

## SECTION IV - WORKING-CLASS HEGEMONY

## CHAPTER SEVEN

### THE LIBERALISATION OF GAMING AND BETTING, 1916-1983

Despite the upheaval caused by the Great War, after some adjustment, post-war Australia settled in to a period of development which ultimately resulted in a stable industrial-capitalist society. The tensions which had existed towards the end of the previous century had dissipated. Middle-class urban protestantism had demonstrated its ability to organise and meet the challenges of secularism and what it saw as socialism. Labor had demonstrated both its willingness to work within the system and the preparedness of its leaders to abandon its policies when faced by the problems of office. More importantly, a conservative middle-class political dominance was virtually assured federally, and in the major states, by the introduction of a system of preferential voting. It has been argued by Connell and Irving, that all of this enabled a bourgeois hegemony to establish itself and flourish, using the state as an instrument in the embourgeoisment of the society.<sup>1</sup> However, as discussed in the previous chapter, not all change before or during the early war years was consistent with the existence of a bourgeois hegemony. Developments in the gaming and betting field in the decade from 1907 were largely in direct opposition to expressed middle-class opinion. Gamesters and bettors were not embourgeoised by the state. Rather, it seems that the state was forced to retreat from its bourgeois values and accept the continuance of gaming and betting practices. Whilst the middle classes may have held the wealth, economic power and political influence in early twentieth century Australia, their failure to prohibit gaming and betting suggests that their hegemony remained incomplete. They had

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<sup>1</sup> This argument is developed in Connell and Irving, op.cit., pp.202-207, 283-287, 297-305.

not achieved a hegemony of cultural values.

In this section, gaming and betting developments between 1916 and 1983 will be examined, to determine whether a middle-class cultural hegemony was achieved - or whether a hegemony of working-class cultural values triumphed despite the supposed embourgeoisment of politics and economic values. The analysis of this lengthy period is presented in two parts. This chapter is concerned with examining the nature of post-1916 gaming and betting developments, and the extent to which they reflected acceptance of particular value systems. The subsequent chapter will be more concerned with analysis of the motives of governments responsible for these developments.

As was illustrated in the previous chapter, betting was not abolished by the middle-class protestant reformers in the decade before the war. Horse racing, that bastion of conservative and vice regal tradition, was allowed to survive, preventing the complete prohibition of betting, and continuing the state's de facto recognition of the pursuit. Before long, the logic of this position was clear as the opportunities for both gaming and betting not only returned, but increased dramatically. The story of gaming and betting between 1916 and 1983 is essentially a story of the gradual expansion of facilities in a direction generally compatible with working-class gambling preferences.

Thoroughbred horse racing was to face stiff competition, not only from pony racing, but increasingly from trotting and later from

greyhound racing. As a further concession to working-class bettors, the state increasingly provided facilities for betting on these events, firstly by experiments with off-course betting shops and later with networks of state run off-course totalisators. In the same period gaming was legalised gradually in various forms. Although the "national game" of two-up was not legalised until the late 1970s, and then only in a limited form in one Tasmanian casino, other games such as poker machines, bingo, pools and lotto, all of which had the characteristic essential to appeal to the working classes, namely the possibility of a large reward for a small investment, were introduced on a wider scale. The decision which provided the precedent for these developments was taken in Queensland in 1916 when the Ryan Labor government introduced the "Golden Casket" lottery.

### Lotteries

Tattersall's had continued to operate from Hobart, but despite the support it received from the Tasmanian government, it had been frustrated by the other governments, federal and state, including Queensland<sup>2</sup>, so the 1916 decision signalled a marked change of attitude. Initially however, the change was disguised a little under a cloak of patriotism, as the first five draws were used to raise funds for the war council.<sup>3</sup>

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<sup>2</sup> See above, Chapter Five, pp.177-180

<sup>3</sup> South Australia, Royal Commission into Lotteries, 1936, Report, p.10

The first "Golden Casket", for which tickets went on sale at a cost of five shillings and sixpence each on 1 December 1916, was closed on 31 May 1917, failing to fill its 100,000 subscriptions by a little more than 4,000, but it was not long before the lotteries were being fully subscribed within two weeks.<sup>4</sup> Like Tattersall's, the Golden Casket offered the possibility of relative wealth to the poorer sections of society. For five shillings and sixpence the first prizewinner received £6,000 and other subscribers shared a further £7,000. The largest winner however was the state. Once the war was over, revenue from the Golden Casket was used initially to provide funds for Anzac Cottages and nurses' quarters and, from 1920, for the Queensland hospital system.<sup>5</sup> That the revenue collected was not inconsiderable was reported to the New South Wales Labor government in 1921 by an accountant in the Premier's Department commissioned to examine both the Golden Casket and Tattersall's operations. The report revealed that in the 1920/21 financial year Queensland's hospitals received in excess of £190,000 from the Casket's operations and the state government gained an additional £50,000 from various taxes involved in the operation.<sup>6</sup>

The Queensland initiative demonstrated that the state could act successfully as a gambling entrepreneur and that the funds it raised

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<sup>4</sup> Report on Queensland Golden Casket operations, 15 October 1921, N.S.W. Archives Col. Sec., 5/5391-2.

<sup>5</sup> ibid.; S.A., Royal Commission into Lotteries, 1936, Report pp.10-12.

<sup>6</sup> Report on Queensland's Golden Casket Operations, op.cit.

could be used in a morally defensible way, and relieve pressure on consolidated revenue. The success of this venture, however, did not lead to the other states following suit immediately. In New South Wales in 1921 some local branches of the A.L.P. and some hospitals urged Labor treasurer Jack Lang to institute a state lottery on the Queensland model and the Chief Secretary commissioned the report mentioned above. The government statistician was required to furnish reports on the Italian and Spanish state lotteries, as well as the Royal Greek Naval lottery. The police were requested to draw up a list of people who could act as agents to sell lottery tickets and the parliamentary draftsmen prepared a bill for submission to the parliament. But despite all this activity, the Chief Secretary did not consider the lottery bill a matter of urgency and it was not proceeded with before the fall of the Labor government in 1922.<sup>7</sup>

Nor was the matter pursued by Jack Lang as part of his welfare package between 1925 and 1927; but it finally received government sponsorship in 1931. Despite the context of severe economic depression, the New South Wales state lottery was an immediate success, with 80 lotteries being filled in its first year of operation, providing a net profit of almost 700,000 for consolidated revenue.<sup>8</sup>

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<sup>7</sup> Col.Sec. 5/5391-2. The list of possible agents filled 67 foolscap pages and consisted largely of newsagents, tobacconists, hairdressers and general storekeepers - especially those who already acted as agents for the Golden Casket.

<sup>8</sup> S.A., Royal Commission into Lotteries, 1936, Report p.9. The N.S.W. lottery tickets sold for 5/3d and returned to prizewinners 62% of the money raised; including a 5,000 first prize.

The people of New South Wales had needed no education in the purchase of lottery tickets. They had been buying 60% of the Golden Casket tickets and, in 1930, 47% of Tattersall's consultations.<sup>9</sup> Not surprisingly, these earlier lotteries suffered dramatically when New South Wales opened in competition with them. In Tasmania, the state revenue from Tattersall's dropped from £429,375 in 1929-30 to £193,681 in 1931-32.<sup>10</sup> In Queensland, Golden Casket receipts fell from £704,371 in 1930-31 to £460,398 in 1931-32<sup>11</sup> but these falls, due partly to the economic depression were gradually reversed, assisted by the Post Master General's Department's issuing of a special five shillings and sixpence postal note which facilitated the purchase of lottery and sweeps tickets by mail, and by the removal of the postal ban on Tattersall's by Tasmania's Joseph Lyons.<sup>12</sup> By 1935 Australians were subscribing about £5,000,000 per annum to the state controlled or state sponsored lotteries.<sup>13</sup>

South Australia and Victoria chose not to follow the lead of Queensland and New South Wales in the 1930s. In Victoria lotteries continued to be considered a "common nuisance" in law for another two decades, although raffles for works of art or at charity bazaars could

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<sup>9</sup> Wilson, The Luck of the Draw, op.cit., p.178. This figure demonstrates the abject failure of the various attempts to prevent correspondence with the Tasmanian lottery firm.

<sup>10</sup> S.A., Royal Commission into Lotteries, 1936 Report, pp.10-11.

<sup>11</sup> ibid.

<sup>12</sup> Victoria, Legislative Council, Select Committee on Race-Courses and Race-Meetings, 1928, Minutes, p.18; Wilson, The Luck of the Draw, op.cit., p.186.

<sup>13</sup> S.A., Royal Commission into Lotteries, 1936, Report, p.11.



be authorised by the Attorney-General, and Victorians subscribed ever increasing amounts to Tattersall's in Hobart. In South Australia, lotteries had been specifically prohibited by the Lottery and Gaming Act of 1917 which prescribed punishments for both sellers and buyers, but by the mid-1930s there was a realisation that this Act was no longer obeyed religiously by South Australians.

In 1936 a Royal Commission was appointed to examine the desirability of holding lotteries for fund raising purposes in South Australia. After examination of 65 witnesses and careful analysis of the existing Australian lotteries, the commission recommended that South Australia should not institute its own state lottery. The recommendation was based on economic rather than moral grounds. The state had missed the boat. Its population was insufficient to sustain a rapid subscription of lotteries of 100,000 tickets and without frequent drawings a South Australian state lottery was unlikely to maintain public interest, and so would not compete effectively against the New South Wales and Tasmanian lotteries, to which South Australians already subscribed.<sup>14</sup>

These recommendations were welcomed by Tattersall's which, as we have seen, suffered from the competition provided by the New South Wales lottery. That state's share of Tattersall's business did not disappear completely, but it did continue to drop, from 10.2% in 1935

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<sup>14</sup> S.A., Royal Commission into Lotteries, 1936, Report pp.13-15, 37-38. South Australia did eventually institute its own state lottery in 1966. S.A., Statutes, 1966 No. 54.

to 3.5% in 1953.<sup>15</sup> If South Australia's population was insufficient to justify the establishment of a state lottery, it is certain that Tattersall's could not have operated successfully with only Tasmania as its source of subscribers. The South Australian decision was important to the continued viability of Tattersall's, but the major cause of Tattersall's concern was the possibility of a change of heart by Victoria, which after 1931 provided the major portion of Tattersall's business.

The probability of such a change was apparent in the early 1950s when the Cain Labor government began to reconsider the question of a state lottery for Victoria. At the same time the Cosgrove Labor government in Tasmania was attempting to find ways of increasing the state's share of Tattersall's profits. It was not surprising that in this context, where its profitability and perhaps even its continued existence were being threatened on two fronts, Tattersall's chose to negotiate with the Victorian government, and subsequently moved its headquarters to Melbourne in 1954.<sup>16</sup>

The wisdom of the 1936 South Australian decision was demonstrated in the aftermath of Tattersall's move from Hobart. Cosgrove initially declined a Victorian offer of a pro-rata share of revenue from Tattersall's operations and announced the authorisation of a new Tasmanian operation to be run along similar lines; but the new

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<sup>15</sup> Wilson, *The Luck of the Draw*, *op.cit.*, p.178.

<sup>16</sup> ibid., p.188; Tasmania, House of Assembly Select Committee into the Conduct of Tattersalls' Business, 1952 pp.1-2.

venture, depending entirely on Tasmanian subscribers, many of whom remained loyal to Tattersall's, failed miserably, and the Tasmanian government was forced to accept the Victorian offer of a junior partnership.<sup>17</sup>

The Victorian government's rapprochement with Tattersall's marked the end of any Australian government's disapproval of lotteries, although it should be emphasized that only state controlled or state sponsored lotteries were permitted, and these were intended to have a monopoly of lottery operations in their states.<sup>18</sup> These points were made clear when an attempt was made in 1932 by prominent gambler and entrepreneur Rufe Naylor, to capitalise on the New South Wales government's establishment of its new state lottery. Naylor, a professional punter and tipster, introduced what he advertised as "Rufe Naylor's State Lottery Co-adventurers 1s Syndicate". He did not hold his own lottery draw, but rather based his operations on the existing state lottery. He offered tickets for sale at one shilling each compared with the state lottery's five shillings (plus three pence commission to the selling agent). His tickets were numbered in the same manner as those of the state lottery and the prize winners were determined by the state lottery draw. The main difference, as far as the prizewinners were concerned, was that Naylor's prizes were only one seventh of the value of those offered by the state lottery.<sup>19</sup>

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<sup>17</sup> Wilson, *The Luck of the Draw*, *op.cit.*, pp.190-191.

<sup>18</sup> When South Australia eventually introduced its own state run lottery in 1966, ironically, it left Tasmania as the only Australian state without its own lottery. The island state has continued its partnership with Tattersall's and the Victorian government since 1954.

Although Naylor was obviously catering for the working classes by offering a one shilling lottery, and therefore taking the logic of the state labor government's decision one step further, his operations were frowned upon. They contributed nothing to consolidated revenue and were soon pronounced illegal. Naylor took his case to the courts but his attempt to break the state monopoly on lotteries was unsuccessful.<sup>20</sup>

The continued existence of Wattersall's, despite the best efforts of mainland governments to destroy it, convinced the mainland states that public acceptance of lotteries was not going to be destroyed by legislative prohibition; and the rapid acceptance of Queensland's Golden Casket demonstrated the revenue potential of state sponsored lotteries. In each instance new state lotteries were instituted by Labor governments which recognised not only the potential welfare expenditure uses of the increased state revenue, but also the working-class acceptance of and support for the concept of lotteries which offered huge prizes for a small investment.

Although the basic attractions of lotteries were working-class oriented, the state lotteries achieved acceptance throughout the society as they became established institutions, as revealed by opinion polls conducted in the 1940s, the 1960s, and the 1970s. The first of these polls, conducted in 1941 by Australian Nationwide

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19 Sun-Herald, 3 April 1983.

20 ibid.

Opinion polls, claimed that 75% of respondents were in favour of lotteries.<sup>21</sup> Gallup polls conducted in 1969 and 1972 claimed that state lotteries achieved an approval rating of 85% and 80% respectively, and a further poll, conducted by Irving Saulwick and Associates in 1979, suggested that 67% of Australians bought lottery tickets either regularly or occasionally, whilst only 18% of the poll's respondents claimed they never purchased them.<sup>22</sup>

These polls suggest overwhelming majority approval of, or support for, lotteries, but they also demonstrate that approval was not universal. The protestant churches continued to express their disapproval, as demonstrated by their condemnation of the introduction in 1958 of a new super lottery in New South Wales, intended to provide the funds for the building of a Sydney Opera House, and by their continued willingness to appear before Royal Commissions and committees of enquiry to put their case against betting and gaming.<sup>23</sup> But the expansion of lotteries in size and number was evidence of the declining weight of church opinion in the decision making processes.

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<sup>21</sup> Sydney Sun, 12 February 1942.

<sup>22</sup> Geoffrey Caldwell, "The Gambling Australian" in D. Edgar (ed), Social Change in Australia: Readings in Sociology, Melbourne 1974 p.15; Sydney Morning Herald, 16 October 1979. See below, Chapter Eight, pp.352-353.

<sup>23</sup> The Opera House Lottery cost £5 per ticket and offered a first prize of £100,000. G.T. Caldwell, "Leisure Co-operatives: The Institutionalization of Gambling and the Growth of Large Leisure Organizations in New South Wales", Ph.D. thesis, Australian National University, 1972, p.112; Sydney Morning Herald, 3 January 1958; also see below, Chapter Eight, pp.354-361.

Horse Racing

The churches' opposition to racehorse betting after the 1906/7 legislation was no more effective than their opposition to lotteries. Although the story of Australian horse racing throughout the twentieth century has not always been one of continuous expansion and development, the net result of changes in the seven decades after the Great War has been the establishment of a major industry. It has been shown earlier in this work that the rapid increase in horse racing in the capital cities was checked by the reform legislation of 1906/7 and by some temporary wartime restrictions on race meetings.<sup>24</sup> These restrictions did not harm the racing industry, rather they permitted a more organised development in the period between the wars. In New South Wales, the result was frequent race days with a mixture of co-operation and competition between the sections of the horse racing industry.

Between the wars, horse racing patrons in Sydney and surrounding districts were catered for by a total of ten metropolitan and five provincial race tracks. Thoroughbred race meetings were held on 63 days per year at Randwick, Warwick Farm, Hawkesbury, Moorefield, Canterbury and Rosehill; with almost all of these meetings being held on Saturdays and public holidays. Occasional Wednesday meetings were held, notably at Hawkesbury and as part of the major Randwick spring and autumn race carnivals. Moorefield, Canterbury and Rosehill were

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<sup>24</sup> See above, Chapter Six, pp.242,251,270

profit making proprietary companies, but for the most part they were content to operate under the A.J.C.'s umbrella, accepting the rules of racing and the allocation of dates determined by that body, and recognising Randwick as the headquarters of New South Wales thoroughbred racing.<sup>25</sup>

The other four metropolitan tracks in New South Wales at Ascot, Kensington, Rosebery and Victoria Park, all of which raced ponies rather than thoroughbreds, and the five provincial tracks at Menangle, Gosford, Kembla, Richmond and Wyong, were also controlled by proprietary companies. The four metropolitan pony clubs saw their total number of allocated race days decrease from 72 per year in the immediate post-war years to 54 per annum by 1933 and 48 per annum in 1938. Most of their allocated race days were Wednesdays, though in the 1920s there were regular clashes with the Saturday thoroughbred meetings.<sup>26</sup> The provincial clubs, because they were more than 40 miles from Sydney's G.P.O., were not subject to the restrictions imposed by the 1906 Gaming and Betting Act. However, as their prosperity and profits depended upon attracting patrons from the metropolitan area, they chose not to compete with the city clubs. Rather they divided the 104 Tuesdays and Thursdays per annum amongst themselves.<sup>27</sup>

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<sup>25</sup> N.S.W., Special Statutory Committee on Non-Proprietary Racing, 1938/39, Report, pp.2-7. The number of horse race meetings varied between 57 and 64 per annum. The A.J.C. purchased Warwick Farm in 1925, transferring it from a proprietary company course to an alternative venue for A.J.C. race meetings.

<sup>26</sup> In 1905 the pony clubs raced on 232 days, but they were permitted only 72 days per annum by the 1906 Act. See above Chapter Six, pp.245. For explanation of the 1933 and 1938 reductions see below, pp.298-302; N.S.W. Special Statutory Committee, 1938/39, op.cit., pp.5-6.

The net result was that Sydney's racing enthusiasts were catered for by race meetings every Tuesday, Wednesday, Thursday, Saturday and public holiday, to a total of between 209 and 240 days per year. Official figures for 1928 reveal a paid attendance of more than one million people at thoroughbred race meetings and almost half a million at pony meetings in Sydney; with average attendances per meeting of 17,102 for thoroughbreds and 6,185 for ponies. Randwick continued unchallenged as the premier Sydney course with an attendance average in excess of 31,000 and as high as 75,000 for its Sydney Cup day programme.<sup>28</sup> In addition, of course, country areas continued to hold regular race meetings as before, co-ordinated by district racing associations supervised by the A.J.C.. While most country towns could manage little more than an annual two or three day carnival, the racing enthusiast and the country bookmaker could follow a circuit of such carnivals.<sup>29</sup>

In Victoria, horse racing followers were just as well catered for by a similar mixture of thoroughbred and pony, club and proprietary company, race meetings. In Melbourne, Saturday and public holiday thoroughbred racing was conducted at Flemington, Caulfield and Moonee Valley with the V.R.C. at Flemington filling a role similar to Randwick's A.J.C. in allocating race days, holding the major share of

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27 ibid., p.7.

28 Calculated from N.S.W., Special Statutory Committee, 1938/39, op.cit., p.4, and Queensland, Royal Commission into Racing and Gaming, 1936, Report, p.51; Janette Hope, (Lady) Birdwood, A Visit to Australia and New Zealand, London 1922.

29 Col.Sec. 5281, 1911.



the meetings and supervising the affairs of the other metropolitan and, through a number of district associations, country thoroughbred clubs. Flemington had the largest attendance of any Australian racecourse with a record crowd of 119,000, of whom 25,000 were catered for by seating provided in the grandstands.<sup>30</sup>

Weekday race meetings were shared amongst metropolitan proprietary racing clubs all situated on Melbourne's south-eastern outskirts; at Epsom, Mentone, Aspendale and Sandown, which were registered with the V.R.C.; and the proprietary pony racing companies operating at Richmond, Fitzroy and Ascot under the control of the Victorian Trotting and Racing Association.<sup>31</sup> The V.T.R.A., a syndicate of 41 members, which had acquired the Victorian racing interests of John Wren and his partners in 1919, effectively controlled trotting throughout Victoria, and pony racing within a 70 mile radius of Melbourne.<sup>32</sup>

Country racegoers in Victoria between the wars were catered for

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- <sup>30</sup> Victoria, Select Committee on Race Courses and Race Meetings, 1928, Report, pp.1-7. Caulfield was operated by the Victorian Amateur Turf Club and held about fifteen meetings per year. Moonee Valley, which had begun as a proprietary company operation, was controlled by the Moonee Valley Race Club which held twelve race meetings per year, and also operated about five meetings for hunt clubs and one on behalf of the Victoria Club. In addition, all three metropolitan courses held occasional charity race meetings.
- <sup>31</sup> The Epsom course was operated by a family company until 1928 when the Epsom Turf Club was formed. Although this club had 170 members, its chairman was J.L. Reilly, previously head of the family company. ibid., pp.6-7.
- <sup>32</sup> Although the association was a profit making body, most of its "profits" were used to pay John Wren and his partners for the lease of the pony courses. ibid., pp.iv, 10-13.

even more than were their counterparts in New South Wales. Apart from the fact that closer settlement in Victoria meant that more racetracks were accessible to country racing enthusiasts, a system of permitting almost any club or association to hold charity race meetings for fund raising purposes on country tracks, resulted in minor country towns holding more racing than the two or three day cup carnival they might otherwise have held. This system resulted in a total of 547 Victorian country race meetings in the 1927-28 racing season, including 38 (7%) which were held specifically as part of St Patrick's day celebrations.<sup>33</sup>

In Queensland, where pre-war racing days had not been restricted by legislation, registered thoroughbred racing was supervised by the Q.T.C. from its headquarters at Eagle Farm racecourse. The Brisbane Amateur Turf Club, which conducted meetings at Albion Park and Doomben, and the provincial course at Ipswich, which had almost equal status with the metropolitan tracks, co-operated with the Q.T.C.; as did the country race clubs, organised as in New South Wales and Victoria, into regional or district associations. Proprietary pony racing in the metropolitan area was conducted weekly at Kedron Park. Until 1930, when Kedron Park was closed, the Brisbane racegoer was catered for by three or four race meetings per week. Although the 1930 Racing Regulation Act reduced the total number of Brisbane/Ipswich race days to 104 and limited them to Saturdays, Wednesdays and public holidays, the Brisbane racegoer was certainly not deprived of his

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<sup>33</sup> ibid., Appendix B.

entertainment - especially as nearby country towns were free from any restrictions.<sup>34</sup>

The structure of horse racing in the remaining states was not complicated by pony racing, and proprietary clubs were rare. The number of race meetings held were noticeably fewer, but given the relatively small metropolitan populations and the ready access to surrounding country districts it is doubtful that the racegoer suffered from the more restricted choice. In South Australia in the 1920s there were 47 metropolitan race meetings per annum and between 50 and 60 country meetings. In Tasmania, the Elwick and Mowbray courses, at Hobart and Launceston respectively, shared Saturday and public holiday race dates whilst numerous provincial and country clubs provided a plethora of weekday racing.<sup>35</sup>

Post-war Australians had plenty of opportunity to attend horse racing, and once on the course they continued to bet heavily on their fancies; and this fact continued to be the object of comment by British visitors, such as Lady Birdwood in 1921 and Lord and Lady Apsley in 1925.<sup>36</sup> Yet, whilst the patrons of horse racing were content

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<sup>34</sup> Queensland, Royal Commission into the Safety of the Kedron Park Racecourse..., 1921, Report, pp.6-7; Brennan, op.cit., pp.170-171; Queensland, Royal Commission into the Control and Management of Horse Racing and Racecourses, 1930, Report, pp.2-10; Queensland, Royal Commission into Racing and Gaming, 1936, op.cit., pp.22-23. In 1935 Eagle Farm racecourse operated on 30 days, (25 for Q.T.C. and 5 for Brisbane Tattersall's Club). The B.A.T.C. held 49 race meetings at Albion Park (Wednesdays) and 8 at Doomben. Ipswich raced on a total of 17 days.

