



23 December 2009

Mr John McGrath, MLA
Chairman
Joint Standing Committee on the review of the
Racing and Wagering Western Australia Acts
Parliament House
Perth, Western Australia 6000

Dear John

The Northam Race Club is thankful for this opportunity to raise our concerns and observations relating to the review of the Racing and Wagering Western Australia Acts.

The Northam Race Club races predominately midweek race meetings spanning from May to October every year. We host 23 race meetings consisting of 185 races through this period generating \$16,282,737 in wagering turnover statewide and a further \$75,225,318 nationally in our last calendar season. We enable 2277 horse's to race and distribute \$2,247,300 in stake money. While the Club understands it is not a high profile Club in the WA industry it is our belief that we are a significant contributor of a reliable and consistent winter racing product.

During the period since the establishment of RWWA, the Northam Race Club has been fortunate to have received considerable grant funding allowing the racecourse and facilities to be re-developed and has allowed the Club to portray itself as the premier winter provincial Club that it is. This has enabled the Club to become financially secure and develop and work towards achieving its goals.

The formation of RWWA was an enormous task and objectives of the organization as we believe were to create a fairer voice for those participants in racing, particularly country and provincial racing as it was the persistence of the these Clubs that we believe were the reasons for the formation of RWWA. At the time under the structure of the principal Club the WATC, the outer Clubs were left with little input as to how their industry was funded and operated. It appears to the Northam Race Club that this objective has not been achieved. The provincial clubs receive little or no consultation into the formation of funding and distribution models and groups set up for this consultation such as the TRCG as we are lead to believe receive the documents as a fait accompli. After being informed that funding and distribution models would be performance based, provincial racing, as prior to RWWA, still

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funds the country and metropolitan racing through our wagering turnover and it appears that little has changed.

While the Northam Race Club understands that it is important that stakes distribution be focused on maintaining a high level of nationally competitive racing in the metropolitan area, we believe that 100% funding of their feature stakes races such as the \$1,000,000 Railway Stakes is gross injustice to the struggling provincial Clubs. Provincial Clubs rob Peter to pay Paul in our stakes allocations with many Clubs reducing the maiden stakes to a minimum to allow the balance of the unit funding to be used to "top up" our feature races. With Perth Racing being funded the entire stakes for their feature races, it means that they are able to keep their lower race's at a higher level, therefore maintaining a large disparity between midweek metropolitan racing and midweek provincial racing. During the later half of our recent race season, Perth Racing were running a 64 rating handicap at Belmont on the Wednesday for \$15,000, the very next day the Northam Race Club was running the same rating handicap race over a slightly different distances for \$11,000. This sort of disparity ensures that provincial racing will always being playing catch up with the big players in racing.

Another disparity between metropolitan and provincial racing is the allocation of venue fee payments. A midweek metropolitan race meeting attracts a venue fee payment of \$11,000 and \$16,500 for a weekend race meeting, while any provincial club racing midweek or weekend attracts the same payment of \$5,500. This leaves Clubs wondering just what is the difference between the two in the costs of running a race meeting. One would believe that a midweek winter metro meeting would cost that similar to the midweek provincial meeting just 100kms away, surely not twice the cost. Venue fees were introduced to assist the clubs in the costs associated in running a race meeting. Again, the favor here is that the metropolitan club is provided more assistance than that to the provincial clubs.

While identifying the disparities between provincial and metropolitan racing, we need to recognize that while wanting to achieve a funding model that is performance based, RWWA need to recognize the inaccurate levels that Provincial Clubs are funded on. Under a performance based model, one would believe that Clubs contributing to the industry by providing the higher quality horse's with starts should be funded at a level different to those Clubs that are running the lower rated horses. An example is the Kalgoorlie Boulder Race Club, which race's its own horse population and rarely makes an impact on horse's requiring a start in the metro area, is funded stakes at the same level as the Northam Race Club who races the same quality rating horse's as the midweek metropolitan programs. One would argue that this is a complete waste of industry money. Perhaps a fairer and more justifiable level of funding for the KBRC would be to fund as Geraldton and Albany are funded. These Clubs racing their own horse population and again, not impacting on the starters in the metropolitan region.

Funding of stake levels is not the only disparity, Clubs racing in summer have the benefit of creating larger revenue over Clubs such as the Northam Race Club as their ability to attract a larger on-course attendance is greater than the winter club. To paint the picture, a day spent under the trees enjoying the sunshine at Pinjarra is more attractive than a midweek race day at Northam where the mercury plummets to a chilly 10 degrees and one would rather be sipping a cup of soup at home by the television with the sky channel link than be on-course. It is because of this simple difference that the Northam Race Club, while providing the much needed racing product for the industry, is unable to generate the income needed to sustain its operation at the same level as the summer clubs can. An example is that the staff levels, the Northam Race Club has the lowest staff levels and rates

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of remuneration of any premier provincial club in the state, this is because it is simply impossible for the Northam Race Club to afford anything more.

In conclusion, the Northam Race Club would like to see as an outcome of this review better communication and consultation with industry participants, improved transparency of the organization, recognition of Club's positions and roles played in the industry as well including development of funding models that are actually performance based.

The racing industry has enjoyed a considerable boom period in the years since the formation of RWWA, however, how the industry is driven and performs over the coming years through this more difficult time will prove the strength of our WA racing administration.

Yours Sincerely,



Nicole Bell
Manager

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