

**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 PERTH
FRIDAY, 26 FEBRUARY 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 11.45 am

BROWN, MR COLIN

**Consultant, Western Australian Bloodhorse Breeders Association,
examined:**

WILLIAMSON, MR GRAY

**Thoroughbred Breeder, Western Australian Bloodhorse Breeders Association,
examined:**

PADDICK, MR BRIAN CHARLES

**Secretary, Western Australian Racing Trainers' Association,
examined:**

HYDE, MR BRUCE

**Horse Trainer, Western Australian Racing Trainers' Association,
examined:**

CROSSMAN, MR HARVEY

**President, Western Australian Racehorse Owners Association,
examined:**

The CHAIRMAN: Thanks for attending. On behalf of the Joint Standing Committee on the Review of the Racing and Wagering Western Australia Acts, I would like to thank you for your appearance before us 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. 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. For this hearing also, parliamentary staff will be testing the camera equipment in this meeting room. However, I stress that this is a test only and images will not be broadcast.

Before we proceed, I need to ask you a series of questions. Have you completed the "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 have you read the information for witnesses briefing sheet provided with the "Details of Witness" form?

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: Would you please state the capacity in which you appear before the committee today, maybe starting with you, Colin?

Mr Brown: I am on the committee of the Western Australian Bloodhorse Breeders Association.

Mr Williamson: I am President of the WA Bloodhorse Breeders Association.

Mr Paddick: I am the Secretary of the Western Australian Racing Trainers' Association.

Mr Hyde: I am President of the WA Racing Trainers' Association.

Mr Crossman: I am President of the WA Racehorse Owners Association.

The CHAIRMAN: Thank you for your submissions 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 the submissions that you have put in before we start? We have a series of questions to ask you today, but, before we do that, do you wish to provide the committee with any additional information or make an opening statement to this hearing? No.

Seeing it is a joint hearing of three different bodies, why do we not start from the left, with the breeders? Can you just explain a little bit about your organisation so that the inquiry understands your role in the industry?

Mr Williamson: Bloodhorse breeders—I think it is pretty self-explanatory. We have some 800 to 900 breeders in WA. We are the governing body for the breeders in WA. We facilitate things like helping to organise the sales. When it comes to the breeding side of things, we try to disseminate information. When equine influenza came through, we helped to disseminate that sort of information to our members. John, were you asking with regard to our actual —

The CHAIRMAN: No, that is fine—just the role you play. And the Trainers' Association?

Mr Hyde: We obviously represent racehorse trainers. Basically, our committee meetings are held in Perth and the majority of attendees are Perth-based trainers, but we also represent country trainers, and we give them an opportunity to voice their grievances. We are mainly concerned with domestic matters such as training facilities, race day conditions and programming races for various horses. There is an Australian Trainers' Association, which is more involved with things such as wages for staff and that type of thing. So we keep ourselves pretty much aligned with domestic disputes, which are basically centred around conditions for training horses and race day programming.

Mr Crossman: I represent the WA Racehorse Owners Association. Our association has about 850 members. Unfortunately, we do not have every owner in WA as a member, but I guess I equate our position as being similar to that of the RAC: not every person is a member of the RAC, but they speak for the motor industry. We speak for the owners. I guess that is really what we are. We look after the interests of owners. We provide them with as many benefits as we can. We fight for more benefits as far as free entry to clubs for owners of horses, free race books and these sorts of things. We also represent the owners on the Thoroughbred Racing Consultative Group, which I believe is a very important role that we play. We get involved with things like the whip controls issue last year, the jockeys' claim, and all that sort of thing. So that is what we are about.

[11.50 am]

The CHAIRMAN: As you are aware, we are conducting a review of the racing and wagering acts. The committee will be asking questions on the submissions that you have provided. I would like to begin by asking each group about your association's view of the performance of RWWA and the act itself. Do you have any criticism or any views on how the industry is being serviced by the new governance of racing under RWWA?

Mr Crossman: I would like to answer that. I should preface my remarks by saying that I was not involved in the administration of owners before RWWA came into existence. I am not comparing the days gone by on a direct basis. I am going on hearsay to a point. As far as RWWA is concerned, it has been a very good thing for the industry. It has taken the power away from the primary race clubs. It is a pattern that has been followed throughout all the other states where an independent body is above the main race clubs. That is an effective way to run the racing industry. To be combined with wagering is a big advantage as well. I think we are the only state in Australia that has that arrangement. Everyone else has sold their TABs. I think New Zealand is going down the same track as us.

We have a very solid relationship with RWWA. We do not always agree with where it is going, and we certainly voice our opinions. Sometimes we sway its opinion a little. We have some wins and losses. In general, I am happy with the performance of RWWA.

As far as the act is concerned, there are a couple of things, and I have referred to them in my submission. Being able to offer credit to certain clients would be a huge advantage for RWWA.

The CHAIRMAN: We might come back to that in a moment because that is an important issue that you raised in your submission.

