

**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 ONE**

**Members**

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

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**Hearing commenced at 11.47 am**

**O'BREE, MR RODNEY**  
**Chairman, Geraldton Turf Club,**  
**examined:**

**HAMMARQUIST, MR DONALD**  
**Vice Chairman, Geraldton Turf Club,**  
**examined:**

**WRENSTEAD, MR DAVID**  
**Manager, Geraldton Turf 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 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. I am John McGrath, the Chairman. On my right is Deputy Chairman, Hon Max Trenorden, MLC, and on my left is Hon Matt Benson, 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 document during your evidence, it would assist Hansard if you could provide the full title for the record.

Before we proceed, I also 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 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 very much. We have had your submission for sometime and we have had a good look at it. As your submission raised a lot of issues, I thought we might go through those issues first to get the background of your club's view about how the racing industry is being administered. At the end of your submission, you made a number of recommendations. We might

look at the recommendations at the end of this hearing. Maybe Mr O'Bree could start by telling us about the Geraldton Turf Club and the role it plays in the industry, particularly in this region.

**Mr O'Bree:** Geraldton Turf Club has been fairly self-reliant on its numbers. We have been able to fill all of our races each year with our own jockeys, horses and trainers. As far as an input to the rest of the industry goes, we have been able to put a lot of racing back into Perth and other areas. We need feed into the industry and are a good grassroots racing base for the industry. We are the most northern of the grass tracks. We are very self-sufficient and are getting stronger each year. Geraldton racing has continued to grow. We have several issues that we have highlighted along the way. There are question marks over the midweek racing returns and the availability for people to get to the races and how that is handled by RWWA and how it addresses that situation with a strategic plan to go forward. That has become an issue for us as we try to find our way.

**The CHAIRMAN:** You say in your submission that the Geraldton Turf Club supports RWWA. You also make the point that you believe it was as a result of agitation by the provincial clubs around the state that the original inquiries were first held that led to the formation of RWWA. On page 2 of your submission you say —

RWWA heralded a new beginning but unfortunately little changed. It can be argued that it has been significantly worse, with no consultation and, again, decisions are made by a few with little or no input to the industry participants”.

Could you elaborate on that?

**Mr O'Bree:** When it started, we saw an opportunity to present Geraldton racing and our issues we had. Initially, we felt that we were being listened to and that something had happened, but it seemed to disappear and fade away. Nothing got carried through and the results of some of our work and thoughts and direction that we were looking for never came to fruition. We got a bit of money granted to us with the initial outputs of \$1.4 million some 10 years ago, after having a business plan in place and issues with occupational health and safety and other things. Whilst that occurred, there was no follow-through after that; Geraldton was out of the way. We still have issues outstanding from 10 years ago that have not been followed-through on. We do not see that RWWA has come back and followed everything through. We have had consultants up here from IER, who put a very strong plan together for grassroots racing that sat over Geraldton, we thought would have been followed-through or at least discussed at length, but we never really heard any more about it. A lot of the IER reports that were sent down seemed to be disregarded because they did not seem to fit in with where RWWA were travelling to start with.

**The CHAIRMAN:** What are some of the things that you say have been on the drawing board for 10 years?

**Mr O'Bree:** There are occupational health and safety issues with regard to infrastructure. That was a major part of it for us. We looked at the entire course and the issues that we had. We put it all in writing in a business plan and sent it down. It took a long time for anything to be done about it. It was a very slow reaction time and not a lot of follow-through after that. The initial funding was set in place but there was a lack of consultation on some of the plans that were submitted. Once we were granted some funding at the start, RWWA believed that Geraldton was done and locked away and RWWA did not come back at any point.

**The CHAIRMAN:** Are you saying that occupational health and safety is more in regard to some of the buildings here, such as the grandstands and things like that?

**Mr O'Bree:** Some of the public amenities and toilets. More so at the moment we have still got outstanding race day stalls; that is a bit of an issue for us. The last lot actually blew over in a windstorm. We were lucky to have gotten underway with some of it. There was no more funding forthcoming to finish that off. The stalls that we have got remaining are an issue.

**The CHAIRMAN:** Do you know how much funding you would require to do the infrastructure upgrades that you need to do?

**Mr O'Bree:** To set us on our way and keep everything ticking along safely for the next five or seven years, \$1.2 million would get us across the line. That would stand us in good stead. We have a number of issues after that that we would be able to work on. The planning that we put in we addressed people within the industry to make sure there was safety worked out, the mounting yard rails and everything. All of that was changed and done, but we have got half a job at the moment through a lack of consultation with RWWA in having the stalls built. We have still got a lot of other stuff, old stalls sitting out there that have not been completed as yet, and a lot of partial railing that I see as a long-term plan.

**The CHAIRMAN:** So you need actually more stalls than the new ones that you have had built?

**Mr O'Bree:** Yes.

**The CHAIRMAN:** There is a need for more stalls.

**Mr O'Bree:** Only half the stalls that have been built that should have been done.

**Hon MAX TRENORDEN:** In the formation of the new body, the old funding process of the development trust went, but in reality that was only \$6 million and probably would not have met all of these demands and needs that clubs are talking to us about. Do you have an attitude about what should happen about this question of infrastructure, the funding of infrastructure?

