

**JOINT STANDING COMMITTEE ON THE
REVIEW OF THE RACING AND WAGERING WESTERN
AUSTRALIA ACTS**

**INQUIRY INTO THE RACING AND WAGERING WESTERN AUSTRALIA
ACTS**

**TRANSCRIPT OF EVIDENCE TAKEN
AT GERALDTON
MONDAY, 29 MARCH 2010**

SESSION THREE

Members

**Mr John McGrath (Chairman)
Hon Max Trenorden (Deputy Chairman)
Hon Matt Benson-Lidholm
Mr John Bowler
Hon Alyssa Hayden
Mr Peter Watson**

Hearing commenced at 4.06 pm**COX, MR GRAHAM REGINALD GEORGE****President, Geraldton Harness Racing Club,****examined:****REYNOLDS, MR JOHN HENRY****Vice-President, Geraldton Harness Racing Club,****examined:****BROWN, MR BRUCE****Treasurer and Committee Member, Geraldton Harness Racing Club,****examined:**

The CHAIRMAN: On behalf of the Joint Standing Committee on the Review of the Racing and Wagering WA Acts, I would like to thank you for your appearance before us here today. The purpose of this hearing is to assist the committee in its inquiry into the Racing and Wagering Western Australia Acts. You would have seen a copy of the committee's specific terms of reference. For the benefit of Hansard and those observing, I would like to introduce myself and the other members of the committee present today. My name is John McGrath, I am the chairman. To my right is Hon Max Trenorden, MLC, the deputy chairman. On my left is Hon Matt Benson-Lidholm, MLC. This committee is a joint standing committee of the Parliament of Western Australia. This hearing is a formal procedure of the Parliament and therefore commands the same respect given to proceedings in the house itself. Even though the committee is not asking witnesses to provide evidence on oath or affirmation, it is important that you understand that any deliberate misleading of the committee may be regarded as a contempt of Parliament. This is a public hearing and Hansard will be making a transcript of the proceedings for the public record. If you refer to any documents during your evidence, it would assist Hansard if you could provide the full title for the record.

Before we proceed, I need to ask a series of questions. Firstly, have you completed a "Details of Witness" form?

The Witnesses: Yes.

The CHAIRMAN: Do you understand the notes at the bottom of the form about giving evidence to a parliamentary committee?

The Witnesses: Yes.

The CHAIRMAN: Did you receive and read the information for witnesses briefing sheet provided with the "Details of Witness" form today?

The Witnesses: Yes.

The CHAIRMAN: Do you have any questions in relation to being a witness at today's hearing?

The Witnesses: No.

The CHAIRMAN: Thank you for your submission to this inquiry. Together with the information you provide today, your submission will form part of the evidence to this inquiry and may be made public. Are there any amendments that you would like to make to your submission? In view of what has happened, you will probably want to elaborate a bit more, and we will give you that

opportunity. We have a series of questions to ask you today. Before we do that, do you wish to provide the committee with any additional information or make an opening statement to this hearing? That is where we will begin. Obviously since you made your submission and this hearing date was convened, there has been a bit happening with regard to some information your club was provided by RWWA. Could you give the committee some background as to how long your club has been operating, how you believe you have been performing, and what the recent event was that has obviously caused you some concern?

Mr Cox: Would you like me to lead off?

The CHAIRMAN: I would like you to lead off, yes, Mr Cox.

Mr Cox: This club has been in existence for 15 years. We have been conducting race meetings for 13 years. We have, by and large, in a lot of areas and on a lot of criteria, out-performed the expectations of this club. There was certainly a degree of expectation in the early days that we would fall over from lack of support from horses. That has never happened. We have always had horses here for our meetings and had good fields. Financially, we have always performed very well. We have had very little assistance financially from, initially, the Racecourse Development Trust and subsequently RWWA. I believe that in the past 12 years we have had something in the order of \$20 000. I can guarantee that that would be the lowest of any club in this state. To build our track, we were originally given a grant of \$150 000 to turn a paddock into a racecourse. There is no lack of support in this community for harness racing. One area where RWWA suggests we have failed is attracting enough trainers and horses to reside in Geraldton. It is a fair comment, except that when we first started off we started with two rounds of three meetings—six races a year in two one-week rounds. Then we went to eight meetings in a row. It was always a stepping stone. It was a progression over a number of years to try to develop harness racing in this region. We are the only centre north of Perth that has harness racing. We never ever got the opportunity to take any further steps. We are never going to attract full-time trainers with eight meetings, the lowest prize money and no Sky coverage. Those restrictions are well and truly in RWWA's control. We have been to RWWA, in its five years of existence, and asked for assistance with regard to Sky and with regard to merging with the Geraldton Turf Club, which is one of the reasons I believe we located here. The long-term aim was always to merge and to have basically a super club which would have guaranteed our survival. Unfortunately that has never happened. From our perspective, RWWA has never assisted in that process. We needed assistance. Bruce may elaborate later—he has approached RWWA. We have got letters back through the years that have asked subsequent administrations to look into amalgamation. I believe that is one of our big advantages. We still coexist in the same premises. That is why we cost RWWA an insignificant amount relative to other clubs, because this facility is going to be here whether we are here or not. I do not think enough consideration has been given to that. The second thing that has not been considered is that RWWA made the comment to us recently, and to me in November, that it was concerned about losing market share. To me, to close down an area like this, which has the potential for significant growth relative to any other region in the state, where there is no access to harness racing, seems to defy the logic of the comment that it wants to increase the market share.

The CHAIRMAN: For the benefit of the committee and Hansard, can you tell us what RWWA specifically told you last week or whenever it happened?

Mr Cox: Ten days ago—I believe it was Friday, 19 March—RWWA came here to discuss the future of the racing codes, but in particular, harness racing in this state. We had no idea that it was going to come and tell us that it was no longer going to allocate race meetings to us in 2011; that this would be our last season. We had no intimation of that. One of the comments in our submission was that we felt that communication with our club should have been a lot better over the years. I think the way it landed this on us exacerbates that.

The CHAIRMAN: Who came from RWWA?

Mr Cox: Richard Burt, Ross Cooper and Charlotte Mills—those three came here. We are very appreciative that they came and fronted us and told us in person, but from my perspective and from our club's perspective they have known for some time that they obviously have had issues with Geraldton. They could have come to us two years ago and sat down with us and said, "Look, Geraldton is not performing how we would like it to perform in a number of areas—how can we address that?"

