections 104 and 105 of the Lottery and Gaming Act, 1936-1956 may require comment in that they depart from the principle of proof beyond reasonable doubt which is ordinarily required in criminal prosecutions. The Sections are not peculiar to South Australia, and have not worked unjustly in that State. The defendant is given ample opportunity of making a reasonable explanation of the alleged suspicious circumstances. If he does so, he is entitled to be acquitted. I have personally sat on appeals in a number of cases where these Sections have been invoked and I am satisfied that they do no



injustice to the defendant. The secrecy of betting transactions justifies their enactment. Inspector Flebig suggested that similar provisions be inserted in the Western Australian legislation.

## 2.—Administration.

It may be advisable for the Commissioner of Police to confer with the South Australian police authorities with a view to considering the introduction of a system of administration similar to that subsisting in South Australia. In that State there is a special squad whose duty is to enforce the betting laws. Sergeant Giles of Adelaide, in his evidence before the Commission described its constitution and mode of operation. He said:—

The squad consists of a sergeant who must have been a detective and seven members recruited by a selection board from amongst the junior members of the Police Force.

The selection branch comprises the superintendent of the C.I.B., two inspectors and the senior sergeant from the Planning and Research Branch (a branch which studies the conduct and ability of every member of the police force throughout his career), the inspector of the City Police Division, and the sergeant in charge of the Vice Squad.

The squad, through the city inspector, is responsible directly to the Commissioner of Police himself. I have been in charge of the squad since January, 1958. The squad operates from a secluded room on the top floor of police headquarters. No person has access to the room apart from members of the squad. Each member of the squad receives a special allowance of 5s. per day for out of pocket expenses.

Sergeant Giles went on to describe the pattern of illegal betting in South Australia and then continued:—

On the whole, illegal betting is carried on very much under cover, so much so that ordinary members of the public, who are not betting people, scarcely know of its existence. There is some betting in factories, but this is confined mostly to Fridays. The factories are closed on Saturdays.

It (the squad) works as a team of eight, and no members work together continuously.

All information gained by any member is available to the whole squad. In order to keep in touch with the incidence of illegal betting, I arrange for lightning raids to be conducted over a wide area on a Saturday morning between eleven and one. A team of two members in one car covers up to 25 hotels in the two hours. Sometimes I put two cars on the job.

Even if these raids do not lead to the detection of any offences, they have value in breaking up any betting that may have been going on. They also inform the

squad as to the existence of likely betting and the position of the bookmaker, even though no offence can be detected. In such a case, a special campaign will then be directed against such an hotel. We find that hotelkeepers co-operate with us because of the danger of losing their license. Forfeiture of license follows the conviction of a licensee for any two offences under Section 77 of the Licensing Act.

Ordinary police are required to observe and report suspicious circumstances to the special squad. If illegal betting takes place in country hotels the procedure is for the local constable to report to headquarters, whereupon the special squad goes to the town in question and takes the necessary measures. In any event, the squad makes frequent trips to the country to keep itself informed of the position.

### *Telephone Betting:*

The squad receives reports of it from time to time but this form of betting is not of as great a volume as the hotel betting. I do not think any operator would have more than one or two telephones in any one place. The squad's technique here is to keep these operators on the run. The threat of an impending search warrant is sufficient to disrupt their activity.

Sergeant Giles then went on to refer to the legislative provisions set out above, which he said are "of particular help in the suppression of illegal betting".

## CHAPTER XVI.

### RUMOURS OF CORRUPTION.

A considerable period of the inquiry was occupied with the question whether there was corruption in relation to the granting of applications for bookmakers' licenses as to which rumours were current prior to the appointment of the Commission. The result from this point of view was negative, there being no proof of corruption of any person in authority. Nevertheless the evidence given upon this question disclosed a series of events in which a number of the witnesses became strangely interlinked in a succession of discreditable incidents. It involved the subject of "slings," the meaning of which will evolve as the narrative proceeds.

In point of time, the evidence commences with a man named Wickens who in addition to his private employment in Kalgoorlie acted as a steward for the local racing club. It is only fair to Wickens to say that he was not called to give an explanation on his own behalf of the facts which emerged from the other witnesses. According to the evidence given before me, despite the fact that he was a steward, Wickens was used by Healy to place "commissions" at Kalgoorlie. This was in the pre-Act days. Berry was an illegal bookmaker in Kalgoorlie and Wickens introduced him to Healy, whereupon Healy made

use of Berry's services as an additional medium for placing "commissions." Both Wickens and Berry continued to undertake "commissions" for Healy after the Act.

Berry, still in the pre-Act days, became associated with Peat in a meat business at Victoria Park. They were equal partners, except that Berry financed Peat for his half of the capital. After the passing of the Betting Control Act, Berry and Peat decided to apply for off-course bookmakers' licenses.

Berry's evidence of what then occurred is confused and in some of its details is inconsistent with Peat's evidence. He spoke of three interviews with Healy in relation to applications by him and Peat for licenses. According to Berry, Healy said he would do the best he could for them and at one of the interviews when Peat was not present he said to Berry, "We cannot get these things organised without any money. Are you prepared to sling?" Berry said he replied "Yes, how will £100 do for Peat's shop and for my own shop?" and Healy said "Very nice." Each of them made an application, Berry for Kalgoorlie and Peat for Victoria Park. Berry said that after the licenses were granted and the shops were operating, he and Peat again went to Healy's premises and that he saw Healy in his office alone and offered him the £200 in £10 notes and Healy said "Give that to Tom, he is handling all this." Berry said that in the course of this interview he told Healy that a member of parliament had asked him in Kalgoorlie for a political donation and Healy exclaimed, "Tell him to go to b——, Tonkin is getting this," Tonkin being then a Minister in the Government of the day. Berry said that he then left Healy's office and paid the £200 to Naughton, he being the "Tom" to whom Healy had referred. Naughton had been employed by Healy for more than twenty years on miscellaneous duties.