**Mr O'Bree:** From what we have seen—I have only had some time at the other regional clubs around the area—we had some occupational health and safety issues that should have been addressed straightaway and done. Before the establishment of RWWA, I think racing was a long way behind. We still had asbestos in the jockeys' buildings, wobbly mounting yard rails and kids crossing over in front of horses. All of those issues needed to be addressed before we could take another step, and there was a basis then for us to move on in a safe manner and doing the right thing by not only the industry participants, but the public that visited the course as well. So for the other tracks I cannot comment basically on what outstanding issues they have got.

**Hon MAX TRENORDEN:** What about a funding commitment though? The old system used to have a funding method, even though it was done collecting dividends—\$6 million, not a lot of money.

**Mr Wrensted:** I think that was probably better structured. At least the RDT had an amount that they could allocate per year. I am not sure that RWWA do that. I am not sure that this year they are actually giving a lot of money for any infrastructure improvements this year. I think they have to certainly set some aside each year, at least to make some improvement.

**The CHAIRMAN:** You would prefer an allocation to be made.

**Mr Wrensted:** Yes.

**The CHAIRMAN:** So that the clubs would at least be expectant that every year there will be a pot of money there for them?

**Mr Wrensted:** Certainly, there is at least the look that they are doing something about infrastructure.

**Hon MATT BENSON-LIDHOLM:** You would obviously have some sort of a maintenance figure factored into your particular strategic plan and budget?

**Mr Wrensted:** I think it is the biggest issue that faces race clubs, particularly rural, regional and country clubs.

**Hon MATT BENSON-LIDHOLM:** Just for the record, though, Mr Wrenstead, could you give us some sort of an indication of what the Geraldton Turf Club allocates or budgets per annum for these

sorts of issues? It is not something which has necessarily come up in too many discussions thus far, but certainly the infrastructure issue has. So I just want to know what basically it would cost the club per annum.

**Mr Wrensted:** We put very little to infrastructure simply because we have not got the finances. We just basically put a maintenance figure.

**Hon MATT BENSON-LIDHOLM:** What is the figure for that?

**Mr Wrensted:** Between \$50 000 and \$100 000.

**The CHAIRMAN:** You made the point on infrastructure that RWWA's performance might have been made to look a little bit better than what it was because there was government funding. I think \$20 million from the previous government went into racecourse infrastructure. If this committee were to recommend that there be an infrastructure fund, can you see where that funding would come from if stake money was not to be affected?

**Mr Wrensted:** From within RWWA?

**The CHAIRMAN:** From within RWWA, yes.

**Mr Wrensted:** I do not really know the absolute machinations of RWWA and its funding, and I would only be guessing, to be honest with you, but I think there is a pool of money and there needs to be part of that pool set aside for infrastructure, whatever that affects.

**The CHAIRMAN:** But if it did affect prize money, do you think that owners and trainers would accept that if there was a slight incremental reduction in prize money to make sure that all the infrastructure programs around the state were able to be met?

**Mr Wrensted:** I think most owners are realists and I think they realise that for racecourses to go forward, some of these infrastructure requirements are necessary for them to actually race. So, if it is a necessity, particularly with occupational health and safety issues at so many clubs, I would think that the owners would understand.

**Hon MAX TRENORDEN:** Could I just ask a question while we are talking about the base funding? Training is also an area that comes up regularly. Is training an impost on you; and should training be your club's responsibility or is training an industry responsibility?

**Mr Wrensted:** It certainly is a major impost to the Geraldton Turf Club. We have up to 100 horses work here every day. We have got 65 licensed trainers that use the Geraldton facility. So it is a major financial drain to keep it safe and to a standard. The expectations on safety are increasing basically every couple of months; there is something else that you need to do. So the financial drain on the Geraldton Turf Club from a training perspective is quite high.

**The CHAIRMAN:** Do you have any idea of what it costs the club a year in terms of staff, water, maintenance and machinery and all that sort of stuff?

**Mr Wrensted:** At least \$150 000 a year; probably getting closer to \$200 000 now.

**The CHAIRMAN:** Do you get any recompense from RWWA?

**Mr Wrensted:** We get a starter fee off RWWA, which is \$75 per locally produced horse. Geraldton is one of the higher provincial clubs at producing numbers. I think we are not that far from Bunbury, which is usually the benchmark for a training facility?

**The CHAIRMAN:** That is per meeting, is it; per starter?

**Mr Wrensted:** Per season. We would start very similar numbers to what Bunbury produces.

**The CHAIRMAN:** So what sort of revenue does that bring in?

**Mr Wrensted:** About \$100 000, \$110 000?

**The CHAIRMAN:** So you are \$40 000 or \$50 000 short?

**Mr Wrensted:** Also part of that is to maintain the racetrack and the other facilities around that are used on a day-to-day basis. So, there is a significant shortfall.

[12 noon]

**Hon MATT BENSON-LIDHOLM:** Talking about maintenance of the course, knowing there is a water issue in this region, how much of a concern is water and maintenance of the track?

**Mr Wrensted:** The Geraldton Turf Club is fortunate in that we use recycled water. It does come at a cost. Water costs roughly \$40 000 a year but we have an endless supply of water. The Water Corporation has asked us to take more if we can. We are fortunate that we have a very good water supply, but it does cost us.

**The CHAIRMAN:** Let us move on to the next item that you raised in your letter to the committee. That was about the formula of stakes distribution. You made the point that —

The present formula of stakes distribution is weighted to advantage city racing and directly at the expense of provincial racing. It can be argued that the present system is much worse than the previous stakes distribution model.