The CHAIRMAN: So they have told you that you can have your eight meetings this year and that is it?

[4.15 pm]

The CHAIRMAN: Just quickly, have they told you that you can have your eight meetings this year and that is it?

Mr Cox: That is correct.

The CHAIRMAN: Was there no warning that if you can perform better, they will reassess? You are finished at the end of this season.

Mr Cox: Yes. In fact, the purpose of my visit to them in November—I only took the chair on in September—was to ask them what we can do as a club to get Sky meetings and what hoops we have to jump through to meet the criteria in place. I do not know what the criteria are. They were not forthcoming with anything. They were basically saying that the industry is in crisis. That is all they could tell me. There was no suggestion or solution. They gave nothing to me that was concrete enough to say our club needs to go away and do this. As it turns out, it does not seem to matter what we do at this point as they had already made a decision.

The CHAIRMAN: Do you race on Sundays?

Mr Cox: We do.

Hon MATT BENSON-LIDHOLM: Do you have any documentation of the issues that they have, apart from sitting down and having a chat with them? It has been delivered as a fait accompli. Nothing led up to it. You thought they were coming here to discuss the future of the industry and all of a sudden, you are given this decree. Is anything written down yet as to what the issues really are or has there just been a discussion with them?

Mr Cox: Bruce will be the best person to answer that as secretary of the club over the past couple of years.

Mr Brown: RWWA said that it was going to put what it called a harness racing strategic plan into place. That was going to happen on 6 April. As a courtesy, it came to us last week to tell us that that plan was going to recommend that Geraldton be closed. We had until 19 May to put in a submission.

Hon MAX TRENORDEN: Was there no consultation with you at all as to what should be in that state-wide plan?

Mr Brown: When Graeme first became president, he went down to RWWA about Christmas time to say he was the new president and asked what he could do to get rolling. He said, "Where do you see Geraldton going? What do we need? I am motivated, I am enthusiastic and I have a committee that is keen to get rolling. What do we need to do?" I rang him the next day and asked him what happened. He said they just told him that the industry is in crisis and there was no solution. He did not come back with one single thing.

Hon MATT BENSON-LIDHOLM: You still do not know what this crisis is all about?

Mr Brown: We have been told that RWWA lost \$12 million last year because of the pool, people are spending money in the eastern states, et cetera. We asked how much the savings will be by stopping Geraldton. They said about \$160 000. We asked whether anyone else was getting the chop

and they said it was just Geraldton. We asked, “Why Geraldton? We have only eight race meetings a year. Why not take one meeting off each club?” They said that Geraldton is not a good club because 90 per cent of the horses have to travel from down south to come to Geraldton and only 10 per cent of horses are trained and bred here. That is why.

The CHAIRMAN: Do you have any figures on your starter numbers? You say you have full fields.

Mr Brown: We always do.

Mr Cox: Sometimes the juvenile races run with seven starters. We do not always have full fields. I suggest that when Bruce goes back to the figures, 90 per cent of the time we have ballots but that depends how they fit in. If you are looking at juvenile races, Gloucester Park ran on Friday night with six two-year-olds. On Saturday they ran with five two-year-olds. That is not exclusive to Geraldton. That is not unique to Geraldton. We do extremely well with the other fields. We have become the preferred winter destination for horses. That is why we manage to keep the fields up. As Bruce said, I only joined the committee again recently but I was president when we ran our first race meeting and have subsequently been on the committee for many years after that. We regularly had better field participation than Northam because of the weather issue. That is one perspective that has not been taken into account. We are the preferred destination for many trainers during the winter months. A lot of those trainers would historically have turned their horses out because of the wet. Our fields are good.

The CHAIRMAN: Do they move up here?

Mr Cox: They come for 10 weeks.

The CHAIRMAN: Where do they stable their horses?

Mr Cox: There are numerous stabling facilities.

The CHAIRMAN: Not on course?

Mr Cox: Some do. A lot of the galloping trainers avail their stalls for us. That has been in existence for 13 years. For the first week of the first round we ever had we had to house 96 horses and we had no trouble getting that sort of support from existing galloping trainers and horse people around here. That has flowed on. We have never really had any real dramas getting stabling for them permanently for eight to 10 years.

The CHAIRMAN: The point you are making is that if you are trying to build up a contingent of local trainers, training their horses all year round, they are not going to do it for eight meetings because it is too far to get to other meetings. Until you get a longer spread of meetings, it is a bit like the chicken and the egg. It will be more difficult to encourage people to train harness horses as opposed to thoroughbreds where they have other opportunities.

Mr Cox: Precisely. Talking about the chicken before the egg, prior to Sky being introduced as a major motivational tool or whatever and becoming available to many clubs, Geraldton used to be a B-class club. They originally had A, B and C-class clubs. I think they call the C-class clubs community clubs now. Our offcourse turnover exceeded most B-class clubs. For instance, there were years when we exceeded Narrogin and Wagin. These were clubs on a similar structure. RWWA has enormous power because it can determine who has Sky. It can determine race dates and prize money. It has the power to determine whether a club is successful. Since Sky, we struggle with offcourse turnover because we do not have Sky.

The CHAIRMAN: You are saying that you cannot get Sky on Sundays but do other harness clubs that are in similar situations get Sky on Sunday, like Central Wheatbelt?

Mr Cox: No. I would suggest to you that those clubs are as vulnerable as us for the same arguments. They will be given the option. From what Richard Burt said to us, I believe that Central Wheatbelt will be told that it can no longer conduct meetings at Kellerberrin but it can keep its meetings as long as it relocates them to a Sky venue, which becomes Northam. It is a Clayton's

meeting from then on. That club has been duped out of any meetings. I expect you will find the Collies, the Kellerberrins and the like will have that ultimatum presented to them.

The CHAIRMAN: Collie might have to run its meeting at Bunbury or Harvey.

Mr Cox: Yes, that is how I believe they will go. Richard Burt said they would be offering some clubs the opportunity to keep functioning at other Sky venues. We are at a Sky venue. The infrastructure is already here at the turf club. Why are we not given the opportunity to function at a Sky venue? Why is that not an option for us? They say we have to change our race times and dates to slot in. We are happy to do that, especially given that the horses reside here while they are racing here. It is not like they come up for a day meeting. They can race any day of the week.