Mr Hyde: I pretty much agree with what Harvey said. We found that the introduction of RWWA has given us almost an independent person away from the clubs. If we have arguments with Perth Racing or with Northam or one of those clubs, someone else can step in and shed a bit of light on the matter; they may not necessarily be able to resolve it. If we have disputes with provincial clubs or with Perth Racing, we have someone to go to. Similarly, I think there needs to be an overall plan for racing throughout Western Australia, not just a situation where it is done ad hoc, club by club. RWWA is working towards that. The stewards and various people are now employed by RWWA; they are not employed by the club. For example, Geoff Murphy, who is the track maintenance man at Ascot, has become an employee. If he tells Perth Racing that something has to be done, he has more voice than when he was an employee saying that the track needs to be upgraded this week. Now it is coming from RWWA. RWWA does not have any huge power but, at the end of the day, it has the purse strings and that has to make whoever it is talking to a little more susceptible to listening to its voice. The consultative group that we go to on a quarterly basis is a new innovation that has been set up by RWWA.

The CHAIRMAN: Who attends those meetings?

Mr Hyde: We all attend them, representing our industries, as well as the bookmakers, provincial clubs, the country clubs and the jockeys. There is a broad spectrum of everybody in the racing industry who can talk to Richard Burt and Ken Norquay.

Mr J.J.M. BOWLER: How long has it been going on?

Mr Hyde: I am not sure how long it has been going. It was brought in by RWWA. It did not exist pre-RWWA. Five years ago we did not have that amalgamation of ideas at one meeting.

The CHAIRMAN: One criticism that we have had of RWWA is that sometimes at these meetings the decisions have already been made and RWWA advises you that that is what it is going to do.

Mr J.J.M. BOWLER: It is not consulting or seeking your opinion; it is virtually meeting you and telling you what is going to happen.

Mr Hyde: That may be. We had a meeting four months ago and it announced new fees for trainers for accountancy purposes and keeping our invoices and what have you, which we strongly protested about at that meeting. There was a subsequent meeting with RWWA's finance people. What was presented at the meeting was thrown out and a much more acceptable situation came about.

Mr Crossman: That meeting was attended by me and, representing the trainers and also one of the biggest owners, Neville Parnham. They were very receptive.

Mr Hyde: What happened at the consultancy group was not fixed in concrete. We had a right to appeal against it. That is all we can ask for.

The CHAIRMAN: We will get on to some of the individual concerns. The breeders association—can you explain your dealings with RWWA? You stated in your submission that you need a selling complex. I have heard that maybe something is happening at Ascot. What is happening in that development? Tell us first about the need for a selling complex.

Mr Williamson: That was partly the basis of our submission. We feel that breeders are as much a part of the racing industry as any other part, yet we are a little on the fringe as far as RWWA is concerned because we are not under its auspices as an organisation. We do attend WATRIC and meetings like that. We do have a say within the industry. From our dealings with RWWA we tend to deal with things like the programming of races. David Hunter came along and we explained what we were looking for, what was happening with two-year-old racing in relation to the field sizes, what we thought we could do as breeders and how RWWA could help us on the programming side of things.

[12.00 noon]

Mr Williamson: That is sort of how we interact with RWWA a little. We think that, as an organisation, we should probably be under RWWA's wing a little more. At the moment, any funding that comes to us is self-generated or, in the case of the selling facility, by the selling agents. That is a bit of a two-edged sword, because then we are always obligated to the one selling agent as well.

The CHAIRMAN: Does your organisation not get any funding from RWWA?

Mr Williamson: No. A few years ago we got \$100 000 for a feasibility study through RWWA to help try to find a site for a selling complex. That was the only funding that we actually got through RWWA.

The CHAIRMAN: If there is a new selling complex built, your organisation would obviously like some assistance from the industry or TAB revenue. How do you think you will be able to fund a new selling venue?

Mr Williamson: As breeders, we would not be able to fund it ourselves; there is just no way that we could actually fund it ourselves. It has to be funded by selling agents, and getting them to commit is a difficult task in itself, as well as finding the land. It looks like there may be an option there, but it is still early days on actually coming to an agreement on what can be put there—whether it is going to be some sort of permanent thing or a temporary thing. From our point of view, we can get Gai Waterhouse over, as she was just recently, but to be unable to show off our produce to people in a proper way is actually detrimental to the industry as a whole, because it flows on to whether we get people from overseas and the better trainers or whatever from the eastern states. We want more international people to come to our sales, and we have been selling our horses in a substandard facility for a long, long time. The breeders here are actually going forward; it is probably to their credit that they are doing that against something that has made it quite difficult to sell their product at the end of the day.

The CHAIRMAN: To get back to the issues facing the industry, would anyone like to comment on what they see as the major issues facing the industry? I think all submissions have mentioned funding, with the advent of corporate bookmakers and the competition that the TAB now faces. Does anyone have a view on how that will impact on the industry, and how the government or RWWA might be able to support the industry in that regard?

Mr Paddick: I think we are getting back to the days of Kalgoorlie when I used to work for an SP organisation up there. In Sydney, it is estimated that \$10 million goes off every Saturday into the SP area; they are commission agents, and that is what they had in Kalgoorlie—a commission agent out the front and two barber's chairs, and all the boards were out the back. This is happening in Sydney,

and I do not doubt that it is occurring here. Some of the biggest bookmakers are no longer operating, and I am quite sure that they have not completely lost interest in gaining a quid. How much do we get from Betfair in this state? We get nothing from Betfair, as far as I know, yet they have about 150 000 customers, and some of them must be from Kalgoorlie. I know some people who would rather bet with Betfair than go to the TAB. Some governments step in, like the Tasmanian government, and offer Betfair a reduction in tax so that it will remain in Tasmania, where it employs 1 500 people. One of the biggest problems that racing faces in this state is in the betting area. The attack on the betting dollar is as big now as it was when the casino opened. It is more the illegal stuff now.

