



NARROGIN RACE & PACE INC TRADING AS

**NARROGIN
RACING**

30 November, 2009



The Chairman
Legislative Assembly Committee Office
Level 1
11 Harvest Tce
WEST PERTH WA 6005

Dear Sir or Madam:

Please find attached our submission to the Joint Standing Committee on the Review
of the Racing & Wagering Western Australia Acts.

Kind Regards

Jon Menzel
Manager
Narrogin Racing

**Submissions from Narrogin Race and Pace Inc.
(trading as Narrogin Racing)**

To the Committee on the Review of the Racing and Wagering Western Australia Acts

Enquiring into Inquiry into the Racing and Wagering Western Australia Acts

These submissions are based on the understanding that The Joint Standing Committee will review the operation and effectiveness of the Acts and is to consider and have regard to:

- (a) the effectiveness of the operations of Racing and Wagering Western Australia (RWWA);
- (b) the need for the continuation of the operations of RWWA; and
- (c) any other matters that appear to the Joint Standing Committee to be relevant to the operation and effectiveness of these Acts

Background to the establishment of Narrogin Racing

Narrogin Racing is WA's first dual code horse racing club and was formed in 2008 with the endorsement and assistance of both the local racing community and RWWA. The club was borne from the acknowledgement by the two existing race clubs that the only way forward in the current climate was to combine the skills and energies of the two clubs into one streamlined and efficient racing body that would be able to promote and develop the industry in the Great southern region of the state.

Present Situation

The club continues to prosper because of its proactive approach to the industry. This is demonstrated by:

A concerted effort by club management, committee and members of both codes, in working together to build Narrogin as a significant regional centre for turf and harness racing.

The support of the business community in Narrogin, and of other prominent businesses who support the industry in WA.

The backing of the two local government authorities.

Encouragement from industry officials and the people of the Narrogin District who have attended in greater numbers and provided positive feedback on the work of Narrogin Racing.

The initial assistance of RWWA in supporting the project to combine the two previous clubs.

Specific Submissions

1. "the effectiveness of the operations of Racing and Wagering Western Australia (RWWA);"

Narrogin Racing's experience of its relationship with RWWA may well be mirrored by many other provincial and country clubs.

Since its inception RWWA continues to demonstrate a city centric view of the industry that largely fails to acknowledge the input and value of the smaller regional racing communities

There is no culture of consultation by RWWA with the Industry. Meetings with RWWA appear to be conducted on the basis of the governing body dictating to the industry what it intends to do without hearing the viewpoint and suggestions of the clubs. Some examples of this are as follows:

The exponential growth that industry as a whole has undertaken in the metropolitan area. This growth has occurred in stake money, number of meetings and staff numbers. Stake money has increased significantly in the metropolitan area. Namely at Belmont, Ascot, Gloucester Park and Cannington, especially in feature races.

On the other hand, stake money has hardly increased in provincial and country areas.

The number of race meetings allocated to Belmont, Ascot, Gloucester Park and Cannington is ridiculously high with each of them running at least two times a week. The major race days of the week are Friday night for Harness meetings and Saturday afternoon for Thoroughbred meetings. Gloucester Park always run on a Friday night and Belmont or Ascot always runs on a Saturday afternoon. This metropolitan bias occurs nowhere else in Australia and has always been of significant concern to non metropolitan clubs.

The administration of RWWA has also grown considerably since its inception. Admittedly it has recently undergone a review and subsequent decrease. However this decrease has appeared only to have occurred because it had grown to such an extent that it was unmanageable. Moreover, RWWA has used this decrease as an excuse to justify cutting back in provincial and country distributions. No correspondence has been forthcoming since this review and one can only draw the conclusion that these positions may not have been necessary to begin with.

Recently, approaches to RWWA seeking financial assistance have been stonewalled by them with the excuse of not having any money to give and the suggestion that Royalties for Regions money will be the only likely source of project funding for clubs in the foreseeable future. This gives the impression that all income from wagering and other sources is completely swallowed up by the administration and running of the racing industry, with no surplus for development or improvement of the industry that generates the income. Clubs such as Narrogin Racing are in desperate need of capital development to not only survive but to compete with more prominent clubs that have received significant funding in recent years.

RWWA appears to have no accountability in many areas and seems intent on growing the industry in the metropolitan area to the detriment of regional WA.

“the need for the continuation of the operations of RWWA;”

The industry is in need of a strong, proactive and most importantly unbiased governing body. In its present form, RWWA lacks these qualities.