The CHAIRMAN: What sort of concessions or support do you think you need to be given to prove to RWWA that you can be a sustainable club?

Mr Cox: I believe we need what we have been asking for for some time; that is, Sky. We have asked for 12 meetings but probably 14 meetings would give us a long enough season to make it viable for trainers to get a reasonable team of horses. Currently there are people like me who have one or two horses because it is a hobby for us and that is all it can be for such a short term. John probably has the biggest stable. He usually has around six. Then we get people who come with 10 and 12. We need 14 race meetings and Sky coverage as a starting point to make us a viable long-term option.

Hon MATT BENSON-LIDHOLM: Can I ask a question with respect to the 14 meetings given the nature of a lot of the trainers who frequent the circuit from Geraldton, Kalgoorlie and down to Albany? I think that is basically the circuit we are talking about. After Geraldton in the past, have they gone to Kalgoorlie?

Mr Cox: Yes.

Hon MATT BENSON-LIDHOLM: You have now gone down to eight and there is obviously a lot less impact on the Kalgoorlie round and the Albany round. Would that necessarily then start to preclude this gypsy band of trainers from frequenting Albany and Kalgoorlie? I am thinking about the long-term future of the whole industry. We have talked to the Albany club. They have similar sorts of issues, although obviously they have not been told they will close down in 2011. How does it impact upon the round in Kalgoorlie? If you got your way and you went out to 14 meetings, would that have any effect?

Mr Cox: I am sure it will have an effect and it will have to be juggled. The question was: what do we need to be successful? That was the first answer to that question. How that impacts on Kalgoorlie and Albany will have to be looked at more closely. There is another way of doing it at the front end of the season. If the turf club was agreeable to it—it has been in the past—there is no reason why we could not have two trotting races on their card. Local horses would be able to sustain those two races.

The CHAIRMAN: Are you talking about a dual meeting?

Mr Cox: Yes, have a dual meeting but only two—two races for us and they have their eight or 10. We do not really impact on them at all except we are a knobble on the end of it. Doing that, we take advantage of their crowd of course but it will be turf club's crowd so they will receive the revenue from it.

The CHAIRMAN: Would you race at the end of their meeting?

Mr Cox: We would race at the end of their meeting if that suited them, or at the start. There is no reason then why John, me and other local trainers could not race 14 weeks of the year but only have 30 local horses to do it. We are only looking at two races. We would not have to conduct a whole meeting. Those sorts of options have never been discussed. RWWA has never asked us for that sort of input. That is what I am a bit dirty on.

The CHAIRMAN: The other thing is if you race on Sunday, it appears to me that Sunday has become a very busy day on Sky Channel. If you look at Sky Channel now, once the races have finished, there are dogs and trots in the eastern states; a lot of harness meetings—Hobart and Victoria and all that. What if you went to another day?

Mr Cox: It would suit us fine.

The CHAIRMAN: If you have the gypsy trainers up here, it would not matter what day they race because they have come up here for your season. Did you say to RWWA, “What if we don’t race? Is there a chance of getting us a spot on Sky on a Monday or on a night that is not so busy, not so clogged up with eastern states events?”

Mr Brown: I have written to RWWA. I said we would rather have Sky any day within our season, but, if that cannot be done, we will even have a Tuesday in January and a Wednesday in February because people will still travel up. Getting fields is not a problem. Graham and I even said that we have ballots. That means if there are too many horses for a race, somebody is balloted out. It is true that sometimes we may not have enough two-year-olds and we might need 10 for a race but we only have six or seven, but there are also a lot of horses that are balloted out in the other classes.

The CHAIRMAN: Why do you program two-year-olds then? Would it not be better to not program two-year-olds and cater for the older horses or do you think the trainers want to have some opportunity for two-year-olds?

Mr Cox: I think the local trainers want it. Also, our season is towards the end of the two-year-old season. There are some people down south who like the opportunity to win a juvenile race and they do come up here. That is why it is pretty hard to know because quite often the juveniles will come just for the day because they will not race them week in, week out. You will find they will come over here and they will give their horses an opportunity to run twice in that eight-week period. Sometimes we will get nine or 10 two-year-olds, but the next week we could very well get six. It is a very fluid type situation, but I believe we provide a service to most trainers or juveniles in this state by having it up here because we are at the end of the season. It is their last opportunity to pick up a juvenile race.

[4.30 pm]

The CHAIRMAN: Have you been given your dates for this year?

Mr Cox: Yes.

The CHAIRMAN: Is there any possibility that you might be able to go back to RWWA and talk about those dates and maybe look for more suitable dates that might help your performance? Obviously you will be trying to get this decision turned around and you will be making a submission to RWWA within the time period it has given you—will you be looking at those sorts of things?

Mr Brown: As I say, it is not the day that is a problem to us. I know, for instance, with the gallops, they want theirs on Sundays so that the crowds will come, and they do not want them on Tuesdays because the sponsors are complaining that no-one is there. For us, it is not that much of a problem. We have free entry. There is no charge for people to come in. If it is on Sky, we will make our money through Sky.

Mr Cox: In answer to your question, it is probably too late to change these dates now for this year. That is one thing that is a bit disconcerting. We have talked about lack of communication. We have really had no opportunity to adapt or implement anything in the face of this decision because it has never been flagged to us. We have always had difficulties communicating with RWWA in terms of what we would like. For instance, whenever we go to them with a request for Sky, their response is there are no time slots. It is not like, “This is what you need to do to access Sky slots.” They always

say it is out of their hands; that Sky determines how its programming occurs. RWWA washes its hand of that and puts up a barrier very quickly to us on that front.

The CHAIRMAN: Have you made any investigations about the new Sky Channel that is coming up? Will that create any opportunities for more vision of Western Australian harness racing?

Mr Cox: Charlotte Mills indicated that may have been the case in November, that there is Sky 2 and 3, but did not elaborate on exactly how. I am not sure how far advanced it is, Max.

Hon MAX TRENORDEN: I do not either.

Mr Cox: But I know it is in the wings. We have inquired through Charlotte, but she was not forthcoming with exactly how it would impact on us. They said it may be an option in the future.

The CHAIRMAN: Can you give us some idea of how many trainers there are in Geraldton, how many owners, how many horses and prospects for growth? Have you got any indications from people who have said, "If you guys keep going, we'll buy a horse"? Have you had any community support since this was in the papers last week?