Peat gave an account which on the surface was more consistent than that given by Berry. He said that he and Berry went to see Healy about his chances of getting a license and Healy told him to first get some premises. Peat thereupon obtained an option over a lease of a billiard saloon at Victoria Park. He said he and Berry then returned to Healy who said it was a good situation and that he (Peat) should apply for the license. Peat did so, and in due course the license was granted. Peat said that after the license was granted and he had begun operating, Berry arranged for them both to go to Healy's premises in Murray Street. He said that Berry told him to bring £100 with him; this was because there was something in the nature of a "sling" to be given "in consideration for the premises;" he gave Berry the money in £10 notes; they then saw Healy who congratulated Peat on getting his license. Peat said he was then shown over Healy's betting shop, introduced to his staff and given advice, while Berry in the meantime remained in Healy's office. He said that having concluded his inspection, he waited for Berry who came out of Healy's

office and in Peat's presence handed £200 to Naughton. According to both Berry and Peat, Naughton took the money without comment or inquiry, and no receipt was given. Before he applied for his license, Peat had had no previous experience as a bookmaker. The Victoria Park license was a valuable one, the turnover of the shop in the year 1957-1958 being £134,405.

Peat's credit as a witness was severely shaken by his admission in cross-examination of an incident which occurred in Tattersalls Club in August, 1956. On the day he was elected to membership of the club he attempted to bribe a fellow member with £30 to lose a billiard match on the result of which Peat had made a bet. The member reported him to the Committee and he was suspended for three months. He was fortunate that he was not expelled for all time.

Berry's original approach for a license at Kalgoorlie was in respect of a shop which was part of the Tower Hotel premises. The shop was inspected by Andersen and Miller, who told Berry that on account of its situation it could not be licensed, but if he acquired other suitable premises they would recommend his application to the Board. Berry accordingly took a 10 year lease of premises in Maritana Street at a rental of £8 a week. His application was then granted. At the time he made his application Berry was planning to leave Kalgoorlie and was in the course of building a residence at Mount Pleasant, a suburb of Perth. This fact was not disclosed to the Board. The house was completed in December, 1955 and Berry's wife and family moved into it. Berry put up his betting shop for sale. After an abortive attempt in December to sell it to a syndicate, he entered into negotiations with O'Sullivan, a barman at the Tower Hotel. The price tentatively agreed upon was £4,000 but later Berry told O'Sullivan that there was a further £250 "which had to go to someone". Without enquiring who this "someone" was or what the payment was for, O'Sullivan agreed to it. It transpired in the evidence that the "someone" was Wickens. It had all the appearance of a "sling" but without Wickens having had the opportunity of explaining the transaction it would be unfair to make a finding against him. An important aspect of the transaction was O'Sullivan's readiness to pay £250 to "someone," in addition to the original price of £4,000. Apparently—as he said—"Another £250 did not make that much difference". Another significant feature was that the admission of the payment of the £250 to Wickens had to be forced out of Berry in cross-examination, after long prevarication, covering several pages of the transcript. On 31st January, 1956, the sale having been agreed at £4,250, O'Sullivan made a formal application for a license through his solicitor, whom he falsely instructed that the sale price was £1,050, not £4,250. So instructed, the solicitor wrote to the Board. The Board however was not satisfied as to O'Sullivan's financial independence, and rejected his application. O'Sullivan then made further

submissions on this aspect, and having left his employment at the Tower Hotel was invited to apply again. He did so, still ostensibly for a price of £1,050. His application was finally approved on 17th April, 1956. In the course of the inquiries O'Sullivan had an interview with Andersen and told him that the price of £1,050 was to be allocated as to £400 to plant and £650 to goodwill. The license having been granted the transaction was then completed. The lease was assigned to O'Sullivan and Berry received £3,250 forthwith and two later sums each of £500, making a total of £4,250. The turnover of the business for the first 12 months was £88,000. Having operated for only eight months of that period Berry received £3,850 for the goodwill and concealed that fact from the Board. Both Berry and O'Sullivan admitted that there was a general understanding among bookmakers that if in an agreement for sale there was a substantial sum for goodwill, the purchaser's application for a license might be refused by the Board. Hence they were ready to lie to the Board.

The next event in the Peat-Berry story was the sale of Peat's Victoria Park business to Jones, but before that episode is described a word must be said about Jones.

In the pre-Act days Jones was an illegal bookmaker in Shenton Park. During this time he incurred the displeasure of Andersen, who was then the Inspector in charge of gaming law enforcement. After the Act was passed, Jones made several attempts to obtain a bookmaker's license but he was consistently opposed by Andersen.

Among his applications was one in respect of premises in George Street in the city. The premises were leased as a night club by a Greek who wanted to dispose of them in order to enable him to join his wife who was ill in Sydney. Jones obtained an option to buy the Greek's lease and business chattels for £4,000. He then put in an application for a bookmaker's license. Miller and Andersen inspected the premises and said that they could not approve them unless certain alterations were made but in addition to this Andersen still opposed Jones on personal grounds. On the application coming before the Board, the Chairman announced that he and Mr. Miller could not agree, and after discussion the Board by a majority refused the license, Mr. Miller dissenting.

