

The Hon James Wood AO QC
Chairperson
NSW Law Reform Commission

Dear Mr Wood,

I refer to your enquires about cheating and defrauding as regard to gambling in NSW.

May I bring to your attention an area that I believe requires investigation, and that is the relaying and reporting of official betting fluctuations from NSW racecourses to the general public.

Many years ago, the collation of prices and the reporting of such was a task undertaken by the daily newspapers. With the advent of the teleprinter service, racecourse stewards took over the collating and reporting of these prices and “sent” them away to all racecourses around Australia.

Both the newspaper journalists and the stewards were very vigilant in this task and the general rule of thumb was, that, if a price was displayed with THREE bookmakers in the ring it would be considered a legitimate price and would be recorded as such.

However in recent years, bookmakers have lobbied the race clubs to change that practice, with an ever increasing advantage being given to the bookmakers and a subsequent disadvantage being inflicted on punters who are not physically present at the racetrack in NSW.

The rot started when bookmakers lobbied the Sydney race clubs to only take into account a certain subset of nine bookmakers. It became that for a price to be considered genuine, that three of the subset of nine bookmakers must be displaying the price.

This meant that if twelve bookmakers were all betting 4.0 about a horse, but that within the subset of nine only two bookmakers were betting 4.0 with the other seven betting 3.50, the official betting fluctuation would be recorded as 3.50.

Things have deteriorated further in recent times with further lobbying from bookmakers, the new fluctuation situation sees the SIXTH best price being bet overall as the new official price.

To see this deception in its proper context, it is important to know that virtually all bookmakers advertise a product known as “best fluctuation.”

The premise is that if you bet early in the day, usually prior to midday, the punter will receive the best price bet on that horse.

So we have a situation in NSW where a product is being advertised to punters and then a collusion is taking place between bookmakers and race clubs to fraudulently declare that prices being bet are actually less than the true prices.

If this practice was repeated in the stock market, I have no doubt that criminal charges would be mounted.

It is akin to advertising that you will buy Qantas shares at the lowest price available for clients on any given day, and then colluding with the ASX to only publish the sixth lowest price as the official lowest price.

The standard line is that race clubs want to encourage people to go to the track to get the best odds, but why should people who don't live in Sydney have a fraud perpetrated on them?

The truth is that bookmakers hold an enormous amount of money “best fluctuation” and then manipulate the market so that the true odds are never revealed. In the instance I quoted, they back the horse at 4.0 with all the non subset bookmakers and then only pay the punter at the official 3.50.

The current system of collecting and collating prices is manipulated all the time.

I believe it is no less than an outright fraud and needs to be addressed.

Punters need to be secure that if they are betting top fluctuation or indeed betting at a racecourse away from Sydney, or on the internet, that the prices being supplied are a true and accurate representation of what is happening on Sydney racecourses.

Thank you for the opportunity to address this issue.

Peter Lawrence