Mr Cox: No. At this stage it is a bit short term. I know there are eight trainers in town currently. Murray Sharp is a racehorse trainer. I just asked him—he actually has a dual licence. On and off, we have had a couple of other trainers who have held dual licences, too, like Fiona Ducas and Geoff Tiver. They never held on to them because there was not enough racing and, when we were racing here, they had the opportunity to race horses in Carnarvon, the gallops, so they chose to do that. At various stages they have been involved. In answer to your question: how many would get on board if we had extra meetings and had Sky? I do not have a definitive number. I just know we have got a lot better chance of success under that arrangement than under the current arrangement. I think to some extent we have been left hanging in the breeze for 12 years.

Mr Brown: As far as trying to get more trainers, it seems to me that the most obvious thing that we should be doing is amalgamating the two turf clubs. It seems so obvious to me. If I speak to individual members of both committees, they are all in favour of it—"Yes, yes; we should have done it years ago." But it never ever happens. I have asked RWWA many, many, many times if they would mediate so that we can get together. It will not happen unless we have a mediator. RWWA has point-blank refused and said, "No. We're not going to get in the middle of your fight." We said, "It's not a fight. We just need a mediator so we can come together in an equitable way that is good for both clubs."

The CHAIRMAN: Have you had a meeting with the turf club?

Mr Brown: We have had meetings to try to bring us together, but we have not been successful at that.

The CHAIRMAN: So they have indicated a reluctance?

Mr Brown: Yes; right now. But years and years and years ago they were keen to get together and we were reluctant. It is just the timing. We spoke to Grant Woodhams, because he has been our patron since we began, and he says that he is willing to mediate. But we are here for RWWA, and I think RWWA is the perfect one to mediate, and it has refused. If it had mediated many years ago and we had amalgamated, I truly believe that a lot of the gallops trainers would get a couple of trotters because they could look after gallops in the summer and a couple of trotters in the winter. Then there would be more pressure on them to give us more meetings. It is an obvious thing that RWWA —

The CHAIRMAN: There is nothing to stop them doing that now, is there?

Mr Brown: What?

The CHAIRMAN: There is nothing to stop the gallops trainers doing it?

Mr Brown: No; because we are this side of the fence and they are the other side of the fence.

The CHAIRMAN: You might be able to give us some background on this. Mr Trenorden said he was a bit involved. When harness racing first came up here and the club was first formed, it was indicated to the harness racing people that there were a number of galloping trainers who were interested in taking a dual licence and apparently that has not eventuated.

Mr Cox: That is correct. As I said, Geoff Tiver, Fiona Ducas and Sharpie held them at various times through our progression. Allan Hughes still holds a dual licence. That is four trainers. I think you will find, if you put that in the whole scenario, that gives us 10 or 12 trainers in the area. That will be more trainers than are in Harvey by double, that will be more trainers than reside in Northam itself and it is more trainers than reside in Collie. When RWWA put that up as an argument, we had a far greater disadvantage in terms of holding trainers because all those venues have got venues around them. Every club relies on nomads to survive; it is just the distance that changes. In terms of residing trainers, I would say that we would be somewhere in the middle range because there was a movement several years ago to shut down Harvey for that very reason—because it was supposedly located between the big tracks, Bunbury and Pinjarra, and had a very small horse training population on its own. Harvey, thanks to private funding, was able to weather that storm. I reckon that financially Harvey would be one of the strongest clubs in the state. It has got Sky now and it performs very well ofcourse. If you go oncourse there, it would have one of the best crowds in the state. It has a lot of local community support. That is indicative of what can be done if you get behind a club.

The CHAIRMAN: One other thing before I ask Mr Trenorden if he has any questions: what about sponsorship? Do you have strong sponsorship or other avenues with mining companies or anything like that where you might be able to get some financial support or sponsorship support?

Mr Brown: Last year we got about \$60 000 in sponsorship just from local companies. Our club is financially strong; that is not the problem. The problem is RWWA is losing money and it is taking the easy option by chopping Geraldton.

The CHAIRMAN: Is RWWA saying the option is the \$160 000-odd it is providing you with funding for stake money, or the window of opportunity that it can use for someone else?

Mr Cox: Both.

Mr Brown: We asked them, “Will another club close as well?” They said, “No. The only reason you’re closing is because trainers have to drive all the way to Geraldton.” Our point was that we always have virtually full fields. They said, “The other reason is we’re going to save \$160 000.” I cannot understand that argument because RWWA’s whole existence is to facilitate racing but it gave a donation to the Perth Wildcats of \$160 000 to sponsor, under the names of players. It seems pretty odd to me to give basketball \$160 000 to sponsor the Perth Wildcats and it is getting that money by closing Geraldton harness.

The CHAIRMAN: Have you been to see your local members of Parliament?

Mr Cox: We just started doing that with Grant Woodhams. We intend doing that, but, like we say, we were notified 10 days ago. We have to work out an approach and some strategy to try to fight it.

The CHAIRMAN: Meanwhile you also have to prepare for your season?

Mr Cox: And we have got to somehow put together a submission. RWWA has done it over two years with full-time paid professionals and we have to try to get through this season—we all work—and put together a submission that counters their argument. We have not seen RWWA’s submission yet. The time line is short. It has been dropped on us pretty quickly and we do not have professional staff to address it. We have been disadvantaged in a lot of aspects. In regards to their argument that it is because we are losing \$160 000 a year, that is a drop in the ocean compared with \$12 million Twelve million dollars is not the total loss that the racing industry incurs in this state. They make money from the eastern states turnover. The total loss in this state is offset by the income that comes from eastern states betting. Twelve million dollars is not what the racing codes

cost RWWA in this state; it is far greater than that. By its own admission, every racecourse in this state costs it money. It loses money on every racecourse. I would suggest that Geraldton is the least expensive club in the state, of all racing clubs, because we are a joint-use facility. RWWA does not take into account capital expenditure. That has got to come into the equation somehow; that we are basically a self-help group. We do everything ourselves. We bought our own tractor, we bought our own conditioners and bought our own trucks. Other clubs have got that in grant money. How come when you weigh up the scales and say “this club is losing money” that that is not taken into account? Geraldton has been self-sufficient from day one, bar stake money, and the other clubs are getting stake money plus, plus, plus. A million dollars could build stalls in Northam. Not one of those horses will have a bet on the TAB. That will not improve turnover. It defies logic to me, when we have got the fastest growing region in the state and RWWA is not prepared to put a zack in to promote it. It should basically look at this area and say, “How can we tap into that potential?” not, “Let’s close them down because they’ve been hanging out there for 12 years on their own and they have not been able to do it.” We cannot cut it if we do not get their support.