According to McGillivray, the subsequent events were as follows: Jones got in touch with McGillivray and proposed to him that he should apply for the license, telling him that Miller had suggested it. He said he was a friend of Miller and had already paid him £500 and if McGillivray would pay a further £500 he would get the license. They inspected the premises together and Jones told McGillivray of the alterations that would be required. They arranged to meet again so that McGillivray could pay the £500 to Jones which was then to be paid to Miller. They did meet at the premises where they found the Greek very excited, saying that he had spoken to Andersen and told him about his wife and his anxiety to get to Sydney and

asked when the premises were to be licensed whereupon Andersen had become very angry and said they would never be licensed. The three were discussing the situation when there was a telephone message to Jones, following which he took McGillivray outside and told him the message was from Miller and that it looked as if the Greek had "blued the license". They went to the Melbourne Hotel, where Jones left McGillivray saying that he was to meet Miller. On his return he had £500 in £10 notes in his hand and showing it to McGillivray he said, "Wouldn't it rot your socks? There she is Nobby. She's gone"—in other words, he said that Miller had returned the £500 to him and the license could not be granted.

Jones could not deny the whole of McGillivray's evidence. He had to admit that there were conferences between him and McGillivray and the Greek about McGillivray getting the lease and applying for a license but he denied the part which referred to Miller and the money. He said nothing of that kind had occurred and he denied that Miller had any part in the matter, except to inspect the premises with Andersen. His denials in relation to the money so far as they affected McGillivray were not convincing. His demeanour was not that of an honest witness and his answers were in many parts inconsistent with themselves. Further, McGillivray was strikingly confirmed by Andersen, who in fact had had an interview with the Greek in relation to a proposed application by McGillivray and described the interview in almost the exact terms to those which McGillivray said the Greek had used to him and Jones.

I accept McGillivray's account of the incidents and of Jones' attempt to get £500 from McGillivray representing that it was to be a bribe to Miller.

Miller at my invitation gave evidence and denied that he had anything to do with Jones in connection with a proposed application by McGillivray, and he denied that he had ever received any money from Jones or returned any money to Jones.

The incident reflects no credit on Jones. It may be that he was trying to get £500 out of McGillivray on the pretence that it was going to Miller and that his scheme miscarried because of the Greek's interview with Andersen. This event occurred towards the end of 1955.

In October, 1956, Peat and Jones negotiated for the sale to Jones of the Victoria Park betting business and they agreed on a price of £6,000. On 17th October, 1956, Jones applied for a license. Following the pattern of the Kalgoorlie sale by Berry to O'Sullivan, they agreed that the sale would be represented to the Board as for £2,000 but that the balance of £4,000 would nevertheless be paid by Jones to Peat. Jones, for reasons best known to himself, disclosed the details of the whole transaction to Andersen. Now Andersen had a grave suspicion that Peat and Berry were partners in the Victoria Park business. If this were so, it was illegal and

would be sufficient for Andersen to ask the Board to cancel Peat's license. In this event presumably Jones might get the license for nothing. What transpired between Jones and Andersen on this subject is not clear but it is clear that towards the end of the year, Jones with Andersen's concurrence went without warning to a plasterer named Kinnimont and brought him from his work in a motor car to see Andersen. According to Kinnimont during the journey Jones offered him £250 to make and sign a statement to Andersen that Peat and Berry were partners. Kinnimont thought they were partners and told Jones and Andersen so, but he refused to sign any statement to that effect.

Andersen pursued his inquiries as to the alleged partnership between Peat and Berry, but without any conclusive result. He then took an unusual step. He asked both Peat and Jones to make a statutory declaration that the true price of the business was £2,000 and no more, and that neither of them would pay or receive any further sum. Each of them complied, Peat relying on Jones' oral promise to be responsible for the £4,000. The declarations were made on 14th January, 1957. On 15th January, 1957, that is after a delay of three months from the date of his application, Jones got his license and the transaction was settled on the legal basis of £2,000. When Peat applied to Jones for payment of the £4,000, Jones instructed his solicitor to reply that no more than £2,000 was legally payable. Of course this was the position. For a number of reasons the payment of the £4,000 could not be legally enforced. But before the Commission Jones was asked: "It comes to this, that Peat thought he was relying on your honour as a bookmaker to pay the £4,000?" His answer was: "Yes, but I was not a bookmaker."

Jones' refusal made Peat and his partner Berry very angry. They tried every means to compel Jones to comply with his promise. They spread the story among the bookmakers; they interviewed Mr. Healy and finally they applied to the Association itself to take steps—what steps they could not specify—to compel Jones to pay. Many of the bookmakers were sympathetic to Peat and Berry and thought that Jones ought to pay. However, in the face of the statutory declarations made by Jones and Peat it was impossible for the Association to take action.

When the Association replied that it could do nothing, saying it was merely a matter between two private individuals, Peat and Berry threatened to go to the "hill", that is to the politicians, and to "blow up S.P." The Association was unperturbed by their threats. Nevertheless they carried them out by going to Mr. Brand, then the Leader of the Opposition, and telling him the story of the £4,000 and also the allegation of the "slings" to Healy in connection with the Kalgoorlie and Victorian Park licenses and the statement which Berry attributed to Healy that the "slings" were going to Tonkin. They hoped, no doubt, that Mr. Brand would make use of the information in the coming election. Mr. Brand, quite properly, resolved there and then that no use would be made of it.

There, in brief outline, is the story of Berry, Peat and Jones. Wherever the truth lies, it reflects grave discredit on each of them.