<sup>35</sup> Victoria, Select Committee on Race Courses and Race Meetings, 1928 op.cit., p.8.

with their choice of betting opportunities, their satisfaction was not shared by the major thoroughbred racing clubs, which continued to voice the dissatisfaction expressed by the A.J.C. in the 1880s and 1890s. In New South Wales, their earlier concerns received greater force after the introduction of the totalisator to racecourses in 1916.

One of the major reasons why the race clubs had pressed strongly for the tote's introduction was its potential as a source of income which could be used to increase prizemoney. The states which had approved the totalisator in the nineteenth century had given the race clubs a generous proportion of its turnover as a commission. The 1882 South Australian Act had allowed the clubs to retain 5% of the tote turnover, and this was raised to 7.5% in 1888. From 1882 Queensland metropolitan race clubs retained 8.75%, whilst their provincial and country counterparts received 10%.<sup>37</sup>

In New South Wales however, the Totalisator Act of 1916, whilst authorising a 10% deduction from the tote pool, permitted the clubs to retain only 3%, whilst the other 7% went into the state's consolidated revenue.<sup>38</sup> Although the club's share was later raised to 3.5%, the New

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<sup>36</sup> Birdwood, *op.cit.*, p.22; A.A.B. (Viscount) and Lady Apsley, *The Amateur Settlers*, London 1926 pp.100, 213-214. The Apsleys were moved to observe in their conclusions on life in Australia, (p.213) that "Racing of course takes the first place. It has been described as Australia's 'primary industry', and I believe that it is a fact that if all the money that circulates at all the meetings on the continent were added up, it would show a turnover considerably greater than of any other industry, including wool".

<sup>37</sup> *South Australia, Statutes*, 1882 No. 263, 1888 No.426; *Queensland, Statutes*, 1892 56 *Victoria* No.15.

South Wales race clubs were clearly disadvantaged compared with those of South Australia and Queensland.<sup>39</sup> In the wartime and post-war context, when governments were increasingly concerned with gathering revenue from gaming and betting, there was little possibility of the New South Wales race clubs receiving a significantly increased commission. The logical alternative then, if they were to increase their revenue from the totalisator, was to increase its turnover. To do this the clubs needed to increase attendances at their meetings. As far as Sydney's A.J.C. was concerned, this meant that competition for race crowds had to be restricted, and in the best interests of thoroughbred racing this could be achieved by the prohibition of pony racing.

The relationships between the A.J.C. and the Associated Racing Clubs had never been particularly happy, with the A.J.C. periodically disqualifying any of its licensed personnel who participated in pony race meetings. The gentlemen committee members of the premier club frowned upon the idea of racing being conducted for the benefit of company shareholders rather than the owners of winning horses, even though the list of shareholders might contain such respectable names as Lady Alice Carruthers.<sup>40</sup> Pony racing's opponents argued that the

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38 N.S.W., Statutes, 1916 No.75. Initially a further one per cent was directed into a sinking fund to pay for the tote and any buildings needed to house it. The treasury retained fractions and unclaimed dividends.

39 Queensland, Royal Commission into Racing and Gaming, 1936, op.cit., p.12.

40 N.S.W., Select Committee on the Conduct and Administration of Pony Racing, Progress Report 1923, Minutes, pp.7-8; 57. See also letter by James Millar, Daily Telegraph 22 July 1914. Lady Carruthers,  
(Footnote continued)

sport must necessarily be corrupt since it was not possible for an owner to make a reasonable profit from prizemoney alone. Even its supporters such as T.D. Kingsley, secretary of the Pony Owners and Trainers Association, agreed that an owner needed to back his horses if he was to gain a profit and that the small prizemoney offered by the pony tracks was an incentive to "evil doing". Comments such as these permitted uninformed or casual observers to assume, without the need for evidence, that pony races were "crooked".<sup>41</sup>

Such assumptions, aided by agitation from the A.J.C. and its members, led in 1923, to a New South Wales Legislative Assembly Select Committee of Inquiry into pony racing. The committee, commissioned to examine the conduct and administration of pony racing, was required to give particular attention to "the advisableness of having some placed on a non-proprietary basis".<sup>42</sup> Although it found that the original shareholders in the proprietary pony clubs had received large profits for their investments whilst prizemoney was rather small, the committee found no fault with the management of the pony clubs, and contrary to the hopes of the A.J.C. it recommended merely that they be formed into non-proprietary clubs and that the A.R.C. as their governing body, should negotiate with the A.J.C. to settle all matters of conflict.<sup>43</sup>

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with Miss R. Burnett held 5,100 of the 288,021 one pound shares in the Ascot proprietary club and 1,680 of the 242,739 one pound shares in Victoria Park.

41 For example, Apsley, *op.cit.*, p.214; N.S.W., Select Committee on ... Pony Racing, 1923, *op.cit.*, pp.1291-1292.

42 N.S.W., Select Committee on ... Pony Racing, 1923 *op.cit.*, p.ii.

43 ibid., final report 1924, N.S.W.P.P. 1924 vol.4, p.773.

These recommendations were not implemented and so the competition between the New South Wales horse and pony racing clubs continued throughout the 1920s and '30s much as before, although the A.J.C. and its supporters did achieve a gradual, if partial fulfillment of its desires on each occasion that the legislature reviewed the allocation of racing days in Sydney during the 1920s and '30s, as can be seen from the following table.

TABLE 7.1  
Racing Days Sydney, 1924-1938

<u>Horse Racing</u>	1924-1932	1933-1937 <sup>(1)</sup>		1938 <sup>(2)</sup>
Randwick	21	20		20
Warwick Farm	9	8		13
Hawkesbury	3	2		4
Rosehill*	13	11		10
Canterbury*	9	8		8
Moorefield*	9	8		8
	64	57		63
<u>Pony Racing</u>	1924-1932	1932 and alternate years <sup>(1)</sup>	1933 and alternate years <sup>(1)</sup>	1938 <sup>(2)</sup>
Ascot	18	13	14	12
Kensington	18	13	14	12
Rosebery	18	14	13	12
Victoria Park	18	14	13	12
	72	54	54	48
Total Sydney Race days:	136	111	111	111

Provincial courses continued to provided about 104 additional race days per annum.

Source: N.S.W., Special Statutory Committee, 1938/9 op.cit, p.4.

(1) N.S.W., Statutes 1932 No.46

(2) N.S.W., Statutes 1938 No.7.

\* Proprietary Horse racing companies.

Clearly, the direction of change was in accordance with the supporters of thoroughbred horse racing, though it was not so drastic that it seriously lessened the opportunity of Sydney bettors to place their bets. Yet the supporters of the premier club remained dissatisfied, and continued to agitate for the removal of their opposition. They appeared likely to achieve their aims when amendments to the Gaming and Betting Act in 1937 prescribed the establishment of a special statutory committee to investigate the conduct of race meetings and to determine the method by which conduct and control might be vested exclusively in non-proprietary associations.<sup>44</sup>

After examining the accounts of the metropolitan and provincial clubs for the previous fifteen years the committee concluded that there was little wrong with the existing structure of New South Wales horse racing. They found that prizemoney was fair and reasonable; that the proprietary clubs conducted their affairs properly; that racing was controlled efficiently; and that a simple change from proprietary to non-proprietary racing would not result in any appreciable change in the levels of prizemoney. However, they did find that if the number of race tracks was reduced, those remaining would be able to offer substantial increases in prizemoney because of increased totalisator turnover and increased gate money.<sup>45</sup> Their recommendations did not

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<sup>44</sup> N.S.W., Special Statutory Committee, 1939 op.cit., p.1. This committee was composed of public servants and race club officials, not politicians. Its primary task was to implement the transition of control.

<sup>45</sup> ibid., p.3



include the total abolition of pony racing, but they did recommend the de-licensing of Kensington and Ascot; the change in Hawkesbury's status to that of a provincial course; and an increase in race days for the remaining metropolitan courses, to maintain the total number of metropolitan race days at 111 per annum, as illustrated in Table 7.2.<sup>46</sup>

TABLE 7.2

Sydney Race Day Recommendations of N.S.W.

Special Statutory Committee, 1938/9

		<u>1938</u>	<u>No. recommended</u>	<u>Increase</u>
<u>Horse Clubs</u>	Randwick	20	22	2
	Warwick Farm	13	13	0
	Hawkesbury	4	0	-4
<u>Proprietary companies</u>	Canterbury	8	14	6
	Rosehill	10	14	4
	Moorefield	8	14	6
		<u>63</u>	<u>77</u>	<u>14</u>
<u>Pony Proprietary companies</u>	Rosebery	12	17	5
	Victoria Park	12	17	5
	Ascot	12	0	-12
	Kensington	12	0	-12
		<u>48</u>	<u>34</u>	<u>-14</u>

Source: N.S.W. Special Statutory Committee, 1938/39, Report.

Although the recommended increase of fourteen days per annum for thoroughbred racing, and the corresponding loss of fourteen days for

<sup>46</sup> ibid., p.5.

pony racing represented something of a victory for thoroughbred racing interests, the A.J.C., with its courses at Randwick and Warwick Farm, stood to gain little from the recommendations, other than a possible general increase in patronage for horse racing and a decline of pony racing.<sup>47</sup>

Like the recommendations of the 1923/24 Select Committee however, the efforts of the 1938/39 Committee were largely in vain. They were made redundant, initially by the outbreak of the second world war and ultimately by the strong opinions of New South Wales' wartime Labor premier, W.J. McKell. Initially, the structural reform of horse racing was simply not considered a matter of urgency during wartime. By 1942 when troops required camp sites in Sydney, and racing could be labelled an unessential industry, horse racing was restricted to one meeting per week, to be held on the thoroughbred racecourses. Pony racing was disbanded completely for the duration, and the pony tracks were occupied by the military.<sup>48</sup> Sydney horse racing was destined to revive after the war, but pony racing and the proprietary horse racing companies had held their final meetings.

Once McKell achieved the premiership in 1943, he set about ensuring that post war racing would be conducted entirely by non-proprietary thoroughbred racing clubs. His motivation for reform included a labour man's distaste for racing's profits going into the

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<sup>47</sup> ibid., p.7. The committee also recommended that two of the existing five provincial proprietary clubs be delicensed, namely Richmond and Wyong.

<sup>48</sup> Sydney Sun, 26 February and 5 April 1942.

pockets of company shareholders, and a dislike for the gentlemanly exclusiveness or snobishness of the A.J.C.. Although his restructuring of Sydney racing permitted the A.J.C. to continue racing at Randwick and Warwick Farm, and to continue as the state's premier club, it was to face competition from a new non-proprietary body, the Sydney Turf Club, which was to take over the operation of Rosehill and Canterbury race courses. Moorefield and the pony tracks at Kensington, Ascot, Rosebery and Victoria Park were disbanded.<sup>49</sup> Although McKell's restructuring failed to give the A.J.C. the racing monopoly it had long desired, and kept that body's share of horse racing days at less than half the total for Sydney, the number of meetings held per annum by the A.J.C. under the new arrangement increased dramatically from 35 in 1938 to 50 in 1954. The new S.T.C. was allocated 62 race days, resulting in a total of 112 race days, one day more than the total for metropolitan meetings per annum in the 1930s.<sup>50</sup>

These changes were not particularly significant for the average New South Wales bettor. Although he had lost about one opportunity per fortnight to attend race meetings, since 1907, he was still catered for, by metropolitan courses on Wednesday, Saturday and public holidays, whilst provincial racetracks (no longer operated by proprietary bodies) continued to race on Tuesdays and Thursdays after

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<sup>49</sup> John Ryan, "Racing in Two Cities: A Sydney View", in Cashman and McKernan (eds) Sport: Money, Morality and the Media, op.cit., p.21. Initially, under this restructuring, Sydney racing was restricted to Saturdays and public holidays, but in 1954, in the context of the post war "return to normality", midweek racing returned.

<sup>50</sup> ibid.

the war. Nevertheless the post-war changes did remove a little of the excitement from the sport, for the pony track proprietors, unlike their contemporary thoroughbred competitors and their successors on the S.T.C. committees, were conscious of the need to provide entertainment. This they had achieved by offering a greater number of races per meeting - usually between twelve and seventeen compared with the A.J.C.'s five or six - and the spectacle of large fields racing on tight circuits. This feature however, also had its disadvantages as it led to much interference, which fuelled suggestions of corrupt practices, and ultimately worked against the interests of the pony tracks.<sup>51</sup> Suggestions of corrupt practices indulged in by proprietary companies and the patrons of their racecourses were not restricted to New South Wales. Similar allegations contributed to the ultimate abolition of proprietary horse racing in the two other states where it had developed fully, namely Queensland and Victoria, though in neither instance was the struggle for abolition as protracted as in New South Wales.

In Queensland, a Royal Commission appointed in 1921, examined the management of the Kedron Park proprietary racing company, the conduct of its meetings and whether the track was safe for racing. The commission found no fault with the management of Kedron Park, but it did recommend some alterations to the track if it was to continue racing.<sup>52</sup> This commission was little more than a prelude to one which

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<sup>51</sup> N.S.W., Select Committee on Pony Racing, 1923 op.cit., pp.1, 10, 36-37.

<sup>52</sup> Queensland, Royal Commission into Kedron Park, 1921, op.cit., p.ii.

began its hearings eight years later when the Moore anti-Labor government became concerned about the control of Brisbane racing which, apart from the Q.T.C.'s meetings at Eagle Farm, was effectively in the hands of John Wren and his associate Ben Nathan.

The chairman of this commission, Justice H.H. Henchman, demonstrated the possible inappropriateness of his name with a lengthy report contrasting the well organised, well controlled race meetings at Eagle Farm with what he described as the unsatisfactory state of affairs at the courses controlled by Wren and Nathan.<sup>53</sup> Unlike the New South Wales enquiries into proprietary racing, this report was acted upon swiftly with the passing of Queensland's Racing Regulation Amendment Act of 1930, which phased out proprietary racing and abolished it from 1 January 1932. This Act also provided a legislative restriction of Queensland metropolitan horse racing, but the figure decided upon was not unduly repressive. Brisbane race goers were to be permitted 114 race meetings per annum.<sup>54</sup>

In Victoria, as in Queensland, the figure of John Wren was important in the contest between proprietary and non-proprietary racing. Although Wren had supposedly sold his interests in Victorian proprietary racing to the Victoria Trotting and Racing Association in 1919, a Select Committee inquiry in 1928 suggested that the sale was little more than a subterfuge designed to conceal the real controllers

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<sup>53</sup> Queensland, Royal Commission into Horse Racing and Race Courses, Report, 1930, passim See also Brennan op.cit., pp.168-171.

<sup>54</sup> Queensland, Statutes, 1930 21 George V. NO.27.

of Victorian pony racing, Wren and Nathan.<sup>55</sup> As in New South Wales and Queensland, relations between the premier horse racing clubs and the proprietary companies were strained, but they did co-exist and the proprietary horse racing clubs generally accepted the rules and supervision of the premier club.<sup>56</sup> Yet, by the late 1920s, concern over the operations of proprietary companies led the Select Committee to conclude that continued pony racing would seriously reduce the size of the blood-horse, and accordingly it should be abolished. It also declared that clubs racing for private gain were not "in the best interests of racing", so they should cease to exist. The committee agreed with the A.J.C., the Q.T.C. and V.R.C., that profits derived from horse race meetings should be devoted to improving the courses and facilities, and especially to increasing prizemoney, for the benefit and encouragement of racehorse owners.<sup>57</sup> Its recommendations were enacted in the Police Offences (Race Meetings) Act of 1929, a year prior to the long awaited legislative approval of the Victorian totalisator. When the tote began operations in Victoria, only the non-proprietary horse racing clubs operating at Flemington, Caulfield and Moonee Valley shared in the metropolitan on-course totalisator turnover commission which was set at five per cent for the club, with a further five per cent for the government.<sup>58</sup>

The concept of profit making proprietary companies benefiting

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55 Victoria, Select Committee on Race Courses and Race Meetings, 1928, op.cit., p.iv.

56 Griffiths, Rolling Stone, op.cit., p.241.

57 Victoria, Select Committee on Race Courses and Race Meetings, 1928, op.cit., pp.iii-iv.

58 Victoria, Statutes, 1929 No.3818, 1930 No.3861.

from the totalisator revenue was not the sole reason for the abolition of proprietary racing, but it was an important factor contributing to that decision. Of at least equal importance was the general belief that proprietary racing in general, and pony racing in particular, was corrupt, especially on tracks in which Wren and Nathan had either an open or concealed interest. Wren's biographer, Nial Brennan, viewed the Victorian and Queensland decisions as examples of legislative persecution of Wren by non-Labor governments,<sup>59</sup> but this view is only partly adequate. It ignores the attitudes of McKell in New South Wales, who certainly saw his prohibition of proprietary racing in that state as in the best interests of his A.L.P. supporters.

As has been discussed above, McKell's decision was made a little easier by the context of wartime restrictions which had already closed the proprietary tracks. The wartime situation in New South Wales was repeated in most states, with horse racing restricted to one metropolitan meeting per week, and the majority of racecourses being occupied by the military. Only in South Australia did the wartime government choose to impose a complete ban on horse racing, but that ban, imposed in March 1942, failed to last the duration of the war as it was lifted in October 1943.<sup>60</sup> In South Australia, as in all other states, the restrictions applying to horse racing also applied to trotting, which in some areas developed dramatically in the interwar

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<sup>59</sup> Brennan, *op.cit.*, pp.170, 132.

<sup>60</sup> Pollard, *op.cit.*, p.240; Sydney Sun, 26 February 1942; Sunday Sun, 5 April 1942. For a while in 1943, the Curtin government also declared that one Saturday per month should be "race free" in all states.

period.

### Trotting

As was seen in Chapter Six above,<sup>61</sup> trotting was controlled differently from state to state prior to the Great War. In New South Wales it was supervised by the N.S.W. Trotting Club, whilst in Victoria it was controlled by John Wren. In Queensland and South Australia, states which did not permit betting on trotting races, the sport was virtually non-existent, except in the form of exhibition races at agricultural shows. In Tasmania, although betting was permitted, trotting was in the doldrums until administrative reorganisation in 1916 and 1917 ushered in a period of rapid expansion.<sup>62</sup>

The most dramatic developments in trotting occurred in South Australia, where the sport underwent wholesale reorganisation in the 1930s. In 1933 the newly formed South Australian Trotting League lobbied successfully for bookmakers to field at trotting meetings, and the following year the totalisator began operating on trotting events. Two years later South Australia permitted night trotting under lights

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<sup>61</sup> Chapter Six p.265.

<sup>62</sup> Peter Ford, Tasmanian Trotting 1917-1980, Launceston 1981, pp.6-7. Ford illustrates the expansion by reference to the average stakes per meeting, which grew from £242 in 1917/18 to £322 in 1919/20, £503 in 1921/22 and £626 in 1923/24. See also Queensland, Royal Commission on Racing and Gaming, 1936, op.cit., p.19; South Australia, Committee of Enquiry into the Racing Industry, 1974, p.14.



at the new Wayville trotting track, which very rapidly became the nation's premier trotting venue. Prizemoney also rose rapidly from a £2 trophy per race in 1932 to about £150 in 1937.<sup>63</sup>

In Queensland betting on trotting races was permitted in 1936, but night meetings were not legalised before the second world war.<sup>64</sup> In Victoria the sport developed under the control of Wren and the V.T.R.A., an arrangement which was approved by the 1928 Legislative Council Select Committee<sup>65</sup> and remained unchallenged until the advent of the Metropolitan and Country Trotting Association in 1940. The challenge mounted by that body was interrupted by the wartime suspension of Victorian trotting, but was revived in 1945 when the M.C.T.A. negotiated for night trotting. The election of a Labor government ensured that Wren and his associates had support in the cabinet, but it was insufficient to defeat the powerful public support for the M.C.T.A. which emphasized the old suspicions of corruption in the V.R.T.A. and promised to clean up the sport. When night trotting did begin in Victoria in 1947 it did so under the control of a new independent Trotting Control Board, whilst John Wren and his V.R.T.A. were restricted to minor trotting meetings at Mentone, though they persevered, throughout 1947, in an attempt to resurrect proprietary racing at Sandown.<sup>66</sup>

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<sup>63</sup> Brown, op.cit., p.182; South Australia, Committee of Enquiry, 1974 op.cit., p.14.