Can you just elaborate on that for the committee?

**Mr Wrensted:** We would say that the stakes divide between provincial racing and city racing is ever increasing in real terms. The gap now for Perth Racing is a minimum of \$50 000, which is significantly high in percentage terms and real terms to the stake money that Northam, Pinjarra or Bunbury can pay out. Again, it is significantly higher than what Geraldton can pay out. What we mean by “worse” is that the gap is widening. Because of the way the stakes distribution is done through RWWA, provincial racing is receiving less.

**The CHAIRMAN:** What would you say to the argument—I am not putting this argument but I assume some people would put it—that city racing is the pinnacle and your showcase and you need big racing and you need the Railway Stakes to be worth a significant amount of money? I know you mentioned the Railway Stakes as an example where RWWA funds all the prize money for the group races but not so with country cups and listed type races. What would you say to that argument that if you take too much away from all those big races in the city, you might diminish the product a bit?

**Mr Wrensted:** I think every person in racing aspires to city success. I do not think there is any doubt about that. There should be tremendous financial gain for winning city races. Our argument and the argument of most provincial clubs is that it is so heavily weighted towards city racing. No-one argues that RWWA should not fund a significant amount of money to Perth Racing. It is the premier race club in WA and certainly has the best and most noticed races around Australia. I do not think anyone would argue that RWWA should fund it and fund it significantly but the way it funds at the moment is a heavy drain on all other race clubs, whether it be the inner provincials, the regional provincials or even, to a great degree, country clubs. Our argument here—it is one that we have mentioned before—is the Railway Stakes, worth \$1 million. It is a great race. It is one of the great races in Australia and it is the best race in WA. For RWWA to fund it to \$1 million when the group one level in the eastern states is \$300 000 or \$500 000—the minimum for a group one race in Australia is \$300 000—there is some responsibility on Perth Racing to fund a part of that if it wants a million-dollar race. By all means have a million-dollar race but it is wrong for the industry to fund it. A large sponsorship is attached to those races and there is also an acceptance fee. They are getting more than 100 per cent in real terms.

**Hon MAX TRENORDEN:** This whole issue comes up regularly as we go around the clubs. I would like your view of how you relate to RWWA. Do you feel as though the Perth Racing people are going in and out of RWWA’s door? Some people are saying that is a problem. There is a representation question. There is the whole argument about you being able to put your case or provincial racing being able to put its case. As we are aware from your submission, you have been talking to other clubs but the provincial racing bodies are pretty much toothless. Do you have a

view about this whole process about how you as a regional club should be able to have a case with RWWA?

**Mr O'Bree:** I do not think we have been represented very well down there. We have not really seen a result on any information that has been gathered here and taken back. A lot of the decisions that are seen to be made are done without our consultation. This is going back through our development plans. For me as the chairman for the past couple of years and vice-chair for a number of years before that, any work that we did and any conversation that we had with RWWA, we felt that it was left endless and nothing occurred after that point. There was no feedback after a lot of work and no-one saying, "Can we develop things, can we create a direction? We'll give you somewhere that you need to go. Your place in the industry will be A, B or C and this is what you can do." We did not seem to have any of that in the past few years.

**The CHAIRMAN:** When RWWA was formed in 2003, what did your club believe would be the role of RWWA? Was it to foster the industry as well as control and regulate the industry?

**Mr O'Bree:** That is what we took it as. We thought there was a great opportunity for racing to move forward and for it to address on a level playing field how the industry was operating and to foster and grow the business from within. We see Geraldton as an ideal place to grow the industry. We have been getting stronger every year. Our numbers are increasing in real terms. We see ourselves having a long-term benefit. Have we had any long-term direction from RWWA in the past couple of years? I do not believe so.

**Mr Wrensted:** Within our level of club there is a palpable frustration that RWWA does not listen. There is a sense of tokenism in a lot of the things that it does. It supposedly listens but there are very few times when anything is acted on.

**The CHAIRMAN:** Before we get away from the actual distribution of money from the TAB, there is this issue of the provincial clubs carrying the responsibility for the funding of the country clubs, which do not really get the opportunity to generate TAB turnover. I think most people in the industry are of the view that the country clubs are required because they are in small towns and they have their cups once a year and things like that. Can you explain what has happened with the funding of those country clubs and where you think that funding should come from? It now appears that provincial clubs are carrying a fair bit of the responsibility for that funding.

**Mr Wrensted:** The formula to us would seem historical. Under the administration in previous years a first charge was taken off the industry stake money distribution. Part of that was for overhead costs in running the WATC and also part of the provincial stake money distribution was taken off and given to country race clubs. Everyone obviously understood the first charge but to us the formula is very similar; it has not changed much. The first charge is basically still included but there are no first charge charges, if that makes sense. At the moment the percentages are such that the provincial clubs have less of what they turn over as to what they have generated. That money seems to be drifting to the country racing clubs. The provincial clubs would say that they have a responsibility to support country racing because a lot of us benefit indirectly and directly by country race clubs but the burden should be on the industry as a whole.

**The CHAIRMAN:** Do you think there should be an allocation every year and a pot of money should go to those non-TAB country-type clubs and that should come off the bottom line?