It is disturbing to note that during the time he held a license, Berry was a committee member of the Premises Bookmakers' Association. He even served on the Confidential Committee.

The evidence had further ramifications. Among those who answered the advertised invitation of the Secretary to give information to the Commission was McGillivray. His main purpose was to give an account of his dealing with Jones over the George Street premises. In passing, he mentioned the subject of "slings" and in that connection gave Mr. Wilson, counsel assisting the Commission, the names of four or five bookmakers still licensed who were reputed to have given "slings" and also the name of Boyd, formerly a licensed bookmaker at Pinjarra but who now was no longer licensed. McGillivray told Wilson that Boyd had formerly lived at Dalketh but that he did not know of his present whereabouts. He said, and later confirmed this on oath, that he had not seen or had anything to do with Boyd for several years. With this information, Wilson traced Boyd's present address to Manning, whereupon he and Mr. Bessen, the secretary to the Commission, without any prior notification, went to Manning forthwith and found Boyd at home. In response to questions from Wilson, Boyd told him about a "sling" incident in which he had been personally concerned. Wilson asked him if he would give evidence to the Commission about it. He said he did not want to, but if he was called he could only tell the truth. Thereupon Wilson took and obtained Boyd's signature to a statement in writing.

Boyd was a pre-Act illegal bookmaker and had operated in partnership with one Loaring. He wanted to obtain a license at Pinjarra and he said he saw Healy about it and Healy said if he was prepared to "sling" he would be assured of a license and have nothing to worry about; Healy mentioned a sum of £200; Boyd saw Healy subsequently with the money and said he was ready to fix it up, and Healy said:—"Just fix it up with Tom", and Boyd paid Naughton the money, apparently without any words passing between them.

With respect to Boyd's understanding as to how he would be assisted in his securing of a license, he said that Healy gave him to understand that he was very friendly with a Mr. Miller, the Deputy Chairman of the Betting Control Board, who would attend to everything on their behalf.

Boyd's credit was attacked in cross-examination and also by witnesses called at Healy's instance. He was described as a chronic alcoholic, upon whose word no reliance could be placed. This was done by two doctors and by his former partner Loaring. The doctors went far beyond the legitimate bounds of expert witnesses. Loaring's description of Boyd's alcoholic condition while they were partners was incredible. To the contrary was a report of a

police sergeant now deceased, prepared by him in the course of his duties in relation to a complaint made to the Betting Control Board while Boyd was in business at Pinjarra. The Sergeant reported that Boyd conducted his Pinjarra business properly and efficiently, personally writing all the tickets, recording the telephone bets and making the payments and settlements, whilst his assistant merely attended to the boards, recording scratchings, results, starting prices and dividends. If the evidence of Loaring and the doctors was correct, it was impossible that Boyd could have carried on his business in that manner. I do not think their evidence was correct; on the contrary I consider it to have been very much exaggerated.

There is no doubt that Boyd was very ill when he gave his evidence and that his nervous state was aggravated by the taking of intoxicating liquor. His condition was so bad that I took his evidence in private. Counsel cross-examining him had regard to this and did not press their questioning in a manner which they might have done if the cross-examination was taken under ordinary conditions in open court.

However it was finally conceded by counsel for Healy that whatever criticisms might be applied to Boyd he was an honest witness and the only solution offered was that he had heard of "slings" and had imagined his story in his nervous and alcoholic state and had finally believed in it. Such a solution seems hardly to do justice to the fact that Boyd was able to tell Wilson and Bessen, who visited him without warning, the details of the story without hesitation and that it paralleled in important aspects the story given by Peat and Berry. There was no evidence of any collusion or even contact between Boyd and these witnesses.

Loaring's evidence against Boyd brought his own credit into question. Loaring had received a license to operate at Mandurah. McGillivray operated at North Fremantle. On 17th June, 1957, an examination of McGillivray's books made by Mr. Elliott, the Treasury Inspector, disclosed that McGillivray was making bets and not entering them in his books. He had a settling sheet which showed *inter alia* that he and a man named "Len" were mutually betting with one another. Loaring's name was Len. In two instances the name mentioned in the settling sheet was Loaring and there was in addition a betting slip on which the name "Loring" appeared. The inspection was on a Monday. McGillivray, according to Elliott, when asked whether "Len" was Loaring, was evasive in his answers and would neither confirm nor deny the officer's suggestions that "Len" was Loaring, saying he did not want to "shelf" anyone. On the next day Tuesday, 18th June, McGillivray wired Loaring to telephone him, which Loaring did twice. McGillivray told Loaring that the Treasury had inspected his books and that he (Loaring) could be involved because the name "Len" had been used. Elliott, accompanied by police officers, visited Loaring's shop on Wednesday, 19th

June, but found no incriminating material. Loaring denied to Elliott that he had engaged in mutual betting with McGillivray and also denied he had been in telephone communication with McGillivray and maintained this denial even after the police had been to the Mandurah post office and discovered the record of two trunk line calls made to McGillivray's number the day before.

After Elliott's visit Loaring reported the matter to the Bookmakers' Association—exactly why, if he were perfectly innocent, it is difficult to explain.

The Confidential Committee agreed to meet and Loaring asked McGillivray to attend the meeting. McGillivray did so and told the Committee that he had been taking bets and not recording them. He said that the "Len" mentioned in the settling sheets was not Loaring. Humphrys and Healy who were present at the meeting said before me that they believed McGillivray. They did not appear, however, to have asked McGillivray who Len was, if he was not Loaring. The upshot of the meeting was that the Confidential Committee told McGillivray that they could not save him but that they would try to save Loaring. They sent Loaring to their solicitor. However, it did not appear to be necessary to do anything to save Loaring because Elliott reported, in effect, that no case could be made out against him. This was not strictly correct, because on a prosecution McGillivray could have been called as a witness and when faced with the written material of his settling sheet would have had to admit that "Len" was Loaring. When asked on oath before the Commission he had no hesitation in saying that "Len" was Loaring.