<sup>64</sup> Queensland, Royal Commission on Racing and Gaming 1936, op.cit., pp.19-21.

<sup>65</sup> Victoria, Select Committee Race Courses and Race Meetings, 1928, Report, p.viii.

<sup>66</sup> Brennan, op.cit., pp.177-180.

In New South Wales the question of night trotting was also a vexed one. In 1927 it was permitted by the Lang Labor government in May, but all betting after sunset was prohibited by the new anti-Labor government in December.<sup>67</sup> In Sydney particularly, trotting found it difficult to compete with the other forms of horse racing. What the trotting clubs required were race meetings which did not clash with galloping events, and without night meetings their opportunities to achieve this were limited to Fridays and occasional Mondays. As a result, the sport deteriorated and developed a probably well deserved reputation for corruption, as prizemoney levels were far from adequate. By the late 1930s even the sporting press was losing interest in trotting, with the Sportsman dropping its trotting column in 1937 and the Referee, trotting's main supporter, closing in 1939.<sup>68</sup>

In 1938 a Select Committee was appointed to examine the conduct and administration of trotting in New South Wales. It examined 84 witnesses but suspended proceedings in September 1939 due to the outbreak of war, without making any positive recommendations. During its deliberations, the committee had given cause for belief that it favoured night trotting as the means by which the sport might be cleaned up and William McKell, a member of the committee, even took the case to caucus in 1941, but the idea was shelved because of the war.<sup>69</sup> Eventually the supporters of trotting achieved their wishes in

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<sup>67</sup> Brown, op.cit., p.128.

<sup>68</sup> ibid., pp.93, 183-186.

<sup>69</sup> N.S.W., Select Committee into the Conduct and Administration of

(Footnote continued)

1949 when night trotting was permitted at Harold Park in Sydney. At last trotting could hold metropolitan race meetings which did not clash with galloping. From this time onwards, trotting in Sydney gradually grew to become a major competitor for the bettor's investment.<sup>70</sup>

By the 1950s proprietary racing had disappeared from both galloping and trotting. Both forms of horse racing were more closely supervised, and suggestions of corruption had been lessened by reorganisation. The totalisator was largely responsible for increasing prizemoney in both sports and had the additional effect of contributing to state revenue. Most of the developments which had aided the growth of trotting had been sponsored by Labor governments, just as Labor had generally been responsible for the legalisation of the totalisator, the introduction of state lotteries and, at least in New South Wales the abolition of proprietary racing.

In the racing world a further twentieth century development was even more closely identified with the Labor party and particularly with New South Wales Premier Jack Lang; namely the development of greyhound racing.

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<sup>69</sup>(continued)

Trotting in New South Wales, 1938/39 Progress Report, p.xxvii; Brown, op.cit., p.187.

<sup>70</sup> Harold Park usually operated on Friday night. The compulsive Sydney race-goer could then attend meetings almost every day - with galloping meetings within reach of Sydney patrons on Tuesday, Wednesday, Thursday, Saturday and some Mondays, in addition to the Friday night trotting meetings.

### Greyhound Racing

Coursing, a contest between two greyhounds in pursuit of a live hare had been common, if not particularly popular as a spectator sport, since the late nineteenth century, but an American invention in the 1920s promised to change the nature of greyhound racing.<sup>71</sup> The invention was a mechanical tin hare which could be mounted on a rail and driven around a track ahead of a field of chasing greyhounds. In 1927 two proprietary greyhound racing companies were formed in Sydney, two in Newcastle and others at Cessnock and Lithgow. Greyhound racing was launched in earnest. Bookmakers fielded at the dog races and large crowds were drawn to the meeting, most of which were held at night.<sup>72</sup>

The new sport barely had time to celebrate its successful beginnings when the Bavin government amended the Gaming and Betting Act to prevent betting after sunset. Salt was then rubbed into the wounds when the courts ruled that the new sport was not "coursing", on which betting was permitted, and so betting on greyhound racing was illegal. Without betting the sport collapsed, but its fortunes changed with another change of government. Jack Lang had chosen to picture greyhounds as the working-man's racehorse, and presented the collapse

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<sup>71</sup> See above, Chapter Four, p.136.

<sup>72</sup> Brown, op.cit., p.128; N.S.W., Royal Commission into Greyhound Racing and Fruit Machines, 1932, Report, p.4. The Sydney companies were the Greyhound Coursing Association which raced at Harold Park, and the Australasian Coursing Club which raced at Mascot.

of the sport as a result of government policies designed to rob the worker of his simple pleasure, whilst the wealthy sat untouched in the members' stand at Randwick racecourse. Accordingly, after Lang was returned to office in 1930, greyhound racing with the mechanical hare, was legalised.<sup>73</sup> By 1939 New South Wales had two metropolitan and 45 country greyhound racing clubs, which held a total of 1,693 race meetings in 1938/39. Greyhound racing was successful in Sydney, but it was in the country areas, where horse racing was less frequent, that the greyhounds really took hold.<sup>74</sup>

Within a few years of the New South Wales legislation greyhound racing began in most other states. In Victoria, both bookmakers and the tote were operating on greyhound racing by 1938.<sup>75</sup> In Queensland, betting on dog racing was legalised in 1936, at the same time as betting on trotting races, though the tin hare was not permitted in metropolitan areas. But to be really successful in metropolitan areas, greyhound racing needed night meetings. These were prohibited in the states other than New South Wales until after the second world war when, in line with the general post war racing restructuring, greyhound racing was placed under the supervision of centralised control boards.<sup>76</sup>

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<sup>73</sup> N.S.W., Statutes, 1931 Nos 56 and 57 (Finance Acts); New South Wales, Royal Commission into Greyhound Racing and Fruit Machines, 1932, Report p.5.

<sup>74</sup> N.S.W., Special Statutory Committee on Non-Proprietary Racing, 1938/9, Report p.xxviii.

<sup>75</sup> Sydney Morning Herald, 24 August 1938.

<sup>76</sup> Queensland, Royal Commission into Racing and Gaming, 1936, Report, pp.17-18; Queensland, Statutes, 1936 No.24; In South Australia, the home of "natural coursing", mechanical hare racing remained  
(Footnote continued)

So, despite the gradual disappearance of both pony racing and the proprietary thoroughbred racing companies, the Australian gambler in the twentieth century had increasing opportunities to bet. The number of horse race meetings declined marginally in some states, but any such decline was more than countered by the growth of trotting and greyhound racing; forms of racing which did not have claims of vice-regal patronage and longstanding tradition to justify their existence. Clearly, the decisions of the reforming governments to exempt racecourse betting from the provisions of the gambling reforms in the first decade of the century had, at least partly, backfired. Their attempts to confine betting to racecourses had not led to any appreciable decrease in betting activity, but they had led to an increased variety of racecourse activities. The expansion of the totalisator to New South Wales and Victorian racetracks had the dual effect of increasing the variety of betting available to racecourse patrons and, through contributing to increased prizemoney, helping to make racing more competitive and more attractive as an object of betting.

But these developments highlight only the less significant aspects of the reformers' failure. Their success in achieving the major aim of confining betting to the racecourses was also very short lived, as off-course betting continued to exist in all states

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<sup>76</sup>(continued)  
illegal until 1967. South Australia, Committee of Enquiry, 1974,  
p.16.

throughout the twentieth century. In New South Wales and Victoria on-course bookmakers had long been an accepted part of pre-war racing, but in the states which had been using the totalisator on the racecourses the bookmaker was not so welcome. In Queensland he existed, but was without legal recognition until 1923. In Tasmania and South Australia he was excluded from the racecourse until 1933.<sup>77</sup> Nevertheless, in all states he continued to exist off-course, where despite legislative prohibition, he prospered.

#### Off-Course Betting

The first really detailed analysis of the prevalence of off-course betting was provided by a South Australian Royal Commission into betting in 1933. The Commission concluded very quickly that verbal evidence on the incidence of illegal betting was useless and confusing, and full of generalities and contradictions. So, in an attempt to find some hard data on which to base its examination, it devised a survey questionnaire which was sent to all South Australian police stations. Although the results of this survey must be open to some doubts concerning its reliability and objectivity, it provided a reasonable indication of the state's off-course betting habits and practices.<sup>78</sup> The survey suggested that about fifteen per cent of South

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<sup>77</sup> Queensland, Statutes, 1923, 14 George V. No.23; Tasmania, Statutes, 1932, No.39; Queensland, Royal Commission into Racing and Gaming, op.cit., 1936, p.45; South Australia, Committee of Enquiry, 1974, p.43.

<sup>78</sup> South Australia, Royal Commission into Betting, 1933, Report, p.5.

Australia's adult population participated regularly in off-course betting, and that most betting took place in hotels, with many billiard saloons also providing facilities for the off-course bettor, and some hairdressers and tobacconists offering a similar service (Table 7.3).

TABLE 7.3  
Illegal, Off-course Betting in South Australia, 1933

	<u>Proportion of businesses catering for betting</u>	
	<u>Adelaide</u>	<u>Whole of S.A.</u>
	%	%
Hotels	80	67
Billiard saloons	57	37
Hairdressers/Tobacconists	5	9

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Source: South Australia, Royal Commission into Betting, 1933 Report, pp.5-6.

The survey estimated that a total of 643 illegal bookmakers operated throughout the state. Of these 252 were based in Adelaide. It also emphasized the close relationship between illegal betting and hotels by claiming that 426 of the illegal bookmakers operated in 404 hotels, that in about 29% of hotels the licensee acted as bookmaker, and that the few hotels which failed to provide facilities for betting also failed to attract adequate custom.<sup>79</sup>

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<sup>79</sup> ibid., pp.5-6.



This survey, supplemented by verbal evidence, convinced the commission that off-course betting could never be eradicated by "legislation consistent with democracy",<sup>80</sup> and that the logical corollary was to legalise both bookmakers and a form of off-course betting. It recommended that, as in other mainland states, bookmakers should be permitted to operate on racecourses, but not elsewhere. For off-course operations it recommended a network of totalisators, anticipating by almost 30 years the off-course network which was established throughout the nation in the 1960s.<sup>81</sup>

The latter recommendation was considered inappropriate by Premier Butler and his government, which chose instead to license bookmakers to operate both on and off-course. The off-course operations were to be in licensed bookmaking premises under the supervision of a Betting Control Board.<sup>82</sup> By 1936 approximately 150 betting shops were operating in Adelaide and suburbs and these, in combination with a similar number of country shops, were taking almost ten times the number of bets laid on course; although the total value of the off-course bets was barely three times the on-course value. The average on-course bet was about ten shillings, whilst the average bet in the licensed shop was approximately three shillings; giving support to the often expressed belief that off-course betting facilities catered for the poorer sections of Australian society, particularly

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80 ibid., p.75.

81 ibid., pp.8, 101; South Australia, Committee of Enquiry, 1974, p.10; See below pp.326-329.

82 South Australia, Committee of Enquiry, 1974, p.43; South Australia, Royal Commission into Betting Laws and Practices, 1938, Report, p.7.

for those people for whom racecourse admission charges of thirteen or fifteen shillings represented a large proportion of their stake.<sup>83</sup>

An important factor in the Butler government's decision to introduce a system of off-course bookmakers, rather than a network of totalisators, was the precedent provided by Tasmania one year previously. According to T.A. Tabart, Secretary of the Tasmanian Racing Club, and A.V. Hiskins, Secretary of Melbourne's Moonee Valley Racing Club, the standard of Tasmania's racing had been declining throughout the 1920s because of the continued existence of "totalisator only" meetings on all courses. Such meetings failed to attract big bettors, who would reduce their own dividends by heavy betting and so preferred to bet off-course with illegal bookmakers, thereby depriving the race clubs of revenue.<sup>84</sup> Once the decision was made, in 1932, to allow the bookmakers on to the racecourses, it was considered logical to also recognise their existence off-course. The main difference between the legalised off-course system in Tasmania and the South Australian betting shop system, was that the Tasmanians were not permitted to operate their own individual premises. Rather, off-course bookmakers were centralised into appointed betting premises in the major population areas, where they operated for restricted hours on race days. Premises within twenty miles of a race course on which a meeting was being held were not permitted to operate on that

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<sup>83</sup> Queensland, Royal Commission into Racing and Gaming, 1936, op.cit., pp.53-54; South Australia, Royal Commission into Betting Laws and Practices, 1938, op.cit., pp.22-23.

<sup>84</sup> Victoria, Select Committee on Race Courses and Race Meetings, 1928, Minutes, pp.3-5.

particular day.<sup>85</sup>

The South Australian government, whilst using the Tasmanian precedent, went further towards recognising a need to cater for bettors who preferred not to attend the race meetings, or bettors who were interested in only one or two races and did not wish to spend half a day on course. This decision, unlike the Tasmanian one, was based on a careful and deliberate attempt to analyse the demand for off-course betting facilities, and to cater for the needs which would otherwise be catered for illegally. Queensland also attempted to analyse the extent of the off-course problem in the 1930s, but the results of its analysis were very different from the South Australian decisions.

In Queensland as elsewhere, the laws against betting other than on racecourses had failed, and in 1936 a Royal Commission into racing and gaming attempted to measure the extent of this failure. Like its South Australian predecessor it made use of police estimates, fully acknowledging possible difficulties with such a source. The Commission concluded that at least seven per cent of adult Queenslanders could be described as habitual illegal bettors and that for Brisbane the figure could have been as high as 26%. Whilst it is doubtful that these figures were much better than educated guesses, they did at least

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<sup>85</sup> South Australia, Royal Commission on Betting, 1933, op.cit., pp.10; 22; Victoria, Royal Commission into Off-course Betting, 1959, Report, p.10; New South Wales, Royal Commission into Off-the-Course Betting, 1962, Report, p.15; Tasmania, Statutes, 1932, No.39.

confirm that illegal off-course betting in Queensland was a matter affecting a significant proportion of the society.<sup>86</sup>

The Queensland police estimates of the extent of off-course bookmaking were remarkably similar to the South Australian estimates examined above. They estimated a total of 749 off-course bookmakers throughout Queensland. Of these, 205 operated from hotels, 196 from hairdresser/tobacconist shops, 117 from billiard saloons, and 156 from other places. Much of the illegal betting took place so openly that the commission was able to visit a number of shops, including one which catered for between two and three thousand persons whilst the visit was in progress.<sup>87</sup>

The Queensland betting premises, although poorly furnished, were well organised operations. Many were equipped with large blackboards listing the starters, with details of rider, barrier position and current price, for events in Sydney and Melbourne as well as Brisbane. They were also equipped with radios, so that all might hear the description of races broadcast from the course; and with telephones, for the bookmaker to receive up-to-the-minute price fluctuations and all other relevant information available from the course.<sup>88</sup>

The bookmakers' information service was a highly organised operation. The major supplier of information in Queensland in the

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86 Queensland, Royal Commission into Racing and Gaming, 1936,

op.cit., p.46.

87 ibid., pp.48-49.

88 ibid., p.49.

1930s was the South Coast Press Agency, which had established depots outside the major racecourses, from which its employees could observe such things as betting fluctuations, jockey changes and barrier positions, and report via a direct phone link to a central bureau in Brisbane. From there the information was phoned through to subscribers in the metropolitan area and to agents in country areas (who then passed on the message to their local subscribers). The fees varied according to the amount of information required and the volume of expensive trunk calls needed, from about one pound ten shillings to five pounds per week. Some measure of the demand for such services is indicated by the growth of the South Coast Press Agency between 1927-8, when it employed a staff of 14 to service 44 clients and achieved sales of £3,006; and 1934-5, when it employed 34 staff to service 169 clients and generated an income of £17,000.<sup>89</sup>

That off-course betting existed on such a scale and was so efficiently organised was not seen by the commission as reason to accept its existence. Rather, the ready availability of racing information, radio broadcasts of races and the openness of the illegal betting premises were all seen as factors which enabled off-course betting to survive despite the law. If the press agencies could be stopped, radio broadcasts banned and newspapers prevented from publishing betting odds and racing tips, much of the incentive to bet off-course would be removed. If such action was accompanied by vigorous persecution of offending bookmakers and an increase in

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<sup>89</sup> ibid., pp.39-40.

penalties, then off-course betting might be reduced to unimportant levels. Such was the opinion of the majority of the commission, though it did concede that repressive legislation "will never be totally effective".<sup>90</sup>

This majority view was accepted by the Forgan Smith government which rejected the minority opinion of Police Commissioner C.J. Carroll, who argued for recognition of off-course bookmakers, and their control through a licensing system similar to that operating in South Australia.<sup>91</sup> The recommendations were implemented in the 1936 Racecourse Act Amendment, which also offered some compensation for the Queensland bettor by legalising bookmaking on coursing and athletics meetings.<sup>92</sup>

Victoria and New South Wales certainly experienced levels of off-course betting similar to those in South Australia and Queensland, though in neither of the more populous states was there any similar attempt to measure the extent of such betting in the period between the wars. In Victoria in 1928 T.W.C. Deeley, the Sergeant of Police in charge of the gaming squad, ventured the opinion that illegal betting had increased by 100% since 1924, and the Select Committee to which he ventured this opinion, agreed that no legislation "will up-root one of the inherent characteristics of man".<sup>93</sup> But Victoria chose to continue

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90 ibid., p.62.

91 ibid., p.68.

92 Queensland, Statutes, 1936 1 Edward VIII, No.24.

93 Victoria, Select Committee into Race Courses and Race Meetings, 1928, op.cit., p.18, Report, p.vi. Sergeant Deeley's mathematical  
(Footnote continued)

with its attempt to do the impossible; or at least to continue prosecuting offenders.

Similarly, in New South Wales prosecution of offenders against the off-course betting laws was commonplace, with the press even keeping a quarterly tally of fines imposed in the metropolitan and Newcastle districts,<sup>94</sup> but prosecutions appeared to have little impact on the extent of the practice. Like the 1936 Queensland Royal Commission, New South Wales Royal Commissioner Judge Markell reported in 1936 that the prevalence of off-course betting was largely due to telephones and the radio. The information services, provided in New South Wales by Telesports Ltd. and Eaton's Agencies through networks of direct telephone lines, and the race broadcasts and other broadcast information, were blamed for between 60% and 75% of the off-course S.P. bookmaker's custom. Judge Markell however, recognised that action concerning telephones and radios depended upon co-operation from federal government authorities, which showed little interest in the matter.<sup>95</sup>

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<sup>93</sup>(continued)

skills appear suspect as his estimate of a 100% increase was based on prosecution figures of 98 for 1924 and 198 for the first six months of 1928.

<sup>94</sup> For examples see, Sydney Morning Herald, 27 February and 1 August 1935.

<sup>95</sup> New South Wales, Royal Commission into Police and Illicit Betting, 1936, Report, p.117. The term 'S.P. Bookmaker' is derived from the off-course bookmaker's practice of giving fixed odds - set by the odds on offer at the time the race started (i.e. "starting price"). The S.P.s were published in the press on the day following the races. In New South Wales, when the prices published by different newspapers varied, the Sydney Morning Herald's prices were regarded by bookmakers and punters alike as incorruptible and hence "official".

Despite the Police Commissioner's opinion that off-course betting had the sympathy of 75% of the population, the New South Wales government's response to Markell's findings was to tighten the off-course betting legislation, especially to enable more effective action against hotels in which betting took place.<sup>96</sup> Police claims that this action reduced the incidence of off-course betting by 30% in its first year of operation must be treated with caution, as they were based simply on a 30% reduction in arrests and a 20% reduction in fines.<sup>97</sup> It is more likely that the 1938 Act, like most of its predecessors, produced a short period of caution and decreased betting activity whilst bookmakers and bettors waited to see what would happen; but before long everything was back to normal and stayed that way till the outbreak of war.

The second world war did have a significant impact on off-course betting, at least in South Australia in 1942 when the betting shops were closed at the same time as the ban on racing was imposed. The real significance of this lay in the fact that when the racecourses reopened in October 1943, most shops remained closed. By that time, a new regulation prevented the South Australian Betting Control Board from issuing shop licenses in the metropolitan area, or in any municipality or district council area, unless the appropriate municipality or district agreed to the proposed site for a shop, and a

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<sup>96</sup> Daily Telegraph, 15 January 1937; New South Wales Statutes, 1938 No.7.

<sup>97</sup> Sunday Telegraph, 7 January 1940.



public inquiry in the area supported proposals for betting shops. Following the Tasmanian example, it was also decreed that no betting shop could operate within ten miles of a racecourse on which a meeting was being held.<sup>98</sup> These changes were implemented as a result of a 1938 Royal Commission on betting which claimed that the betting shop experiment had failed to restrict the level of off-course betting. Rather, it had proved an incentive to off-course operations, to the detriment of the race tracks.<sup>99</sup>

In other states the war had less dramatic results on off-course betting. Although the number of bookmakers and the total turnover must have decreased due to wartime enlistments and overseas service by troops, off-course betting facilities remained available, and even the restriction on race days in 1942 and 1943 did no serious harm, as Saturday had always been the main day for off-course operations.<sup>100</sup> According to one report, the difficulties police experienced in apprehending bookmakers' "runners" were increased, during the war, by the large number of women filling this role in the absence of men who had enlisted in the military. The report claimed that when police attempted arrests, the women concealed the betting slips in their clothing, and the policemen were often met with "hysterics".<sup>101</sup>

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<sup>98</sup> Victoria, Royal Commission into Off-Course Betting, 1959, Report,  
p.7.

<sup>99</sup> South Australia, Royal Commission into Betting Laws and Practices,  
1938, Report, p.23.

<sup>100</sup> Sydney's Sunday Sun, 23 June 1940, reported one SP bookmaker who had been in business for 15 years, as claiming that about £50,000 out of his annual turnover of £70,000 was taken on Saturday races.

<sup>101</sup> Sunday Telegraph, 21 September 1941. Women runners received a commission of one shilling and six pence or two shillings in the  
(Footnote continued)

Whether such unsubstantiated reports can be accepted as factual, or whether they are seen as simply "Sunday journalism", off-course betting certainly continued throughout the war years and beyond, despite its continued illegality in the 1940s and 1950s in all areas except Tasmania's licensed premises, and at Port Pirie in South Australia, where eight betting shops were licensed by the South Australian Betting control Board in 1946.<sup>102</sup> Concern about the continued transgression of the betting laws and the apparent refusal of the Australian people to accept them continued to find expression, but by the late 1950s, the attempts to confine betting to the racecourses were beginning to come to an end.