**Mr Wrensted:** There should be a formula so that metropolitan racing gets a certain amount, maybe the provincial clubs get a certain amount and the country clubs get a set fee as well.

**The CHAIRMAN:** If you brought in a formula—it has been suggested to us at other hearings—how would you handle the situation where a club might get into trouble or have a bad season? How do you think that could be dealt with under a set formula?

**Mr Wrensted:** I am not sure if you mean from a whole industry's point of view but if one particular club had a bad year, I would hope there would be some reserve funds that could assist an

individual club. If the whole provincial association had a bad year, that would suggest that the industry had a bad year so then they could reflect those percentages.

**The CHAIRMAN:** If you have a formula and a certain percentage goes to Perth Racing, a percentage goes to the provincial clubs and another percentage is set aside for the country clubs, do you think that that would hold firm or do you think that it could pose some problems looking ahead?

**Mr Wrensted:** I suppose there are problems with everything. In some ways there is a percentage now but the country percentage is almost included in the provincial distribution, as I understand it.

**Hon MAX TRENORDEN:** In that argument is not representation a part of that process? We have had it put to us that maybe the provincial clubs, including the trotting clubs, could have more focus in the collective meetings, minutes being guaranteed into the board and those sorts of questions. One of the things I worry about is that if you are a board member of any corporation, it is not your job to run the industry. Your job is to run the general process. There seems to be a view around that the representative of racing should be in there battling for racing and making sure that you or Bunbury do pretty well. Technically, that is not their role. Do you think the current formula works? Do you have a view about it? Could you suggest a different formula?

**Mr O'Bree:** There does not seem to be a distinct formula that is transparent to the rest of the industry for someone to work off. We feed information down, we present our facts and there is no distinct formula for us to follow. If it does not go according to plan, there is no right for us to pursue it and go any further. It just seems to be done behind closed doors and that is the end of it. There needs to be a set budget, as any business would have in place, and some set formulas and some funding set aside for clubs that have had a bad year. Money needs to be put in a pot and they could balance it and make business decisions on clubs that are performing very well, drive the business and keep the racing dollars coming in. Surely the budgeting of it can be a little more transparent to make sure all parts of the business are covered. At the moment we feel there has been a purple circle from within racing and they have controlled the corridors and the money flow from there. Any sort of structure that is put in place would be changed over a period of time but at least it will be transparent.

[12.15 pm]

**Hon MAX TRENORDEN:** You do talk pretty strongly in your submission about the divide and the communication process. If we are to change it, we need to hear a few views about what should be changed. Do you think that the old system whereby you did have a grouping of provincial racing and you met biannually, I presume, was a better system? There is an argument, which the chairman makes occasionally, to have a board and a grouping of people between the board and management that you could go to and someone would be representing you in that area? Part of the reason why the current structure was set up when the bill was put together was that there was a great desire to keep costs down and to not have extra groups of people absorbing money.

**The CHAIRMAN:** I think Mr Trenorden is saying that at present RWWA, which is the controlling body—I think the industry understands that that is the model the industry wants—but because of the fact that clubs such as yours are saying that they are not getting the consultation that they would like, do you think there might be a need for a consultative group between RWWA and clubs at the grassroots level?

**Mr Wrensted:** I will say two things on that. Firstly, certainly WAPTRA has been weakened since the inception of RWWA, and it needs to gather force to be truly representative of all the provincial clubs. Hopefully that will happen in the next few years. Secondly, in our submission we say that a select group from within the industry should be formed to assist in planning industry direction. My personal concern is that there is no clear definition on how decisions are made in RWWA. No-one actually knows who makes the decisions. I do not know if it is one, two or three people. There is no



clear mud map, for want of a better description, of who makes the decisions within RWWA. No-one knows. Then we are told later what has been decided but RWWA never says how it comes to its decision. It is presented to us as a *fait accompli*.

**Hon MATT BENSON-LIDHOLM:** You talked about industry direction. I got the picture from talking to people yesterday, for instance, that the Geraldton Turf Club has some significant capacity, given the iron ore industry that is set to take off around the region, that the club has an enormous capacity to grow. Where do you, as a committee, see the club going in the near future if the sort of mitigating factors that you are talking about can be addressed? Will there be more meetings? There seem to be more horses and trainers here. Where do you see the club heading?

**Mr O'Bree:** The number of horses will dictate how we go in that regard. We have already filled our 19 meetings very well this year. The IER report suggested that with midweek racing we need 26 meetings a year to be financially viable. We are a long way from that and we are battling through. Geraldton is a growth region. We are growing in horse numbers and the general public population. The towns around it are also growing very quickly. Our infrastructure will not keep up with the growth in the next 10 years. We will be a long way behind. Part of our business planning for that 10 years ago was to address those problems. We have the capacity to increase by another 30 per cent in horse numbers in the next five or six years.

**Hon MATT BENSON-LIDHOLM:** Where do you see that heading in terms of the possible number of meetings that you would like to see and that you could one day deliver?

**Mr O'Bree:** The track would be our next issue above that. Everything being equal, if the track could stand up, there is no reason why we would we could not deliver 30 meetings. As it stands, we have issues with regards to that. In our current format, without any expenditure on that, we have the capacity to lift by another couple of meetings every year. We would not want to go too far and out-drive our stocks—our horses, trainers and jockeys—but we are growing at a continual rate. I do not think that has been either fully addressed or researched by RWWA at this point.