I have no doubt that McGillivray and Loaring were mutually betting with one another and suppressing the transactions from their Treasury returns. I think that Elliott thought so but was afraid that a prosecution of Loaring would not succeed.

I am very loth to accept the explanation of Healy and Humphrys that they took McGillivray at his word. The circumstances were too suspicious and as Humphrys said in another context, bookmakers are inclined to be suspicious and to act on suspicion. I think the attitude of the Association was that they knew they could not prevent McGillivray from being prosecuted but they did not want Loaring prosecuted. As Humphrys said, successful prosecutions reflected on the whole of the Association and they did not like them, and the minute which was recorded in relation to this very matter shows that this was so. The minute reads:—

At the request of the Chairman, Mr. Healy told the meeting of the trouble which had arisen because of certain actions by R. J. McGillivray. It was impossible for the Committee to do anything to save this man's license, but every endeavour was being made to protect other members who had been implicated.



Loaring was a member of the Committee and was actually present when those statements were made.

It remains to say that Healy and Naughton both emphatically denied that they had received any money by way of "slings" from Peat, Berry or Boyd. Healy further said that he had never at any time met Peat, so far as he could remember. He denied having any interviews at all with Berry, Peat or Boyd in relation to their applications. He was emphatic that he had never mentioned Mr. Tonkin's name to Berry or made the remark attributed to him by Berry, "Tonkin is getting this". He was similarly emphatic that he had never mentioned Miller's name to Boyd.

Although there was no evidence that Mr. Tonkin had received any moneys from Healy or Naughton, Mr. Tonkin at my invitation gave evidence in denial of the suggestion contained in Berry's evidence. He said that he had not spoken to Healy for many years consequent on a quarrel they had over a bet. I accept Mr. Tonkin's evidence.

The solution of the question whether "slings" were paid to Healy or to Naughton at Healy's direction presents difficulties. Peat and Berry, besides being in a position analogous to that of accomplices, emerged from their cross-examination as witnesses with thoroughly discredited characters. Boyd was ill and he can be regarded as an accomplice in so far as he was ready to pay a "sling" in connection with his application.

Evidence of this nature has to be approached with caution and the denials of Healy and Naughton must be taken into consideration. But what impresses me most is the parallel between the two stories—Healy asking whether the parties would "sling", their acquiescence, the production of the moneys, Healy's direction that it should be paid to Naughton and the latter's acceptance of the money without comment or question.

There was no connection between Peat and Berry on the one hand and Boyd on the other, and it would be extraordinary if the two stories so closely paralleled should each be a fabrication. The circumstances in which Boyd came to testify added to the probability of his evidence being true.

On the whole I have come to the conclusion that the "slings" were paid to Naughton at Healy's direction. There is no evidence as to the use that was made of the moneys. Conceivably they could have gone to a secret "fighting fund" analogous to that created by the Premises Bookmakers' Association, to help candidates at the forthcoming election. Be that as it may, there is no proof that the moneys were applied to purposes of corruption in relation to any person in authority.

It is certainly clear as against O'Sullivan, Peat, Berry and Boyd, that each was willing to pay a "sling" in order to further his application without knowing or caring the precise manner in which it was to be used. Jones went further. He proposed a bribe and McGillivray was willing to be party to it.

Peat, Berry and Boyd must have believed that Healy was in a position to exercise some influence in relation to the grant of licenses and the very fact that Healy was prepared to accept the moneys leads to a strong inference that this was so. It does not necessarily follow that the influence was a corrupt one.

There are some general considerations which arise from this phase of the inquiry. First, the evidence revealed the poor character of a number of those who either were at one time or still are licensed premises bookmakers. They were only a few out of 210 licensees, although Berry and Loaring were elected members of the Committee of the Premises Bookmakers' Association. Second, the evidence demonstrated beyond question how valuable was the privilege conferred by the grant of an off-course bookmakers' license and it justified Mr. Styants' confident opinion as to the unreliability of the figures submitted to the Board concerning goodwill. Perhaps being wise after the event, I may be allowed to comment that it would have been preferable for the Betting Control Board not to have permitted the sale of a license and that the proper course would have been to adhere to the spirit as well as to the letter of the Act making a license non-transferable. If a licensee did not want to continue his business he should have been required to surrender his license, whereupon there should have been a call for fresh applications to be heard in public. Third, the evidence disclosed the kind of incidents which led to rumours of corruption.

The Premises Bookmakers' Association sought to attribute all the rumours of corruption to the machinations of Berry and Peat in relation to the sale of the Victoria Park license. Although the circumstances of that transaction coupled with the subsequent actions of Berry and Peat were sufficient in themselves to found rumours, there were other matters which provided fertile ground in which rumours could arise and spread.

The Betting Control Board faced a difficult task in the initial grant of licenses. It fixed the total number which it thought the volume of off-course betting reasonably required at 200 or thereabouts. There were over 500 applicants. The franchise was a valuable one as the pre-Act bookmakers well knew and there must have been a number of disgruntled persons among the 300 whose applications were refused.

