

**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 YORK
FRIDAY, 26 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**

Hearing commenced at 9.44 am**MAHOOD, MR BARRY WILLIAM****Chairman, York Racing Inc,****examined:****O'BRIEN, MR KEVIN FRANCIS****Treasurer, York Racing Inc,****examined:****BOYLE, MR ANTHONY STEPHEN****Committee Member, York Racing Inc,****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 left is Deputy Chairman, Hon Max Trenorden, MLC, and further to 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 documents 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: Would you please state your full name and the capacity in which you appear before the committee today?

Mr Mahood: Barry William Mahood, the Chairman of York Racing.

Mr O'Brien: Kevin Francis O'Brien, Treasurer of York Racing Incorporated.

Mr Boyle: Anthony Stephen Boyle, Vice President of York Racing; and Wheatbelt Development Commission, Avon Community Development Foundation.

The CHAIRMAN: Thank you for your submission to this inquiry. Together with the information you provide today, your submission will form part of the evidence to this inquiry and may be made public. Are there any amendments that you would like to make to your submission?

Mr O'Brien: Not really, Mr Chairman. I would like to embellish it to give you a short rundown of the changes that I think might be needed to be made.

The CHAIRMAN: We will give you that opportunity during the hearing, when we begin the hearing.

Mr O'Brien: Fair enough.

The CHAIRMAN: 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 the hearing? I guess you can make that opening statement now, Mr O'Brien.

Mr O'Brien: Firstly, I would like to thank you and your committee for this opportunity to appear before you, and I would also like to recognise your supporting staff.

Mr Chairman, the main thrust of our submission was that we needed somebody that we could appeal to. In my experience with the racing industry in the days prior to RWWA, we had no one to appeal to, in the sense of a neutral body. We could appeal to the minister. The minister would go and talk to the turf club, and we never ever got anywhere. The same thing is happening with racing and wagering at this stage. But that is in the past. What we need to do now—this is what this review is all about—is to review the operations of RWWA and to finetune it if necessary, and where perhaps the rest of industry sees something needs to be altered. In our submission our main thrust is where it says —

There is an urgent need for some right of appeal to some independent body or entity. There is no right of appeal except to RWWA. The act is watertight in granting RWWA complete autonomy.

The CHAIRMAN: Do you have any idea how that independent appeal body could be formed or where it would sit, or do you see it possibly being in the hands of the minister? Have you given any thought to what process could be put in place?

Mr O'Brien: WAPTRA clubs have talked about it, but not at a formal meeting. It was mainly, sort of, decided that we would put it forward and see what reaction we got and then try and get somebody who could give us some guidance as to how we introduce it into the act.

Hon MAX TRENORDEN: If I can make a comment, Mr O'Brien. During a run through the South West earlier in the year, the clubs raised the same issue. One of the ways they thought could work—I am not saying this is the ideal; it is what has been put to me—is that we re-establish the old rural groups that were around and link those groups into a board member. That is one way that was put to me. Do you have a view whether that would be appropriate or not strong enough?

The CHAIRMAN: That would be a country representative on the board?

Mr Mahood: Yes. I believe that would help. My biggest thing with what Kevin has just said is the fact that the WAPTRA body, which I believe should be looking after our clubs, seems to have lost all its bite. In the legislation it said that after the first five years it would drop off, but we have not dropped off and we have been funding ourselves; every club has been putting in X number of dollars and we still meet. But I think that body cannot be the judge but should be brought back into power and we could have meaningful meetings to work out something. At the moment, we say something at a meeting and it goes to RWWA but it does not go anywhere else, because there is nowhere else for it to go. I have given it a lot of thought. I know that it needs an individual, but where he would come from—whether from the minister's office, and whether that would affect the running of RWWA too much, I am not sure.

Hon MAX TRENORDEN: One of the arguments was, if you did what you suggested and those minutes were recorded and there was a board member responsible for those minutes and for putting that view into the central board, would that be enough? I am saying that is what has been put to me.

Mr O'Brien: Mr Chairman, we realise that if and when changes are made to the act or when you report to Parliament there will be a process—it will not happen tomorrow—and over that time we would expect that you might come back to us or we could go to you or to your research people and say certain things. The reason that I indicate WAPTRA is that prior to RWWA coming into being WAPTRA handled all the stake money for provincial clubs on the basis that 70 per cent of the money given to us in stake money was divided by the number of races that the provincial clubs would run, and that gave a basic rate. That literally gave a liveable rate to all race clubs, whether they ran 10 race meetings or 20 race meetings. Then the other 30 per cent was distributed on your performance. Now, at some stage, when things got a bit rough, clubs like Northam, Pinjarra and Bunbury would surrender something like \$184 per race to help the lesser clubs out. There were clubs like Geraldton that got 4.56 per cent more than they generated; York used to get the large amount of 6.7 per cent; that was to help us out. Back then, that sort of fostered—if you like to use at that term—the racing industry. It was looked after. There was not someone up there and someone down there. The basic unit allowed people to look at a club like Northam. They would say, “I will race my horse at York because I have a chance of winning there, but I have no chance of winning at Northam.” That is how they made the stake money relevant. The other thing also was that they controlled the race dates; WAPTRA controlled the race dates. In controlling the race dates, they took due notice of when the clubs ran their cup meeting because —

The CHAIRMAN: So the Western Australian Turf Club did not control the race dates?