**The CHAIRMAN:** I will go back to the distribution of funds for prize money. You said that some consideration should be given to making changes to the Racing and Wagering Western Australia Act, which would determine the funding levels for city, provincial and country racing. Would you like it to be put into the act, as it used to be?

**Mr Wrensted:** Personally, I would prefer that. I think that gives clubs an assurance of where they are going and then the associations like WAPTRA could get involved in some of the distribution questions and worries that a lot of clubs have.

**Hon MAX TRENORDEN:** I have a related question. This was quickly mentioned earlier. Is the cost of midweek racing in Perth an issue?

**Mr Wrensted:** Yes. From a provincial perspective it certainly is. I think that Perth Racing holds too many races. It has 91 meetings a year, which is a lot for one club to have. I think that the drain on funds to the industry is quite significant. The venue fees are higher at Perth Racing. I think it costs \$11 000 to race on a Wednesday at Belmont Park, when the requirements to run the same race at Northam, which is 60 minutes up the road, is the same but Northam receives half that amount. There is a financial drain because of too much midweek racing in Perth.

**Hon MAX TRENORDEN:** Following on from that, years ago I went to New Zealand. New Zealand racing and trotting has a very graduated process. A horse must win in the provinces before it can be raced in the city. As you are aware, I have a couple of horses. These days you seem to be able to race wherever you want to nominate. Which is the best system? Should there be a graduation of horses? At the moment, you all have a go and then you go out to Geraldton if you cannot win, and if you cannot win at Geraldton, you go somewhere else. Should there be a fixed formula for graduation?

**Mr Wrensted:** I am not sure. I think that the distance issues would make it difficult to do that, simply because some clubs are very isolated. In theory, it is a very good idea but I am not sure how it would work in practice. Don is a very large owner.

**Mr Hammarquist:** I would add the point of the isolation of Geraldton in that particular situation. Geraldton and the country areas would be handicapped. It may suit the provincial clubs such as Northam, Pinjarra and Bunbury because they have a huge pool of horses. In isolation, it would be very difficult for Geraldton to manage that sort of progression.

**The CHAIRMAN:** Another issue is that if an owner got a horse that was going to be favourite for the Golden Slipper, you would not want to force him to go to a provincial track. There has got to be a balancing act. A person with a high-class horse that is very precocious and runs quickly would probably say that he would prefer to race his horse for the better prize money every time it starts rather than be forced to go to the country. That is an issue. It was always the case in racing that the good horses would go to the city and the horses that were not so good could go to the country and win their way through the classes and win prize money. I guess that is what you would say about the opportunities for owners.

**Mr Hammarquist:** As a reasonably large owner, I would like to give my animal an opportunity. I will give you an example. I had a horse called Glory Hunter that I purchased at a dispersal sale that did not win a maiden in Geraldton. It had four starts and did not win. That horse was sent south because someone recognised its potential and it won Western Australia's Premier sprint event, the Winterbottom Stakes. You cannot knock people for recognising something and going forward and taking advantage of opportunities. That other system might be a bit restrictive on those types of possibilities.

**Hon MAX TRENORDEN:** Should there be occasional or more than occasional races for higher-rated horses at Geraldton? Once you get to say 70, 72 or 73 you are limited to a city course.

**Mr Hammarquist:** The rating system is an argument unto itself, if you will allow us to enter into that debate. If you class Geraldton or Albany as provincial 2, we would cop the same penalty for winning a race—three points or whatever it is, depending on whether it is a higher class race—and we would be competing with horses that are in a more competitive sphere but we would be going to Perth with that rating of X and competing with a horse with another rating. Potentially, because it is racing in a better classed field, the provincial situation is a penalty. The rating system in itself is difficult to follow for most.

**The CHAIRMAN:** Some states have looked at it and have tinkered with it a bit too. Particularly New South Wales and Queensland.

**Mr Wrensted:** A country and metropolitan rating?

**The CHAIRMAN:** Yes.

**Mr Wrensted:** Many Geraldton horses have won three or four races in a row and have gone to Perth and been classed as top weight because it has a high rating.

**The CHAIRMAN:** Arguably it earned that rating against inferior horses.

**Mr Wrensted:** And for half the stake money.

**Mr O'Bree:** On top of that, we lose our good horses. They have to race in Perth because they cannot keep going here. The self-driven industry that we are, to lose those good horses and send them away and have them race in Perth until they lose the rating points and come back has been detrimental to the industry. People like to watch the good horses. We have had the cream taken away, to some extent. Because we are self-sufficient, it penalises owners if they come to the races and the horses are taken away from the local people.

**The CHAIRMAN:** Having said that, you had a very successful sprint race yesterday, apart from the unfortunate fall. That race attracted a couple of handy horses, including the top-weight from

Perth, which won the race. That was the sort of race that would allow the locals to see better class of horses.

**Mr O'Bree:** It absolutely has been. We have put a lot of effort into building that race. The prize money for the race dictated the Perth trainers coming up and racing their horses. People are making the effort to get a quality horse to win those sorts of races.

**The CHAIRMAN:** Was that race topped up by club money?

**Mr O'Bree:** All by club money.

**Mr Wrensted:** We got about 50 per cent from RWWA and we had to put in the other 50 per cent ourselves.

**The CHAIRMAN:** Getting back to your submission, before we look at the recommendations you made, on the last page you said that you believe a study should be made into whether the Racing and Wagering WA divisions of RWWA would be better divided and controlled by separate boards. Are you saying that a study should be made into whether there should be a body to run the TAB and another body to control the racing side of it? Can you elaborate on that?