The CHAIRMAN: The other issue you raised in your submission was about the rental on the use of the course. You said that has gone up quite significantly. We believe it is about \$25 000 per year, which is \$500 a week or something. Is it a problem for you to meet that? You said you are financial, but is that creating a difficulty for you and is that something RWWA is using as a reason for —

Mr Brown: It was such a shock to go from \$800 a day to \$3 000 a day. It hit us like a tonne of bricks. Suddenly we thought, “Where are we going to get this money from?” But the committee is really motivated and it got out and got sponsorship. As I said, the club itself is successful. We have not got millions, but we have got \$60 000 or \$70 000 in the bank right now. The club is fine, mainly because the committee is so motivated and is going out knocking on doors and talking to people and raising money.

Hon MAX TRENORDEN: I am sitting here with a local member hat on. I must be a bit careful about what I say. I have been involved in Beverley, Toodyay, Northam, York, Wyalkatchem, Trayning and Cunderdin and watched them all close and watched all the fights. We need to be talking about the communication process because someone in the system has made a decision to terminate you without your capacity to put an argument. It has been the same at each one of those clubs I mentioned. In your submission, which was obviously made before you got the news, you talk about consultation. RWWA stopped the owners’ incentive payment, changed the stakes distribution, reduced the number of race meetings per season and reduced the number of races per meeting. Have those issues affected you directly, financially?

Mr Brown: Yes. The reason that I put that in there was because there was no consultation. Richard Burt came up here one day but not to ask a single question. He called it an “industry briefing”; that he was coming to brief us about what he had decided or RWWA had decided. Have they affected us? The owners’ incentive scheme—we do not know yet. This was the first year. Prior to this, the owners would be paid \$100 to \$120 to put a horse in a race.

The CHAIRMAN: Per starter?

Mr Brown: Yes. That would be at least something, even if the horse came fifth, sixth or whatever. That has been stopped. We believe we can get around it. We think that we will be fine. The other things like the stakes distribution was suddenly stopped out of the blue with no consultation; just “That’s what we demand.” Reduce the number of races—that is something else. It has now said we can only have six races per day and reduced our number of meetings from 10 to eight. RWWA makes a decision, sitting in Perth, that impacts on people dramatically. People like John and Graham, this is not just a hobby—Graham called it a hobby. They spend a lot of money on these horses. They have to get up at 4.00 am and work and train them. It is not just a little pastime; it is their whole lives. Someone in Perth or RWWA makes a decision without any consultation at all. That is what that was about.

Hon MAX TRENORDEN: I understand that. I have heard your argument loud and clear. It is not about the money. In many other cases, as I said earlier, it was not about the capacity to raise money. It is basically about being able to talk to an organisation, to debate an issue with an organisation, and to come up with a plan with the organisation. Just looking at your submission and hearing from you, make it clear that no-one has ever come to you and said, “Here are the requirements for you to meet,” or, “Here are your deficiencies in terms of track,” and those sorts of issues. I have looked at the statistics from your club on the back of the information that you have given—the club-by-club racing statistics for 2008–09—and you are on par with everyone else, including Albany, Central Wheatbelt, Wagin and York. Your race meetings are all the same. As far you are concerned, you have been doing your job but there has been no communication. No principal has come in and said that you have to do better with your arithmetic or English or whatever; it was just silence and then you have had the whistle blown.

Mr Cox: Exactly.

The CHAIRMAN: You would be affected more greatly by the loss of the starter subsidy than any other club, would you not?

Mr Cox: Absolutely. Kalgoorlie is a fair example of what could happen. They did struggle to get horses towards the end of their season last year.

The CHAIRMAN: Is there anything you can do to get some sort of funding to provide a starter subsidy for these people? If someone brings a team of horses up, and you can have four of five runners at your meeting, it gives the trainer some money.

Mr Cox: It does. We have steered away from subsidising it this year, and that may or may not be a big error, given what is confronting us now. If we do not get the horses, we will struggle to have a case. By the same token, we have contacted trainers who come here regularly and people like Lang and Peter Fairless would say that they are going to bring 12 or 14 horses.

The CHAIRMAN: Have you spoken to those people?

Mr Cox: We have spoken to those people at different stages. Our gut feeling is that the horses will come. We hope that we are not wrong. If we are correct, it just shows the strength of support that we have. Despite everything that has been thrown at us and all the disadvantages that we have, we still get the horses here. RWWA is trying to argue that that is a cost to the industry. It is a cost to the individual, but it is a personal choice to come here. One of the reasons they come here is the climate. It is also a good opportunity for them to win a stake. The fields are not as strong as, say, Pinjarra and Bunbury, which gives them an opportunity to be competitive. Fingers crossed, John.

Hon MAX TRENORDEN: If we go back prior to 10 days ago when you wrote your submission, what would you say about the current format for your club getting heard by RWWA? Putting it on the other spectrum, instead of them never talking to you, what about the argument about your capacity to talk to them?

Mr Brown: Graham, as the president, went down to RWWA and asked those very questions.

Hon MAX TRENORDEN: I understand that, Mr Brown. Do you feel as if you have a conduit to RWWA? Do you feel as though you have a person somewhere who can argue your case at RWWA?

The CHAIRMAN: Or a representative body who can say that you need some industry support on this?

Mr Cox: Perhaps the best body for that is the Western Australian Country Harness Racing Association. That is possibly the best body.

Hon MAX TRENORDEN: It does not have any teeth, does it?

Mr Cox: That is the problem, Max. RWWA is an entity in itself and it has all-encompassing powers. In terms of having meaningful access to them, I am not sure. I have access to Matt Skipper and Charlotte Mills, and they are always very amicable, but I believe that this decision was hatched a long time ago.

Hon MATT BENSON-LIDHOLM: Have people like Mark Roberts and Alf Paganoni been in contact with you since this decision was made, in their capacity as country harness racing representatives?