The CHAIRMAN: Are you saying that there are people in Western Australia operating illegally as bookmakers?

Mr Paddick: I am not going to say that I could prove it, but I rather suspect that there would be.

Mr J.J.M. BOWLER: You mentioned other states. Do you think the only answer is a national solution and harmonisation of taxes paid across the board?

Mr Paddick: It has to be done at a national level because it is affecting everybody. I think Murrinh over there wants them to register every commission agent so that he knows where the money is coming from and where it is going to. It is very interesting that Betfair suddenly found some illegal operation over there, because it was hit very heavily by a betting syndicate that backed horses to lose, involving a jockey who refused to hand over his telephone. The thing is that Betfair may not have even mentioned it had it not been for the fact that it probably got hit rather heavily. I have always been against the idea of backing a horse to lose; I think it lends itself to that sort of activity.

The CHAIRMAN: This has been tested in the courts, in the Betfair case. Given that Betfair might be here to stay, what other way can you see that the industry can continue to make sure the TAB revenue does not dwindle so much that it affects the industry drastically? Harvey, you mentioned credit betting.

Mr Crossman: It is credit betting, but there has to be federal legislation. The Western Australian government tried to introduce a fee for racecourses, or whatever it was, but we need to get the federal government to step in so that it encompasses every state, otherwise they will run from state to state. The corporate bookmakers have gone from Tasmania to the Northern Territory, and there is so much leakage of the betting dollar. There is no money coming back to the industry from that dollar. Even in its initial draft report, the Productivity Commission was only concerned initially about the interests of the so-called consumer—the punter. It did not seem to appreciate that it is because of returns going back to the industry through the betting dollar that the industry has grown to where it is today. If we compare our situation in Australia to that of the UK, there is no comparison. There has to be some federal legislation to stop the seepage.

The CHAIRMAN: How do you see the federal legislation stopping bookmakers operating in the Northern Territory, for instance?

Mr Crossman: I am not saying that it should stop them, but they should be paying a fair fee for it, the same as everybody else. We talk about this business of paying 10 per cent of gross profit—what is gross profit, for God's sake?

The CHAIRMAN: They are paying a fee now; it was brought in through legislation last year.

Mr Crossman: It equates to about 0.5 per cent of turnover, as the TAB knows it.

Mr J.J.M. BOWLER: It is about 0.3 per cent.

Mr Crossman: Is it? In that case I am being generous to them.

Hon MATT BENSON-LIDHOLM: I am particularly concerned about your point of view on privatisation. It is obviously something that has already happened in the eastern states. Do any of you have an opinion as to where the Western Australian TAB needs to go, given that the punting

dollar is under attack from all sides? Is there any future in the privatisation of the Western Australian TAB?

Mr Hyde: Our racing industry is surviving now from returns from the TAB or RWWA. If we privatise the TAB and make it responsible to shareholders, will we as an industry get the same return from RWWA? I strongly suggest that the answer would be no.

Hon MATT BENSON-LIDHOLM: I am not advocating it, but it does come up in discussion.

Mr Hyde: Over the past 12 months, the owners and trainers have suffered quite significantly. We have had stakes reduced and we have had an owner's incentive, which was virtually a subsidy, taken away. Previously, we have been able to start horses at nil cost, but we are now getting a small charge, which theoretically covers the public liability cost.

[12.10 pm]

We are paying that for every starter, and I think that is the thin end of the wedge, and that costs will start to come back to the owner and the trainer that were not there two years ago. Part of this has been brought on by the downturn of the financial economy, but the majority of it has been brought on because RWWA has not been able to expand their profit, and it is due to things like the product fees. Betfair, and these things, are impacting on us.

Mr Crossman: There has been no growth.

Mr Hyde: There has been no growth, and the costs have been thrown back on us as owners and trainers, to try to keep stake money at a relatively high level. Owners need reasonably high stake money to be an incentive to buy yearlings from the breeders. We are all in the same boat. We need stake money up there, but we do not want it at the cost of us having to foot the bill for hundreds of dollars where it was not before. If you privatise the TAB, the TAB will then be responsible to shareholders. We sort of feel that we are the shareholders; we are the ones that need the profit from the TAB. Okay, I am sure there is a government tax that comes out of the profit, but somewhere between you and us we have to strike a balance to keep this industry viable. If you get rid of racing, or you put it into downturn, a hidden number of people survive on racing; you have feed merchants, people that work in the stables, vets, vets' nurses, farriers, and people that do fencing for the stud farms. An enormous amount of people are involved in racing that you do not really think are, and if we have a downturn in the industry, it will impact on an enormous amount of people.

Hon MATT BENSON-LIDHOLM: If we are looking at issues associated with the inability of the current situation to provide more revenue to the industry, where do we go? Some of the submissions have talked about reducing tax as a possibility; do any of you have any points of view as to how—certainly through the TAB, if we are not going to go down this privatisation pathway—the TAB can expand its interests so that it has the capacity to generate a greater return to the industry? Is tax one of them?

