Horse Racing

History

The first form of gambling institutionalised in Australia was horse-racing. By the mid 1800’s horse racing was a popular recreational activity for working class men and turf clubs were established. The first Melbourne Cup was run in 1891. After 1960’s state governments all followed Victoria’s example and introduced government operated Totalisator Agency Board (TAB) off course betting agencies (Pinto & Wilson, 1990). N.S.W has the most number of racetracks in Australia. In 2009, N.S.W had 127 horse racing clubs and 118 racetracks (Australian Racing Board, 2009).

Types of Wagering

Wagering refers to all legal forms of gambling on racing and sporting events. In terms of wagering expenditure, thoroughbred (61%) is the most popular, following by Greyhound racing (15%), Sports betting (14%) and Harness racing (10%) (Australian Racing Fact Book, 2011).

Betting on horse racing comprises legal bets placed with bookmakers and totalisators, both at race courses and TAB venues.

**TAB:** Totalisator wagering is where a player makes a “unit” wager. Where the operator deducts a percentage of the total units wagered (for costs, including tax), and the remainder is returned as dividends (winnings) to players, in multiples of the unit wagered (Tasmanian Gaming Commission, 2004). This form of wagering takes place at all TAB outlets. There are 4652 TAB outlets across Australia (Australia Gaming Council, 2008/09) with most being located in N.S.W.

**On-course bookmakers:** Wagering with a licensed bookmaker at a racetrack on horse racing allows a player to wager any amount above a set minimum and receive the odds at the time of making the wager, regardless whether the bookmaker later alters those odds (Tasmania Gaming Commission, 2004).

**Off-course bookmakers:** Similarly to on-course wagering, wagering via off-course licensed bookmakers allows a player to wager any amount above a set minimum and receive the odds at the time of making the wager (Tasmanian Gaming Commission, 2004).

Form Guide

Judgments about the chances of a horse winning are based on the form guide, which provides an indication of all horse’s past racing performance. Other factors which need to be considered include: the relative class and handicap weight, the skill of the jockey, the condition of the track, the ability of the horse to handle particular tracks and the barrier draw (Mair, 1998). Essentially it is not possible for the punter to have access to all the variables that influence the likelihood of a horse winning on any particular day.

Expenditure on horse wagering

According to the Productivity Commission (2010), 70 per cent of Australians participated in some form of gambling in 2009, with Australians spending more than $19 billion on gambling of which
approximately $2.8 billion (or 15% of total expenditure) was spent on wagering. Horse betting comprised 14% of total wagering expenditure and was estimated to be $2.6 billion. Real expenditure (player losses) on race wagering has been fairly stable over the last twenty years.

**Incidence of horse wagering**

During the 2000s, racing has continued to be more popular form of wagering than sports betting. Racing is subject to several annual special events, (such as the Melbourne Cup or Spring Racing Carnival) which attracts irregular or occasional gamblers. Participation in race wagering appears to have fallen marginally in N.S.W, with community studies showing the proportion of the adult population who engage in horse wagering was 26% in 1999 falling to 16% in 2008-09 (Productivity Commission, 2010). In a Tasmanian Prevalence Study (2008), individuals were asked about the source of their gambling problems. Seventeen percent nominated betting on racing, with the largest proportion nominating electronic gaming machines.

**Who bets on horses?**

According to the 2008 Tasmania Prevalence Study, participation rates for race gambling were significantly higher in young people (18-29 years old), in those living in multiple adult or group households (with 5+ adults), amongst those born in the UK, and amongst males. Although there was no clear or consistent association between racing gambling and employment status, there was a clear positive relationship between income level and interest in this form of gambling. The higher a person's personal income, the more likely they were to gamble on racing activities.

**Treatment**

Reviews of the controlled treatment literature for gambling (irrespective of the type of gambling) have concluded that despite the numerous methodological flaws in many of the studies, the best evidence and support is for cognitive-behavioural treatment approaches (Productivity Commission, 2010). Although treatments vary with respect to how much they emphasize various cognitive and behavioral aspects, interventions typically focus on identifying cognitive distortions about gambling (e.g., biased memories, illusions of control), reinforcing non-gambling behaviors, and preventing relapse (Petry, 2009).

At the Gambling Treatment Clinic, we have developed our own specialized cognitive therapy approach, which is very effective for treating problem gambling on horses. This treatment assumes the main motivation behind gambling on horses is to win money and examines beliefs about picking winning horses to determine if they are erroneous or accurate. The treatment covers topics such as early gambling experiences and the development of various betting strategies (e.g. analysing race results using the form guide). The aim is to form an alternative understanding of betting on horses based on corrective information.
References