Mr O'Brien: No. Perth Racing took what they wanted, and then the rest was the given to the provincial clubs, and they distributed them. The main thing was they took particular notice—keeping in mind that the only money we got from the TAB at that time was stake money so our big day of the year was our cup meeting. They took special notice of where the cup meetings were to be held and when they were to be held. I remember they used to organise it so that Mount Barker and Albany were a fortnight apart so that the horses that raced in Albany or Mount Barker could race at the next race meeting. Also, during September, Northam and York used to back off their racing to allow more horses to be available to go to Kalgoorlie for the Kalgoorlie round. Of course, Kalgoorlie has progressed from that. Also WAPTRA agreed that because Northam and York raced in wintertime, to the advantage of the racing industry, but because there was less patronage on course, they allowed—it naturally follows if there is less patronage there is less admission fees, less sales of beverages and food. What they did, they then gave York and Northam 10 per cent of our stake money to help run the club. This is why I am pointing at WAPTRA, because when I go to a WAPTRA meeting there are 18 people there—there are nine clubs with two people representing each club—I see something like 540 years of experience. I look at people who breed horses. I look at people who train horses to win big races like Keith Geoffrey. I also then look at people in the administration and most of them—I have been 40 years mucking around with horses, and Barry has been in for a long time and he has raced up the coast and also into the Murchison. These types of people sit down and they think about the industry. They know about the triangle—about this and where we are. It is all right to have your Perth races, but this is where we are down here, and this is what activates it. That is why I think that if we could get WAPTRA to accept this role, I am sure that because of the knowledge and experience we could go to them as a body with a complaint, and with their aggregate knowledge, they would say, “Come on, you blokes, it is not worth pursuing it.” But in all things, if it was a fair question, they would pursue it for us.

The CHAIRMAN: On that point, you talk about how WAPTRA used to foster the industry. My understanding of the wording of the act is that RWWA is required to foster the industry too. Are you saying that maybe under this model the industry is not being fostered as it should be?

Mr O'Brien: How would you get RWWA to foster the industry? I think we should just leave RWWA where it is, but as I say in my submission —

Of course RWWA will see the appeal and veto as an erosion of their powers and will say that this will affect their capacity to act independently and without restriction. But the upside is that RWWA would need to act in a more circumspect manner if it knew it was open to a legitimate challenge. It would need to liaise more closely with WAPTRA and this would be a plus for both parties.

The fact that we would have an independent umpire would stop me, as a player, pushing the other bloke in the middle of the back because I am going to get pinged. They would have to act in a more circumspect manner, because they know that if they did something silly or unreasonable or something that could not stand scrutiny, they would be open to a legitimate challenge from this —

The CHAIRMAN: Apart from these points that you raise about the need for some sort of power of veto or right of appeal, is there anything else in the act that you think is not working, or do you think the basic model is working well?

Mr O'Brien: Mr Chairman, I have the act here. If I go to page 25, it says under “Functions in relation to racing in general” but the one that interests says —

in consultation with racing clubs, to establish policies for stake money levels and race conditions and programs;

They send us out a budget and say, “These are your race dates”, and that is it. We send back to them and say, “We are not really happy with these race dates.” They say, “They are your race dates, the board has agreed to that.” And that is us finished. We cannot challenge it. That consultation is —

Hon MAX TRENORDEN: On the other spectrum the way it is going now, where they are looking to have performance-based funding mechanism, do you have a comment on how that will affect you, or Kalgoorlie or Northam?

Mr O'Brien: Mr Trenorden, from day one, when they send you out the thoroughbred distribution model overview that sets out the race dates and things like stakes, distribution, breeding incentives, feature stakes distribution and all that, they said, “You will be paid according to your performance.” Now, in my submission, I have sent a whole bundle of figures that I have collated from the status report of the racing industry that RWWA puts out, and in that you will see where although in 2007–08 WAPTRA produced 37.73 per cent of the turnover, it received 26 per cent of the distribution of funds or stakes distribution.

The CHAIRMAN: Are you saying that this did not happen under the previous administration—

Hon MAX TRENORDEN: It was the same under the previous administration

The CHAIRMAN: — the previous formula?

Mr O'Brien: To put the previous formula quickly—I think it is accurate enough—when the Western Australian Turf Club was in charge the WAPTRA clubs produced 32 per cent: four per cent went to the Western Australian Turf Club for what they called “overheads”. Then that took —

The CHAIRMAN: That would be sending stewards to the courses?

Mr Mahood: Whatever.