Mr Crossman: I think tax is one of them. I think at the moment the government takes \$57 million from the TAB—this is before their returns. I think in my submission I suggested that maybe some of that should be redirected back to RWWA to fund infrastructure, because at the moment there is no growth in the actual final result of the TAB to actually fund any of those infrastructure projects.

The CHAIRMAN: Infrastructure has been raised with us as a real serious issue, especially in provincial clubs and places like that.

Mr Crossman: That is exactly right. I could probably name five or six different projects that are essential. I mean, the breeders' complex is one of them. You are talking Bunbury, you are talking Northam; they have got issues. Belmont will have a new track, I guess, sort of thing, with the redevelopment.

Mr Brown: But then it becomes about economics, does it not? To increase your revenue base, you have either got to increase product, or find some other way to get money into it. Because otherwise

it makes us sitting around here saying, “This is important to us, this is important to us”, a matter of priority or relevance, and that makes it a difficult situation. Whereas what we are saying is that if you can either somehow stop a leakage or somehow put some additional money in the top through taxation, it then makes our saying about what the industry needs to go forward more realistic.

The CHAIRMAN: So the industry can continue to generate. I am interested in trainers. How are the trainers going; are they making a good living?

Mr Hyde: If you want to ring the feed merchants and ask for their debtors list, you will probably find out. Look, a majority of trainers battle, and they do it for the love of the sport rather than a financial gain on a regular basis. Everyone wants to be Joe Janiak, who bought Takeover Target for \$1 300 and ended up meeting the Queen at Ascot. That is why most of them are there. There are definitely some that are making a good living out of it, but you have to remember that someone like Neville Parnham, who makes a very good living out of training racehorses, probably has—do not hold me to it—\$8 million or \$10 million invested in real estate to train his horses from and the floats that he has. But if you looked at the return that Parnhams make as a business and put it into the financial world, you would not be able to sell shares in it. Trainers, in general, battle because we cannot afford to ask owners what our true fees should be. We cut corners, perhaps, and one of the things that is happening is that, as you have got WorkSafe and things like that, which are necessary, it is becoming more costly, (a), for the clubs to provide training facility, and, (b), for the trainers to train efficiently. You would get slaughtered now if you carried on business the way you did 40 years ago.

Mr J.J.M. BOWLER: Are you concerned about the Turf Club’s threat of closing down Ascot as a training facility?

Mr Hyde: Extremely concerned. I think, financially, there would probably be a lot of trainers who would be better off selling their stables as development sites when they do it, but we all want to be trainers.

Mr J.J.M. BOWLER: Do you think the Ascot precinct, with its stable and its lifestyle, and the Ascot Racecourse should be retained as the major training centre in Perth?

Mr Hyde: You have a situation where the council have just recently brought in a new zoning, where it is specifically an R10 zoning for horse and stables, so that basically states that from the Belmont council perspective, it is a racing precinct. If you have Perth racing saying, “Okay, that is a racing precinct, but we’re going to take away your facilities”, you have a huge cultural clash.

Mr Paddick: I had a call from Fred Kersley this morning at 10.30 am because he thought we had a meeting today, but it was cancelled because of this meeting today. His main concern is over the condition of the training tracks at Ascot. He claims that it is the reason that the fields are quite small at this time of the year, and that they are hard tracks and that they possibly need pulling up and redoing from the ground upwards, drainage and all. I do not know how long it is since it was done, but I remember it being done in 1971, when we walked around the track to get the rough stones out of it.

The CHAIRMAN: Are you talking about the training tracks?

Mr Paddick: Yes.

Mr Hyde: They have been done since then.

Mr Paddick: But the thing is that it is the preparation of the horses that they are most concerned with, apparently. It would be interesting know, if a survey was done, how many horses have broken down because of track usage in the last couple of months. It would probably support Kersley’s argument that it is one of the reasons behind the small fields that are currently racing in Perth. This problem is not apparent in the other country areas where their tracks are only used from time to time, such as, say, Albany, which gets full fields. They run trials down there, too. Kalgoorlie is

running its trials now for its season that starts shortly; its fields will be full, but they are a seasonal area. Geraldton is another. When they have a set season, they have a facility that is not overused. Esperance is another one. I understand that the track at Esperance is possibly the best grass track in Western Australia, and their training facilities are equal to anywhere, but you cannot send everybody down to Esperance from Ascot.

The CHAIRMAN: From the trainers' point of view, you believe there is a lack of adequate training facilities in the metropolitan area and a need for more training facilities?

Mr Paddick: Improved training facilities.

Mr Hyde: Yes, there is more of a need for improved training facilities. As we mentioned before, the training facilities are not on display as evidence of how well a club is going; their stake money on a Saturday or a Wednesday is the barometer of what the club is doing. If they are providing inadequate training facilities, or they can skimp and save a little bit on preparation of training facilities, that is not going to reflect a great deal on their performance in the fields or the race results on a Saturday or a Wednesday.

[12.20 pm]

The CHAIRMAN: But does RWWA not have the responsibility to provide training facilities for the industry?

Mr Hyde: No; whether they have the responsibility to, they do not necessarily have control over each individual club's training track.

The CHAIRMAN: Should they?

Mr Hyde: That is the \$64 question. And if they do, where do the funds come from? Are you opening a can of worms? I believe that if RWWA took the responsibility of providing the training facilities, we would get better training facilities, but where does the money come from?