#### Totalisator Agency Boards

The solution which had been foreshadowed by the South Australian Royal Commission of 1932 and implemented in New Zealand in 1948, namely a network of off-course totalisators, was gradually introduced throughout Australia after an extensive enquiry by a Victorian Royal Commission into Off-Course Betting in 1958/59. The commissioner, F.R.B. Martin, examined both the means by which the off-course betting laws could be made more effective and the pros and cons of the

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<sup>101</sup> (continued)

Pound if they paid their own fines, or one shilling in the pound if they preferred their employer to cover the fines.

<sup>102</sup> Shops at Peterborough and Quorn were also licensed briefly, from November 1946 to July 1948 when the Board refused their renewal applications. South Australia, Committee of Enquiry, 1974, p.13.

different types of off-course betting arrangements, before concluding that an off-course totalisator agency system would be the most satisfactory arrangement.<sup>103</sup>

His recommendation was implemented in June 1960 and the operations of Victoria's Totalisator Agency Board were watched with great interest by the other states.<sup>104</sup> In 1963 New South Wales appointed a Royal Commission to consider whether off-course betting should be legalised, and if so what form it should take. The terms of reference of this commission gave Commissioner E.P. Kinsella little choice but to recommend legalisation.<sup>105</sup>

Kinsella estimated that at least 6,000 illegal bookmakers were operating in New South Wales, and that at least twenty per cent of the state's adults bet regularly with them. He suggested further that gambling was not a moral evil and that laws which failed to have the general support of public opinion were unenforceable, and brought the law in general into disrepute. The logic of the New South Wales position was to legalise off-course betting.<sup>106</sup> The success of the Victorian T.A.B. in the short time it had been operating, left Kinsella little doubt that he should recommend a similar system for New South Wales; a recommendation which was put into effect in

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<sup>103</sup> Victoria, Royal Commission into Off-course Betting, 1959, op.cit., pp.47-53. The major alternatives explored were betting shops, and a telephone network betting system.

<sup>104</sup> Victoria, Statutes, 1960 No.6619.

<sup>105</sup> New South Wales, Royal Commission into Off-the-Course Betting, 1963, Report, p.3.

<sup>106</sup> ibid., pp.18-19, 23, 30.

<sup>107</sup> ibid., pp.40-41; 53-56; 62; New South Wales, Statutes, 1964, No.1.

1964.<sup>107</sup>

South Australia followed suit with its T.A.B. in 1967, leaving only Tasmania holding out against the national trend. The island state did so because it already catered for the off-course bettor with the system of off-course bookmakers, which had been operating since 1932, and because it was doubtful whether its tiny population (under 400,000) could support the state in the expensive outlay needed to establish a network of totalisator shops. Tasmania was eventually brought into line in 1974, largely as a result of agitation from the Tasmanian race clubs which witnessed a dramatic increase in mainland racing prizemoney, resulting from subsidies provided by the T.A.B.s.<sup>108</sup> Off-course bookmakers were permitted to continue operations in the less populous regions such as the west coast until May 1978, as the island's T.A.B. network was built up only gradually.<sup>109</sup>

After a period of almost 70 years, during which a large proportion of the Australian population regularly broke the laws imposed by governments' expression of protestant middle-class values in the first decade of the twentieth century, all state governments had finally accepted public opinion, and recognized both the need to cater for off-course betting, and the futility of persisting with attempts to impose a morality to which most of society did not

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<sup>108</sup> Tasmania, Statutes, 1974 No.s 1, 93 and 110.

<sup>109</sup> Tasmanian T.A.B. Annual Reports, 1976-79; Tasmanian Racing and Gaming Commission, Report, 1979, p.3.

subscribe. It is not suggested that the governments' change of attitude resulted solely from public opinion. As will be discussed in the following chapter, other matters including revenue were important considerations; but it is worth noting that all attempts to measure betting preferences indicated that the majority of Australians favoured a form of off-course betting. The arrival of the T.A.B. was also a victory for the working-class bettor; the person who was less able or could least afford to attend race meetings.

These factors raise questions about the extent of, and strength of, a bourgeois hegemony of cultural or moral values throughout Australian society, and these will be pursued in the following chapter. But it should be stressed here that the appearance of a victory for working-class beliefs, attitudes and practices in the introduction of the various T.A.B.s is supported by apparently similar victories in relation to the acceptance of lotteries after 1916, and the various developments on the country's racetracks throughout the century, particularly in the development of trotting and greyhound racing, and the abolition of the commercial capitalist motivated proprietary racing companies. Moreover it is possible to identify an acceptance of working-class preferences as a factor behind the growth in legal gaming during the same period.

### Gaming

Paralleling the betting developments, outlined above, a gradual

acceptance of working-class values and practices is apparent in the general direction of change in accepted Australian gaming practices in the twentieth century. The legalisation of bingo, poker machines, football pools and lotto all suggest some measure of an acceptance of working-class values and attitudes. The only forms of gaming legalised in this period which do not reflect such attitudes, are the games permitted in the casinos of Tasmania and the Northern Territory; and it is even possible to view these as an aberration which confirms rather than denies the main trend of change.

Bingo, a derivation of an Italian game of lottery, was popularised in the United States around the turn of the century.<sup>110</sup> In Australia the game was insignificant until the early 1940s when it began to boom. The reason for this is not clear, but the coincidence of two factors which could have contributed to the game's development, appear relevant: the restrictions imposed on horse racing in 1942 and 1943 and the presence of large numbers of U.S. soldiers in Australia during those years. In any case, it seems that the soldiers welcomed the appearance of the game which was used by the Y.M.C.A., Returned Services Clubs and other "conforts" organisations, for wartime fund

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<sup>110</sup> Stephen Longstreet, Win or Lose: A social History of Gambling in America, Indianapolis 1977, p.222; In Bingo the gamester purchases cards containing various combinations of (usually) 24 or 25 numbers, between one and (usually) 99. The operator draws numbers at random from a container and the players cross off those which appear on their cards. The first player to cross off all the numbers on his or her card ("a full house"), claims the prize. An alternative short game, where the objective is to cross out five numbers which appear in a line on the card, is also played. This probably contributed to the French word "quine" (set of five) being adapted to "keno" by the Americans, as their name for the game. Wykes, op.cit., pp.249-50.

raising purposes. In this context the game was licensed by the various state governments.<sup>111</sup>

In post-war Australia the game, which became better known as housie-housie, rapidly became a focus of debate. In many areas it was played in Town halls which were leased for that purpose on a regular basis, As attendances at the games grew with the escalation of prizes and jackpots, and a corresponding increase in profits led to suggestions of racketeering, some local councils attempted to impose bans on the game.<sup>112</sup> In New South Wales the controversy over housie-housie resulted in restriction by the Chief Secretary's department in 1947. The department estimated that about 50,000 people in Sydney, 30,000 of whom were women, were regular players. They were not to be deprived of their game, but the new regulations placed limits on the size of games and on the hours of play. Hours were limited to between 8 pm and 10.30 pm, and card prices were fixed at three pence each with a maximum prize of £6. Promoters were also forbidden to advertise their games.<sup>113</sup>

These regulations, and similar devices in other states, helped to contain the growth of bingo or housie-housie, but they failed to destroy the game. It continued to attract large numbers of participants, with perhaps the nation's largest regular game being

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<sup>111</sup> Sydney Morning Herald, 5 March 1950.

<sup>112</sup> Sydney Morning Herald, 3 January, 21, 22, 27 February, 8, 13, 14 March 1945. Bans included one by the Sydney City Council on the use of the Sydney Town Hall for bingo games in March 1945.

<sup>113</sup> Sydney Morning Herald, 5 March 1950.

held in Sydney at the Coogee-Randwick R.S.L. Club, which attracted about 1500 players each week. A further measure of continued demand is seen in the output of twelve million bingo cards per year by one Sydney printer.<sup>114</sup>

The game's most important features were its low cost, the heavy involvement of women, and its use for charitable fund-raising purposes, with the major post-war promoters being R.S.L. clubs, hospitals, ambulance organisations and the Catholic church. This fund-raising feature saved it from prohibition, but the other features stress the continually increasing domination of working-class gambling attitudes.<sup>115</sup>

A further development, restricted to New South Wales, reinforces suggestions of the dominance of working-class attitudes and practices in the field of gaming, at least in that state. This development was the poker machine, initially known in Australia by its American names, the slot machine or the fruit machine.<sup>116</sup> In the U.S. the machines

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ibid.

115 ibid., The Catholic church's role is discussed above in Chapter Six, p.278 (F.N.154).

116 The machine consists of three or more wheels which revolve at different speeds and which consist of various symbols. The player's aim is to stop the machine when a prescribed combination of symbols are displayed. On the early U.S. machines the symbols were usually various types of fruit. In Australia playing card symbols became more frequent and the required combinations usually bore a close resemblance to "good poker hands" (for example, "three or four of a kind"). Games are purchased by putting a coin in a slot to free the handle used to revolve the wheels. The Australian Capital Territory licensed poker machines for use in registered clubs in 1976, and in 1983 they were permitted in the Northern Territory's Casino, but all other states have steadfastly refused to allow their introduction.



first appeared in 1887, gradually became more widespread between 1900 and 1920, and then began to boom after the addition of a Jackpot. The concept of a Jackpot, which offered the possibility of a large prize for a small outlay, made the poker machine acceptable to Australian gaming tastes.<sup>117</sup>

Some machines had appeared in New South Wales' hotels by 1921, when they were declared illegal by the Full Bench of the Supreme Court, but the ruling was sufficiently ambiguous to permit their continued operation in clubs, where the profits from the machines contributed to the club, rather than to an individual owner of the machine, or the owner of the premises on which they were used. So, throughout the 1920s poker machines were increasingly common in New South Wales clubs where they operated without interference from the police gaming squad, but they were not permitted in hotels.<sup>118</sup>

The situation became somewhat confused in 1930 and 1931 when, in a series of moves, machines appeared briefly in hotels, were then removed from both hotels and clubs, and then reinstated in the clubs.<sup>119</sup> In 1932 they reappeared in the hotels, supposedly under the control of the New South Wales Hospitals Commission, as a fund raising venture, but the Commission soon lost control of the scheme. After examination of the situation by a Royal Commission late in 1932, the

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<sup>117</sup> Longstreet, op.cit., p.20.

<sup>118</sup> New South Wales, Royal Commission into Greyhound Racing and Fruit Machines, 1932, op.cit., p.65; To a lesser extent poker machines also appeared in Queensland clubs during this period.

<sup>119</sup> These are discussed below in Chapter Eight, pp.380-381; ibid., pp.72-74.

machines were again removed from both hotels and clubs.<sup>120</sup>

By 1939 the poker machines had returned to the clubs, as it was clear that the 1921 judgement was still valid. Although their use was not widespread, clubs which permitted them gained up to £20,000 per year in profits from the machines.<sup>121</sup> Such sources of revenue could not escape the notice of governments and other more wary clubs, so it was not surprising that in the post-war context which was heading towards the legalisation of off-course betting, the New South Wales government finally enacted legislation which specifically authorised the use of poker machines in clubs in 1956, subject of course to state controlled licensing.<sup>122</sup>

The growth of the poker machine industry in the next few years was spectacular. By 1958, in small country towns such as Wingham and Cootamundra, club profits reached £50 per day, representing a loss of £5 per annum, per head of population. By 1961, according to one estimate, the people of New South Wales were losing about £27,000,000 per annum.<sup>123</sup> By the early 1970s, New South Wales' 1,480 registered clubs had almost as many poker machines as the American state of Nevada.<sup>124</sup> By 1980 its 48,000 registered poker machines outnumbered those of Las Vegas by more than two to one and the annual turnover

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<sup>120</sup> *ibid.*, pp.74-87.

<sup>121</sup> *Sunday Sun*, 15 February 1942.

<sup>122</sup> C.J. Cahill, Poker Machines: The Need for Government Control, Sydney 1961, pp.1-2; N.S.W., Statutes, 1956, No.17.

<sup>123</sup> Cahill, *op.cit.*, pp.3, 7.

<sup>124</sup> Caldwell, "The Gambling Australia", *op.cit.*, p.23; Bob Bottom, The Godfather in Australia, Sydney 1979, p.40.

figure of \$4,000,000,000 represented a figure of \$2,000 per club member.<sup>125</sup>

The poker machine could reach such heights of popularity partly because of the change in the nature of clubs in the twentieth century. No longer were they the exclusive preserves of gentlemen. Whilst the old nineteenth century style clubs, such as the Australian Club and the New South Wales Club, continued to exist, the development of R.S.L. clubs after the first world war, workers clubs and later bowling clubs, golf clubs, and many smaller clubs based on sporting or ethnic ties, rather than business or exclusive status ties, made club membership accessible to all. In New South Wales where the success of the poker machine meant subsidised bar sales, restaurants and floor shows, almost one third of the adult population held membership to at least one licensed club by about 1970.<sup>126</sup> Accessibility of the machines was part of the reason for their success, but it should also be noted that the machine offered no intellectual challenge. It cost only five cents, ten cents or twenty cents per play. It offered regular, if small, returns to keep the player interested, and most importantly, it offered the possibility of large jackpot prizes. It appealed to the basic working-class gambling attitudes of Australians.

The refusal of other states to legalise the poker machine resulted from a combination of important factors. A major one was the

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<sup>125</sup> Longstreet, op.cit., p.9; The Bulletin, 29 January 1982. Turnover was quite distinct from profit. The approximate annual loss per club member was \$400.

<sup>126</sup> Caldwell, "The Gambling Australia", op.cit., p.23.

air of corruption which had surrounded the machines from the early 1930s,<sup>127</sup> but at least equally important was the pressure applied by other gambling institutions which did not want increased competition for a share of the gambling dollar. In Victoria, when New South Wales was legalising the machines, Tattersall's was still establishing itself in its new headquarters, and the smaller southern states were content to wait for Victoria's lead. The refusal of that state to permit poker machines, however, should not be seen as clear evidence of a desire by the post-war state to protect Victorians from further gambling developments. Just as Victoria was the innovator in establishing the T.A.B., it was also prepared to be innovative in the area of gaming, but only in a manner which did not threaten the position or income of Tattersall's.

#### Numbers Games

In 1972 Victoria permitted Tattersall's to operate lotto, a new type of numbers game,<sup>128</sup> derived from the numbers games most popular

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<sup>127</sup> See below, Chapter Eight, pp.380-381 for discussion of corruption in New South Wales. In the U.S., the Mafia became involved in slot machines as a replacement for the alcohol trade when prohibition was lifted. Longstreet, op.cit., p.20.

<sup>128</sup> ibid., p.229. Numbers games reached enormous heights of popularity in the U.S. where bookmakers employ runners to collect bets, "from a dime to five dollars" on any three digit number of the bettor's choice. The winning number for the day is taken from an agreed incorruptible source such as the last three digits in the U.S. Treasury's daily report, or the final sum for the Stock Exchange's daily trading. These numbers rackets offer 1,000 possible combinations and for that reason are extremely popular in the poorer sections of the U.S. cities where, like the lower orders of  
(Footnote continued)

in Europe in the 1960s. It was modified a little by Tattersall's, in the interests of excitement, to permit the on-camera selection by machine of seven numbers between one and forty. Players receive dividends if they correctly forecast at least four of the numbers. The "Tattslotto" system ensured a regular supply of small prizes and a jackpotting of major prizes, so that on occasions an individual winner might receive a sum in excess of one million dollars.<sup>129</sup> This system appealed to Australians' working-class gaming preferences and was duly rewarded with astonishing success. Within the following decade all Australian states either entered into agreements with Tattersall's to share in Tattslotto or established their own version of the game.<sup>130</sup>

In New South Wales the success of Victoria's Tattslotto led initially to the introduction of Australian Football Pools in 1975.<sup>131</sup> Unfortunately for its promoters, whilst football pools had all the ingredients to appeal to Australians, the variety of football codes throughout the nation, and the singleminded loyalties of the majority code followers in each state, meant that it was not possible to base Australian Football Pools on Australian football results. The decision to use British soccer results doomed the pools to a minor role,

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<sup>128</sup> (continued)

Australia, the poor are attracted to the possibility of large wins from small investments, even if the chances of winning are slim.

<sup>129</sup> Wilson, *The Luck of the Draw*, *op.cit.*, pp.196-197.

<sup>130</sup> *ibid.*, pp.197-201. Tattslotto was so successful that it revitalised Tattersalls' business operations, requiring many more staff, bigger premises and computerisation of its operations. N.S.W. Lotto, run by a combination of private enterprise and the states' lottery office was established in 1979. N.S.W., *Statutes*, 1979, No.53.

<sup>131</sup> N.S.W., *Statutes*, 1975 No.45.

catering only for the diehard gamblers. By the early 1980s, Pools had been forced to change its operations to become a simple numbers game varying only slightly from Lotto. Tattersall's provided another innovation in the early 1980s, when it began the sale of instant lottery tickets; which were soon copied by the N.S.W. Lottery Office. However, the most dramatic gaming innovation of the post-war era came from neither of the larger states, but from Tasmania with its decision to establish a gaming casino.

### Casinos

The major innovation of the 1970s was the establishment of Australia's first casino, in Tasmania. The bill permitting the development of a casino at Wrest Point in Hobart, was approved by a referendum prior to its enactment in 1968.<sup>132</sup> Subsequently Australia's first legal casino began operating in Hobart in 1973. Tasmania's second legal gaming house, the Launceston Country Club Casino, which owed its existence more to the parochial nature of Tasmania's politics than to sound business planning or economic policy, was opened almost a decade later, in 1982.

The Tasmanian decision was the climax to decades of debate

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<sup>132</sup> N.S.W., Report of the Inquiry into the Legalizing of Gambling Casinos, 1977, p.67; Tasmania, Statutes, 1968 No.78. The Wrest Point Casino Licence and Development Referendum was approved by 96,839 electors and opposed by 85,862. A further 8,339 electors voted informal. Tasmanian Government Gazette, 19 December 1968.

throughout Australia over the desirability of casino legalisation. Gaming clubs or schools had existed in all states in various forms throughout the nineteenth and twentieth centuries. Two-up schools had even become part of the national mystique, with Sydney's Joe Thomas providing the legendary "Thommos" floating two-up school in Sydney from about 1908, through its heyday of the 1940s, and onwards until the 1970s.<sup>133</sup> Descriptions of police raids on schools and clubs specialising in two-up, and/or baccarat had been a staple diet of the afternoon and Sunday press in the 1940s and '50s. In the following decade, television exposes of illegal gambling casinos, which the police were unable to find, but which television crews could discover, provided regular entertainment for current affairs viewers.

Illegal gaming clubs or casinos had much in common with off-course betting. The offences were basically similar and the attitudes of the society coincided, though apart from the relative fairness of two-up, and the large wins available to a lucky 'spinner', the casino games did not contain the elements which appealed to the poorer Australian's working-class gambling values. Casino card games required thought, concentration and skill to defeat the house. Roulette was French, lacked excitement for the player with a limited bank, and for the player searching for the big win did not offer regular small rewards to keep him interested.<sup>134</sup> Such games were for the hardened gamester rather than most Australians.

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<sup>133</sup> The Bulletin, 14 August 1979.

<sup>134</sup> For details on roulette and other casino games see Wykes, op.cit., pp.282-305.

The Tasmanian decision to legalise a limited number of casinos also needs to be viewed in a wider context. Two options were open to the Tasmanian government in 1968. One was to legalise a number of small, "members only" gaming clubs, to cater specifically for the hardened and compulsive gamblers who would continue to ignore prohibition legislation.<sup>135</sup> Such legislation might have the effect of destroying the alternative illegal or criminal gaming clubs whilst not exposing the rest of the society to open gaming, but this was not the option adopted. Tasmania chose to legalise an open gambling palace; an entertainment centre designed to attract tourists and stimulate business. This aspect of the decision is most important because it emphasizes that the legislation was not simply concerned with the legalisation of a form of gambling. Its major concern, was in fact to stimulate the Tasmanian economy by encouraging development of an underdeveloped industry, tourism, at a time when some of the state's main traditional industries, such as fruit growing and cloth processing, were threatened.<sup>136</sup>

Once the Tasmanian decision was made, other states and territories began to follow suit. In each case they have chosen to follow the Tasmanian lead; to establish facilities for tourist gambling and entertainment. Casinos have been established in the

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<sup>135</sup> A model for the establishment of this alternative was provided by Britain. N.S.W., Report of the Inquiry into Casinos, 1977, op.cit., p.15.

<sup>136</sup> The Tasmanian legislation required Wrest Point to establish an international tourist hotel as the setting for its casino operations.



Northern Territory and decisions to legalise them have been made in South Australia, Western Australia and Queensland. In New South Wales a judicial inquiry in 1977 concluded that the logic of that state's legal gambling practices and the continued existence of numerous illegal casinos, suggested that they should be legalised; that the attack on gambling was "a battle long since lost".<sup>137</sup>

However, the inquiry suggested that New South Wales did not need casinos to aid in the development of tourism or entertainment centres and that casinos of the Tasmanian type would seriously damage the registered clubs and their poker machines. So the appropriate model for the state was the small "members only" gaming club, designed to cater for the existing demand, not to stimulate it further. What Judge Lusher recommended was, in effect, the acceptance and legalisation of the existing situation in New South Wales in a bid to supervise and control gaming.<sup>138</sup>

The Lusher inquiry's recommendations have not yet been enacted by the Wran Labor government. Nor have casinos been introduced in Victoria, where the Cain Labor government was quick to endorse the recommendation against their establishment by a judicial inquiry which reported in May 1983. A major factor behind this most recent recommendation and the inactivity of the New South Wales government, is suggestions of corruption, and the likely involvement of organised crime in New South Wales and Victorian casinos, on a level which would

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<sup>137</sup> N.S.W., Report of the Inquiry into Casinos, 1977, op.cit., p.80.  
<sup>138</sup> ibid.. Also see below, Chapter Eight, pp.390-391.

remove supervision and control from the hands of the state.<sup>139</sup>

So, at least in the most populous states, illegal gaming continues to exist, as it has done in all states since the enactment of anti-gaming legislation. Similarly, the S.P. bookmaker has continued to operate despite the existence of the T.A.B., though the establishment of the agencies did force the S.P. operations to undergo important structural changes.<sup>140</sup> Despite these examples of continuity, there have been significant changes to the Australian gaming and betting laws since the first world war, and the overall effect of those changes has been a gradual liberalisation of gaming and betting, including a gradual increase in the types of gaming and betting permitted. In both fields the legislative changes have met the demands of the society in ways which have suggested a working-class gambling preference.