**Mr Wrensted:** Racing is the responsibility of RWWA. Its role is to foster and grow the industry to make it better. The second part is wagering. I am probably a lone voice—but we have put it in our submission and so I will say it—RWWA's focus is heavily on wagering at the expense of racing. There are reasons for that, such as product fees et cetera. RWWA is driven by a wagering focus to the detriment of the racing industry from a promotional point of view and from an industry perspective. Some of the decisions it has to make are quite large in relation to the betting terminal, which was a big issue. It is a corporation and it is a big business, and the board is quite capable of doing that. We thought that a study could be done to see if there was a benefit of racing and wagering being separated. At the moment, RWWA's focus is on wagering rather than on racing.

**The CHAIRMAN:** Let us look at some of these recommendations that you made in your summary. You said that there should be more consultation and transparency in the decision making by RWWA with a clearly defined process that stands scrutiny. I think you have made that point well enough. You say that a select group from within the industry should be formed to assist in planning industry direction. Are you saying that there should be a group that can tell RWWA that it wants to be involved in the planning of the industry? Are you saying that at present RWWA is dealing on a club-by-club basis rather than as a group?

**Mr Wrensted:** There are some highly intelligent and industry-focused people in the industry who are not part of RWWA and who could sit on a subcommittee and make some recommendations to RWWA. You can imagine someone like a Fred Kersley, who is a highly respected industry person, and some other people giving RWWA some direction on how the industry sees the industry going forward. That is lacking at the moment. There is little industry input into how the decisions are made at RWWA.

[12.30 pm]

**The CHAIRMAN:** Would that body have a representative of breeders, trainers, owners and jockeys? How would you see that? Obviously the industry would not want to see that body too big and unwieldy. Do you have any idea or would you select some very knowledgeable people in the industry?

**Mr Wrensted:** I would select a very small group, maybe five, including a chairman. It is just a thought. You mentioned Fred Kersley. There are other people in the industry, someone from Carnarvon like Kevin Leahy, who has a country representation as well. You have an input from the industry that can then talk to RWWA on how they see the industry going forward.

**The CHAIRMAN:** The suggestion has been made to us that maybe there should be a more clearly defined country representative on the board rather than someone who has some knowledge of what

happens in the country. Under your proposal that person would not necessarily need to be on the board but could be on that advisory panel.

**Mr Wrensted:** There is an ear. Country and regional people could say that they have an ear to the decision making at RWWA.

**Hon MAX TRENORDEN:** What about your provincial body? How do you see that fitting into the process?

**Mr Wrensted:** I think that is very important. I am vice-chairman of WAPTRA. At the moment it does not have a lot of direction for many historical reasons. I think WAPTRA can play a significant part as well. That may be an adjunct to the select group as well. WAPTRA has a responsibility to represent provincial clubs directly to RWWA. It is a fairly powerful lobby group at its best.

**Hon MAX TRENORDEN:** Do you not get heard now?

**Mr Wrensted:** No, not at all. If you have a group of 10 provincial clubs that is powerful and united and recognised by RWWA as a respected body, it can achieve a lot.

**The CHAIRMAN:** Those clubs could also go to that new group that you are suggesting.

**Mr Wrensted:** Yes.

**Hon MATT BENSON-LIDHOLM:** How big is the group now?

**Mr Wrensted:** WAPTRA represents 10 clubs, the major provincial clubs, including Northam, Bunbury, Pinjarra, Kalgoorlie, Geraldton, Albany, Mt Barker, Narrogin and York.

**Hon MATT BENSON-LIDHOLM:** If I heard your comment right, it is not worth really accounting for their point of view.

**Mr Wrensted:** None at all. I do not think many would argue that.

**The CHAIRMAN:** We talked about the racing and wagering arms being administered under separate boards. You also recommend that RWWA initiate a mission statement and clearly enunciate its direction. I thought RWWA was providing some sort of mission statements or reviews. There is one due to be released soon.

**Mr Wrensted:** Tomorrow. I think a lot of them are baseless papers. There is a lot of bureaucratic work that does not say what RWWA is going to do. Very few decisions are made. There have been numerous strategic development plans and industry reports and they are very rarely of any substance. In my opinion at the moment RWWA is a reactive board. It does not make proactive long-term industry decisions, and that is sadly lacking in RWWA. If there is a criticism within the industry, it reacts very quickly; it does not take a long-term view of how the industry should be.

**The CHAIRMAN:** Do you think too much money has been spent on some of these reviews? For instance, there was a review when Kalgoorlie wanted to have a stand-alone meeting on Saturday. A great deal of money was spent on getting an independent review on whether it should happen. That would have been a cost to the industry. Do you have any idea how much money is spent on these reviews? If you do, do you think too much money is spent?

**Mr O'Bree:** The first response when we heard there was a review due to come out tomorrow was "Not another one. Here we go again." The last one that came out, we had the IER consultants up here on a number of occasions. We plotted out where everything was going. It was all written up. I do not see any result of what went on with that. We had a few visits along the way and, once again, no result. We do not know whether that information was taken back, whether they found it baseless, whether we had the wrong information or whether we were going in the wrong direction. I do not think we got the feedback that we required. If we got the feedback, we could have adjusted our business plan and moulded ourselves to where we needed to go. The initial consequence was more money was getting washed away and consultant fees with the initial infrastructure we put together was a waste. We did not see any results coming from the expenditure.

