



## BROOME TURF CLUB PEARL COAST RACING



### Submission to the Parliamentary Review of the Racing and Wagering Western Australia Acts

This submission is presented by the Manager of the Broome Turf Club on behalf of the BTC Committee. Whilst all members of the committee have had the opportunity to consider the content of the submission it may not necessarily express the total view of all those members.

The Broome Turf Club (BTC) committee were prominent in the original push for the establishment of an independent racing authority to service the industry in the lead up to the *Racing and Wagering Western Australia Act 2003*.

Having been the recipients of misinformed, biased and unwelcome intrusion by certain elements of the then controlling authority, the West Australian Turf Club, the BTC Committee resolved to lobby government for the removal of state wide control of thoroughbred racing from the WATC and the establishment of an independent organisation to assume that role.

The members of the BTC committee, at the time of the afore mentioned interference in the running of their club, considered themselves at least the equal of those who were acting as judge and jury over them. They were also of the opinion that in reality the WATC was just another West Australian thoroughbred race club and the notion that it should have control over all matters including finances of all WA race clubs was farcical. As the WATC was one of about thirty race clubs competing for the same pool of funding, of which they themselves had almost absolute control, the BTC committee were convinced that this vested interest system was unsustainable and that country racing would be the big loser while it continued.

With that scenario in mind the BTC committee of the day undertook to do whatever they could to bring about change to the system, and made several submissions on the subject. They weren't alone in this endeavour by any measure as in fact it had been mooted for decades, and support for an independent controlling authority gathered momentum to the point where the government of the day resolved to introduce the *Racing and Wagering WA Act 2003* which then lead to the establishment of the organisation now known as Racing and Wagering Western Australia (RWWA).

This move included the incorporation of the WA TAB under the RWWA banner and the then CEO of the TAB Mr Ray Bennett, was appointed CEO of RWWA and in fact all operations were centred in the original TAB building. An independent board was set up to oversee the operations of RWWA.

CEO Ray Bennett, coming from the top of the TAB and having a background in banking, was focused on running a profitable organisation and it is fair to say that he did an excellent job of that. Times were good economically in WA throughout Mr Bennett's period of management and the TAB and consequently RWWA fared very well financially.

As mentioned Mr Bennett, given his financial background, was initially at least, very focused on the gambling income to RWWA and the sources from whence it came. In hindsight he would probably agree himself, that in his early days he had very little enthusiasm for the social or community aspects of thoroughbred racing and little or no interest in country racing in particular.

Whether influenced by his board or by the fact that his job required him to get out amongst the participants providing the entertainment, which was responsible for the increasing profits of his organisation, there was a noticeable shift in his attitude toward those involved at all levels and he himself became more a part of it. He made an effort to get out to country race meetings and talk with the clubs and as the coffers of his organisation swelled it appeared that he was more open to the use of these profits to support the grass roots of racing, even though they didn't actually contribute directly to RWWA revenue.

Many country clubs and country racing in general benefited from this change in attitude at the top of the administrating body. Of course this was made possible by the fact that the TAB and gambling on thoroughbred racing in particular was doing so well at the time. This was boosted by support from the government of the day for racing in general and country included. Clubs such as Broome were able to access funding to upgrade neglected tracks and deteriorating plant and infrastructure.

The Broome Turf Club committee, together with others were convinced that they had backed the right horse and looked forward to a new era of greater support for country racing.

Unfortunately that support appears to have lost momentum in recent times. There are a number of obvious reasons, the downturn in the economy and reduced gambling revenue being a significant factor and the lesser interest shown by the current government in horse racing has impacted on funding provided to the industry.

Without being critical of the management itself, it is also fair to say that under the direction of current CEO Mr Richard Burt the focus of RWWA is squarely back on profitability and gambling revenue. Being another product of the TAB Mr Burt makes no secret of the fact that he sees country race clubs as a liability to RWWA. Unlike Mr Bennett there appears little chance that he will ever recognise the value of the social and community aspects of racing. Whilst he will pay lip service to country racing and his support for it, he has little genuine interest in it and even less understanding of the role it has played, and continues to play, in keeping the industry afloat. He also has little comprehension of the value of country racing to the communities supporting it.