In the field of betting, the gradual provision of off-course facilities was an acknowledgement of the demands of the poorer sections of the society. In the field of gaming, the types of games gradually permitted, with the exception of casino gaming, demonstrated acceptance of the games preferred by the less affluent. Even the introduction of casinos designed to appeal to the wealthy gambler should not be taken at face value. Casinos are tangential to the general line of change. They were introduced by those states conscious

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<sup>139</sup> Australian, 25 May 1983. These issues are also discussed below, Chapter Eight, pp.389-396.

<sup>140</sup> For detail of the changes see below, Chapter Eight, pp.394-395. Al McCoy, "Sport as Modern Mythology: SP Bookmaking in New South Wales", in Cashman and McKernan (eds.), Sport: Money, Morality and the Media, op.cit., pp.58-64.

of a need to develop tourism. They were not established primarily within the context of analysis of the gambling demands and practices of the existing population. Where such analyses have occurred, the resulting recommendations have been either for small gaming clubs or for continued prohibition of casino type gambling.

These developments since 1916 have emphasized that the attempt by urban middle-class protestantism to establish hegemony over the rest of society, failed at the time they held greatest political influence, between about 1900 and 1916; at least in this area of Australian social behaviour and culture. The attitudes and preferences of the early twentieth century working classes ultimately, if gradually, prevailed. It has however, been suggested throughout this analysis that the motivation of the liberalising governments has not always been single purpose or clear-cut. It still remains to go beyond simple analysis of the twentieth century gaming and betting development; to examine further the attitudes and motivation of governments; the attitudes of the society as a whole; the extent to which protestantism maintained its opposition to gaming and betting, and particularly the structural framework within which the state permitted the gradual acceptance of working-class gambling attitudes and behaviour.

## CHAPTER EIGHT

WORKING-CLASS HEGEMONY, TAXATION REVENUE  
OR STATE CONTROL?

Between 1916 and 1983 Australian governments, particularly those in the hands of the A.L.P., gradually liberalised the restrictive gaming and betting laws which had been imposed around the turn of the century. The volume of change resulting from a mass of legislation and numerous enquiries prevents a detailed analysis of the various motives involved in each amendment to the relevant laws.<sup>1</sup> But further analysis of the main consequences of change, the clear statements of motive and the context within which particular changes occurred, does permit interpretation of the general motives involved.

The previous chapter illustrated that throughout the twentieth century the gaming and betting laws were liberalised, but not all restrictions were lifted. Without exception, the liberalising amendments were careful to specify the new forms of gaming or betting exempted from the general restrictive legislation, which remained on the statute books. Some explanation for this situation has been offered in analysis of the general directions of twentieth century change in Chapter Seven, but it is necessary to go beyond this. We need to consider which of the following three concerns most influenced governments: the need to bring legislation into line with the attitudes and practices of the Australian people; the revenue potential of gaming and betting; or the need to liberalise in order to exercise control. These were the three explanations most often cited by governments, implied by their actions or accepted by inquiries as the basis for their recommendations.

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<sup>1</sup> For a list of inquiries see Appendix A. For legislation see Appendix B.

### Attitudes and Practices

The attitudes of the people can be measured in a number of ways, though none is beyond question. One way to measure popular attitudes towards particular legislation is to examine the extent to which it is ignored. A somewhat more accurate, though still imperfect, measurement is provided by opinion polls. Both methods can be used to provide an indication of Australian attitudes towards gaming and betting. That many Australians chose to flout the gaming and betting Acts can be demonstrated. Police estimates of the incidence of law breaking, prosecution and conviction statistics, and estimates provided by official enquiries can all be used, but all provide little more than subjective impressions. Opinion polls of attitudes are perhaps less subjective, but polls taken at different times, by different organisations, and sometimes in different states, are seldom fully compatible.

Despite these difficulties, it is quite clear that few Australians fully accepted the restrictive gaming and betting legislation. Most Australians did not accept or observe the gambling prohibition Acts of the late nineteenth century, and their tendency to ignore the early twentieth century moral reform legislation has already been illustrated in Chapter Six.<sup>2</sup> We have also seen in Chapter Seven how each new amendment, legalising particular forms of gaming

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<sup>2</sup> See above pp.205-206,234-237,256-257,263-264.

and betting, met with an immediate response of overwhelming support.<sup>3</sup> Further, it is clear that legalisation of particular forms of gaming and betting did little to attract the people away from forms which remained illegal.

In the area of betting, the most obvious way in which Australians flouted the legislation was their continued patronage of off-course betting. Even when it was legalised, whenever it was in the form of the totalisator, illegal betting by, and with, S.P. bookmakers persisted. As discussed previously, the South Australian Royal Commission into betting in 1933 offered a conservative estimate of 15% of South Australia's adult population as regular illegal off-course bettors, patronising an estimated 643 illegal bookmakers.<sup>4</sup> In Queensland in 1936 an estimated 26% of adult Brisbanites, and a smaller percentage of rural Queenslanders, patronised 749 illegal bookmakers.<sup>5</sup> In New South Wales the 1963 pre-T.A.B. estimate of illegal bettors was 20%; and a post-T.A.B. estimate of S.P. bookmakers surviving in the 1980s is about 2,000.<sup>6</sup>

In each of the above cases, the estimated proportion of illegal bettors is a minority, but it should be stressed that each estimate

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<sup>3</sup> See above, for lotteries pp.282-290, for poker machines pp.333-337, for bingo pp.332-333.

<sup>4</sup> See above, Chapter Seven, p.317; South Australia, Royal Commission on Betting, 1933, op.cit., pp5-6.

<sup>5</sup> See above, Chapter Seven p.320; Queensland, Royal Commission into Racing and Gaming, 1936, op.cit., pp.46-48.

<sup>6</sup> See above, Chapter Seven p.328; New South Wales, Royal Commission into Off-the-Course Betting, 1963, Report, p.19; Sun-Herald, 20 September 1981.

was intentionally conservative and each was concerned with regular off-course bettors. If occasional illegal bettors had been added, the estimates obviously would have grown significantly, and it is probable that there was another significant percentage of people who, whilst not prepared to flout the law, at least sympathised with those who did.<sup>7</sup> This suggestion is supported by a New South Wales Police Commissioner's opinion that 75% of the state's adults favoured legalisation of off-course betting. It is also supported by the information available from opinion surveys.<sup>8</sup>

The first serious opinion survey on the topic was taken during wartime. In December 1941, Australian Nationwide Opinion Polls asked whether off-course betting should be legalised. The majority of their male respondents answered "yes", whilst women were "evenly divided". The total figures were: yes 48%, no 39% and undecided 13%. In both New South Wales and Victoria, the yes vote was above 50% and according to the pollsters, the greatest support for off-course betting came from Labor voters, 60% of whom favoured legalisation. Amongst non-labor voters, the majority opposed off-course betting.<sup>9</sup>

A 1957 Gallup poll suggested that 40% of adult Australians bet occasionally, though racecourse attendance figures demonstrate that

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<sup>7</sup> A spokesman for New South Wales S.P. bookmakers claimed, in 1962, that about 85% of the state's population had bet illegally at some time. Alfred McCoy, Drug Traffic: Narcotics and Organized Crime in Australia, Sydney 1980, p.180.

<sup>8</sup> Daily Telegraph, 15 January 1937.

<sup>9</sup> Sydney Sun, 12 February 1942. The figures for New South Wales were: Yes 52%, No 35%, Undecided 13%. The Victorian figures were: Yes 51%, No 38%, Undecided 11%.



nowhere near that percentage attended race meetings to place their bets.<sup>10</sup> A 1962 New South Wales poll, which similarly invites some interpretation, claimed that in the event of a form of off-course betting being legalised, 77.6% of respondents preferred a legal S.P. bookmaking system whilst only 14.8% opted for a T.A.B..<sup>11</sup> The value of this poll's conclusions are dubious because of the respondents' relative lack of familiarity with the T.A.B. system, but a 1972 Gallup poll provides a clearer statement. Taken at a time when the T.A.B. operated everywhere except Tasmania, and when off-course bookmakers were illegal everywhere except Tasmania and Port Pirie, this poll revealed that S.P. bookmakers still maintained a nationwide approval rating of 27%.<sup>12</sup>

The polls confirm the almost monotonously expressed opinion of Royal Commissions and committees of enquiry, that the laws restricting betting to the racecourses were simply unenforceable because the people refused to accept them.<sup>13</sup> Equally unenforceable were the attempts to restrict betting to the various forms of horse and dog racing, and in Queensland from 1954, athletics.<sup>14</sup> Betting also continued its traditional association with sports of all kinds.

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<sup>10</sup> Victoria, Royal Commission into Off-Course Betting, 1959, op.cit., p.37.

<sup>11</sup> N.S.W., Royal Commission into Off-the-Course Betting, 1963, op.cit., p.49.

<sup>12</sup> Caldwell, "The Gambling Australian", op.cit., p.15.

<sup>13</sup> N.S.W., Royal Commission into Off-the-Course Betting, 1963, op.cit., p.35; S.A., Royal Commission on Betting, 1933, op.cit., p.8; Queensland, Royal Commission into Racing and Gaming, 1936, op.cit., p.62; Victoria, Select Committee into Race Courses and Race Meetings, 1928, op.cit., p.vi; Victoria, Royal Commission into Off-Course Betting, 1959, op.cit., p.30.

<sup>14</sup> Queensland, Statutes, 1954 3 Elizabeth II No.54.

Betting remained an integral part of boxing throughout the century, and it has always been possible to place bets on football matches or important, or well-publicised, sporting events of any type.<sup>15</sup> Equally, there have always been small-time entrepreneurs prepared to promote innovations providing variety for the bettors. Examples of these would include the organised toy boat races operating in Sydney's Centennial Park in the 1930s and 1960s, and occasional revivals of cockfighting.<sup>16</sup>

In the area of gaming, the legislation was no more successful. Two-up schools, notably Thommo's in Sydney and "Nappy" Ollington's in Melbourne, remained consistently popular throughout the entire period under examination.<sup>17</sup> Soldiers in New Guinea during the second world war happily carried on the two-up tradition established in Europe during the first world war.<sup>18</sup> Gentlemen in their residential clubs and in their homes continued to play card games as they had always done, and illegal clubs catering specifically for gaming had high public profiles by the 1960s.<sup>19</sup>

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<sup>15</sup> For examples of betting on boxing see Corris, op.cit., pp.138, 174. For football see Smith's Weekly, 11 June 1938, Sydney Sun, 18 May 1983, Sydney Morning Herald, 25 March 1960; for sailing see Sydney Morning Herald, 14 October 1940.

<sup>16</sup> Sydney Morning Herald, 29 November and 4 December 1960, Melbourne Truth, 14 August 1982.

<sup>17</sup> See above, Chapter Seven p.340; Sunday Telegraph, 17 May 1981; Bulletin, 14 August 1979.

<sup>18</sup> N.S.W., Royal Commission into Off-the-Course Betting, 1963, op.cit., p.27. Also see above, Chapter Six pp.274-275.

<sup>19</sup> Frederick Falkiner Knight, History of the Australian Club Melbourne, vol.II, 1932-1965, Melbourne 1971, pp.6-10; Appsley, op.cit., p.113.

In the late 1960s and early 1970s Sydney's 33 Club, Forbes Club, and Telford Club were all well known, well publicised illegal gaming clubs.<sup>20</sup> At least a dozen other major clubs and up to 300 smaller gaming clubs existed in Sydney and major New South Wales rural and suburban centres. By 1981 the number of major Sydney clubs, by then referring to themselves as "casinos", had risen to 26, emphasizing not only a continued demand for illegal gaming but possibly a growing demand, due partly to Wrest Point's education of more Australian gamblers in the casino games.<sup>21</sup> The evidence of the existence of such illegal clubs or casinos outside New South Wales is much thinner, but previous illegal gambling patterns suggest that similarity in practices between the states should be expected. If any exception existed it would have been Tasmania, where the small population made it difficult for illegal gaming clubs to compete effectively against legal casinos in the two major population centres.

Opinion surveys attempting to measure attitudes towards gaming are insufficiently compatible to permit detailed analysis of trends in attitudes towards particular forms of gaming, but they do suggest that the vast majority of post-war Australians approved of gaming in general. They indicate greater approval for games which have been legalised, but also suggest that illegality does not destroy a game's

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<sup>20</sup> The 33 club at 33 Oxford Street, Darlinghurst was situated only 300 metres from Darlinghurst Police Headquarters. The Forbes Club was in Forbes Street, Kings Cross and the Telford Club was on the first floor of the Telford building at Bondi Junction. The clubs made little attempt to hide their locations.

<sup>21</sup> Sun-Herald, 20 September 1981; Bob Bottom op.cit., p.105.

approval. Even casino games, which have a relatively low approval rating, are not opposed by the majority of Australians, the bulk of whom have expressed a preference for legalisation of casinos.

In Gallup polls taken in 1969 and 1972, and summarised in tables 8.1 and 8.2, casinos were "approved" by only 32% and 21% of the samples respectively, but in a 1979 poll, after Wrest Point had been opened, 60% registered a vote for their legalisation. In approval ratings and in practice, lotteries have received the greatest support, with approval ratings of 85% and 80% in 1969 and 1972. Only 18% of the 1979 sample claimed they had never purchased tickets. Football pools, although not particularly successful as a business promotion, as reflected in the 1979 claim that only 10% played regularly whilst 72% had never done so, were still approved by a majority in 1969 (52%), and a very large minority in 1972 (48%). Raffles with large prizes received little opposition, though poker machines were approved by only 29% of the 1972 sample.<sup>22</sup>

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<sup>22</sup> Caldwell, "The Gambling Australian", op.cit., p.15; Sydney Morning Herald, 15 October 1979.



TABLE 8.2

Gambling Practices in 1979

	Frequency of Gaming		
	<u>Lotteries</u>	<u>Poker Machines</u>	<u>Football Pools</u>
	%	%	%
Regularly	35	3	10
Occasionally	32	17	10
Rarely	15	21	7
Never	18	59	72
	<u>100</u>	<u>100</u>	<u>99</u>

Source: Irving Saulwick and Associates Poll; Sydney Morning Herald  
16 October 1979.

Respondents - Total 2,000 (N.S.W. 748)

These opinion surveys, whilst not an absolute measure of the society's attitudes, do confirm what is apparent from the other available sources, namely that the people in general did not approve the gaming and betting restrictions. Illegal betting and illegal gaming continued in a variety of forms, regardless of the extent of restrictions imposed on them. Even the Chinese games such as pak-a-pu and fan-tan persisted, despite having been declared illegal in Victoria in 1872 and in New South Wales in 1905. Although their approval ratings were never tested, and they were certainly a minority interest restricted largely to the Chinese, newspapers reporting arrests or convictions related to these games in the 1930s did not consider it necessary to explain the games to their readers.<sup>24</sup>

However, the surveys also suggest that there was a solid group of

<sup>24</sup> Sydney Morning Herald, 24 January and 24 March 1930. Also see above, Chapter Five, pp.199-201.

people who opposed the legalisation of casinos (38% in 1979), who never bet on horse or dog racing (64% in 1979), and who disapproved even of lotteries (15% in 1969). From the surveys examined it can be seen that up to 15% of the post-war population objected to all forms of gaming or betting. The 1979 poll, whilst far from conclusive, suggests that such people were more likely than not, to be churchgoing members of the non-Anglican protestant churches. This suggestion is confirmed by the expression of protestant opinion before gambling enquiries, in the press and in the form of pamphlets.<sup>25</sup>

Although the protestant churches had distanced themselves from organised electoral politics prior to the first world war, the attitudes which they and their ardent supporters had expressed concerning gambling, underwent no major change, either after the initial success in passing their favoured legislation, or when it became apparent that the legislative victory was illusory. The N.S.W. Provincial Synod of the Anglican Church condemned the use of raffles as a means of patriotic fundraising in 1917, and thirteen years later the Council of Churches protested at the use of "chocolate wheels" in aid of charity. In 1945 the same body spoke out against the playing of housie-housie, regardless of whether the profits were devoted to

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<sup>25</sup> Sydney Morning Herald, 15 and 16 October 1979. The poll suggested that Catholics were more prone than Anglicans, Uniting Church or other protestants to play bingo, pools and lotteries, or to bet on races. Surprisingly perhaps, 23% of Anglicans played poker machines regularly or occasionally, compared with 21% of Catholics, 15% of Uniting Churchmen and only 17% of other protestants. The religious affiliations of those opposed to casino legalisation was given as 58% of churchgoers, 34% of non-churchgoing believers and 23% of non-believers.

worthy causes.<sup>26</sup>

In the optimistic atmosphere of the 1920s, the protestant churches continued to express their pessimistic view of the gambler whose character is destroyed by gambling. Gaming and betting were opposed in the 1920s on the standard protestant middle-class grounds that they produced a habit of indulgence, thereby interfering with the economy. Such views were summarised in 1923 by Rev. E.N. Merrington, who claimed that gambling was bad for business because it created a distraction from employment and led to thefts and embezzlement; that it was the antithesis of industry because it created labourers who are content to await a lucky win; that it unsettles the attention and the will by diverting the minds of the young from their studies to the lists of prizes and winners, and by acting as a deterrent "from sustained and patient labour with "brain or sinew"; and that it led to crime and immorality through provoking "wild and unprofitable speculations".<sup>27</sup>

These views, along with claims that gaming and betting were contrary to the teachings of Christ, were put consistently before the numerous governmental inquiries related to gambling throughout the twentieth century. On some occasions a sole representative of the Council of Churches spoke for all its members before the commissions

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<sup>26</sup> 14th Provincial Synod of N.S.W. 1917, 15-17 August, "Gambling Raffles etc" (17), p.44; Sydney Morning Herald, 2 July 1930 and 4 January 1945.

<sup>27</sup> Rev. E.N. Merrington, "The Great Australian Interest", The Australian Journal of Psychology and Philosophy, vol.1, 1923 pp.55-56.



or committees. At other times, notably before South Australian inquiries, a number of protestant clergymen presented virtually identical views. But none was more ardent, or more vocal, than South Australian Methodist minister Rev. Percy Howard Chennell, who appeared before inquiries, published pamphlets and spoke from the pulpit in the 1930s to forward the protestant condemnation of gambling, and to warn governments against liberalisation of gaming and betting restrictions.<sup>28</sup>

Chennell repeated all the old arguments against gambling: that it was in opposition to the teachings of Christ; that it demoralised the gambler and corrupted women and youth; that it weakened trade, was a parasite on business and was an inducement to crime. But his arguments are notable for the comparative lack of dependence on emotion and scripture. Chennell attempted to support his case with detailed statistical analyses. In his evidence before the 1936 South Australian Royal Commission on Lotteries, Chennell examined the existing state-run lotteries and attempted to demonstrate that hospital fundraising through subscriptions and legacies, and funding by local authorities, decreased dramatically with the introduction of lotteries. He argued that the use of lotteries for such fundraising purposes weakened the charitable instincts of the people, thereby having a disastrous effect on the whole community. But the major

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<sup>28</sup> Rev. Percy Howard Chennell, The Sport Without a Smile, A treatise on the Principles of Gambling, Adelaide 1934; Rev. Percy Howard Chennell, The Bombardment of the Betting Shop, Adelaide 1937; South Australia, Royal Commission into Lotteries, 1936, Minutes, pp.30-43.

thrust of his evidence was the attempt to prove that the hospital system was no better off with lotteries than it had been without them.<sup>29</sup>

Chennell's case, in this instance, was not entirely convincing. Ultimately he had to advocate a small levy on taxation to fund hospitals to the level provided by lotteries. In this instance the Royal Commission did agree with him that a South Australian lottery would be inexpedient. It reached its conclusions for reasons quite different from those advocated by Chennell,<sup>30</sup> but its recommendation did offer some hope to the protestant anti-gambling cause.

Chennell's crusade had clerical support in all states. In Victoria the Rev. G.A. Judkins declaimed against lotteries. In Brisbane, the voice of Rev. W.E. Hurst of the City Tabernacle was joined by that of Rev. F.A. Malcolm, Secretary of the Temperance and Public Morals Committee. In South Australia Chennell's words were echoed by T.W. Lutze in a paper to the Evangelical Lutheran Synod at Murray Bridge in 1936.<sup>31</sup> Their opposition to lotteries in particular, and gambling in general, should not be seen as simply the voice of a fringe element out of step with the body of their churches. Their views were in accord with frequent expressions of opinion by the Council of Churches.

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<sup>29</sup> South Australia, Royal Commission into Lotteries, 1936, op.cit., pp.30-43.

<sup>30</sup> See above Chapter Seven, pp.286-287.

<sup>31</sup> South Australia, Royal Commission into Lotteries, 1936, op.cit., pp.33-35; Theodore Wilhelm Lutze, Gambling, Adelaide 1936.

In Queensland the Council spoke vigorously against the Golden Casket in 1933, and in New South Wales in the early 1930s it attempted to organise opposition to the state lottery.<sup>32</sup> After the failure of a deputation to the Premier in November 1932, the Council sought to change the attitudes of the society by embarking on a programme to educate the people and

... to create a sounder public opinion in relation to the support of hospitals, particularly such support as subordinates social obligation to greed of gain, and which destroys the moral sense of the community.<sup>33</sup>

That this attempt had little success is evident from the continued liberalisation of the gaming and betting laws, and from the attitudes and practices of the people, as already discussed. The churches continued with their efforts throughout the period under examination, with occasional minor victories. In 1958 the New South Wales churches were concerned about the legalisation of poker machines, the growth of lottery sales, the rapid filling of the first Opera House lottery and the spectacular growth of the jackpot totalisator pool at Canterbury racecourse.<sup>34</sup> Their concern was expressed by a meeting of about 1,000 representatives of the protestant denominations, which urged the government to impose greater

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<sup>32</sup> South Australia, Royal Commission into Lotteries, 1936, op.cit., p.34.

