

Country Racing Association



Inquiry Submission

*Submission from the Country Racing Association,
to the Joint Standing Committee on the Review of
the Racing and Wagering Western Australia Acts*

Introduction

Country Racing Association (CRA) was established in 1988, at the time of The West Australian Racing Industry Inquiry (The Quin Report).

At that point in time, WA Turf Club (WATC) was the Principal Club for the thoroughbred racing industry; there was no formal body of association to represent country racing clubs at a state level. (This body would eventually replace a number of regional councils). Negotiation with WATC on the development of the country and rural racing was a piecemeal affair, which, in the eyes of the country delegates, left much to be desired.

Some delegates felt that WATC's approach disadvantaged country racing and without a stronger voice, the success and continuity of country racing would be jeopardized. Subsequently Mr Dixie Solly and Mr Arnold Carter lobbied extensively and brought about the establishment of the Country Racing Association.

CRA is an effective body, actively involved in the development of racing operations and integrity standards. It represents 27 of the 38 thoroughbred racing clubs in WA, which in the 2008/09 year, hosted 70 racemeetings and engaged 3,186 starters.

The CRA is recognised by RWWA as an Eligible Body as prescribed in the RWWA Act 2003 Section 12. It is invited by RWWA to engage in both regular and structured consultation and is a point of reference for industry communication.

The Country Racing Association is committed to the continuation of thoroughbred racing in country and remote Western Australia. CRA is also committed to the improvement of standards that will enhance the image of the sport and encourage strong participation and enjoyment within the community.

The CRA acknowledges that significant events have occurred in recent times that have changed the profile of the racing industry both statewide and nationally. Concurrently it is acknowledged that the changes to income streams traditionally relied upon are being challenged.

Faced with increasing costs and threatened income levels, all race clubs, industry participants and RWWA, are aware that economic pressures may result in the constraint of the racing industry, However CRA is unwavering in its conviction that the long term benefits of racing activities should be cultivated and not be relinquished because of short term economic problems

CRA submission

Pursuant to section 122 of the Racing and Wagering Act 2003, this submission is made by Country Racing Association to the Joint Standing Committee.

The Association has considered the terms of reference and shall comment on Term 2 a, b, and c, being;

- a) The effectiveness of operations of Racing and Wagering WA.
- b) The need for the continuation of the operations of RWWA
- c) Other relevant matters.

The CRA believes that the Western Australian thoroughbred racing industry has, overall, improved vastly in the period since the inception of RWWA in 2003. The Association keenly supported the establishment of RWWA and continues to hold the view that the controlling authority should not be a racing club.

The country racing industry is indeed grateful to the staff of RWWA that have worked diligently to implement a myriad of policies and processes and have undertaken tasks with enthusiasm, drive and commitment.

In the Association's opinion, country racing is better off under the RWWA system as compared to the previous regime. It must however be mentioned, that the RWWA period of control has coincided with the greatest boom in WA's wealth and therefore the industry's performance has perhaps been over estimated in economic terms.

In terms of the effectiveness of RWWA, the Association is of the opinion that there are challenges which RWWA has not managed to address to the satisfaction of country racing clubs and that this is due to some fundamental shortcomings in the operational style of the organisation and the governance structure.

Issues and concerns

1. The Board structure has not delivered greater cohesion and capability for the industry to develop strategic direction. RWWA's strategic policies for thoroughbred racing country racing particularly for the long term future, lack coherence and there is a perceived metro-centric bias towards the allocation of funding and development of policies.
2. The intention of the coming together of racing and wagering was to build a strong organisation that could be responsive to the needs of participants. The bureaucracy now evident within RWWA is a concerning matter. The industry has no control over burgeoning costs of operation and expects the Board to oversee the control of all "Before-Distribution" expenditure. There is a sense of deficiency in the communication and transparency of Board decisions. Notably RWWA has not posted a Statement of Corporate Intent, nor a

Strategic Development Plan on it's website for some years. It is unclear if these vital documents exist. *(see footnote 1)*