All pleas for financial assistance by country clubs for capital expenditure are falling on deaf ears whilst at the same time being enthusiastically pushed off to the Royalties for Regions funding scheme. Race clubs are finding very little relief there as most regions are overwhelmed with seemingly more needy applicants.

The direction of the entire organisation of RWWA is primarily influenced by the CEO. Whilst the board get involved in significant issues the CEO has the major influence over the day to day thinking of all departments. Whilst the CEO sees country racing as a liability there will be no extra funding available for it other than that set in stone by government policy and every opportunity will be seized upon to make country clubs pay for RWWA services. This approach is already evident in the introduction of new charges and the increase of existing ones.

It is very obvious that Mr Burt would prefer that RWWA weren't responsible for country race clubs. This attitude will probably always prevail while the CEO is appointed from within the ranks of the TAB and in this submission the Broome Turf Club would urge that in future appointments to this position, consideration be given to the wider pool of industry participants. Having said that, this submission makes no personal criticism of Mr Burt nor of his capabilities as a financial manager, it does however question the direction being taken by RWWA under his command.

There is also evidence of a tendency toward bureaucratic control by most departments of RWWA and more and greater demands are being placed upon race clubs, most of which are run by volunteers. In supporting the establishment of this organisation in the first instance the Broome Turf Club and others considered the main objective would be to service the industry, not dictate to it. Country race clubs are being bombarded with expectations, without financial support, that are beyond their means and therefore threaten their very existence.

Country racing is the backbone and the grass roots of the racing industry. Thoroughbred racing starts and finishes in the country. Most horse owners and trainers acquire their first interest in the sport from the country, they pick it up from their relationship with country people who are born and bred with horses. Almost all young riders commence their careers in the country, and quite a few of them finish it there when they become too heavy to ride in the cities.

As mentioned most country clubs are run by voluntary committees whose first priority is to provide worthwhile entertainment for their communities and at the same time give those with an interest in horses, and there are always plenty in the country, an opportunity to participate in the sport. It would be extremely unlikely that any person ever joined a country committee with the aim of improving TAB profit.

Country racing is not about the money, it is all about the social and community benefits to the region. It is one thing that can be achieved by country people with a few willing volunteers and a small amount of capital funding, that keeps them a little abreast with their city counterparts in the area of entertainment.

Those country clubs that are linked to the TAB system do generate some profits for that organisation and all clubs are probably responsible for a great deal more indirect gambling revenue than they are recognised for. In addition there is a whole economy generated by country racing activity in the form of tourism, feed production and supply, entertainment, employment and many related things.

There are few negatives from country racing activities, and many dividends returned by it, to both government and the community in general.

Just as the BTC committee at the time supported the establishment of RWWA, the current committee continue to support its existence and believe it has done a tremendous job in the administration of racing in general. The BTC will continue to support the existence of RWWA in preference to the old unworkable system. However we believe that there needs to be a balance between the pursuit of the gambling dollar and greater profits to pour back to elite racing, and the support of the grass roots of the industry whether they return direct profits or not.

Of course the hierarchy of RWWA and the TAB will argue that this is unaffordable and, if totally reliant on their current share of gambling profits they may well be correct. This Parliamentary Review has the opportunity to address that issue by looking at the government tax take from the revenue generated by the racing industry.

In doing this it is submitted that recognition should be given to the indirect economy generated by the industry which eventually returns revenue to government through other streams. Consideration in this review should also be given to the significance of the benefits other than financial, including social and community positives derived from country racing in particular.

If country racing is to survive in its current form, and we submit that it is very important that it does, then maintenance and improvements to tracks and infrastructure is imperative. A reduction of the tax imposed on gambling profits in the order of one percent would achieve this goal. Another means would be to re-introduce the capital funding provided by the previous government for the purpose.

Either way an injection of twelve to fifteen million dollars per annum appears to be required from government to the industry to maintain current levels of infrastructure maintenance and improvements. Whichever source it is to come from it is submitted that the purpose of it must be stipulated, and with specific reference to country racing, and not simply used to boost the coffers of RWWA as this would not achieve the required result.

Meanwhile the Broome Turf Club's support for the continued operation of RWWA is strong and submits that another review should take place after another five year period.

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On behalf of the Broome Turf Club Committee and Members.

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