<sup>33</sup> ibid., p.35 The Council of Churches also protested vigorously, but unsuccessfully, about the N.S.W. state lottery in 1932. Sydney Morning Herald, 5 November 1932.

<sup>34</sup> Caldwell, "Leisure Co-operatives", op.cit., p.112; Sydney Morning Herald, 3 January 1958.

restrictions on gambling. The only positive result of their urgings was a doubling of the license fees for the two shilling poker machine, designed to discourage excessive use of that larger denomination.<sup>35</sup> Clearly, the influence of organised protestant opinion on government in New South Wales had declined markedly over the previous half century.

This fact was observed by Donald Horne in his contemporary analysis of Australia in the 1960s. He saw a largely secular society, which contained some remnants of puritan instincts, but in which the churches played a decreasing part in the lives of people.

There is some revivalist ballyhoo, and there is still some fuss about gambling, drink and sabbatarianism, but it is a poor weak thing compared with its robust past, and almost completely drained of serious intellectual and moral content.<sup>36</sup>

According to Horne, the alleged power, or pressure group influence, of the churches was based mainly on bluff.

... the fuss they made about gambling and drinking held up reform but on each occasion when state governments edged in more liberal measures they got away with it.<sup>37</sup>

The validity of Horne's assessment is also indicated by the

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<sup>35</sup> Caldwell, "Leisure Co-operatives", op.cit., p.112; Sydney Morning Herald, 13 January and 16 March 1958.

<sup>36</sup> Donald Horne, The Lucky Country: Australia in the sixties, Ringwood 1964, p.54.

<sup>37</sup> ibid., p.174. Significantly, the first chapter of Horne's analysis, "The Australian Dream", began with a description of the South Sydney Junior Leagues Club, a "poker machine palace" of the decade.

attitude of governmental enquiries towards the churches and their opinions. In the 1930s these enquiries welcomed evidence from the churches, and whilst not accepting uncritically their claims that gambling was sinful, endorsed the opinion that gaming and betting were evils, were "morally wrong" and led to other abuses.<sup>38</sup> By the 1950s and '60s the churches were still heard by the enquiries, but not heeded. The 1959 Victorian Royal Commission into Off-Course Betting acknowledged the existence of the views of the Protestant Churches' Social Questions Secretariat, but chose to ignore them, virtually without comment.<sup>39</sup> In 1963 the New South Wales Off-Course Betting Royal Commission gave more careful attention to the view of the Council of Churches, which proclaimed betting morally evil, but the Commission consciously rejected that view, on the grounds that it was held by only a small minority of the population.<sup>40</sup> This commissioner was even prepared to state openly that "ethical and moral considerations do not constitute a bar to the legalisation of off-the-course betting...".<sup>41</sup>

By the 1970s the churches were sufficiently aware of their waning influence to decline to appear before the South Australian Racing Industry Enquiry which reported that:

... community pressures to limit gambling by law are now weaker than in the past ... no person or group holding

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38 South Australia, Royal Commission on Betting, 1933, Report, p.8; Queensland Royal Commission into Racing and Gaming, 1936, Report, p.61.

39 Victoria, Royal Commission into Off-Course Betting, 1959, Report, p.18.

40 N.S.W., Royal Commission into Off-the-Course Betting, 1963, Report, pp.23-24.

41 ibid., p.24.

opinions against gambling made a submission to the committee.<sup>42</sup>

It is also significant that this committee's report makes no mention of "evil" or "immorality". By the 1970s even the appearance of middle-class protestant influence on attitudes had disappeared.

The earlier discussions of the direction of twentieth century change, and of the attitudes and practices of the Australian people, have shown that their influence had been largely illusory since the Great War. All that had really changed was the willingness of inquiries and governments to increasingly, and more openly, ignore expressions of protestant opinion. More than ever, governments acknowledged that gamblers or gambling sympathisers were a majority of the population and that it was a function of democratic government to have legislation which reflected the wishes of the majority.

Nevertheless, it cannot be stated that the liberalisation of gaming and betting restrictions was simply a result of government awareness of majority preference. Earlier discussions have demonstrated that other factors were relevant to the liberalisation

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<sup>42</sup> South Australia, Committee of Enquiry into the Racing Industry, op.cit., p.4 This does not mean that the churches have given up their attempts at moral reform, or that they are no longer concerned with gambling. Their concern is now more directed towards the problem of compulsive gambling, although gambling problems in general has assumed a position of minor importance, behind questions of sex - especially pornography.

decisions. One which requires more attention is the question of revenue.

### Revenue

The introduction of the Queensland Golden Casket owed much to the need for patriotic funds. The introduction of the New South Wales totalisator took place in the context of a search for government revenue; and the liberalisation amendments of the 1930s were enacted at a time when government revenue needs were pressing.<sup>43</sup> Revenue needs were closely connected with gaming and betting liberalisation.

Queensland provided the precedents for the taxation of gaming and betting with its taxes on racecourse totalisator turnover and its taxes on the Golden Casket. In 1892 the Griffith government introduced a totalisator turnover tax of 2.5%. In addition, the race clubs were required to forward unclaimed dividends to the treasury.<sup>44</sup> In 1902 the government commission was raised to 5% and by 1912 that represented revenue income in excess of £25,000 per annum.<sup>45</sup> In South Australia a 2.5% tax, from 1904, resulted in government revenue which rose from £5,6464 in 1904/5 to £9,974 in 1908-9.<sup>46</sup> Tasmania, the other state which had long permitted the totalisator, imposed taxes in 1904 and

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<sup>43</sup> See above, Chapter Six pp.274-275 and Chapter Seven, pp.284-285.

<sup>44</sup> Queensland, Statutes, 1892 56, Victoria No.15.

<sup>45</sup> N.S.W., Royal Commission into the Totalisator, 1912, Minutes, p.201, evidence of A. Hyde, Secretary, Q.T.C.; Queensland Statutes, 1902, 2 Edward VII No.4.

<sup>46</sup> N.S.W., Royal Commission into the Totalisator, 1912, op.cit., p.207 evidence of P.J. Stephan.

was raising between £1,300 and £1,400 by 1907/08.<sup>47</sup> These figures did not go unnoticed by the Holman government when it took its decision to authorise the use of the totalisator in New South Wales. But that government went even further when it sought to extend the treasury's commission to 10% of turnover, as well as all unclaimed dividends and fractions.<sup>48</sup>

New South Wales was a comparatively late starter in the field of betting revenue, but once it had joined it became the pacemaker, extending revenue collection to the operations of bookmakers. In 1917 the Holman government introduced a betting tax in the form of a stamp duty on all betting tickets, which bookmakers were required to issue, and an annual licence fee for all bookmakers. Queensland followed suit in 1923, Victoria in 1928, Tasmania in 1932 and South Australia in 1933. By the mid 1930s, all governments were deriving healthy amounts of revenue from the legal forms of betting on the racecourses.<sup>49</sup> The income derived from on-course betting in South Australia and Queensland is detailed in Table 8.3.

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<sup>47</sup> *ibid.*, Appendix C, Appendix D, p.214.

<sup>48</sup> "Fractions" refers to the money left over once the total pool less commissions, was divided by the number of winning tickets, taken down to the nearest six pence.

<sup>49</sup> N.S.W., Statutes, 1917 No.15, 1920 No.33; Queensland, Statutes, 1923, 14 George V No.23; Victoria, Statutes, 1928, No.3775 Tasmania, Statutes, 1932 No.39; South Australia, Statutes, 1933 No.2135.



TABLE 8.3

Government Revenue from On-Course Betting, 1930-35SOUTH AUSTRALIA

	Totalisator Tax £	Betting Tax £	Stamp Duty £	Total £
1929/30	52,376			52,376
1930/31	34,096			34,096
1931/32	34,233			34,253
1932/33	34,527			34,527
1933/34	31,903	19,427	34,669	85,999
1934/35	27,628	60,552	70,280	158,460

Source: South Australia, Royal Commission in Lotteries, 1936, Minutes of Evidence, p.14.

QUEENSLAND

	Totalisator Tax £	Betting Tax £	Bookmakers Tax £	Licences £	Total £
1930	43,853		24,042	7,167	75,062
1931	34,394		41,122	6,517	82,033
1932	33,092		47,512	5,274	85,878
1933	30,533		39,851	4,609	74,993
1934	28,300		37,333	3,843	69,476
1935	27,497		37,168	4,207	68,872

Source: Queensland, Royal Commission into Racing and Gaming, 1936, Report, p.16.

The figures detailed in the table are not directly comparable, but they do indicate that the governments were receiving considerable revenue from betting, even if that revenue was susceptible to the overall economic context and did suffer a decline during the great depression. The table also demonstrates that in difficult times, when it was virtually impossible to increase taxes without public outcry,

the governments were quite prepared to increase taxes on betting. The dramatic rise in Queensland's betting tax revenue in 1931 resulted from a doubling of that tax in 1930.<sup>50</sup> In South Australia, bookmakers were allowed on the racecourses for the first time in 1933, and were taxed immediately.

Betting also contributed to consolidated revenue in other ways. New South Wales was again the innovator, imposing a racecourse admission tax in 1920 and applying a 10% tax on winning bets in the mid-1930s.<sup>51</sup> Once greyhound racing was legalised, taxes applying to the various forms of horse racing and their associated activities were quickly enacted to apply to the dog races.<sup>52</sup> The federal government had less opportunity to participate in the betting revenue bonanza, but it did manage to play a small part by introducing an entertainment tax in 1917, adding 10% to admission prices.<sup>53</sup>

The New South Wales revenue from betting was approaching £500,000 per annum by 1937, but the government was collecting even more from its state lottery profits.<sup>54</sup> The revenue potential demonstrated by

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<sup>50</sup> Queensland, Statutes, 1930 21 Gov. No.19.

<sup>51</sup> The admission tax was set at 10% of the admission charge. N.S.W., Statutes, 1920 No.2; N.S.W., Select Committee into Pony Racing, Progress Report, 1923, Minutes, p.59; Queensland, Royal Commission into Racing and Gaming, 1936, op.cit., p.15.

<sup>52</sup> N.S.W., Statutes, 1931 No.56 and No.57.

<sup>53</sup> Brown, op.cit., p.110. The effect of these taxes on admission costs was significant. At Sydney's Harold Park admission to the Paddock rose from ten shillings in 1927 and to fifteen shillings in 1933. The latter figure included ten pence for the federal government and three shillings and two pence for the state government.

<sup>54</sup> Daily Telegraph, 16 June 1938.

Queensland's Golden Casket and Tattersall's in Tasmania had been a factor in the New South Wales lottery's establishment, and subsequent administrations could not have been disappointed with the results of the Lang government's decision (Table 8.4). From the outset the New South Wales state lottery was a major revenue source, despite the economic depression which coincided with its introduction.

TABLE 8.4

Lottery Revenue, 1930/31 - 1934/35QUEENSLAND

	Receipts £	Prizemoney £	Profits £
1930-31	704,371	416,000	194,166
1931-32	460,398	283,400	111,566
1932-33	1,082,296	672,400	268,615
1933-34	1,301,094	796,150	322,401
1934-34	1,337,403	839,450	313,967

NEW SOUTH WALES

1931-32	2,095,678	1,247,794	698,039
1932-33	2,135,764	1,315,710	722,164
1933-34	1,883,584	1,117,325	641,191
1934-35	1,806,309	1,092,100	626,136

TASMANIAGovernment Receipts From Tattersall's (£)

1930-31:	373,991	1932-33:	196,593	1934-35:	349,300
1931-32:	193,681	1933-34:	250,062		

Source: South Australia, Royal Commission into Lotteries, 1936, Report, pp.9-11.

This table illustrates the dramatic initial impact which the new Lottery had on its rivals. Their equally dramatic revival also

demonstrates the importance of lotteries in times of economic depression. They offered a rare hope in a world of pessimism and found subscribers accordingly, despite the difficulties many must have had in raising the money for their tickets.

Government revenue from gaming and betting was ever increasing, not only because of the ever increasing volume of speculations, but also from the constant endeavour of governments to revise the taxes to their advantage. The list of statutes which revised taxes on gaming and betting is seen in Appendix B, and the length of the list illustrates the impossibility of analysing all changes. But not all forms of gaming were taxed from the time of their introduction.

Bingo or housie-housie contributed nothing directly to state treasuries. The profits were retained by the charitable institutions which ran the games. Initially, poker machine profits in New South Wales (and Queensland) went to the clubs which owned them. In 1931 they were banned in Queensland but legalised on a limited trial basis in New South Wales hotels and clubs, with profits supposedly going to the state's hospitals.<sup>55</sup> When they were finally legalised on a regular basis in 1958, and licence fees were imposed, they very quickly returned the state government more than £1m. per annum.<sup>56</sup> By 1982 New South Wales poker machines were providing consolidated revenue an annual sum in excess of £150m. in taxes and fees.<sup>57</sup>

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<sup>55</sup> For discussion of the true destination of these profits see below pp.380-381.

<sup>56</sup> Cahill, op.cit., p.7. The 1961 Treasurer's estimate of poker machine receipts was £1,350,000.

For most of the twentieth century however, there remained two potential sources of gaming and betting revenue which were largely untapped, namely off-course betting and organised gaming schools. The potential of off-course betting revenue was apparent from South Australia's experiment with betting shops between 1933 and 1942. The dramatic increase in betting revenue after the legalisation of the shops was illustrated in Table 3.3, which indicated a total betting revenue rise from £34,527 and in 1932-33 to £158,460 in 1934-35. This progress continued into 1936-37 when the total reached £194,729, enabling South Australia to more than balance its books for the third successive year, despite the continued impact of the depression.<sup>58</sup>

New South Wales Labor frontbencher R.J. Heffron was impressed by such figures, and estimated a potential revenue of £1m. per annum awaiting his state if it followed South Australia's example, but Premier Stephens preferred to enact legislation aimed at destroying the existing illegal off-course betting operations.<sup>59</sup> Two decades later, potential off-course betting revenue for Victoria was estimated by Royal Commissioner F.R.B. Martin, as perhaps in the region of £2.5m.<sup>60</sup> In New South Wales in 1962 an estimate by off-course bookmakers was £3m. per annum for government and a further £3m. for the racing industry.<sup>61</sup>

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57 Bulletin, 29 June 1982, p.39.

58 Sunday Sun, 26 May 1938.

59 ibid.; McCoy, Drug Traffic, op.cit., pp.151-152.

60 Victoria, Royal Commission into Off-Course Betting, 1959, op.cit., p.40.

The question of revenue potential was an important part of the deliberations of the Victorian and New South Wales Commissions which ultimately recommended the legalisation of off-course betting, but their estimates proved extremely conservative when compared with the actual revenue collected once the T.A.B.s had been established and developed into statewide networks. In the 1972/73 financial year the South Australian T.A.B. provided the government with revenue slightly in excess of \$3m. Two years later the New South Wales T.A.B. contributed \$37,806,870 to consolidated revenue.<sup>62</sup>

The potential revenue from legalised gaming clubs or casinos was also a focus of speculation, but it was virtually impossible to estimate until hard data were provided by the Wrest Point Casino in Hobart from 1973.<sup>63</sup> Wrest Point paid a licence fee of \$2,500 per month and a 25% tax on gross profits. By 1975, with a gaming turnover of around \$30m, it provided the slightly populated island state with revenue of \$2m., or 3.1% of the total state taxes.<sup>64</sup> By 1979/80, Wrest Point's turnover had reached \$56m., exceeding the Tasmanian T.A.B. turnover by more than 20%, implying that casino revenue potential for

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<sup>61</sup> N.S.W., Royal Commission into Off-the-Course Betting, 1963, op.cit., p.44.

<sup>62</sup> South Australia, Committee of Enquiry into the Racing Industry, 1974 op.cit., p.64; N.S.W. Budget Papers, N.S.W.P.P., 1975/76 vol.II, p.1. Even allowances for inflation and decimalisation would fail to reduce these figures to a point close to the estimates.

<sup>63</sup> N.S.W., Report of the Inquiry into the Legalizing of Gambling Casinos in New South Wales, 1977, p.13.

<sup>64</sup> ibid., pp.36, 67. Other significant contributors to Tasmanian state revenue included: liquor licenses \$2.7m, land tax \$4.3m, estate duty \$5.4m and stamp duty \$13.4m.

the more populous states was enormous, assuming that their market was not already being catered for significantly by Wrest Point.<sup>65</sup>

Nevertheless, even without legal casinos, the gaming and betting revenue collected by the other states continued to escalate dramatically. The total New South Wales gambling revenue in 1974-5 was \$72.25m, representing 6.5% of the state's tax revenue. Five years later, with the addition of income from soccer pools and lotto it reached \$234.5m. out of a total national gambling revenue to governments slightly below \$500m.<sup>66</sup>

The concern for revenue was apparent throughout the period of gaming and betting liberalisation. In New South Wales in 1918, in a reply to an enquiry from J.H. Carruthers concerning the operation of the totalisator on Moorefield racecourse, Treasurer G.W. Fuller admitted; "What we want of course is increased revenue, but we can only get it by legitimate means".<sup>67</sup> The possibility of extending such legitimate means was explored by most major enquiries into gambling.

The 1928 Victorian Select Committee into Racecourses and Race meetings concluded that betting should be confined to racecourses where it could be both controlled and taxed.<sup>68</sup> In South Australia the

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<sup>65</sup> Saturday Evening Mercury, 25 July 1981.

<sup>66</sup> N.S.W. Budget Papers, N.S.W.P.P. 1975/76 vol.II, Paper No.55, p.1; Launceston Examiner, 9 July 1980.

<sup>67</sup> Letter from Colonial Treasurer, 9 October 1918, Carruthers Papers, M.L. MSS 638/21.

<sup>68</sup> Victoria, Select Committee into Race Courses and Race Meetings, 1928, op.cit., p.vi.

1933 Royal Commission which recommended the establishment of betting shops and the licencing of bookmakers on racecourses, noted that increased revenue would be a nice bonus provided by the scheme.<sup>69</sup> Tattersall's move from Hobart to Melbourne in 1954 was due in part to the Tasmanian government's inquiry into means by which more revenue could be gained from Tattersall's operations and by the late 1950s governments were stating their concern for revenue openly, in terms of reference of Royal Commissions.

The 1959 Victorian Royal Commission into Off-Course Betting was specifically required to examine the likely net revenue to the state in the event of off-course betting legalisation; as was the 1963 New South Wales Royal Commission. In New South Wales the commissioner, whilst suggesting that this task was impossible, was prepared to list increased state revenue as one of the arguments in support of legalised off-course betting, and his considered opinion that a T.A.B. system would yield more than a licensed betting shop system provided a significant part of his reasons for recommending the T.A.B. as the most desirable form of off-course betting.<sup>70</sup>

Obviously twentieth century Australian state governments were concerned with ways of increasing revenue, particularly as the history of twentieth century federal-state relations is largely a story of the

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<sup>69</sup> South Australia, Royal Commission into Betting, 1933, op.cit., p.11.  
<sup>70</sup> N.S.W., Royal Commission into Off-the-Course Betting, 1963, op.cit., pp.36, 58.; Victoria, Royal Commission into Off-Course Betting, 1959, op.cit., p.1.



states gradually becoming more financially dependent upon the federal body. Taxation of gaming and betting was a form of revenue collection which the states could harness with little fear of great public outcry, especially if the increased revenue was coupled with a lifting of some gaming and betting restrictions. The gamblers were prepared to bear the taxes in return for the liberalisation. Non-gamblers were happy to see increased taxes paid by others, and though the protestant churches were unhappy to witness the provision of further gambling facilities, their political influence was waning, and could be ignored so long as liberalisation proceeded at a leisurely pace.

However, this interpretation of the gaming and betting liberalisation is still inadequate. If governments were motivated simply by the desire for revenue and a willingness to accept the wishes of the majority of the electorate, it is impossible to explain why gaming and betting restrictions have not been lifted considerably further. If revenue collection was to be efficient it required permitted forms of gambling, and the relevant taxation, to be specified carefully. To simply lift all restrictions would create a chaos, or gambling anarchy, which would defeat the revenue collectors. But this projected situation is not sufficient to explain the failure of New South Wales to establish gaming casinos after their recommendation by the 1977 Lusher report, or the recommendation against casino establishment by the 1982/83 Connor inquiry in Victoria, and its immediate endorsement by the Cain government. A possible explanation was provided by Victorian Premier, John Cain, when he justified his government's decision by suggesting that he

would not "expose this State and its citizens to the avoidable risk of introducing a facility upon which organised crime could prosper."<sup>71</sup> Six months later Cain repeated these sentiments when endorsing the Wilcox Report's recommendation against the legalisation of poker machines in Victoria.<sup>72</sup> Organised crime is a matter of concern for the governments of the 1980s, but less organised crime and corruption have been matters of concern throughout the gambling liberalisation period.

#### Government Control

Fear of corruption of the gamblers has been a constant theme of protestant objections to gaming and betting. It was argued in earlier chapters<sup>73</sup> that the loss of supervisory control by conservative gentleman gamblers to profit seeking entrepreneurs, was one factor which prompted greater protestant anti-gambling mobilisation, leading to the imposition of restrictions. Although the reformers failed to prohibit gambling completely, they were reasonably content with the legislation which virtually prohibited gaming and restricted betting to racecourses, where it could be supervised by government.<sup>74</sup> However, the contentment was shortlived, due to the continued existence of proprietary racing companies and the failure of the people to obey the

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<sup>71</sup> As quoted in The Australian, 25 May 1983.

<sup>72</sup> The Age, 2 December 1983.

<sup>73</sup> See above, Chapter Five pp.168-187.

<sup>74</sup> The gaming exemptions were Tattersall's in Tasmania, and raffles and art unions in the other states, but all of these were permitted only under the watchful eyes of the state Attorneys General.

laws.

All proprietary racing companies, whether concerned with thoroughbred racehorses, ponies, or standardbred trotters gave cause for concern. They were all run by entrepreneurs in search of a profit. The prizes they offered were alone inadequate to support the owners and trainers. Accordingly, some level of corruption did exist. On the level of malpractice by trainers, owners, and bookmakers in search of greater returns, sufficient evidence exists to suggest that use of "ring-ins", fixed races and avoidance of regulations was rife.<sup>75</sup> That such practices did not unduly concern the bettor, who was more worried about having the correct "information" than about the existence of corruption, perhaps justified the churches' complaints that betting corrupted the character of the individual. Governments however, seemed less concerned with the individual bettor than with the companies and the individual entrepreneurs - particularly John Wren.