Mr Cox: No. I guess that in my capacity I have been remiss not to contact Mark Roberts because I know Mark and that is probably the next phone call that I should make.

Hon MATT BENSON-LIDHOLM: I understand that he has been before this particular committee in a couple of different capacities. You talked about incentives. There are gypsy trainers. I know that there have been a number of problems in my hometown of Albany in respect of getting horses and fields and trainers to commit to that particular area. They have put in place their own incentive arrangement to try and get more horses there. That is just an observation. The point is that some years ago, they were told that unless they got more horses and more representation in their particular area, RWWA was going to start reducing the number of races that they had. Have you been given any particular direction to get more horses, more nominations and possibly more trainers into the area?

Mr Cox: Not to my knowledge.

Mr Brown: No, we have not. The reason we have not been given that direction is that we always have full fields. You cannot get more than full fields. As we said earlier, occasionally we might not be able to fully field a two-year-old race, but we also have too many horses for some races, and so they are balloted out. At every single meeting we often have five or six horses balloted out, which is a real embarrassment because people bring their horses here to race but they have to leave them in the stalls somewhere because there are too many horses here. Getting horses here is not a problem. We do not believe that we will need incentives to get horses here.

Mr Cox: In response to your comment about Albany, Matt, I have spoken to the chairman of Albany. They had very good fields this year. They did very well. I spoke to him about the incentives that they offered. Quite frankly, I do not think they are sustainable.

Hon MATT BENSON-LIDHOLM: That is an issue for them in terms of the sponsorship that they seek. I am not questioning that.

Mr Cox: Because of our financial position, we could do very similar things to Albany, but we hope to be going next year and the year after that. If we set a precedent here, I do not think that we can sustain that for three, four or five years. The effort to fundraise the sort of money that Albany had to outlay this year is almost the equivalent of running another club. They had rodeos, which were a big turnover for them. That was a one-off. They have not had a rodeo in Albany for a number of years. I am not sure whether they could be as successful holding that type of event on a regular basis. Personally, I believe that you have to be careful that you do not put an anchor around your own neck.

The CHAIRMAN: What about your turnovers on-course? What sort of patronage do you get from the local people?

Mr Cox: On a good day it will be around \$18 000 on-course. It is regularly around \$13 000. In answer to your question, we have not had a huge patronage over the past couple of years but this year we have sought social clubs and the like, and we know that we will have more than 600 people at the first meeting because there is a 150th O'Brien family reunion. They want a minimum of 400 guests. That is an area we are addressing. Historically, we have had 800 or 1 000 people here, but there was a novelty factor. It has varied. Over the past couple of years the number of people who

have come through the gate has not been as high as we would have liked, but we are addressing that issue and I believe that we will have a lot better patronage this year.

The CHAIRMAN: You also said in your submission that you believe that Geraldton will go through a boom period because the mining industry is growing and because of Oakajee and things like that. Do you believe that is an area that you might be able to tap into to get more public support?

Mr Cox: I reckon that is an area that RWWA should be looking to tap into. I believe we can, just as every other club in the community will be able to, but I would have thought that RWWA's charter is to promote racing and to make good business decisions in terms of how it can grow. I cannot see how discarding one of the fastest growing regions in the state enhances that. It does not make sense to me. I believe that we can tap into it. But if RWWA was looking to the future, rather than to just next week, it should say that we have to have part of that growth for our industry, otherwise it will have marginalised everyone north of Perth. There is no opportunity north of Perth to race a harness horse unless it is done in Geraldton. If that is cut out, it will be a south west sport.

Hon MATT BENSON-LIDHOLM: Are there any horses that are owned in town here that race in Perth, the South West or elsewhere, apart from here? I am not necessarily talking about horses that you, as committee men, own; I am talking about other owners who have an interest in horses that are good enough to race in Perth.

Mr Brown: Graham has trained what is probably Western Australia's best horse. Is that right?

Mr Cox: I have a horse in Perth that was the leading two-year-old in the state last year. We went to the Slipper. I do not train it; it is trained at Harvey. We bred it here and we own it. When we went to the Slipper, there were 60 people on the hill watching that horse. Gloucester Park is lucky to get 120. John Burt, who is the president of the WAPTRA, said at the end of the race—there was a hell of a cheer, of course because there were Coxes and Kimberleys everywhere—that it was the biggest crowd he had seen for years. That was one horse. I told Richard Burt that you will never get that kind of emotion from a professionally trained horse trained for a professional owner in Gloucester Park. It is a country-based emotion, and that is what gets people to harness racing. That is an intangible that RWWA has lost sight of. Max already outlined all the clubs that have fallen away over the past 10 or 15 years. We are the thin edge of the wedge. I guarantee that Albany is in the crosshairs. Kalgoorlie is in the crosshairs. When I went down there in November, they did not say that Geraldton was going to get the chop, but they said that they were very worried about Albany, Kalgoorlie and Geraldton. I said that Geraldton would be the last one to go because it has the most potential for growth.

Hon MAX TRENORDEN: It does not work like that.

Mr Cox: Foolish me! They are all in the crosshairs.

The CHAIRMAN: You said that you would like to have more meetings. What period would you want them over? Ideally, if you can get more meetings, when would be an ideal season for you? What time of the year is best for you to race?

Mr Cox: Ideally, we would love to race here in February, March and April under lights on a beautiful evening. That would be ideal, but we have never had the ideal. We got winter because no-one else wanted it. We even raced on Sundays. No-one else wanted to race on Sundays then; it was a new thing. We went to Sundays. We have always been given the scraps. We have never had the opportunity for the ideal. Ideally, it is not going to happen. Given the current scenario and given that we have accepted that we are a winter destination because that gives us some sort of an edge, we would like a 14-week period extended at both ends in some manner.

Hon MATT BENSON-LIDHOLM: On that score, your club can race any time at all. That is the point you made earlier on.

Mr Cox: Absolutely.

The CHAIRMAN: Harness racing is primarily a night sport. That has always been the great attraction to harness racing and racing in the summer at Gloucester Park and places like that. How much would it cost to put lights in here? Have you ever had that costed?

Mr Cox: No, we have not. I know that it was prohibitive when we started. We have avoided it because we knew that we would get only \$150 000, and so we worked within our means. Since that day, it has never been costed.

The CHAIRMAN: What about the track? What size is it?

Mr Cox: It is 804.5 metres. It is a half mile.