The preliminary inquiries were left to Mr. Andersen and Mr. Miller and their joint recommendation was accepted by the Board. They were authorised to give tentative approval to applicants in respect of buildings to be erected or altered. They inspected all the premises which were in fact licensed and interviewed some, but by no means all, of the applicants. Every member of the pre-Act Turf Commissioners' Association was recommended for a license. Andersen and Miller each said that they tolerated no influence or pressure in their consideration of applications. Healy's employee Naughton

was a very close friend of Miller and was in the habit of visiting him at his home usually every week-end. Miller said that they never discussed applicants for licenses, showing a remarkable forbearance in relation to his difficult task.

There were anomalies in the grant of licenses, which again would tend to foster dissatisfaction not only amongst the unsuccessful applicants but also in the local community. The Ruzich case was a striking example. Ruzich, who lived in Perth, had no prior experience of bookmaking and had a foreign accent that made him difficult to understand, yet he was given a license at Armadale when other applicants in the district who had operated as bookmakers in pre-Act days were unsuccessful. The local reaction was such that a petition of protest from some 85 of the Armadale residents was forwarded to the Government. No doubt their feeling was aggravated by the knowledge of Andersen's friendly association with a Roleystone market gardener named Bebich, at whose instance Ruzich had applied for the license. Ruzich was not able to carry on at a profit and had to sell his business after a few months. Even so, he obtained nearly £1,000 goodwill on the transaction. It was a disgruntled unsuccessful applicant named Saunders who brought Ruzich's case before the Commission.

Peat was another anomaly. He had a meat business and had no prior experience of bookmaking, yet he was granted the valuable Victoria Park license and thereafter while operating as a bookmaker nevertheless continued to carry on his meat business.

Berry too was an anomaly in that he was planning to leave Kalgoorlie at the very time he made his application. Granted that this was not known to Andersen or Miller, it must have been known to the unsuccessful applicants in Kalgoorlie and to many of the local residents.

Other alleged anomalies were brought to my notice but I did not investigate them because there had to be some limit to the inquiry.

There was still another circumstance which could have tended to add to the rumours. When Andersen vacated his position as Chairman of the Betting Control Board, he immediately set up as a public accountant and obtained part-time employment with several city bookmakers including Healy, Humphrys and Jones. He still does accounting work for Humphrys and Jones and two others. Moreover he took a very active part in assisting the Premises Bookmakers' Association in its fight against the totalisator before the Royal Commission in Victoria. So also did Mr. Byfield, a former member of the Betting Control Board.

As I have said, there was fertile ground for rumours but there was no proof of corruption of any person in authority.

The very existence of the rumours touching highly-placed civil servants was a most undesirable consequence of the institution of the betting shops. The grant of a license

was a necessary incident of the system. The creation of a monopoly was inevitable, unless licenses were to be liberally granted to those who applied. The Board having to face this dilemma chose the monopoly, and the monopoly led to the rumours. It would have been preferable if all applications for licences could have been heard in public as is proposed in the Bill now before the British Parliament.

## CHAPTER XVII.

### CONCLUSIONS AND RECOMMENDATIONS.

#### 1.—Conclusions.

(1) I find that the betting shops have had certain beneficial results. (See Chapter XII.)

- (a) They have provided the Government with a fruitful source of revenue.
- (b) They have provided punters with facilities for betting off-course on local and Eastern States races in an orderly manner in well-conducted premises.
- (c) They have virtually eliminated illegal betting.
- (d) They have relieved the police of the onerous task of combating illegal betting under defective laws.

(2) Nevertheless I find that the betting shops have had undesirable effects which decisively outweigh the beneficial results.

- (a) The shops have had an adverse effect upon the racing industry and are likely in time to bring it to a standstill. They have caused a decline in the revenues and prosperity of the racing clubs, the breeders of horses, the owners and trainers of horses, the on-course bookmakers and the on-course totalisator. They have reduced the number of patrons attending the race meetings. (See Chapter XI.)
- (b) The favourable condition under which the shops have operated have encouraged betting and increased its volume, especially in relation to Eastern States galloping races and local trotting races. (See Chapter IX.)
- (c) The shops have been granted a valuable monopoly which has enabled the off-course bookmakers to make substantial profits and to dispose of their licenses if they so desire for large sums by way of goodwill. (See Chapter XII.)
- (d) The shops have led to the formation of the highly organised Premises Bookmakers' Association which has used its influence politically and administratively to further the interests of its members and to secure the continuance of the betting shop system. (See Chapter XII.)



(e) The starting price system under which the betting shops operate has many undesirable features which are unfair to the punters and to the on-course bookmakers and which cause undesirable conflicts between the off-course bookmakers, the stable connections and the racing clubs. In particular, by virtue of the starting price system, the off-course bookmakers prosper while the on-course bookmakers find it difficult to operate profitably. (See Chapter XII.)

(f) The conditions under which the licenses were granted and in effect transferred led to rumours of corruption, there being, however, no proof of corruption of any person in authority. (See Chapter XVI.)

(3) For these reasons I find that the betting shop system is contrary to the interests of the community and should not be continued.

(4) I find that the total prohibition of all off-course betting is impracticable and that some avenue of off-course betting should be provided.

(5) I find that an off-course totalisator system will provide the best avenue for off-course betting because—

- (a) it will achieve the same beneficial results attributable to the betting shops;
- (b) it will eliminate the personal profit motive inherent in the betting shop system;
- (c) it will operate impartially and fairly in the interests of punters and will secure that the profits to be derived from betting will be wholly available for distribution between the Government and the racing clubs;
- (d) it will eliminate the starting price system with its undesirable features;
- (e) it will provide adequate facilities for betting but without the encouragement to bet and the incentive to loiter which are characteristic of the shops;
- (f) by providing less facilities for the punter, it may encourage him to attend the racecourse and thereby do something to restore the declining fortunes of the racing clubs and related bodies;
- (g) it should return an adequate revenue, easy and certain of collection, to the Government and the racing clubs.