As things stand, like many other regional clubs, we feel we have little or no control or input into our future. RWWA has the authority to curtail club meetings to such an extent that the club would fold. For example Narrogin Racing was allocated only 5 turf meetings this season, with 2 of these meetings being non-Sky meetings. All race clubs need a certain number of meetings to survive. When our meetings have been cut there has been a lack of willingness by RWWA to act on our concerns and, at times, to provide an adequate rationale.

RWWA, as it currently exists, is perceived as an autocratic bureaucracy. This needs to change.

3. “any other matters that appear to the Joint Standing Committee to be relevant to the operation and effectiveness of these Act”

Reinstatement of the Travelling Incentives Scheme. RWWA withdrew this scheme stating financial constraints and implying that it was a temporary measure for the current season. Narrogin Racing would strongly recommend not only the reinstatement of the scheme but also a review of its operations and amounts in line with CPI and other costs such as fuel, feed, farriers etc. The incentives, whilst of themselves not large amounts, were a distinct encouragement for many of the smaller owners and trainers from regional and country areas who make up the backbone of the racing industry and provide a feeder service for the regional meetings and thence, for the better performers, an avenue to compete at higher levels. Country trainers rely on this incentive more than metropolitan trainers as they travel more. The abandonment of this scheme is another example of metropolitan bias.

Race Scheduling. The Committee of Review will probably find that it receives more submissions on this subject than any other. The process of scheduling and allocating meetings and race numbers for the various codes needs a radical overhaul from the “bottom line” driven current system. This club realizes that scheduling a full season of meetings for 3 race codes is a large undertaking but it is one that needs to be carried out in a consultative, communicative and inclusive way. RWWA in the past appears to have driven scheduling with a total “bottom line” approach geared at maximizing the earnings whilst often ignoring the potential health of the racing and gaming industry in this state. There is no denying that a healthy bottom line and the ability to collect and distribute viable earnings from racing is necessary but this club holds the view that this can still be done without what was sometimes seen as the “slash and burn” approach of RWWA. A case in point is the decision to drop one turf meeting from the Narrogin Racing schedule this season when turf meetings at Narrogin have, in the past, seen good returns (both on and off course) and have provided owners, trainers and the racing public with the opportunity of quality events. Like many questions of scheduling decisions made by RWA in the past, the question

goes begging – “why fix what isn’t broken?”

To have the scheduling carried out as an open and transparent process with provision for input, feedback and questions from the race clubs is essential. Narrogin Racing acknowledges that this is a complex process as racing coverage by many forms of media (most notably Sky Channel) is also a large consideration.

Product Fees. Whatever form the legislation and the governing body for racing and gaming in WA take in the future, the need for strong legislation and the ability to negotiate product fees from a powerful base is essential. The industry should not become subject to the various media, wagering and distribution networks with the need to go “cap in hand” asking for product fees. It needs legislation with teeth to enable product fees from WA based racing to external bodies whether interstate or overseas to be settled realistically and fairly with the flexibility to cover new forms of distribution which may develop with the advent of new technology. This gives the industry a competitive basis of operation and substantial and fair fees which can then be used to develop and promote racing in WA – not just in the major cities, but also in the regions. The increased cost of product fees has been used by RWWA as the main reason behind its cuts in funds and meeting distribution. However very recently this entire product fee cost was overturned, yet we have received no correspondence about the consequences of this. Moreover we relied on RWWA to negotiate these product fee costs in the first place, yet they were unable to come to an arrangement and Narrogin Racing was disadvantaged because of it.

Summation: There needs to be a shift in RWWA’s perspective about racing in WA. Investment in racing in this state needs to be about the industry as a whole, not about centralizing racing through a few metropolitan centres and provincial cities which are in close proximity. This would spell the death of the industry as we have known it – an industry that, in the past, has thrived by encouraging and supporting its participants and supporters alike from the small, regional clubs to the major city venues.

Investment and continued support in all forms of racing at all levels should and needs to underpin whatever future direction is set. Investment in regional racing and country clubs should be seen not as “handouts to the less fortunate” but as an investment in the health of racing in this state.

Any governing body must be there for the entire industry, not just those parts that encourage significant turnover.

RWWA has fallen short in many areas of its governance, and until now has not been held accountable. Narrogin Racing look forward to monitoring the progress of this review and would be more than willing to support the board by presenting our case in more detail.

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