The CHAIRMAN: Do the owners and trainers like the track and do they think it is a good-sized track?

Mr Cox: Again, at the time we had to make a decision on having either a 1 000 metre track or an 800-metre track, and we went for a track that we could afford. Ideally, we would have a 1 200-metre track. The track is fine. It is the same size as Gloucester Park.

Mr Reynolds: The trainers have said that it is the best winter track in the state, and they have been all over the state to race. It is a pretty good comment.

Mr Brown: The amount of voluntary work that goes into it—all the work is voluntary—is just horrendous. People are out there with little hoes and stuff. It is really labour intensive, and the committee has done it over 13 years.

Hon MAX TRENORDEN: Do you think that it is your responsibility to develop trainers in Geraldton?

Mr Cox: I believe that it is a responsibility we could take on.

[5.00 pm]

Hon MAX TRENORDEN: Can you do it without RWWA's support?

Mr Cox: We cannot because they have to give us the incentive that we have got longevity. We are never going to be able to develop anything if, from year to year—this is not the first fight. We had the same fight with the WATA. This city centric-type approach, this concentration of all that is great in the city area, makes it difficult for us to encourage anyone or even ourselves to go out and say, “We’ll train you to be a trainer driver. It will take you three years to become a trainer reinsman and actually be able to drive in races.” We have to know that we have got longevity, that we have got 10 years and that they will say, “Let’s invest in Geraldton. Let’s give it a chance to survive”, not just throw a little scrap off the table and say, “Go and look after yourself for 10 years,” but say, “You’ve got 10 years to prove yourself. We’ll do everything we can.” They did it to the turf club to some extent. They were at the crossroads. They gave them Sky. They have injected huge sums of money, as I am sure Max will know. Now, the Geraldton gallops perform well but it had to have a huge hand-up, far greater than ours. We are not in debt. We are financial and we already have the venue, thanks to the Geraldton Turf Club. Our hand-up would be minimal but they have to have a will to tap the potential of this region.

Hon MAX TRENORDEN: We were told by a club recently that it did not believe it was its responsibility to enhance training because it thought its responsibility was to professionally run race days. If it had to balance it up, it thought that its responsibility was to make sure that more money went into the race day and not into planning for training facilities. It is a call. For a club of your size, I imagine you would have no access to a planner. It is difficult for you to get involved in sponsoring trainers. How would you do it? Do you have land that you could subdivide? Do you have access to land?

Mr Cox: In terms of sponsoring trainers, you are not saying educate them —

Hon MAX TRENORDEN: I am talking about finding somewhere for them to live and operate. In the region, that is what it is about. For you to get trainers to move there, you would need to make sure that they were in an area —

Hon MATT BENSON-LIDHOLM: Are you talking about land use zoning?

Hon MAX TRENORDEN: You would have to have zone planning. That area has to be approved by the EPA and a raft of other authorities. I would have thought for your club to do that would be fairly —

Mr Cox: I misinterpreted your question. I thought when you said “to promote and train trainers”, you actually meant to educate them and give them the skills to go through and become qualified trainers. Then, like us, they would have access to the land around. There is plenty of land where they can do it. Certainly, as a club, we do not go out and plan a whole subdivision and development for them because that is way outside our scope. We have the equestrian course at TAFE now, which has only been in place for two or three years.

Mr Reynolds: About three years.

Mr Cox: That is an area that we can definitely tap into. In my own mind I have looked at the potential of going to TAFE and saying, “Look, I can assist in the harness racing to train a young person out there, or you can bring out four or five and educate them in how to do it.” Harness, more than galloping even, gives us scope to do it professionally at a lesser level. With thoroughbreds to do track work, you need to have a jockey. It is a lot more difficult, I believe, to conduct a business in gallops. Harness—historically, anyone can get in a cart. It is getting more difficult because there are more hurdles, but everyone can still do it.

Hon MAX TRENORDEN: Still drive your own horses?

Mr Cox: Yes.

Hon MATT BENSON-LIDHOLM: Can I follow that up? You are talking about getting people into the industry. Is there a pony trots following in town?

Mr Brown: Yes, there is. We encourage them. We actually pay their club some money and they send over volunteers to do things like help the vet and all sorts of things. Five of them come each race meeting.

Mr Cox: I think that is a pony club. Pony trots is different. We actually do not have pony trots associated with the pacing club. We do not have pony trots out this far.

Hon MATT BENSON-LIDHOLM: I certainly believe in a number of country towns, for instance, that I am associated with—like Max, I am a member for the Agricultural Region—pony trots are certainly one very important way of getting more and more young people involved in the industry. I believe it is one thing that clubs should look at, if they possibly can, but I realise the issues that you have. I will also ask one other question about trials, given that you rely upon a lot of gypsy trainers: is the holding of trials for horses that perform inadequately an issue for you?

Mr Reynolds: It never has been. We hold our trials all right.

Hon MATT BENSON-LIDHOLM: What day is trials day?

Mr Reynolds: Usually three weeks leading up to the season, on the Sunday—the same as our season. It is usually Tuesday afternoon. Nominations are Wednesday for a Sunday race.

The CHAIRMAN: When is your first meeting of the season?

Mr Cox: It is 6 June.

The CHAIRMAN: And then you have every week?

Mr Cox: Every week for eight weeks. That currently is the best scenario for us because people do come and live here.

Mr Brown: As the secretary I was in daily contact with employees at RWWA, getting all sorts of information about trials and what-not; the results of trials. I find they do a really good job at facilitating races. I think they do an excellent job. They have some wonderful employees. I think the stewards do a fabulous job and they are also part of RWWA, of course. I think that RWWA's job is a lot broader than just facilitating races. All of my objections to RWWA are in that broader sphere—the thing about mediation, the thing about Sky, the thing about more meetings and the thing about stakes. We are not a company that has just asked for money, money, money; we have asked for consultation. As far as RWWA facilitating races, I think it does it very well but I think its charter is a lot broader than that.

Hon MAX TRENORDEN: Or should be broader?

Mr Brown: Or should be broader than that, yes. As far as I am concerned, that is where it has failed dramatically. It also has been very successful in helping people like me. It could do a lot more. I have always believed that there should be courses and things that I can go to and learn from a professional how to promote racing, how to get more sponsorship and how to encourage more trainers. There are a million things for me to learn as a secretary. We have a new secretary now because the job was too great for one person. It is not going to be too big for one person now, that is for sure!