3. The lack of committed, ongoing and high value consultation between RWWA and country racing clubs has resulted in a high degree of mis-information circulating within the industry, which leads to a feeling of distrust and concern between parties.
4. The role of Eligible Bodies has been diminished over a period of time for various reasons. The consultative process between RWWA and Eligible Bodies is best method of ensuring that strong communication channels are maintained with the industry and that the views of the industry are heard.
5. RWWA has a wavering level of recognition for the enormous value in the heritage and social factors of WA country racing.
6. There is an inconsistent approach to decision making on racecourse infrastructure standards and race club requirements. Coupled with a lack of forward planning, there has been no progress towards the implementation of agreed industry standards for community race courses.
7. RWWA appears focused on the fulfillment of its SKY Racing programme and wagering business to the point that it is at risk of losing sight of the sustainability of the racing industry. It appears that the Board is unable to focus on both a wagering and racing business concurrently and this may be due to conflict of interests and/or lack of resources.
8. The Country Racing Association member clubs are predominantly run by volunteers for their community however there is very little support given to meet their needs. Either by way of training or support.
9. The value of country racing is intrinsic to the community however the RWWA Executive seems to have difficulty in recognizing social profits and other non-financial benefits. Racemeetings provide opportunity for industry participants to sustain their businesses and contribute to the sport, at a level at which they might be competitive. RWWA views country meetings as community or tourist driven events, but essentially these meetings are training grounds for horses, jockeys and trainers that may or may not make it to the provincial or metro racing standard in the future. Country racing is the bread and butter plate for many participants. Country racing should not be seen as a burden, as the demise of country racing would have a severe and irreparable effect on the higher echelons of racing.

1 RWWA has released a Vision Paper during the preparation of submission. Due to the timing of the release, the CRA has not been able to consider the Vision Paper prior to making it's submission to the Joint Standing Committee.

Putting the level of activity into perspective in comparison to the state as a whole, thoroughbred country and community racing accounts for 71% of all thoroughbred racing clubs, conducts 19.1% of the actual races run, providing 3,186 racing starts for jockeys. It receives only 5.6% of all stakes and prizes.

10. There is no statewide industry strategy on the issues relating to animal welfare.
11. RWWA has not produced an industry strategy for the management of water resources and environmental conservation.
12. There is a disappointing level of progress in the introduction of technology based improvements for racing clubs such as on-line race club procedure guideline manuals, download of forms etc.

Recommendations for Change

The CRA has given due consideration to this opportunity to comment on the effectiveness of the operations of RWWA and makes the following recommendations intended to address the principal issues.

The CRA has deliberately not made comment about the performance of the organisation in relation to overall financial performances, wagering operations and strategies, or its development of the sports betting field. CRA is concerned primarily with the country racing agenda and leaves other matters to bodies and individuals that are better positioned to comment.

The comments are confined to these areas and the comments should be read within that context;

1. Country Racing Industry development
2. Country Race Club development
3. People development and participation
4. Infrastructure
5. Training
6. RWWA Organisational development
7. Legislative change

Specific Recommendations

1. New Board Structure - The RWWA management body is charged with looking after the development and operation of wagering, three codes of racing, and an emerging sport betting brand. The Association questions the suitability of this spread of interests, which at times have conflicting goals and recommend that a new Board structure be considered to separate the two facets of (a) racing and (b) wagering. A new Racing Board structured along the lines of an Industry Council is deemed more appropriate.

New models for industry representation and consultation are required to achieve strategic leadership and effective political and policy influences. Should changes to the Board structure come about, the Association would like to see greater emphasis on the role of regional development. It is our observation that although the existing model allows for this. Very little interaction exists with regional development commissions and remote area service providers.

It is also recommended that the role of the Integrity Assurance Committee as set down the RWWA Act 2003, Part 4, Division 2, be independent from the RWWA Racing Board.