Mr J.J.M. BOWLER: Are you talking about just in Perth, though?

Mr Hyde: No. You have to look at it as a statewide thing.

Mr J.J.M. BOWLER: Would they send someone to Wyndham?

Mr Hyde: You probably would not need very much in the way of training facilities at Wyndham, because the number of horses there could work on the race-day track during the week and then they could run the harrows around it. Broome, for example, is a dirt track. All the horses that go to Broome for the racing are stabled on the course. They work on the course and the track is dragged after track work, and it is right for Saturday. Albany, for example, is probably a different matter, because they have grass tracks and they have a lot of horses domiciled in the area that would want to gallop on the grass. In Northam, a small number of horses are trained in the area, but for the club to provide training facilities for them and to open the track three mornings a week, they have to have a track supervisor and a first-aid officer. So they have a cost to open the track for three hours, and eight horses might turn up or there might be two.

Mr Crossman: Which is probably in complete contrast to Bunbury, which probably needs to be deemed to be a training centre.

Mr J.J.M. BOWLER: One suggestion has been that if they are, who is to say that the government would do this? I would like to see, rather than just going back to RWWA to be put into their consolidated revenue and go wherever it may be, an infrastructure fund established for these types of things.

Mr Hyde: Has the racecourse development fund died?

Mr Crossman: That is exactly what I said.

The CHAIRMAN: A strategic amount of money that comes out of a set percentage of the turnover every year would be put into a fund and that would be used to do infrastructure and provide training facilities, because at present, as we have been told, RWWA is juggling both—trying to keep stake money at an adequate level while also trying to spend money at tracks on infrastructure.

Mr Crossman: I think I put in our submission that there could be an amount from the tax to the government put into, for want of a better term, a future fund or an infrastructure fund. It is the same sort of thing, I guess.

The CHAIRMAN: You are not the only one to mention that in your submission.

Mr Paddick: What about royalties for regions? They cannot find enough for what there is.

The CHAIRMAN: My personal view is that it should all be funnelled back into the metropolitan area!

Mr P.B. WATSON: You just got outvoted!

Hon MATT BENSON-LIDHOLM: Mr Chairman, the vote is against you; I am sorry!

Mr Hyde: Certainly, it needs to be a controlled spend of the money. You would not want to see Northam training facilities upgraded to match Ascot, and then have exactly the same things done at York, which is 30 kilometres away. There needs to be some savings somewhere along the line.

The CHAIRMAN: But RWWA should be capable of managing that, should they not?

Mr Hyde: They should be.

The CHAIRMAN: We have been led to believe that they do that—that they have blueprints and they talk to clubs. Is that happening?

Mr Paddick: They have only just recently appointed from Geoff Murphy from Perth Racing to look at the training facilities. We have never seen a report from them.

Mr Crossman: I think they were speaking to the clubs before, though. Because of the difficulties that we have had at the Bunbury track and the Northam track, Geoff Murphy was seconded from Perth Racing. He was part-time RWWA and part-time Perth Racing, but I think now they have decided that he should be full time at RWWA, and I think that is a positive move.

The CHAIRMAN: Do the owners and trainers have a view on provincial racing? There has been a perception that RWWA has been a bit city-centric and has not been paying enough attention to the provincial courses in terms of distributing money from the TAB. So we have got a situation now whereby there is a bit of an imbalance—on Wednesdays you have very good prize money for midweek meetings in the city, but the following day you might have a meeting at Northam or Pinjarra where you are racing for a fair bit less. At one time, the midweek provincial and city prize money used to be fairly commensurate. Do trainers and owners mind travelling to the provincial tracks with their horses?

Mr Hyde: No; we do not mind travelling to the provincials, but what we do object to a little bit is that, as a city-based person, Geraldton, Albany and Kalgoorlie have sort of been taken into the provincial umbrella and it is impractical for a lot of people, if they did not get a run for a horse at Ascot on Wednesday, to take it to Geraldton on Thursday or to Albany on Saturday. Albany and Mt Barker do get Perth horses going there, but they are quite strong fields. You are travelling a round trip of a thousand kilometres to get your bum kicked. They are no weaker fields —

Mr P.B. WATSON: You do not get the subsidy anymore either, do you?

Mr Hyde: There is no subsidy. Actually, Mt Barker puts on a subsidy.

Hon MATT BENSON-LIDHOLM: Some of the clubs are putting on their own subsidy.

Mr Hyde: The clubs do.

Mr P.B. WATSON: But RWWA is not.

Hon MATT BENSON-LIDHOLM: RWWA is not.

Mr Hyde: Why go all the way to Kalgoorlie to meet the same horses that you can meet at York or Northam if the fields are there?

The CHAIRMAN: Are you happy with the stake money levels at, say, Northam, Pinjarra and Bunbury—those near provincials?

Mr Hyde: We always like to see more, but it is not too bad.

Mr Crossman: I think you also have to look at the level of the horses. It should be said that the midweek level is stronger in most cases than the provincials.

Mr J.J.M. BOWLER: That is the way it has worked —

The CHAIRMAN: In the city.

Mr J.J.M. BOWLER: Until 10 years ago, the link between midweek and the provincials was exactly the same; if they went up, they went up exactly the same. Then Perth Racing took control, gave themselves more money and left the provincials behind. That is why that has happened. Should they go back to the link that midweek should be the same as the provincials? Whether that means that midweek comes down and the others go up, I do not know.