## 2.—Recommendations.

(1) I recommend that the Betting Control Act, 1954-1957, be allowed to expire on 31st December, 1960, and that the betting shops be abolished.

(2) I recommend that as soon as practicable, Parliament should enact a composite Betting Act to provide for—

- (a) the continued operation of the on-course totalisator;
- (b) the legalising of betting on-course by bookmakers;
- (c) the establishment of an off-course totalisator scheme;
- (d) penal provisions to suppress illegal betting incorporating the substance of the South Australian legislation described in Chapter XV.

(3) The revenue provisions are a matter of Government policy, but attention is directed to—

- (a) the continuance of stamp duties at present levied on bets by on-course bookmakers;
- (b) the continuance of a turnover tax on on-course bookmakers, to be collected by the appropriate club and remitted to the Treasury Department as at present;
- (c) the continuance of the present totalisator license fees;
- (d) the prescription of a totalisator duty or duties on on-course and off-course turnover. The present duty is 13½ per cent. of the turnover;
- (e) the imposition of an investment tax payable by the off-course punter.

In concluding this report I desire to express my appreciation of the assistance and unfailing courtesy which I have received from all counsel and also from Mr. Styants, the Chairman of the Betting Control Board. I make special mention of Mr. R. D. Wilson, the counsel appointed to assist the Commission, and of Mr. C. R. Bessen, the secretary, who were very helpful to me throughout the inquiry and in the preparation of the report.

I now respectfully submit my report for Your Excellency's consideration.

I have the honour to be, Sir,

Your Excellency's obedient servant,

G. C. LIGERTWOOD.

Perth, 4th December, 1959.

SCHEDULE I

CONVICTIONS UNDER THE BETTING CONTROL ACT AND REGULATIONS AND UNDER SECTION 165 OF THE LICENSING ACT FROM 1st AUGUST, 1955 TO 31st JULY, 1959

Section or Regulation		1956	1957	1958	1959
<i>Betting Control Act</i>					
Sec. 13	Betting on premises other than those for which licensed ....	....	1	1	....
Sec. 21 (a)	Betting with juveniles ....	2	1	5	2
Sec. 21 (c)	Permitting juveniles to enter and remain on registered premises ....	1	....	....	....
Sec. 22 (a)	Juveniles entering and remaining on registered premises ....	91	34	10	60
Sec. 22 (b)	Juvenile betting with bookmaker or employee ....	31	....	4	20
Sec. 22 (c)	Juvenile requesting another to place a bet ....	3	....	1	4
Sec. 23 (1)	Betting on unregistered premises (punters) ....	22	....	29	....
Sec. 23 (2)d	Placing bet for juvenile ....	2	6	....	11
Sec. 27	Betting on unregistered premises (unlicensed bookmaker) ....	10	1	1	....
Reg. 35	Employed by bookmaker and not holding license ....	1	....	....	6
Reg. 37	Bookmaker employing unlicensed person ....	1	....	....	6
Reg. 60	Knowingly taking intoxicating liquor into registered premises ....	1	....	....	....
Reg. 104	Failing to record a bet ....	....	....	....	3
<i>Licensing Act</i>					
Sec. 165	Betting on licensed premises ....	4	1	2	1

SCHEDULE II

TOTAL TURNOVER OF ALL BOOKMAKERS AND TAX PAID

	1956	Turnover		1959	1956	Tax	1958	1959
	£	1957	1958	£	£	1957	£	£
<i>Off-Course :</i>								
Gallops, Western Australia ....	7,144,443	6,887,000	6,620,506	5,764,385	....	....	....	....
Gallops, Eastern States ....	6,924,067	7,053,325	8,213,568	7,670,608	....	....	....	....
Trotting, Western Australia ....	2,616,405	2,941,220	3,503,487	3,733,352	....	....	....	....
Trotting, Eastern States ....	19,096	....	35,406	81,112	....	....	....	....
	16,704,011	16,881,545	18,372,967	17,249,457	208,820	282,609	367,456	345,052
<i>On-Course :</i>								
Total on Gallops ....	6,035,028	6,050,840	5,730,917	4,450,671	75,587	78,970	79,678	60,943
Total on Trots ....	2,644,515	3,011,495	2,986,548	2,647,305	33,038	39,135	40,993	36,267
	8,679,543	9,062,335	8,717,465	7,097,976				
Total Turnover and Tax prior to any distribution between Government and Clubs ....	25,383,554	25,943,880	27,090,432	24,347,433	317,445	400,714	488,127	442,262