**Hon MATT BENSON-LIDHOLM:** Can I follow up this business about a mission statement? I am particularly interested in getting your thoughts about accountability, whether this sort of mission statement then results in accountability to ministers or to the industry. How do you see that panning out? I think the idea of some better mission statement is a good one but at the end of the day, RWWA has to be accountable to this particular statement that it might put out. Do you have any thoughts?

**Mr Wrensted:** All provincial clubs would be very reluctant to have less government involvement. Again, we mentioned that we would like the minister to have power of review and appeal. That could be extended even further. I think it is important that there still be some government control. It is a delicate finite industry. It is not like the mining industry or farming; it is very different industry that does need some government control.

**The CHAIRMAN:** It is interesting you say that. I was not in Parliament at the time RWWA was instituted. One of the aims was to depoliticise it a bit and take the possibility of political interference away. You are saying that the government and the minister should have some role there as a back-up mechanism for the industry or an appeal mechanism?

**Mr Wrensted:** Most definitely.

**Hon MAX TRENORDEN:** Under the act RWWA has to put out a statement of corporate intent and an annual report every year. I do not think it takes that too seriously. There is the question of how much you have to report to the Parliament. The minister has very little opportunity to react under the current act. In theory, the statement of corporate intent, which is meant to be put in pretty soon after the financial year, is meant to give you some of that mission statement you are talking about, not all of it, and the annual report is meant to show what it actually did. You three people, who are very heavily interested in the industry, are saying you do not know where it is going. Something is wrong.

**Mr Wrensted:** I think RWWA is a great institution and has the potential to be, if it is not already, a leader around Australia, simply because of its set-up and make-up. But I think there is a real lack of direction on what is happening within the industry.

**Hon MAX TRENORDEN:** There are things like public disclosure, which is your next point. Maybe as a committee we should be considering how you have a disclosure so owners, punters and whoever is interested in the process understands where the money goes.

**The CHAIRMAN:** That is an important one, the public disclosure of all funding to race clubs. How would you like to see that done?

**Mr Wrensted:** Firstly, we would have to say that Geraldton Turf Club has fared very well from RWWA distribution with the \$20 million. It is not that we have not received money; we certainly have.

**The CHAIRMAN:** That was not RWWA money; that was government money.

**Mr Wrensted:** Certainly. Without that, Geraldton would not have got a lot of money at all. A lot of the benefits within the industry have been masked by that \$20 million.

**The CHAIRMAN:** Do you think there was any government involvement in where that money went?

**Mr Wrensted:** I think it might have been manipulated.

**The CHAIRMAN:** Do you think it went to areas of marginal need?

**Mr Wrensted:** Is a nod recorded? Getting back to transparency, all of the industry should know how much Geraldton Turf Club gets, how much Kalgoorlie-Boulder Racing Club gets, how much Perth Racing gets and how much Northam gets and then it is open. Our argument in relation to stake money might be blown well and truly out of the water if it was clear for everyone to see.

**The CHAIRMAN:** RWWA produces an annual report. Are there any aspects of that report where you think things are not revealed?

**Mr Wrensted:** The annual report has changed significantly in the past few years. It was seen to be far easier to read a few years ago. Now you cannot really tell where a lot of the money is going at the stake level. We mentioned feature stake money earlier. I do not think the annual report itemises how it is broken up. Most of the provincial clubs would be quite happy if they could see where the money was going and then the argument can be made that that is fair and reasonable.

**Hon MATT BENSON-LIDHOLM:** That would obviously enhance the point made earlier about the mission statement being an accountability document. This would continue that accountability.

**Mr Wrensted:** All of those things.

**The CHAIRMAN:** Are there any other points that we have not canvassed from your submission?

**Mr Wrensted:** No, I think you gave a very fair coverage.

**The CHAIRMAN:** I have a question on another matter. I was going to ask a question about the trotting club. We have a meeting with them later today. Without pre-empting what we are going to talk about, apparently, the rent was put up—the charge for them to lease the facility. Can you give us some background on that?

**Mr O'Bree:** During the first 10 years that the trotting club was in existence rent was charged at \$800 per meeting. That stayed for 10 years. That allowed them to build themselves and get underway. We reassessed the amount of work that we had put in and the buildings that were on offer that we were maintaining. We assumed that \$500 a week—that was horses coming in in the morning, training in the afternoons and then the use of the facilities for race day—was fair and reasonable. At that stage trotting also received some of the benefits of the RWWA strategy with starters' fees and everything that had gone on. There was funding available for them. They needed to keep driving the business off their own bat. We would hate to think that Geraldton Turf Club has contributed in any way to the demise of trotting if everything goes that way. We would like to have them there. It is great for the industry to have the horses going in our off season. We are a horse area. We have lots of owners who would be interested in getting involved in trotting. We see the rent as fair and reasonable.

**The CHAIRMAN:** It was \$800 and now what is it?

**Mr O'Bree:** It went to \$500 a week in rough terms.

**Hon MAX TRENORDEN:** As against \$800 a meeting?

**Mr O'Bree:** Yes. It was spread across the year. We looked at the use of the course and facilities, the stables, the stalls and the cleanup afterwards.