Mr Hyde: You have to remember that you are racing in slightly different classes, though. The fields are not exactly the same classes.

Mr Crossman: That is why you have got a better level of horseracing midweek.

Mr Hyde: The midweek horses are halfway between Saturday and your provincials, so you have got your maidens and your 52 to 64s racing at your provincials. You have usually got a slightly better class racing midweek. The best thing is to lift it all up to midweek and give us more money!

The CHAIRMAN: Do trainers have any view on the handicapping system—the new rating system that has been brought in around Australia? Some people are saying that it has caused some imbalances in smaller field sizes on Saturdays. Do trainers have a view on that?

Mr Hyde: I think when they first brought the rating system in, Perth Racing had high expectations of the sorts of fields they were going to get, and they have had to lower the ratings that they catered for to get bigger fields. Since that has happened, I think we have been fine with it. There are people who do not understand the rating system.

Mr Crossman: I think that is half the problem.

Mr Hyde: That is the problem. I had a fellow ring me up last week. He won a \$50 000 race at Pinjarra and his horse got handicapped 12 rating points. He won a \$30 000 race at Broome during last winter and his horse got handicapped 11 rating points. Normally, when you win a race, you get handicapped four or maybe three rating points. In both instances, the fellow had nominated his horse in a race where he was weighted on the minimum when he should have been perhaps eight or 10 points below the minimum. When he won it, the handicapper had to actually rate him from the weight he carried. He did it twice in three starts and he complained. The handicapper had to give him 12 points for winning the \$50 000 race at Pinjarra, but he had made the same mistake six months before.

[12.30 pm]

The CHAIRMAN: Getting back to the breeders: your submission raised the need for a quarantine facility in Western Australia.

Mr Williamson: We think from a racing point of view that if we had some sort of quarantine facility here—this is probably as much a commonwealth issue as a state issue—we could bring in stallions or mares from overseas, instead of their having to be domiciled in the eastern states before

they can come across the Nullarbor. It would be a similar situation with horses that raced in WA, if we wanted to sell them overseas. Even when we want horses, say, to go to Malaysia, they have to go back over east and do some quarantine.

Mr J.J.M. BOWLER: Do we get shuttle stallions here or do they go only to the eastern states?

Mr Williamson: We have shuttle stallions that come in and out of WA.

The CHAIRMAN: But they have to go through Sydney or Melbourne?

Mr Williamson: They have to go through Spotswood or Eastern Creek to come here. One thing you could look at in a sales facility is perhaps integrating something like that into the structure, which would help us.

The CHAIRMAN: Are there any other issues that are pressing for your various organisations?

Mr Crossman: The issue of credit betting.

The CHAIRMAN: Credit betting has been a problem because under the act the TAB cannot offer credit, basically because it is a government institution. I think that has always been a problem. Do you think that could be manageable?

Mr Crossman: Yes, I do. RWWA is a commercial operation and there is no reason why it cannot offer credit facilities on a commercial basis.

The CHAIRMAN: According to the act, it cannot, because the TAB is not allowed to offer credit.

Mr Crossman: I understand that.

The CHAIRMAN: That leads to another question—it has been raised from us—should the government distance itself from RWWA now it has been operating for five years and is running the industry? Would you be able to see the government step back and allow RWWA take over?

Mr Crossman: Like a statutory authority or private company; is that how it works?

The CHAIRMAN: It would not be answerable to the Parliament, as it is now. RWWA has to report to the Parliament once a year, and it has a Minister for Racing and Gaming and all of that stuff.

Mr J.J.M. BOWLER: And the minister appoints the chairman.

The CHAIRMAN: That has been suggested to give the racing industry more independence in how it is run and the TAB could then be run on a more commercial basis.

Mr Paddick: What if you have a couple of bandits there and wanted to get rid of them? At least now you could go to Parliament.

Mr Brown: You could still have a connection to Parliament and it would still be answerable to a minister, but via a statutory authority set-up and there is a separate board.

The CHAIRMAN: What do the other people here today think of RWWA being able to offer credit? We are told one of the reasons that the betting agencies in the Northern Territory get big punters is because they offer them credit. They are private basis, so they can do that. Do you have a view on that?

Mr Crossman: It seems ludicrous to me that a bookmaker who is fielding on course —

The CHAIRMAN: At Ascot, that is right.

Mr Crossman: — is not able to bet back on the tote on credit. He has to pull out a wad of cash. A lot of people are betting on credit with him, so it can be a little difficult.

The CHAIRMAN: What you are saying is that the bookmaker who is licensed can offer credit to clients, but the TAB cannot?

Mr Crossman: Yes. We have a situation—I think I alluded to this—where an individual can quote a credit card over the phone to the TAB and can put the funds into their account and bet with them. I do not see the difference.

The CHAIRMAN: Bruce, do you have a view on that?

Mr Hyde: It is not something that I have focussed on very much, John. Obviously, we want the TAB to be as successful as possible. I am not quite sure how much that is going to increase its turnover, but I am sure they should study it.

Mr Crossman: It will not decrease it.