Wren's influence on Victorian proprietary racing had long been a subject of debate and disapproval.<sup>76</sup> His attempt to disguise this influence through the use of the V.T.R.A. from 1919 was insufficient to fool the 1928 Select Committee which recommended the abolition of proprietary horse and pony racing clubs. The 1930 Queensland inquiry into horse racing was prompted largely by allegations that Brisbane proprietary racing was controlled by Wren, and so must be corrupt; and it found accordingly.<sup>77</sup>

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<sup>75</sup> N.S.W., Select Committee on Pony Racing, 1923 Report, passim.  
<sup>76</sup> See above, Chapter Six, pp.248-249.

Wren's name has not always been automatically associated with corruption. In the horse racing field, his proprietary organisation was in direct competition with the non-proprietary race meetings run by the "gentlemen" of the V.R.C. and the Q.T.C., and patronised by the state governors. Wren and his organisation were considered by his competitors to be both vulgar and corrupt. But in the field of trotting, where such gentlemen seldom ventured to pronounce their opinions, Wren's reputation was different. His assumption of control of Victorian trotting was generally acknowledged as the broom which swept clean the corruption of others.<sup>78</sup>

Even so, as far as governments and their inquiries were concerned, proprietary racing was assumed to be more open to corruption than non-proprietary racing where the sport - the contest of animals on their own (and their riders') merits - was all important, rather than profit. Accordingly, as detailed above, proprietary racing gradually disappeared as a result of legislative action which was usually consequent upon inquiries stressing the need for centralised control of racing.<sup>79</sup>

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77 See above, Chapter Seven, pp.306-307; Victoria, Select Committee into Race Courses and Race Meetings, 1928, op.cit., p.iii; Queensland, Royal Commission into the Control of Horse Racing, 1930, op.cit., passim; Brennan, op.cit., pp.170-176.

78 Agnew, op.cit., pp.80-81, 94. See above, Chapter Five, p.187.

79 Victoria, Select Committee into Race Courses and Race Meetings, 1928, Report, pp.v-vi, Queensland, Royal Commission into the Control of Horse Racing, 1930, op.cit., p.ii; N.S.W., Special Statutory Committee on Non-Proprietary Racing, 1938/39, op.cit., p.2.

The importance of control was emphasized by the new racing ventures and reforms in other sections of the industry. When Victorian trotting was removed from Wren's hands after the second world war, it was supervised by a Trotting Control Board, modelled in part on the Greyhound Racing Control Board established in New South Wales in the 1930s to supervise that racing development. The New South Wales Greyhound Racing Control Board was a direct response to suggestions of the worst abuses alleged to be inherent in the proprietary racing system - corruption on a grand scale, reaching as high as the government, and perhaps even to cabinet.<sup>80</sup> When greyhound racing began in 1927 it was on a proprietary basis. In Sydney, two companies were established. The Greyhound Coursing Association, with a nominal capital of £50,000 in 1 share, raced at night at the Harold Park Trotting track with great success, resulting in large dividends. The Australian Coursing Association with nominal capital of £100,000 raced at Mascot with equal success. Two further companies catered for Newcastle, whilst one at Cessnock and another at Lithgow began the extension of greyhound racing to country areas. The hopes of the booming new companies were destroyed by the 1928 amendment to the Gaming and Betting Act forbidding betting after sunset and the court ruling that betting on greyhound racing was illegal.<sup>81</sup>

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<sup>80</sup> Victoria, Statutes, 1946 No. 5201; N.S.W., Statutes, 1931 Nos. 56 and 57; Brennan, op.cit., pp.176-179; Sydney Morning Herald, 3 November 1932.

<sup>81</sup> See above, Chapter Seven, pp.313-314. The actual, paid up capital of the two Sydney companies fell short of their nominal capital. The G.C.A.'s actual capital was £1,200 and the A.C.A. had £71,000 paid up. N.S.W., Royal Commission into Greyhound Racing and Fruit Machines, 1932, op.cit., pp.4-5.

The previously profitable companies found themselves in dire straits. Without bookmakers, and in competition with daytime horse, pony and trotting meetings, their prospects appeared hopeless. Subsequent events, which became the subject of a Royal Commission in 1932, are less than perfectly clear, but according to the findings of Commissioner P.H. Rogers, the companies revived their fortunes by resorting to bribery, only to become ultimately victims of the intermediaries they employed.

Justice Rogers found that a scheme for achieving desired changes in the legislation, through the use of bribery, was put into train in 1931, by one Redmond Barry and the officials of the two Sydney greyhound clubs. Despite accepting money from the clubs Barry appeared to achieve little, so the clubs switched their attention to F.S. Swindell, who had been responsible for the introduction of greyhounds and the mechanical tin hare in 1927. Swindell agreed to help, provided he was given full control of the Harold Park company's board and 12,000 shares in the Mascot Company.<sup>82</sup>

After the enactment of the 1931 Finance Act which permitted greyhound racing to operate as it had in 1927, Swindell assumed a position of power and influence. Chief-Secretary Mark Gosling, sought his opinion on permit applications, allowing Swindell to demand and receive money and shares from applicants for greyhound racing

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<sup>82</sup> ibid., pp.7-8. The desired legislation passed the Legislative Assembly but failed (twice) in the Council, until that body's reconstitution with 25 new members.

licenses.<sup>83</sup> Commissioner Rogers found that applications in which Swindell had an interest were always successful immediately, and that those which did not come through his hands were usually postponed until Swindell had made his own arrangements, and sponsored a rival application from the town or district concerned.<sup>84</sup> For Swindell to achieve this situation, others in positions of power must have been involved. Rogers concluded

... that Swindell was in close touch directly or indirectly with some section of the Cabinet throughout. The evidence does not disclose the means of communication but there is no escape from the inference that there was such communication.<sup>85</sup>

The source of corruption in the government was not identified by the commissioner, but he did make it clear that either Chief-Secretary Mark Gosling or high ranking members of his personal and departmental staff were implicated, or took direction from higher ranking members of the Cabinet. At the least, the Chief-Secretary's department was guilty of irregular procedures and operated outside the provisions of the 1931 Act.<sup>86</sup> If these findings were insufficient to disturb the Chief-Secretary's department and the New South Wales Cabinet, then the findings of Justice Rogers' further commission, to examine matters concerned with poker machines, should have provided a final touch.

In December 1930, Automatic Machines Limited managed to place a

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83 ibid., pp.17-18.

84 ibid., pp.60-61.

85 ibid., p.61.

86 ibid., p.22.

number of fruit machines in New South Wales hotels, despite a 1921 court ruling that such was contrary to the state's Gaming and Betting Act. Police inquiries were met with the claim that the machines had the approval of Chief-Secretary Gosling. When the Commissioner of Police advised the Chief-Secretary of his error, Gosling insisted on referring the matter to the Attorney-General. The Police Commissioner took this as an instruction not to prosecute, so the hotels and their machines had immunity from prosecution for five weeks, until the arrival of the crown solicitor's advice. Gosling then ordered the machines' removal from hotels and from clubs where they were previously considered not contrary to the law. In examining these events Justice Rogers also found that representations were made to Gosling by an agent of Automatic Machines Ltd. who had been supplied with £3,000, with which to secure immunity from prosecution. The commissioner fell short of concluding that some of this money was paid to Gosling, but the implications of his findings were sufficiently clear.<sup>87</sup> Gosling, however was not the sole member of the government implicated, nor the outstanding "taker" identified by Commissioner Rogers.

In March 1932 a scheme was devised by which Automatic Machines Ltd. would place machines in hotels on behalf of the N.S.W. Hospitals Commission. Under this scheme, the Hospitals Commission was to receive 45% of the machines' profits, Automatic Machines Ltd. 30%, and the lessee 25%. The scheme was contrary to the 1921 court decision, and to

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<sup>87</sup> ibid., pp.72-74.



the 1931 Crown Solicitor's opinion; nevertheless it was sanctioned by the Cabinet. Commissioner Rogers implied that this fact was connected with certain donations to A.L.P. campaign funds.<sup>88</sup>

The scheme quickly got out of hand, with the Hospitals Commission losing control, though a form of overall supervision was exercised by J.H.C. Sleeman, a publicity officer for the government, who received 10% of the fruit machine profits. Though Justice Rogers was not prepared to speculate on what Sleeman did with this money; whether it was paid to A.L.P. funds, distributed amongst the Cabinet or some of its members, or retained by Sleeman; his overall presentation of the evidence makes this latter option appear the least likely.<sup>89</sup>

The New South Wales Greyhound Racing and Fruit Machine Royal Commission demonstrated that corruption, leading to the highest places, could result from the continued acceptance of profit seeking proprietary racing companies or profit making companies involved in gaming enterprises. But simple prohibition of proprietary racing and all forms of gaming would not remove the problem of potential corruption. In areas where prohibition applied, such as in other forms of gaming and off-course betting, corruption also existed on a large scale. Most disturbingly, to many observers, such corruption usually involved the police.

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ibid., pp.75-76.

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ibid., pp.82-88. Much of Rogers' presentation of his findings concerned allegations that Sleeman acted in collaboration with, or under the instructions of, Health minister, W.T. Ely.

The nineteenth century reputation of Australian police forces, particularly those of New South Wales and Victoria, had not been particularly high. Scandals, sometimes involving graft and corruption, erupted periodically.<sup>90</sup> In the early years of the twentieth century such scandals continued, occasionally resulting in official inquiries, such as the 1906 Royal Commission into the Victorian Police Force. Although the findings of this commission were not as sensational as they might have been, the published report did contain evidence of police corruption.<sup>91</sup> Illegal betting shops and gaming clubs were not the commission's primary focus, but evidence presented about them suggested that operators paid some officers up to £5 per week for information regarding the intentions and movements of the police.<sup>92</sup> That these practices continued into, and throughout, the 1920s and 1930s is adequately illustrated by evidence tendered at later inquiries.

Like their nineteenth century counterparts and Wren's Collingwood tote, most off-course betting operators preferred to place greater faith in "nitkeepers" or "cockatoos" - men employed to act as sentries to give warning against the approach of police. Others were employed to follow police movements. Some illegal bookmakers went to great lengths to obstruct police raids on premises by using barbed wire entanglements, a series of lockable doors and escape hatches. In the

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<sup>90</sup> McCoy, Drug Traffic, op.cit., pp.104-106, provides a brief survey. See also Ward, The Australian Legend, op.cit., pp.154-161.

<sup>91</sup> Victoria, Royal Commission into the Police Force, 1906, Report, XV-XVI.

<sup>92</sup> ibid., Minutes, p.337.

mid-1920s the cost of immunity from prosecution in South Australia ranged from about ten shillings to two pounds per week, usually paid by bookmakers or their staff directly to junior police officers. In 1933 one South Australian estimate of the money spent annually by bookmakers for protective devices and advance information was £200,000. This figure, which would mean that each illegal bookmaker paid on average of 6 per week for protection, is almost certainly far too high and was queried by the commission. But even if the estimate was reduced by two-thirds, it would still represent a huge sum of money in the depressed South Australia of the early 1930s.<sup>93</sup>

It is impossible to test the validity of this figure, or of the allegations made against the police, but it is perhaps significant that in both South Australia and Queensland in the 1930s, the police were able to provide official inquiries with detailed estimates of the extent of off-course betting in their states. They were able to provide details of where it took place, but confessed themselves powerless to suppress it.<sup>94</sup> The police claim that the legislation was inadequate to enable them to do their job, was probably less valid than suggestions that the security and advance warning networks of the illegal betting operators, and the "immunity" money paid to the police, enabled them to remain largely free from prosecution.

In New South Wales in 1930, a special S.P.-Gaming squad was

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<sup>93</sup> South Australia, Royal Commission on Betting, 1933, Report, pp.6-7. South Australia, Royal Commission into Police Officers and Bribery, 1927, Report, pp.v-vii.

<sup>94</sup> For details see above, Chapter Seven, pp.316-321.

formed within the police force, resulting in a dramatic increase in arrests for betting and gaming offences. Twenty thousand people were prosecuted between 1930 and 1936. But even this squad was not immune to corruption, as was discovered by Judge H.F. Markell, who conducted three Royal Commissions between 1936 and 1939 into relationships between the New South Wales police force and illegal off-course bookmakers. He found that there was substance in allegations that the police sometimes deliberately "framed" innocent men for S.P. betting offences, and at other times failed to arrest and charge bookmakers, preferring to charge employees with no previous convictions who would receive a lighter punishment.<sup>95</sup>

In Victoria two decades later, the situation was much the same. Inspector Healy, chief of the Victorian gaming squad in 1956, conducted a review of the squad's handling of betting offences up to that year, and discovered a high level of corruption. He found that the police kept copies of identical statements, designed to produce light fines, with only details of times, places, names and amounts bet, left blank to be filled in. A high percentage of the prosecutions had been against defendants with fictitious names and addresses, apparently accepted uncritically by the police. Healey estimated that about half the members of the gaming squad did a "reasonable job", that 20% were merely inefficient, and that the remaining 30% were corrupt. He also found that the cost of "protection" had escalated, with squad members being offered up to £1,000 to provide regular

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<sup>95</sup> N.S.W., Royal Commission into Police and Illicit Betting, 1936, Report, pp.ii.

warnings of impending raids.<sup>96</sup>

By that time the structure of off-course betting had begun to change significantly. The South Australian and Queensland inquiries in the 1930s had demonstrated a very close link between the bookmakers and hotels or billiard saloons, where the bettors could congregate. But by the 1950s there was less need for the bettors to have physical contact with the bookmaker. The "average" small-time working-class bettor continued to patronise the hotel bookmaker, but those with greater means - the large investor - used the telephone.<sup>97</sup>

The telephone enabled the more enterprising bookmaker to build up a wealthier and wider clientele; one which did not spend race days in or near hotel bars. A successful operation however, required both a number of phones and mobility. The illegal bookmakers had to move premises regularly, to escape detection and to set up business again after each police raid. If he was to do this successfully and regularly he required the co-operation of the Postmaster General's Department or its employees. Judge Markell's appeal to the P.M.G. in 1936 to prevent race broadcasts and the use of telephones for off-course betting went unheeded for the next decade.<sup>98</sup>

An instance of co-operation between police and the P.M.G. against

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<sup>96</sup> Victoria, Royal Commission into Off-Course Betting, 1959, Minutes, p.15.

<sup>97</sup> In the 1950s, Victorian bettors could still expect to find an S.P. bookmaker in almost all of the state's 1,615 hotels. ibid., p.20.

<sup>98</sup> N.S.W., Royal Commission into Police and Illicit Betting, 1936, op.cit., p.117.

illegal bookmakers in 1945 resulted in a large number of arrests and caused a general panic among off-course operators.<sup>99</sup> In subsequent years, the P.M.G. continued to assist the police during brief periods of police crackdowns, disconnecting up to 200 phones in some instances and at other times locating price information services, but as quickly as the police closed down information centres and large telephone betting operations, they were replaced in other premises, obviously with the assistance of P.M.G. employees.<sup>100</sup>

Corruption was rife in the betting world. It went beyond corruption of the individual to involve corrupt practices by proprietary companies or their representatives, government employees in the P.M.G. and the police force and even government members. Police corruption was virtually institutionalised, making permanent enforcement of off-course betting restrictions (as opposed to occasional crackdowns) virtually impossible; a fact recognised by royal commissioners and committees of enquiry in all states. Whilst some - such as the majority of the 1936 Queensland Royal Commission - argued that the law and its enforcement agencies should still attempt to do the impossible, most agreed that it would be better to reduce the corruption and perhaps even remove it completely, by legalising off-course betting and subjecting it to careful supervision and government control.<sup>101</sup>

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<sup>99</sup> Al McCoy, "Sport as Modern Mythology: SP Bookmaking in New South Wales 1920-1979" in Cashman and McKernan, Sport: Money, Morality and the Media, op.cit., pp.51-52.

<sup>100</sup> ibid., p.53.

<sup>101</sup> Queensland, Royal Commission into Racing and Gaming, 1936, op.cit., p.62.

Tasmania and South Australia confronted this problem first, and established legal off-course betting arrangements. In Tasmania, control was exercised through the requirement that bookmakers should operate from centralised locations, where they could be supervised as on the racecourses. In South Australia, bookmakers were permitted to operate in their own licensed betting premises, but their operations were to be watched by the newly created Betting Control Board.<sup>102</sup>

The other states did not act until after the second world war when they chose to legalise off-course betting in the form of T.A.B. networks, which were later copied by South Australia and Tasmania. In Victoria and New South Wales the Royal Commissions which led to the establishment of the T.A.B. examined the different off-course betting options available, and both recommended the T.A.B. largely because of the greater ease of control it offered to governments.<sup>103</sup> In New South Wales Commissioner Kinsella argued that alternative schemes involving bookmakers were too open to dishonesty, particularly by the bookmaker;

... it is not practicable to devise any system of supervision which will effectively check the amount of the off-the-course bookmakers' turnover, whether betting be by cash or by telephone ... .<sup>104</sup>

In the absence of effective supervision and checks the temptations would prove too great, resulting in widespread evasion. The

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<sup>102</sup> See above, Chapter Seven, pp.319-320.

<sup>103</sup> Victoria, Royal Commission into Off-Course Betting, 1959, Report, pp.47-53; N.S.W., Royal Commission into Off-the-Course Betting, 1963, op.cit., pp.47 and 58.

<sup>104</sup> ibid., p.47.

totalisator, it was felt, would present no such problems.

Furthermore, in a system involving a single statewide totalisator network, with a single pool rather than a series of individual bookmakers in competition with each other, it would be possible to enforce regulations making the "betting shops" unattractive. Kinsella specifically recommended against the provision of race broadcasts in T.A.B. shops, and against the provision of refreshments, seating or toilets. His concern was with betting control, not its promotion.<sup>105</sup> The T.A.B. offered governments greater opportunity to supervise and control off-course betting operations.

Corruption related to gaming tended to follow similar patterns to those involved with off-course betting. To a large degree the same people were involved; the gamblers and the police gaming squads. Again the biggest problem areas were those which were not legalised, although even the legal forms of gaming involved some corruption, or at least allegations of such.

Instances of fraud or corruption related to lotteries and lotto have been rare, but have surfaced on occasions. In 1950 the Queensland government appointed a Royal Commission to examine allegations of corruption and cheating by senior administrators of the Golden Casket. Although it found that some dubious practices were followed, and that

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<sup>105</sup> ibid., p.62 In the 1980s this concern has been outweighed by competition for the gambling dollar. Carpets, chairs and radios are now all common furnishings in T.A.B. shops.



the administration of the lottery needed improvement, no example of cheating was proved.<sup>106</sup> In other forms of legal gaming, however, corruption did exist.

It has been demonstrated that in the early 1930s, poker machines were the object of considerable corruption, which possibly involved members of the New South Wales government and perhaps even the whole Labor cabinet.<sup>107</sup> Yet it is doubtful that even this corruption was as widespread as that which emanated from the gaming schools and clubs. Until the end of the second world war, gaming corruption virtually paralleled off-course betting corruption. The same gamblers were often involved and the same police gaming squads were responsible for law enforcement, which they undertook with similar enthusiasm. For forty years the police were unable to find Thommo's floating two-up school in Sydney, though his customers did not seem to face the same difficulties.<sup>108</sup>

In the wartime and post-war period, Thommo's and other two-up schools, along with the traditional pak-a-pu and fan-tan schools usually found in the Chinatown sections of the cities, faced considerable competition from new gaming operations concentrating on baccarat. This game gradually grew to become the major form of illegal gaming in the cities.<sup>109</sup> McCoy has noted that despite promises by New

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<sup>106</sup> Queensland, Royal Commission into the Golden Casket, 1950, pp.9-10, 19, 43.

<sup>107</sup> See above, Chapter Eight, pp.380-381.

<sup>108</sup> Bulletin, 14 August 1979.

<sup>109</sup> It seems probable that baccarat was popularised in the Australian  
(Footnote continued)

South Wales Police Commissioner W.J. McKay in 1944 that the police would destroy the baccarat schools, Sydney's most prominent baccarat entrepreneur of the '40s, Sidney Kelly, was raided only once in his baccarat career; and on that occasion, in 1947, he met the police at the door and advised them they were wasting their time because he had been warned of their intentions.<sup>110</sup>

Apart from providing evidence of police corruption, this example also emphasizes that police raids did happen sometimes. Accordingly, the baccarat schools, like S.P. betting operations and the two-up schools, were essentially transient, they had to be prepared to move at a moment's notice. Baccarat, a card game, required little equipment and the schools usually operated in sparsely equipped surroundings. However, this picture of illegal gaming began to change markedly in the mid-1960s, with the baccarat schools gradually settling in to more permanent premises, with lavish carpets and furnishings and additional, less portable, equipment such as roulette wheels. In effect they changed to Las Vegas style casinos.<sup>111</sup>

McCoy has associated this change in the New South Wales gaming clubs with a change of government. He has suggested that during the long administration of the New South Wales state A.L.P. government;

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<sup>109</sup> (continued)

cities by U.S. servicemen during the war. McCoy, Drug Traffic, op.cit., pp.166-7, 185-6; Bottom op.cit., pp.29-30.

<sup>110</sup> McCoy, Drug Traffic, op.cit., p.166 quotes Kelly as saying: "You have made a fool of yourself. We are only playing rummy - I had a ring from Darlinghurst [Police Station] about 11.30 pm to say that you were out".

<sup>111</sup> ibid., p.200.

The complex, Byzantine quality of the Labor Party allowed almost all illicit operators access to power, but prevented any one from monopolising police or political protection. However, the concentration of power at the peak of the Liberal-Country Party [coalition] allowed a smaller number of criminal syndicates to monopolise police protection and impose their control over the 'milieu'.<sup>112</sup>

McCoy suggests further that Premier Robert Askin and Police Commissioner Fred Hanson were closely involved with the gradual establishment of fourteen major illegal casinos in Sydney and their apparent immunity from police persecution and prosecution.<sup>113</sup>

Such claims are extremely difficult for the historian to substantiate satisfactorily. They are based on confidential, hearsay, and circumstantial evidence, little of which can be documented in the normal manner. They do, however, receive support from two authoritative sources, independent New South Wales Parliamentarian John Hatton, who has fought an almost single handed battle against organised crime in that state, and Bob Bottom, a New South Wales journalist generally regarded as that profession's most knowledgeable crime reporting specialist. Both men equate the rise of the Sydney casinos and the centralisation of organisation of Sydney's criminal gaming network with the Askin government's administration. Bottom even claims that payments to individual politicians by the 1970s had reached \$5,000 per week.<sup>114</sup>

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113 ibid., p.187.