2. Right of Appeal - The decisions made by the Board shape and determine the success or failure of the Western Australian Racing Industry. It is imperative that its decisions be open to scrutiny by industry participants and representative bodies. It is noted that the RWWA Act does not provide for a right of appeal to the Minister, hence it is recommended that a defined appeal process be documented and included within the Act so as to avoid unnecessary confusion and to protect the rights of the individuals and associations that rely upon the good governance of the industry.
3. Moving forward the country and community racing industry, through RWWA, must better demonstrate its relevance and contribution to core social and economic outcomes. The community dividend derived from racing is crucial at a time when expedient growth, driven by the resources sector, is expected in remote areas. Racing must consolidate its status as an industry by building stronger strategic partnerships with relevant industries such as economic development and tourism. These partnerships must develop into mutually beneficial outcomes.
4. The industry requires a coordinated, committed and perpetual research agenda to better understand future trends and issues and to provide direction for decision making. It is recommended that RWWA be obliged to undertake industry wide research on behalf of the racing clubs on a regular basis and that a database of details be made available to clubs and organisations such as CRA.
5. RWWA has failed to raise participation in country racing to ideal levels. There is a need to develop innovative and creative participation opportunities at the

country level through ownership, riding and training. It is recommended that this initiative be achieved via the creation of a dedicated country racing resource.

6. Only a few CRA member clubs, generate revenue through commissions from races shown on SKY TV. Most organisations service their needs through core revenue streams such as membership fees, grants and sponsorships. Few organisations have the means to pay for expansion programs, redevelopment, extensive improvements, or the building of a local industry through provision of support networks.

It is recommended that initiatives be set in place to provide support and/or incentives to assist clubs to broaden their revenue streams to bolster their sustainability, such as establishing a business enterprise development fund and resource sharing initiatives.

7. An industry model which relies so heavily on volunteers must better meet the need of the volunteers for our industry to be sustainable by providing education and training.

Creative and flexible approaches to education and training for roles such as stewards, administration, marketing and event management must be provided to ensure access and affordability to all particularly in remote areas.

8. Community-based racing organisations are not immune from meeting a range of complex legal, ethical, social and financial requirements and expectations. In risk management terms the consequences of not complying and/or not fulfilling these requirements can be catastrophic for an organisation.

New models or solutions are required for race clubs to enable them to meet increasingly complex and demanding governance and management performance standards.

It is recommended that an ethos of continuous improvement be supported to meet evolving requirements, particularly in safety and resource management areas.

9. Industry-wide web-site development has made little progress since 2003; similarly, the use of technology to deliver governance and management services to country clubs has not kept pace with other industries.

It is recommended that RWWA make better use of available technologies to improve services to remote areas and for communications with members, clients and stakeholders.

10. An improved strategic approach is required for infrastructure planning and provision, including associated capital funding issues. RWWA must better articulate its medium to long term infrastructure planning and provision policies and this policy should be based on evidence based decision making.

The racing industry must embrace principles and best practice of sustainability and asset management, this should this could be done initially through a central bureau. Funding for safety and risk management issues at country and community clubs must be made available, either by grant or interest free loan.

11. With reference to RWWA Act 2003, Section 39 (1), (2), (3) and (4), Licensing of racecourses, racemeetings, races and tracks, it is recommended that the terms and conditions for the licensing of a racecourse be made available (via the website) so as that a clear understanding of what requirement must be met in order to run a race meeting, is developed within the community.
12. With reference to RWWA Act 2003, Section 43 (1), (2) and (3), Directions by RWWA, the scope of this section of the Act is not defined to any extent and there is no right of appeal (other than through legal channels). It is recommended that this section be reviewed to include (a) a limitation to the extent of direction and (b) a defined conflict resolution process.
13. With reference to Section 43 (4), there are some concerns that jockeys and apprentice jockeys in particular, may not have sufficient knowledge on more complex occupational health and safety matters to provide correct submission to RWWA. It is recommended that this section be reviewed by an independent body to consider whether this is appropriate. This statement in no way prejudices the excellent relationship the CRA holds with the jockeys and the WA Jockey Association, it is purely an observation that the OH&S and public liability legislation and guidelines are extremely complicated and history has shown that a wrong judgment can lead to injury to persons and damage to property.
14. Initiatives are required to develop and strengthen the depth of talent in all fields of club operation, training and riding in the more remote areas. This should be achieved through stronger partnerships with relevant bodies including local employment agencies, state and local government and Regional Development Commissions.

15. The barriers to participation are present at all levels however RWWA must be aware of the unique needs of remote country clubs and adopt policies that provide for travel cost equalisation for trainers and the cost of freight.

16. RWWA policies for the management and operation of horse training tracks and facilities must recognise (a) the importance of training (b) the cost and (c) the level of volunteer and club commitment required. Most CRA member clubs provide training facilities heavily subsidised for track users, for some clubs; those that support a domicile training population, e.g. Broome, Esperance, Port Hedland and Carnarvon, the associated costs are significant.