Mr Hyde: They should study and look into it to see whether it is viable or not. If you have a situation in which these other industries, like Betfair and the Northern Territory bookmakers and that are taking customers away from you, you have to look at competing with them. If you cannot compete on a level playing field, you have to be prepared to lower your expectations. We would like to see growth from the TAB and consequently growth in the money that is returned to the industry. Every way that can be done should be looked at. Also, in general, we need to look at something that will revive the racecourse development fund to carry on the maintenance, because with the tight economic times that we have had maintenance of training tracks has slipped in the past 12 months.

Mr Crossman: I do not think it is just maintenance of training tracks, but is also infrastructure.

The CHAIRMAN: The cost of running RWWA has also been raised with us. Some industry groups have been concerned and felt RWWA might have been top heavy, and we notice some staff cuts as a result of a review that was done. Did the industry feel that RWWA was overstaffed

Mr Crossman: I used the term “bloated”, and I think it was. It is significant that there has been a large reduction of staff.

Mr P.B. WATSON: With \$5 million savings.

Mr Crossman: I think two buildings that were being leased are no longer required, so there have been significant savings. Why it has happened now and did not happen two or three years ago, I am not sure, but one can come to a conclusion, I guess.

Mr Williamson: At the end of the day, in the concept of RWWA and the TAB as an integrated body, I would hate to see the TAB privatised. I think that would be the start of the death knell of racing for us. I think the way it is structured now is really good. As an organisation, RWWA has only been in for basically a short time.

Mr Crossman: It had a dream run for five years, as well.

Mr Hyde: Three to five years.

Mr Crossman: And it has now become tough. I think they were probably not conscious of a lot of the costs. Growth was going up, but it is certainly not going like that any more.

The CHAIRMAN: Do you have any concerns that in the years that RWWA has been in existence there has been only one change in board members, and that was the representative of the greyhounds? Do you think there should more rotation on the board, or are you happy with the way that the board is appointed and with the representation from the industry? There would not be many organisations that would not have had a board change in that many years.

Mr Crossman: Speaking from an owners’ perspective, the person we have the most dealings with on the board is Bob Pearson. I have no complaints with Bob, but some of the other members are almost faceless men.

Mr Hyde: I agree. We are completely happy with Bob Pearson’s performance, and change for the sake of change only is not called for. If there was a situation where he was not doing his job, I think

we have the facility by which he can be replaced. But he is doing an excellent job and is very approachable and has the industry's best interests at heart and he does know the industry. We have been completely happy with him and no efforts have been made to try to replace him.

The CHAIRMAN: Brian, from your point of view, are you happy with how the board is selected?

Mr Paddick: I have never had any complaint about the way the board operates.

The CHAIRMAN: Do you think it is a good process?

Mr Paddick: As they have suggested, Bob Pearson seems to be the man you turn to. His understanding of the industry and his respect for everyone —

Mr J.J.M. BOWLER: He is the racing man, and so are you, so I assume the trots and greyhounds say the same thing about their person.

Mr Hyde: We do not have any contact with the greyhounds or the other people, so we cannot comment.

[12.40 pm]

The CHAIRMAN: Gray, what about from the breeders' point of view—your association with RWWA? You say that you are on the periphery a bit. Is there any way that can be improved or the breeders can become more inclusive in the process?

Mr Williamson: I would like to see the breeders actually become a bit more a part of RWWA, as it were, so that when we do have some issues it is not like we are fighting from the outside. I think the structure of the board works quite well. But I think Harvey's point of actually having—you know, some of these people are faceless. I am a fairly high-profile person within the racing industry and I get to a lot of meetings and, apart from Bob, I do not know if I have met anyone else from the board who has actually come along and made themselves known to me or whatever, so I would have that as a criticism.

Hon MATT BENSON-LIDHOLM: Can I change tack for a second or two? I have an involvement in harness racing. I am particularly interested in the role that RWWA plays in the marketing and promotion of all codes but especially harness racing and thoroughbred racing. One of the things that we have had difficulty with, ever since I can remember, is attracting good quality horses to carnivals in Western Australia. From time to time a champion horse might come from over east. I can remember back in the early 1970s when horses like Dayana came over here as a three-year-old and won a couple of top races and the like, but those sorts of things are a rarity. I know we have toyed with the idea of improving transportation. As a promoter of the industry, what sort of thoughts do any of you have in mind with respect to the issues that we face in attracting top-quality horses not only from the eastern states but even possibly one day, after we are long gone, from overseas? Do you have any points about improving transportation or acquiring some sort of airline transportation link or agreement? Do any of you have any comments in respect of that?

Mr Paddick: I think trotting is one of the sad stories of Western Australia. You are talking about the 1970s when you had great horses over here—Cardigan Bay, Ribbons, Savina. Horses came over here for the Fremantle Cup and for the Christmas period; you would always get some good horses. All of a sudden it stopped; the crowds went down, there were no bookmakers involved. I go to the dogs every Saturday night. To look at the crowds at the dogs it is a totally different environment down there; they have families picnicking in front of the grandstand on a warm night. I would say there would be anything up to 200 or 300 people sitting out in the open and watching the dogs run around. It is an amazing difference. That used to apply to the trotting. There was a period when they would not allow children in, for example; you could not go to the course with children. When they lifted that, trotting was quite popular. The Mount Eden period of course we all know about—Pure Steel, Satinover; they do not seem to be able to market their top horses like they did in those days.