SCHEDULE III  
GROSS COLLECTIONS OF TAX AND DISTRIBUTION

		1956	1957	1958	1959	Net to Government			
		£	£	£	£	1956	1957	1958	1959
						£	£	£	£
<b>On Course :</b>		GALLOPS							
Turnover Tax	....	75,587	78,970	79,678	60,943				
Less percentage retained by Clubs	....	15,117	34,336	47,789	36,554	60,470	44,634	31,889	24,389
<b>Off-Course :</b>									
Races within State	....	89,301	115,817	132,372	115,269				
Races outside State	....	86,551	118,657	164,225	153,386				
		175,852	234,474	296,597	268,655				
Less percentage for Clubs	....	17,585	15,024	13,237	11,526	158,267	219,450	283,360	257,129
						218,737	264,084	315,249	281,518
<b>On-Course :</b>		TROTTING							
Turnover Tax	....	33,038	39,135	40,993	36,267				
Less percentage retained by Clubs	....	6,607	17,638	24,533	21,713	26,431	21,497	16,460	14,554
<b>Off-Course :</b>									
Races within State	....	32,725	48,135	70,150	74,773				
Races outside State	....	243	....	709	1,624				
		32,968	48,135	70,859	76,397				
Less percentage for Clubs	....	3,297	4,815	7,019	7,477	29,671	43,320	63,840	68,920
						56,102	64,817	80,300	83,474
<b>Net Revenue from Turnover Tax</b>									
—Gallops and Trots	....	....	....	....	....	274,839	328,901	395,549	364,992

SCHEDULE IV  
W.A. TURF CLUB'S PROPORTION OF TURNOVER TAX

	1956	1957*	1958	1959
On-Course	11,232	26,990	37,090	27,518
Off-Course	13,407	11,275	10,030	8,714
	£24,639	£38,265	£47,120	£36,232

W.A. TROTTING ASSOCIATION'S PROPORTION OF TURNOVER TAX

	1956	1957*	1958	1959
On-Course	4,274	11,941	15,809	14,337
Off-Course	2,289	3,430	4,888	5,125
	£6,563	£15,371	£20,697	£19,462

\* NOTE: The increases shown in the sums retained by clubs from the On-Course Turnover Tax are affected by the amendments made to the Betting Control Act and Bookmaker Betting Tax Act. The Tax on on-course bookmakers was increased, on and after December 24th, 1956, from a flat rate of 1½ per cent. to 1¼ per cent. on the first £50,000 holdings of each bookmaker and 1¼ per cent. on all further amounts held each year. Also, the clubs retained 60 per cent. of the tax instead of 20 per cent. as previously. The year 1957-58 was the first full year of operation of the new scale. The decrease in the Turf Club's share of the Off-Course Tax from the corresponding period is explained by the fact that although the off-course bookmakers' turnover tax was increased from 1½ per cent. to 2 per cent., the club's share of this tax was reduced to 10 per cent. of the tax collected on local events only instead of 10 per cent. on all off-course betting.

During the current year more than half of the off-course betting on gallops has been on Eastern States races, the percentage being 42·7 per cent. W.A. and 57·3 per cent. Eastern States.

SCHEDULE V  
STAMP DUTY—BETTING TICKETS—12 MONTHS TO 30TH JUNE

		1956	1957	1958	1959
On-Course Bookmakers	....	27,932	25,562	27,782	21,911
Off-Course Bookmakers	....	74,744	63,885	81,332	80,238
		<u>£102,676</u>	<u>£89,447</u>	<u>£109,114</u>	<u>£102,149</u>

SCHEDULE VI  
TOTALISATOR RETURNS BASED ON THE FINANCIAL YEAR 1st JULY-30th JUNE

Period ending 30th June	Metropolitan Revenue			Country Revenue		
	Gross Investment £	Government £	Clubs* £	Gross Investment £	Government £	Clubs* £
<i>Trotting :</i>						
1953 ....	1,678,420	128,640	134,636	118,217	4,226	14,275
1954 ....	1,550,586	118,360	118,612	127,053	4,550	15,570
1955 ....	1,462,432	111,593	111,228	106,812	3,823	12,993
1956 ....	1,109,973	84,605	89,175	84,680	3,027	10,213
1957 ....	1,149,204	87,589	85,868	93,913	3,515	11,428
1958 ....	1,439,082	109,264†	103,161	92,121	3,293†	10,994
1959 ....	1,199,061	79,160†	106,089	92,129	3,277†	10,962
<i>Gallops :</i>						
1953 ....	1,074,521	81,885	80,458	147,385	5,300	16,842
1954 ....	1,164,755	88,807	87,724	159,886	5,766	18,686
1955 ....	1,184,717	90,340	88,900	158,366	5,688	19,147
1956 ....	922,506	70,368	69,215	146,494	5,220	17,062
1957 ....	789,161	60,196	59,798	144,306	5,172	17,096
1958 ....	827,649	63,070†	61,914	128,866	4,975†	16,417
1959 ....	600,492	40,256†	43,699	126,630	4,497†	15,010

- \* The clubs bear the cost of operating, hiring and maintaining the totalisator.  
† This increase was due to the operation of Jackpot Totalisators.  
‡ In this year the clubs' share of the revenue was increased in some respects.

SCHEDULE VII  
COMPARISON OF DISTRIBUTION OF RACING REVENUE IN EACH STATE

State	Total £	Government's Share £	%	Club's Share £	%
Western Australia	910,317	657,805	72.2	252,512	27.8
South Australia	1,320,152	753,428	56.9	566,724	43.1
Victoria	2,880,542	1,992,371	69.2	888,171	30.8
New South Wales	4,212,140	2,921,121	69.4	1,291,027	30.6
Queensland	555,450	327,816	59.0	227,634	41.0
Tasmania	492,874	223,847	45.5	269,027	54.5

NOTE : The figures cited are in all cases other than those for Western Australia, for the year 1957-1958. The Western Australian figures are for the year 1958-1959.

THE WESTERN AUSTRALIAN TURF CLUB  
GRAPH SHOWING RACING REVENUE AND EXPENDITURE  
YEARS ENDED 30TH APRIL 1945 TO 1959

ALL FIGURES SHOWN ARE AS AT THE 30TH APRIL IN YEAR STATED