RWWA has made several changes to its policy of funding for training, which is confusing for clubs and also poses problems for clubs when planning budgets and cash flow.

It is recommended that RWWA funding policies for training be determined by an independent group which will consider the true value of training in country areas and set a level of funding accordingly.

17. With reference to RWWA Act 2003, Section 44, RWWA is the body responsible for the imposing of fines for the breach of rules. The industry would like to be kept abreast of how the revenues from fines are expensed and CRA recommends that this money should not be expensed as general revenue, but put to a very specific and relevant purpose, ideally related to animal welfare.

18. With reference to RWWA Act Section 50 (c), it is not obvious why the Functions of RWWA in Relation to Gambling, should be where the reader finds the section that relates to the development of a scheme for the distribution of net profits. The Act states that there should be “negotiation of funding arrangements with individual racing clubs”. This does not happen in practice. It is recommended that RWWA adopt a negotiation process with clubs and involving bodies such as CRA.

19. With reference to RWWA Act Section 6, Division 1 - Accountability, RWWA has not posted a Statement of Corporate Intent, nor a Strategic Development Plan on its website for some years. It is unclear if these vital documents exist. It is recommended that this situation be corrected as a matter of urgency.

20. With reference to RWWA ACT Part 6 Division 3 Directions, Consultation and Provision of Information. In practice, there is confusion between the role of “prescribed racing bodies” and “eligible bodies” (established in Section 12 of the Act).

It is recommended that these bodies be one and the same. It is further recommended that the consultation process be fully reviewed for the purposes of updating legislation and for the management of operational policies.

CRA is of the opinion that an independent body other than RWWA should declare which bodies are eligible /prescribed.

The established process of quarterly meetings of the Thoroughbred Racing Consultative Group is only being paid lip-service by RWWA. The CRA is of the opinion that the consultation process can only be successful if all members are committed to open and frank dialogue and that RWWA affords sufficient time for agenda items to be debated.

21. With reference to RWWA Act 2003, Financial Provisions Division 2 Loans and Grants, the implementation of a policy effectively withdrawing all loan mechanisms and drastically reducing the availability of grants to a near negligible level, should have been negotiated with the industry prior to introduction.

It is recommended that there be a compulsory process consultation and agreement process for the introduction of significant financial policy changes. Further it is recommended that where such changes are required, then appropriate change management principals should be adopted, including training, education and support tools.

22. With reference to RWWA Act 2003, Section 106, Allocation of RWWA's Funds after 2006, it is recognised that there are many requirement to be met and that that pull on RWWA resources is significant, however CRA wishes to see country and community stake money payments and club funding to be kept at a level which make participation in country racing, affordable for clubs and worthwhile for trainers, jockeys and all other participants.

23. Undertaking this review of the RWWA Act has engaged the CRA in deliberating the future, considering how it may best serve its members in the years to come and to think about challenging existing views and opinions. The Association remains deeply concerned about the direction RWWA has taken the industry, in response to global economic challenges, national racing product delivery and product fees. Since we are not entirely satisfied, the Executive would be derelict in its duty not to recommend that a review of the Act should be undertaken again in the next five year period.

Summary

The Western Australian Racing Industry holds a place for all. It's ethos must enshrine the unique attributes of State. It has to meet challenges of economic highs and lows, geographical distances and shifting populations which are intrinsic to it's nature.

The Country Racing association was established to see the success and continuity of country and community racing. It does not expect to see great growth or development of sport in remote or rural areas. That can only come about through the development and maturity of the Regions themselves.

The CRA member clubs do not regard themselves as being industry free-loaders and strongly rejects the attempts by RWWA to brand country and community racing clubs as a drain on industry resources. The CRA has a great deal to offer the industry and provides an extremely important asset to the rural community, tourism and WA's social development.

In the future the Association would like to see the greater development of awareness of country racing needs across all areas of the community but particularly within the RWWA Board.

A new model for a Racing Board that provides a high level of accountability and transparency is essential. With a strong focus on consultation, key objectives can be achieved, including the development of working partnerships within the racing industry and with external bodies.