The CHAIRMAN: RWWA does not provide that assistance to clubs?

Mr Brown: None of that. Not one single course; just nothing. It is frustrating and amazing that there is no cooperation as far as that goes.

Hon MATT BENSON-LIDHOLM: I want this noted for the record: what is the message to potential owners of the RWWA proposal to finish at the end of the 2010 season? In terms of getting more and more people involved in the industry north of Perth or wherever else, you have been given this ultimatum that you will be closed down. For the record I want you to say what your feelings are in respect of ownership of standard bred horses north of Perth with this particular proposal.

Mr Cox: The ultimatum they have given us is obviously a huge deterrent for anyone who is interested in getting into the harness industry north of Perth at this point in time. It is a huge deterrent to anyone who is in it to stay in it. Both John and myself breed horses up here. You do not expect to have a horse that will be good enough to race in Perth. I do not breed a horse to run in the Derby or the Slipper. If that happens, that is fantastic. I primarily breed horses here so that I can train them up and race them. I would love to win a race in Geraldton, which I struggle to do but I would like to do it. That breeding will go. I believe this ultimatum means that basically very few people north of Perth will get involved in harness horses. What incentive is there? I do not like watching my horse or listening to my horse on radio, having nothing to do with it, to be honest. That is not what I am in the game for.

Mr Brown: Even if this decision is overturned, people like Sharpie—who we talked about earlier—will not get into harness racing if it is 50-50 whether it will survive or not, unless RWWA says, “We'll guarantee that you guys will be running for 10 years. We'll do this, this and this”, then people like Sharp will get in. But it is not a five-minute business to buy and train horses. It is a long-term business. For that to happen, it will only happen if RWWA is strong and puts out an official statement to say, “We will do this, this and this.”

Hon MAX TRENORDEN: Do you know the criteria of why you were closed?

Mr Brown: Yes. One reason was the money. We were told —

Hon MAX TRENORDEN: But do you really know the criteria?

Mr Cox: No.

Hon MAX TRENORDEN: How are you going to answer it?

Mr Cox: Exactly. How are we going to ever achieve the goals when there are no goals set? In answer to your question, I have got no idea what the criteria is. I am not sure how dinkum they are because I do not believe we have cost them a great deal relative to other clubs. That is a furphy. In terms of them saying that it is too big a cost to the stakeholders in the industry to travel here, to me that is not really RWWA's concern. People make that decision on a personal basis. For whatever reason, they decide it is worth the expense to come to Geraldton. At this stage I do not believe they have given us one relevant reason to close us down.

Hon MAX TRENORDEN: How do you respond to that?

Mr Cox: We are responding, as we are now. We are going to go through the —

Hon MAX TRENORDEN: The point I am making is that if you do not know the core problem, you cannot answer the question. What you are going to do is do the relevant things—go and see your local members, Matt and me, your current local members or a raft of people, all of that process, which I must admit kept Northam going. If you went back five years ago and said Northam races would close, John was amazed to hear that Northam came within a whisker of closing. Nobody could tell you why, but it still came within a whisker of closing.

Hon MATT BENSON-LIDHOLM: Not that you know what is exactly in this strategic report, but is your case outlined in the strategic report to any great extent, that you know of? They said, “Go and read the report and then get back to us.”

Mr Cox: No. The report will be officially released on 6 April. We are none the wiser than you are of what is in the report. That is all we know. That report recommends that we get no future race dates.

The CHAIRMAN: Have you been given a time in which you can respond?

Mr Cox: The time frame is 6 April to 12 May.

The CHAIRMAN: That is the time frame for you to respond and give your reasons why you should not be closed down after this season. Are there any other points that you would like to make with regard to this subject or anything else you raised in the submission?

Mr Brown: I do not think so.

The CHAIRMAN: Bearing in mind that our committee will hand down its findings some time in October, which is long after you go through this process with Racing and Wagering Western Australia, we have taken on board what you have said about this. Your situation is part of a raft of things that we are looking into.

Mr Brown: There is only one thing, Mr McGrath. We spoke to Grant Woodhams today. As our patron, he said he would be willing to talk to the committee if it has any questions. He certainly knows what has gone on over the past 14 or 15 years with the club and he is aware of our problems and frustrations. He is making himself available to you if you want to chat with him.

The CHAIRMAN: Thank you very much. You mentioned that this is not the first time you have been under threat. You mentioned you had some problems with the Western Australian Trotting Association. What happened there?

Mr Cox: They were planning a very similar strategy—dropping it on us at very short notice. They were planning to reduce our season from eight to three meetings a year, which was effectively closing us down too.

The CHAIRMAN: When did that happen, roughly?

Mr Cox: Roughly six years ago.

The CHAIRMAN: Just before RWWA came in?

Mr Cox: Yes; six to seven years ago. When Garry Scott was president of the WATA is when it reared its head. That battle was taken by —

The CHAIRMAN: How did you win that battle?

Mr Cox: Lyle Harris took submissions direct to the minister and fought that very hard. He had that overturned; basically through the same sort of mechanism we have to go through now. In response to the submission we made, I do not know how relevant it is, but I do not want someone coming back and saying, “This is bullshit and did not happen.” We have made reference to the fact that prior to Sky, we were one of the highest revenue-earning clubs in the state. We were one of the highest performing B-class clubs. We certainly did not outperform Pinjarra, Bunbury or Gloucester Park.

Hon MAX TRENORDEN: I read it that way.

Mr Cox: But we were a B class—apples with apples.

The CHAIRMAN: Out of those clubs that did not have Sky, were you performing higher than any of those? Once some of them started to get Sky —

Mr Cox: We certainly were not the best performing club in the whole state, even without Sky, because Pinjarra and Bunbury have always been.

The CHAIRMAN: Thank you for appearing before the committee today. A transcript of this hearing will be forwarded to you for correction of minor errors. Any such corrections must be made and the transcript returned within 10 days of the date of the letter attached to the transcript. If the transcript is not returned within this period, it will be deemed to be correct. New material cannot be added via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee’s consideration when you return your corrected transcript of evidence. If there is anything else that comes up that you feel you would like to inform us about, that you have not covered today, you can include it as an addition to the transcript that you correct. Thank you very much.

Hearing adjourned at 5.15 pm