

Dickinson, Dawn

From: David Simonette [dsimonette@greyhoundswa.com.au]
Sent: Monday, 30 November 2009 2:24 PM
To: Dickinson, Dawn
Subject: WAGRA Submission to JMC on RWWA Acts Review
Attachments: LtrJSConReviewofRWWA161109.pdf

Dear Ms Dickinson

Please find attached WAGRA's submission to the Joint Standing Committee pertaining to the Review of the Racing and Wagering Western Australia Acts.

A hard-copy of our letter will be sent by post in the next few days.

Regards

David Simonette
Greyhounds WA

(



30 November 2009

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

Dear Mr McGrath,

The Western Australian Greyhound Racing Association (WAGRA) welcomes the opportunity to provide this submission to the Joint Standing Committee on the Review of the Racing and Wagering Western Australia Acts.

Specifically WAGRA will provide comment on each of the Terms of Reference with consideration and having 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.*

Terms of Reference

- (a) *the effectiveness of the operations of Racing and Wagering Western Australia (RWWA)*

WAGRA considers that RWWA has been effective as the controlling authority for the Western Australian racing industry.

Generally speaking, the establishment of RWWA has led to a number of positives over the previous system of industry governance which lay vested in the principal race clubs - namely the metropolitan thoroughbred, harness and greyhound clubs.

The prime advantage lies in one organisation being able to represent and articulate the views of the racing industry - especially critical in communication with internal and external stakeholders, including Government.

Having the TAB and racing administration under a shared umbrella is also a major benefit as it provides racing clubs with an access to funds if the business case is sufficiently compelling.

Corner Station Street & Albany Highway Cannington, Western Australia 6107 PO Box 6 Cannington 6887
Telephone (08) 84584600 . Facsimile (08) 8458 5685 greyhoundswa.com.au ABN 25154675086

2007/08 The Top 10 Racing Venues by Race Meetings

Venue	Race Meetings	Races
Mandurah	154	1,937
Cannington	106	1,250
Gloucester Park	106	956
Ascot and Belmont Park combined	89	738
Piniarra Harness	34	268
Northam Greyhounds	27	297
Bunbury Harness	27	214
Northam Thoroughbreds	27	221
Bunbury Turf Club	25	220

2007/08	Greyhounds	Harness	Thoroughbreds	Total
Race Meetings	287	298	295	880
Tracks	3	16	37	56
Starters	27,240	23,384	21,985	72,609
Races	3,484	2,361	2,235	8,080
Total RWWA Distribution to Code	\$12.86M	\$29.21M	\$60.85M	\$102.9M
Stakes & Incentives	\$8.75M	\$23.92	\$52.37	\$85.04M
Club Distribution	\$4.11M	\$5.29M	\$8.42M	\$17.82M
WA Off-Course Turnover bv%	16.8%	21.7%	61.5%	100%
RWWA Distribution bv%	12.5%	28.5%	58.9%	100%
TAB Turnover on WA Racine	\$59.6M	\$77M	\$218M	\$354.7M
TAB \$ Wagered to Distribution Ratio	\$4.60	\$2.62	\$3.58	Average \$3.44
SKY Channel Coverage	62%	72%	77%	N/A
Capital Grants to Codes (Government & RWWA funded)	\$0	\$1.089M	\$5.082M	\$6.172M

The fact that greyhound racing generates almost 17% of WA off-course turnover yet receives only 12.5% of RWWA distribution needs urgent redress.

Greyhound racing is significantly under-rewarded by the RWWA Distribution Model as it does not recognise performance in its current format.

Greyhound racing worth to the racing industry is best stated when comparing wagering to distribution ratios of the three codes. In the 2007/08 financial year Greyhounds produced \$4.60, compared to Thoroughbreds \$3.58 and Harness \$2.62.

Figures such as these are only one part of the story as WAGRA is not privy to the cost to RWWA of administration and facilities for the codes, because they are pre-distribution expenses.

There would be little doubt that the cost of administering greyhound racing would be significantly less than that of harness and thoroughbred racing.

The financial handicap that greyhound racing endures is also clearly evident in the areas of grants which RWWA oversees. Of the \$31.5M provided to the racing industry by Government/RWWA over the past five years, greyhound racing has received only \$750,000 or less than 2% (figures 2003/04 to 2007/08).

WAGRA understands the pivotal role of wagering as the funding arm of the business but looks forward to greater acknowledgment of racing and its requirements in the future.

WAGRA considers that RWWA has the advantage of now being 5 years old and that many of the teething problems experienced in those formative years should cease. Also the lessons learned since the formation of RWWA in August 2003 should also hold the organisation in good stead.

Notwithstanding the support of Government over the past five years, RWWA is facing significant challenges that will require additional assistance, at least in the short term, due to the prominence of betting exchanges, introduction of product fees and the movement into the market place of corporate bookmakers.

All challenges pose serious threat to the well-being of the racing industry in Western Australia and Government can help safeguard the industry with considerations such as reductions to betting taxes and making available funds for the upgrade of infrastructure.

- (
- (c) *any other matters that appear to the Joint Standing Committee to be relevant to the operation and effectiveness of these Acts.*

WAGRA offers raises no other matters that appear relevant to the operation and effectiveness of these Acts.

In summary, WAGRA:

- Is satisfied with the performance and operation of RWWA
 - Considers it should continue to operate within its current legislative framework.
 - Does not support the privatisation of the WA TAB
 - Respects the RWWA Board and Management and considers the organisation best equipped to administer the future requirements of the racing and wagering industries.
 - Looks forward to working in a harmonious fashion with RWWA for the betterment of all stakeholders.
 - Trusts that Government will look favourably upon requests for a taxation review of the racing and wagering industry.
- (

Yours sincerely,



David Simonette
Chief Executive Officer
Western Australian Greyhound Racing Association