Hon MATT BENSON-LIDHOLM: Where I am coming from, Mr Paddick, is across all codes, because I also have relations and friends involved in thoroughbred racing, I know that there are issues and the industry has talked about acquiring an aircraft in the past. I want to know if any of you have any opinions as to the need for that sort of thing to attract horses from the eastern states, perhaps, that might swell numbers on course. That is where I am coming from.

Mr Crossman: We will get horses from the eastern states if you have attractive stakes and the programming fits in with the eastern states. That is primarily the reason why the Railway Stakes was changed from Boxing Day I guess to where it is now, and the Kingston Town Classic. The difficulty has been organising the airlines to get the horses over. I believe Perth Racing has done a good job in actually going over and promoting the carnival; it is just there has been difficulty in being able to organise the transport.

The CHAIRMAN: Horses came this year, didn't they? They got some horses this year.

Mr Crossman: Yes, they have, and they have had some over the last couple of years but that is because it has been an extension of the Spring Carnival in Melbourne. I think they are talking about tweaking the programming this year to try to attract some more, but I do not know whether it would justify getting involved in an airline.

Mr Williamson: As far as air transport goes, from a breeding point of view, we have a lot of difficulty actually getting horses out of Western Australia back to Singapore, Malaysia or South Africa when they are sold. A lot of the times they have to go to the east coast by road and then get on-sold over there and then go from there. That is quite a hindrance to horses actually leaving or buyers coming in from a different state and looking at horses here, so I do not know if there is some way we can help with the transport side of things. Some sort of a better relationship with the airlines would be good so that they are made to be a bit a more helpful in regards to transport because it is very, very difficult.

Mr Hyde: But bringing eastern states horses here is very much a seasonal thing. You will get it at the Christmas carnival; you might get the odd one or two coming over in the autumn trying to pick up a black-type race when they cannot quite make black type in Melbourne or Sydney. But if you go back to the 1970s, Tommy Smith and Bart Cummings and others would bring a team over and our Christmas carnival was much more compressed. Colin Hayes would come and they would bring four or five horses but they would be here for only three weeks or perhaps four weeks. We have stretched our carnival now from basically following on from Melbourne's Spring Carnival right through to the Perth Cup, so we will get a couple of horses for the Railway Stakes and a couple for the Perth Cup and a couple for something else. The Derby and the Karrakatta Plate have gone into the autumn, so a couple come over for that. We have spread it out a little bit.

Mr Crossman: But I think the other thing, though, Bruce, is that there was another race—the Australian Derby.

Mr Hyde: Yes.

Mr Crossman: They used to come over for that because they could race in both the WA Derby and the Australian Derby.

Mr Hyde: And the Perth Cup if they wanted to.

The CHAIRMAN: Do you think the industry is happy that the traditional Christmas carnival really has been dismantled and we now have the Railway Stakes run in November, and the traditional Christmas holiday meetings is gone. Do you think there is any call in the racing industry to go back to what it used to be or do you think we have moved past that?

Mr Hyde: Perth Racing has been trying. Now that the Perth Cup has come back to 2 400, it is almost the Railway Stakes Fruit n Veg; the Perth Cup is the lead-up, whereas previously the Railway Stakes was Saturday and the Perth Cup was Monday. Now they are trying to make it part

of a triple crown, if you like. We used to get enormous crowds on Boxing Day, Railway Stakes Day; the three or four days of Christmas used to have huge crowds but now we are spreading it out a bit—I do not know.

Mr Crossman: I am not sure that you would get the crowds if you actually went back to that.

Mr Hyde: Yes.

Mr Crossman: Times have changed, I think.

Mr Hyde: Times have changed and certainly there is opposition from the eastern states. Adelaide, Tasmania, Brisbane are putting races on to try to draw the same horses that we are; we are all competing for the same thing.

Mr Paddick: There is a diversity of opinion about the Perth Cup going back to the mile and a half. You can hear 50–50 arguments on that case.

Mr Brown: It is going to be interesting to see the impact. We are now looking at a global racing industry; we are not looking at a state-based racing industry. Tony Noonan has stables around the country and is setting one up here, for instance, and there potentially will be more. It is going to be interesting to see whether that is going to be an added attraction because when they are setting themselves up, they want to have horses that will perform here. The potential is for them to then bring a horse or have a tendency to come back next year et cetera, so that might have a positive impact in the transfer of horses between the eastern states and here.

Hon ALYSSA HAYDEN: My apologies for coming in late. Through the Chair, you may have already addressed this but has the question been asked of all groups about the role of RWWA: are you happy with this advocacy body actually representing all codes in the industry? Do you think that they are fulfilling that role of communication and education properly?

Mr Hyde: From the trainer's point of view, yes, we are quite happy with everything. As far as the education side of it, they are approachable. There is someone that we can go to if we are not getting the results that we want from the individual clubs. They fulfilled a role that was needed.

The CHAIRMAN: Do the owners feel the same?

Mr Crossman: I would endorse those comments.

The CHAIRMAN: What about the breeders?

Mr Williamson: We are quite happy with the structure as it is, yes.

The CHAIRMAN: Thanks very much, gentlemen. 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 from 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. If there is something that you feel that we maybe did not bring up or you omitted to bring up, you can add it as a separate addendum to the transcript. Thanks very much for coming in and giving us your time.

Hearing concluded at 12.51 pm