**Mr Wrensted:** The charge is still for what we supply. We supply everything.

**The CHAIRMAN:** It is \$24 000 a year as against the previous charge of \$8 000.

**Mr Wrensted:** The historical notes say that that was charged to assist them in establishing an industry.

**The CHAIRMAN:** Someone said to me yesterday that when they were first formed, a number of the galloping trainers said they would be interested in maybe taking a dual licence and getting involved but that did not eventuate.

**Mr O'Bree:** I think there was a couple.

**Mr Wrensted:** It certainly did. A few of the trainers in our stable complex took out dual licences. The pacing season is very restrictive. It is only eight weeks in a row. If you are finishing your thoroughbreds, there is a very little time to prepare pacers. There is no real incentive for the thoroughbred people. There were at least four or five that I could think of but they did not renew

their licences in future years. With a season of just eight weeks, if they had trouble with a horse, that is their season blown. As I said before, if the thoroughbred season was too close to the pacing season, there was an overlap and they could not prepare their pacers. There is some interest in trainers being dual licensed.

**Mr O'Bree:** A few of the people in the industry were sitting back and watching. It is also an investment for them. It was perceived that trotting was struggling. They would have been waiting to see how that business was going forward. A couple of trainers I have spoken to would still be interested if they knew there was going to be some long-term stability in the industry. How those numbers go to establishing or keeping trotting going, I could not be sure. I do not know that that has been researched either.

[12.45 pm]

**The CHAIRMAN:** And when the trots hold their meetings, do you staff the bars, or do you just hand over the course to them?

**Mr O'Bree:** The course is handed over to them.

**The CHAIRMAN:** Would it be better if you used your people to staff the course for them? Would that help them?

**Mr O'Bree:** The Geraldton Turf Club would be capable of helping the trotting club get going and producing a better meeting for them. There are a lot of volunteers within the trots who have been struggling for 10 years to keep it alive. We have had some discussions with RWWA about the pacing club and they asked if we were capable of taking them over. We had so many of our own issues that we asked to get ourselves straightened out first before we would even consider it, and there was no expansion on that.

**Hon MATT BENSON-LIDHOLM:** Is there any capacity to do something similar to what is happening at Narrogin, or do you still have your own club's issues to address first and then you would be in a better position?

**Mr O'Bree:** I believe so. There is always an opportunity for us to take this on; it is not a deadlock as if we do not want trotting here. We are quite happy for those boys to keep going. I have a pacer sitting in the paddock that I will have to move on if the trots are no longer held there. Once again, the Geraldton Turf Club has had a torrid time, going back to 2000. The committee has done a lot of work in re-establishing this club and getting the track right. They have been working on the facilities and a lot of voluntary time and money has been spent and a lot work has been done on sponsorship. We do not want to be seen to be subsidising racing if RWWA cannot set a decent standard for us and help us get rid of our issues first.

**Mr Hammarquist:** In the thoroughbred industry, our base is secure here, but in the pacing industry, it is about a 90 per cent visitation and a very low percentage of existing owners and trainers et cetera.

**The CHAIRMAN:** Locals?

**Mr Hammarquist:** Yes. It will always be difficult when that percentage of people have to travel to the track. If we had to rely on that in the thoroughbred industry, we would not be where we are either. The employment in the thoroughbred industry is growing by a few trainers each year. The whole economic scale keeps moving forward.

**Hon MATT BENSON-LIDHOLM:** I want to find out about the ownership structure of the horse precinct here, or the whole complex. Is it leased to the Geraldton Turf Club, or do you own it? What is the ownership structure? You have been talking about how the harness racing club is charged per meeting or per week or whatever. I wonder how the ownership structure is set up that enables you to be able to charge that.

**Mr Wrensted:** The title is in the Geraldton Turf Club, but it is one of those strange government historical gifts. It is not a peppercorn lease. I cannot remember the name of the title, but I will find out.

**Hon MATT BENSON-LIDHOLM:** Is it vested in the Geraldton city council?

**Mr Wrensted:** No. The Geraldton Turf Club is on the title, but I cannot think of the terminology. The onus of the cost of the racing club is on the committee to make sure that the turf club runs a business. We came up with that figure—we accept that it is a fair jump—by including every building and every facility, including the water and electricity. We are confident that if a cost structure were done, it would be significantly —

**Hon MATT BENSON-LIDHOLM:** Mr Wrensted, I am just wanting to know how the ownership structure exists so that we can go forward with some meaningful questions and decisions later on.

**Hon MAX TRENORDEN:** In a few minutes the Chairman will ask you to send the committee some more information if you want to give us any other information. I would like you to give some consideration to the question of communication and board memberships. I recognise that you have said in your submission that one of your recommendations is to have a country representative. I would like you to think that through and perhaps you could go off to your little grouping. It would be useful for us to get a point of view on that. I do not think there has been a meeting that we have attended where it has not been raised. It would be useful for us if we had a view from you, who operate the industry, as against if we are going to do something about it, cooking it up ourselves.

**Mr Wrensted:** Good idea.

**The CHAIRMAN:** Thank you for appearing before the committee today. A transcript of this hearing will be forwarded to you for the correction on 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 that 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. However, as Mr Trenorden has just pointed out, 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. Thank you very much.

**Hearing concluded at 12.50 pm**