114 ibid., pp.200-201.

114 ibid., p.201; Bottom op.cit., pp.28-29, 170; Sun-Herald, 20 September 1981.

A change of government in 1976, to the A.L.P. under Wran, led to an initially vigorous crackdown on the illegal casinos. They closed for a short time at the end of 1977, and again for about nine months in 1979, when they were pursued by the New South Wales police "21 Division" under a "new broom" Police Commissioner, Merv Wood.<sup>115</sup> Simultaneously, the Wran government in 1977 commissioned an inquiry into the question of legalising the gambling casinos. The Lusher report recommended legalisation, primarily because there existed a minority demand strong enough to defy prohibition and suppression. He submitted that legalisation would not eliminate illegal gaming, but that it would at least channel the bulk of it into small legal gaming clubs which could be subjected to careful supervision and government control.<sup>116</sup>

Throughout the period since the first world war the solution proposed for the corruption problems created by illegal gaming were the same as those for illegal betting, to legalise it in a form which would permit supervision and control, but not provide facilities to attract new gamblers. Such legalisation would reflect the wishes of the majority of the population and would provide the added bonus of increased revenue for the state. But after six years the Lusher Report's recommendations have not been enacted, and New South Wales does not have its legal casinos or gaming clubs. So, consideration

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<sup>115</sup> Bottom, op.cit., pp.112, 117-8; Sun-Herald; 20 September 1981.

<sup>116</sup> N.S.W., Report of Inquiry into the Legalizing of Gambling Casinos, op.cit., 1977, pp.78-80.

must now be given to why Lusher's recommendations have been ignored.

In Tasmania and the Northern Territory gambling palace casinos have been built and others have been planned for Queensland and South Australia. But in the two most populous states, which have both conducted major inquiries into the question of casino legalisation, the necessary Acts have not been presented to the parliaments. In Victoria, the Cain Labor government declared itself against casino legalisation after the release of the Connor inquiry in May 1983.<sup>117</sup>

Xavier Connor Q.C., based his recommendations against casinos on the grounds that there was no substantial demonstrated demand for them; that they were unlikely to be efficient revenue producers for the government and that they would be likely to prove a stimulus to organised crime in Victoria. The first two claims are debatable given our previous discussion of popular acceptance of casinos and the success of Wrest Point,<sup>118</sup> though it must be recognised that Connor had dismissed the open gambling palace option as inappropriate for Victoria. This model was considered appropriate only for smaller resort centres, such as Hobart or Darwin, attempting to build a tourist trade.<sup>119</sup> Smaller gaming clubs would cater for the committed gambler, but a network of them would be difficult to supervise and control, and, according to Connor, they would not be as efficient sources of revenue as other forms of gaming such as lotto and

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<sup>117</sup> For more detail on casino legalisation in the smaller states see above, Chapter Seven pp.339-342.

<sup>118</sup> See above p.351.

<sup>119</sup> The Australian, 25 May 1983.

lotteries. Nevertheless, these observations alone were not conclusive in providing the reasons for Connor's recommendations. The real basis of the Connor inquiry's rejection of casinos, and the basis of the Cain government's support of that rejection lay in their fear of organised crime.<sup>120</sup>

The concern about organised crime was just as apparent in New South Wales where it was the major reason for the failure to implement the Lusher report. In that state, as illustrated by the development of illegal gaming clubs organised crime began to gain a strong foothold in the 1960s. Its development has been well documented by Al McCoy and Bob Bottom, and by a 1974 Royal Commission into organised crime in New South Wales' registered clubs. This inquiry, by Justice A.R. Moffitt, failed to find sufficient evidence to institute legal proceedings against individuals involved in organised crime in the clubs. It also failed to find evidence of government, or any other cover up, but it did find that police inquiries into the New South Wales clubs had been unsatisfactory; and it found evidence of close links between the clubs' main supplier of poker machines and known criminals, some of whom had connections with United States mafia families.<sup>121</sup>

From the time poker machines were permitted to operate in New South Wales' registered clubs in 1956, the clubs became big business ventures and a source of interest to Sydney's criminal syndicates. By

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121 ibid.

N.S.W., Royal Commission into Organized Crime in Clubs, 1974, Report, pp.19, 39, 92, 132-134.

the late 1960s they had attracted the interest of the Bally Manufacturing Corporation of Chicago, a poker machine manufacturer and distributor backed by notorious American mobsters, who used dubious tactics to promote their product. By 1972 Bally was the major supplier of poker machines, and through Bally and the registered clubs, New South Wales crime syndicates ventured into a new era of organisation and co-operation rather than competition and murderous rivalry.<sup>122</sup>

Parallel with the transformation of Sydney's baccarat schools into casino style gaming clubs, and the movement of Bally and its associates into the New South Wales poker machine industry and registered clubs' administration, was the reorganisation of S.P. betting operations and the emergence of George Freeman as Sydney's largest S.P. bookmaker. In the 1970s many small-time traditional S.P. bookmakers were pushed out of business by a syndicate headed by Freeman. The high cash flow of the bookmaking business and the large turnover acquired by the syndicate made it ideal to act as a merchant bank for organised crime.<sup>123</sup> Both McCoy and Bottom have demonstrated the links between the illegal gaming clubs, the S.P. syndicate, and the poker machine magnates through their chief personnel. They have similarly provided evidence of association with American criminal syndicates and with the illicit drug traffic which developed in Australia in the 1970s. It is clear from their works that S.P. betting and gaming have not been under the control of government in New South

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<sup>122</sup> McCoy, Drug Traffic, op.cit., pp.213-237; Bottom, op.cit., p.50.

<sup>123</sup> For a detailed account of the developments see McCoy, Drug Traffic, op.cit., pp.245-253.

Wales. Rather, their evidence suggests the reverse, that New South Wales governments have been controlled by organised crime.

The attempt to control off-course betting, by the institution of a T.A.B. system, failed because the S.P. operators could still offer something the T.A.B. could not - credit betting. In addition, the Australian people were accustomed to dealing with men rather than machines. The greater range of betting options offered by S.P. operators and the perennial totalisator problem of large bets destroying the odds received by the bettor also contributed to the continuation of S.P. betting in the post-T.A.B. era. McCoy's conservative estimate of their 1980 turnover, in New South Wales alone, was about \$1,420m.<sup>124</sup>

The continued operation of illegal off-course betting networks in all states, and their continued need of their basic tool - the telephone, meant continued corruption of Telecom employees and officials. Betting premises containing up to 40 telephones which sometimes needed re-establishment within 24 hours after police raids, could not exist without such assistance.<sup>125</sup> The 1983 Victorian Connor report drew attention to this fact, highlighting the failure of government supervision of permitted forms of betting and gaming. Despite the relatively successful casino venture in Tasmania, Connor was convinced that the introduction of legal Victorian casinos or gaming clubs would not succeed in placing Victorian gaming under

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<sup>124</sup> ibid., p.253.

<sup>125</sup> ibid.; See also Bottom's comments in The Australian, 25 May 1983.



careful supervision and government control. Rather, it would provide organised crime with expanded opportunities for corruption and increased facilities for both profit and the laundering of illegally gained income.<sup>126</sup> Although unstated, the Wran government's failure to implement the Lusher Report recommendations in New South Wales were almost certainly based on similar conclusions.

A further factor which helps explain the Wran and Cain Labor governments' decisions concerns the people to whom casino-type gaming appeals most. Casinos have traditionally been associated with the wealthy - "the international jet set". Whilst such an image is probably more appropriate for European casinos than for others, such as those of the United States, it contains some validity with respect to the Tasmanian and Northern Territory ventures. These casinos form part of complexes aimed at attracting big spending tourists and convention delegates, rather than the average working man or woman of the local area. Furthermore, the major games they promote do not offer large returns for small investment, or promote group participation, though the casinos have attempted to widen their clientele by adding two-up and keno to their lists of games.<sup>127</sup>

The casino's tendency to appeal to the wealthier classes was illustrated by the 1979 opinion survey discussed above.<sup>128</sup> In response

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<sup>126</sup> The Australian, 25 May 1983.

<sup>127</sup> Keno is a form of lotto which has received overwhelming support from the "local" clientele in both Hobart and Launceston. In Darwin, poker machines were also introduced to provide an attraction for local residents.

<sup>128</sup> Chapter Eight, pp.352-353.

to the question whether casinos should be legalised, "yes" received greater support from higher income earners than from those on smaller incomes. Respondents classified as "white collar" replied 64% yes and 34% no; whilst for "blue collar" respondents the figures were 58% yes and 41% no. A further breakdown of responses on the basis of educational attainments found that the "yes" reply received support from only 43% of those with only a primary education, but 65% from respondents with secondary or tertiary backgrounds.<sup>129</sup>

Such a breakdown of 2,000 survey respondents cannot be considered conclusive, but it does add support to suggestions that casinos were not supported by working-class attitudes in the way which the other liberalised forms of gaming and betting had been. Significantly, where most earlier extensions of gambling liberalisation had been implemented by state Labor governments the decisions not to proceed with casinos in New South Wales and Victoria were also taken by Labor governments. It would be going too far to infer from this that the major factor in twentieth century liberalisation of gaming and betting has been the interests and attitudes of the working-class members of the society, but the illustration does add further support to suggestions that the betting and gaming developments which did occur were those in accord with working-class attitudes.

The wishes of the majority whose attitudes on gambling, as has

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<sup>129</sup> Sydney Morning Herald, 15 October 1979.

been established, were essentially based on working-class values were one of the significant factors involved in the gradual lifting of gaming and betting restrictions. The other major factors were the question of revenue for the state, and the perceived need for the state to exercise control over practices which would continue, whether legal or not. All three factors have played important roles in the liberalisation process and have essentially complemented one another, despite the potential for conflict between the requirements of revenue-raising and imposing control.

It can be stated then that whilst increased state revenue was a significant bonus received through gaming and betting liberalisation, state control was the more important factor in determining government decisions, though the decisions in most instances - and certainly over the long term - were in accordance with working-class attitudes, values and practices. In the field of gaming and betting - one small area of Australian social behaviour and cultural values - working-class values have prevailed since the first world war. In this field, a working-class hegemony has existed throughout twentieth century Australia.

The eastern Australian colonies were settled during an era of fundamental change in Britain. In the late eighteenth and early nineteenth centuries traditional British leisure pursuits were threatened by the values of a growing and vocal urban industrial middle class, increasingly imbued with an industrial time work ethic, and fired by evangelical ideas and zeal. In the colonies however, the developing societies of this era were untouched by industrialisation. They were essentially re-creations of traditional British rural society, with, of course, local variations. The values transplanted from Britain were not dominated by the industrial and evangelical based values of the urban middle class.

Accordingly, the gaming and betting practices which took root in the new societies were those of traditional Britain. The various forms of British gaming and betting were accepted by most sections of society, though varieties of opinion are discernable. Officialdom frowned at the disorder which often accompanied gaming and betting, and some of the clergy saw greater evil resulting from the practices. But the vast majority of society saw little wrong with them.

The colonial gentry adopted the horse racing and gaming values of the British rural aristocracy. For them, gambling was a harmless exercise. Card playing and betting were matters of honour, as well as ostentatious displays of both civilisation and contempt for mere money. Furthermore, a gentleman was expected to know how much he could afford to lose. For the colonial lower classes, gaming and betting were not matters of display or of honour. They were occasions for

excitement, which could end in either wealth or poverty. For those people with little or no prospect of economic advancement through other legitimate means, and no concept of savings or investment, gambling provided a singular opportunity.

The gentry and officialdom, whilst unable to comprehend the lower-class attitudes and disapproving of lower-class adoption of practices which the gentry considered appropriate only to those who could afford to lose, recognised that gaming and betting by any class were lawful pursuits. In fact, an opportunity to bet on horse racing could serve a two-fold purpose of providing the gentry with a social occasion at which they could display their civilised manners, values and practices; and simultaneously providing the lower orders with a period of festivity during which their gambling energies could be channelled into activities supervised by the gentry.

The success of the 1810 Hyde Park race meeting led to a growth and gradual institutionalisation of horse racing in the first half of the nineteenth century. Vice-regal and gentry support for horse racing enabled betting to become entrenched as an acceptable form of colonial behaviour and its institutionalisation was paralleled by an institutionalisation of gaming in the gentlemen's clubs. Although the clubs remained the exclusive preserves of the gentry, their patronage of race meetings continued to provide betting opportunities for all - and their gaming was imitated by others in less exclusive surroundings.

In early Victorian Britain, the urban middle classes were gradually achieving a hegemony of economic and cultural values, and accordingly the evangelical based moral reform movement of the 1830s and 1840s was well received. But in the Australian colonies, the dominant economic, social and cultural force was still the colonial version of eighteenth century Britain's aristocratic conservatism. Although the colonies expanded dramatically in this period, they had not yet developed the commercial industrial cities necessary to promote industrial values. The colonial churches, crucial to successful promotion of moral reform, were preoccupied with other tasks. So the moral reform movement, with the support of only a few clerical voices, and with a focus largely on the advocacy of temperance rather than anti-gambling, failed because the colonies lacked the precondition necessary for its success.

In the second half of the nineteenth century, colonial gaming and betting became even more entrenched. The flood of gold rush immigrants had little immediate impact on either colonial attitudes or practices. Nevertheless, they and the gold they mined, stimulated commercial based urban growth and the beginnings of industrialisation. They also provided the basis for a growing urban middle class which, by the 1870s was achieving both political power and a hegemony for its economic values.

In the late nineteenth century these developments combined with significant growth and diversification of gaming and betting. The appearance of the on-course totalisator, sweepstakes and proprietary

racing companies, the rapid expansion of Chinese gaming and the growth of the sporting press, all contributed to a higher public profile for gaming and betting. Even more importantly, these new gaming and betting developments made the activities more vulnerable to attack because they were controlled by gambling entrepreneurs whose motives were company or personal profit.

By the late nineteenth century then, conditions appeared ideal for moral reform, but the attack failed to materialise at that time. The gentry continued to use their remaining influence, particularly in the colonial upper houses, to protect their clubs and horse racing. Although they were succumbing to the economic values of the urban centres, their political influence had not yet disappeared, and governments were unwilling to risk their political futures on unpopular reform measures. The growing urban middle class was unable to achieve a hegemony of cultural values because it lacked the motive force and enthusiasm which had been provided in Britain by evangelicalism.

Nevertheless, the protestant churches were in the process of examining their problems and their role in colonial society. In particular, they were becoming increasingly concerned about their failure to attract working-class congregations and with a more general concern about the apparent collapse of their world. Increasing secularisation, a growth of socialism, the arrival of the Labor Party as a potential governing party, and an increasing anti-Catholic sectarianism, all combined to help promote a strong protestant revival

in the immediate post-federation decade.

Aided by the new post-federal political context, organised protestantism helped to provide both political organisation and the basis of an ideology for anti-labor forces. Protestant based moral reform groups, which assumed the validity of middle-class values and the need to remove temptations from the path of the lower classes who were unable to resist them, joined with anti-socialist governments to impose a series of reforms - including some which attempted to restrict severely gaming and betting.

Because the reforms were aimed at the working classes, they ultimately failed in their main objectives. At a time when the protestant, urban middle class appeared to achieve political and economic dominance and was challenging the old gentry dominance of social and cultural values, it failed to direct its attention to the reform of the practices of the gentry. The moral reform movement's failure to close the racecourses and prevent gaming in gentlemen's clubs provided the loopholes for the collapse of the legislation they did achieve. The fundamental reason for the movement's failure was that the legislatures' decisions to allow some gaming and betting, in some places at some times, meant that the state officially recognised the legitimacy of these activities.

By the middle of the first world war, the implications of this official recognition were clear. Organised protestantism, despite occasional sallies, was a declining political force, and the state



governments were increasingly less concerned with morality and more concerned with money, or more specifically with sources of tax revenue. From then, until the 1980s, the central theme of the history of gaming and betting has been that of increasingly liberal legislation, as governments have legitimised and taxed an ever increasing range of gaming and betting enterprises. Throughout the twentieth century, as the state has become increasingly active in economic and welfare areas, it has consistently sought means of increasing its taxation revenue.

Nevertheless, the potential of taxation revenue alone is insufficient to explain the motivation of governments since about 1916, when New South Wales legalised the on-course totalisator and Queensland introduced its Golden Casket lottery. The forms of gaming and betting liberalised in this era reflect increasing acceptance of the values of one particular section of society. Lotteries, off-course betting, poker machines, greyhound racing, night trotting, bingo and the more recent variety of numbers games all reflect the preferences identified as working class. The twentieth century liberalisation suggest clearly an acceptance of working-class values, by the state and the society as a whole. There are, however, two exceptions which demonstrate that an acceptance of these values, along with a desire for increased tax revenue do not provide a complete explanation.

The abolition of proprietary racing and the introduction of casinos appear to contradict the contention that governments have been guided by working-class preferences since the first world war. The

abolition of proprietary racing and the debate over casinos, along with the rejection of poker machines in most states, all reflect the third important influence on government decision making since 1916, namely a concern about corruption. Legalisation of off-course betting in all states and poker machines in New South Wales resulted, in part, from a realisation that these forms of betting and gaming would continue, whether legal or not, and that legalisation could lessen the extent of corruption by increasing state supervisory control. Proprietary racing however, did not lend itself to close state control without losing its proprietary nature, particularly when it raced in competition with non-proprietary, non-profit making clubs. The solution, in this instance, was to force all horse racing to operate under the supervision of the principal race clubs in each state, and to establish state control boards to supervise the operations of trotting and greyhound racing.

Casinos posed a slightly different set of problems for the state. Illegal gaming schools and clubs continued to operate throughout the twentieth century, with apparent and increasingly organised corruption. For the smaller states, which had comparatively small illegal gaming markets, and which could use casinos housed in international hotel complexes as a basis for tourism, legalisation provided the means of supervision and control. However, in New South Wales and Victoria, where casinos would contribute little to tourism, and the more appropriate casino model is the series of smaller gaming clubs designed to cater for the more widespread existing demand, a proliferation of clubs would prove difficult to control and would

continue to provide opportunity for exploitation, corruption, and even the promotion of organised crime.

In these instances the states chose to forgo revenue and reverse the trend towards more liberal gaming laws by refusing to introduce casinos in any form. Yet, these decisions by the Cain and Wran Labor governments are, at least partly, in keeping with one of the other forces promoting twentieth century liberalisation. They do reflect the identified working-class values. Even those states which have introduced casinos have found that to be successful, the gaming palaces have had to supplement their more 'aristocratic' games with two-up, keno or poker machines. Even the casinos then, have had to succumb to working-class gaming values.

The history of Australian gaming and betting does provide a perspective for analysis of Australian society and its history which is an addition to the established approaches. It reveals the continued existence of three distinguishable value systems, held by three identifiable sections of the society: a colonial gentry, a protestant urban-industrial middle class and a working class. Whilst the exact composition of these classes, their relationships to each other and their relative strengths have varied from time to time, their value systems have remained remarkably consistent.

The preceding analysis also reveals that these groups and their values have competed for dominance in the society. Examination of the competition has shown that in nineteenth century Australia, the

dominance of gentry values outlasted the gentry's control of colonial politics and economic affairs. It has also demonstrated that the protestant urban middle classes, despite their wresting of political control and their achievement of economic hegemony, failed in their attempts to achieve a dominance of social and cultural values in the first two decades of the twentieth century. Since then it is apparent that in the realm of gaming and betting - one small area of Australian social behaviour and cultural values - the working-class value system has prevailed.

In twentieth century Australia the economic structures and the enlarged functions of governments resulting from industrialisation and the growth of commercial capitalism may well suggest a large measure of embourgeoisment or middle-class hegemony, and it is at least arguable that society has become less conscious of class divisions - with most people subscribing to urban middle-class economic values. Nevertheless, on a less conscious level, working-class social and cultural values remain heavily embedded in the society's attitudes. Clearly, hegemony should not be treated as a totality, but as a series of segments. One group does not necessarily achieve dominance in all segments. This examination has shown that for much of Australia's history, the holders of cultural hegemony were not synonymous with the holders of economic and political hegemony. The study also casts doubt on any suggestion that a nation's cultural values derive from its economic and political structures; though there is no doubt that particular economic and political experiences can influence those values.

The continued strength of Australia's pro-gambling values derives almost certainly from the struggle which the working-class value system faced around 1906/7, and again briefly during the Great War. This struggle assumed heroic proportions when working-class values triumphed over apparently superior opposition forces after all appeared to be lost. The subsequent ridicule of reformers, and romanticisation of the victors and their values, ensured that gaming and betting occupy a place in Australian culture far out of proportion to their importance as measured by more empirical means.

The history of this aspect of Australian social behaviour also provides some further insight into the role of the state. In nineteenth century Australia the state was reluctant to enter debates over gambling. It was content to adopt a laissez-faire attitude, as long as gaming and betting did not interfere with public order or did not pose a threat to establishment interests. During the post-nineties depression, post-federal reform era, when the state was increasingly concerned with the welfare of its citizens, it became more inclined to interfere with gaming and betting practices. But its efforts were restricted to the behaviour of only the lower classes; in keeping with the general patronising, welfare oriented concerns which characterised that era.

Since the first world war, as the state has become more obviously a part of the machinery of capitalist hegemony in economic matters, it has had to re-think its role in this field. The need for taxation

revenue and the desire to extend state supervision or control over the behaviour of its citizens contributed to the post-1916 gaming and betting developments. The irony is that the most effective means of control was for the state itself to subscribe to the cultural value system of the nineteenth century working class.

The continued strength of this value system also emphasizes the continuity of social ideas and social attitudes throughout Australia's history, and provides support for Pierre Bourdieu's hypotheses concerning the reproduction of cultural values from one generation to the next. The cultural reproduction concept and the idea of separate sections of hegemony are crucial to our understanding of Australian history. It is only through the application of these ideas, and their illustration through the study of the society's attitudes and behaviour in fields like gaming and betting, that we can begin to understand how a nation which subscribes wholeheartedly to commercial capitalism and middle-class economic and political values, can also accept happily, a largely rural and stridently working-class ethos.