Mr O'Brien: That was appeals—jockeys appeals. That reduced you to 28 per cent. Then six per cent had to go to the country racing association, which reduced us to 22 per cent. Now, we have got Perth Racing, as you say, under the old system—Perth Racing does not carry the overheads, WAPTRA carries the overheads now. Therefore, to say that Perth Racing is entitled to \$3.6 million of the money that has been produced by WAPTRA clubs and that other TAB clubs are entitled to \$729 000, those are two extra financial burdens that WAPTRA clubs have to carry. The non-TAB clubs like Yalgoo, Mount Magnet, Wyndham and that, we consider them part of the family, and we

are part of the industry too, so we do not really mind giving them six per cent. When I say “we do not”, everybody talks about it because Geraldton gets people coming down the line to them, Kalgoorlie gets people around them and Esperance. That was something that WAPTRA has never ever objected to, but we object to the fact of giving —

The CHAIRMAN: I guess you are pointing towards Perth Racing getting a greater share than you think it might be entitled to, but under this new model what you are saying is there is a leakage of the money coming to your section of the industry?

Mr O’Brien: That is right, yes.

The CHAIRMAN: And TAB turnover is obviously going up and RWWA is seen as needing to be a more streamlined way to manage the industry. Do you have any idea where this leakage is going? Apart from what you are saying about Perth Racing is there any area where you think that somehow this funding is not coming back to some of the clubs? Where do you think it is going?

Mr O’Brien: The only source of information that I have got is through the status report that is put out—the racing industry status report. I have gone through that and I see Perth Racing produces so much turnover and it gets so much distribution, and when I percentage that out I find it receives eight per cent more than it produces. I am only relating to what we produce overall, and the whole thrust of our submission was that it would be almost impossible, I feel—I should not say this, really—but you would have to have the wisdom of Solomon to legislate word-for-word, line-for-line, but if you had a body —

The CHAIRMAN: Do you think the system worked better when the distribution was in the act of Parliament? That is, the requirement that the various codes would get a certain percentage, and of the racing distribution a certain percentage had to go to distribution and to provincial and country racing?

Mr O’Brien: That is how it used to be, yes.

The CHAIRMAN: Do you think that would be a good model to have now or do you think that RWWA should have that freedom and independence to be able to distribute the prize money as it saw fit?

Mr O’Brien: You see, once again, Mr Chairman, if you did not alter anything and left it as it is now, and then you had an independent body—say WAPTRA could go to RWWA and say, “This is what you are doing.” That is not in the act now; the act is open-ended. The act says they can distribute the money as they see fit, but as close as possible to the amount of money that you have produced. It says that on page 70 of the act, “as close as possible”. I mean, \$5 million out of our productivity is a lot of money to be “as close as possible”.

Hon MAX TRENORDEN: That vexed question about power—do you feel that Perth Racing has too much ability to be able to sway RWWA? Is that the feeling?

Mr O’Brien: Definitely.

Hon MAX TRENORDEN: Just listening to your argument, it seemed to be that Perth Racing has got a capacity to debate issues with RWWA whereas you do not. Is that a fair summation of it?

Mr Mahood: That is true.

Mr O’Brien: They lobby, yes.

Mr Mahood: They have two people on that board, Perth Racing, and country racing only has one. Why is that, do you think? I cannot work that out. If we produce so much of the industry money, we should have equal say to Perth Racing.

Hon MAX TRENORDEN: We know why that is the case, but it is also the case —

The CHAIRMAN: Perth Racing has only one person on the board, has it not?

Mr O'Brien: On the TRGC, they have three, but Alasdair Robinson was what they call—just there.

The CHAIRMAN: But on RWWA there is only one representative of Perth Racing.

Mr Mahood: Yes, well —

Hon MAX TRENORDEN: I do not think we need to worry too much about that. The system was set up as it was to get four political parties and a raft of people to agree to get something started. This is the review. The question is not so much what is there—we have to look at what is there—but do you want something different? You have this opportunity to make that point. That is why I am asking those questions.

Mr O'Brien: As I say, I seem to think that if you had a policeman that could make sure that if any time anything that compounded, compacted or caused problems within the provincial clubs, if they could challenge that to somebody or some independent body, we would be in the situation now, where Perth Racing is now getting \$3.6 million, we could go to RWWA and ask why and RWWA would say “Because of this, this and this” and we could say that we do not accept your ruling so we will go to the independent umpire, get him to give his ruling and say whether that is right or wrong”.

Hon MATT BENSON-LIDHOLM: I was basically going to continue that line of question, but I think you have answered that. I believe what you are saying is that there needs to be a better appeal process or mechanism in place whereby the issues that you are raising with us now can go to some independent arbitrator. If that is where you are suggesting we go, I think we take that on board. I do not think with the current structure of the board, given there is one racing but there is no country racing, no country harness racing, and no extra greyhound representation, I would like the three of you to give some thought to how a board's restructure might occur, but also give some consideration to one of the issues that has been mentioned at a number of other meetings; and that is the duration of tenure that certain board members have. I think since we got going, we have had one person move off the current board, and there has been no change whatsoever. I want to know if you believe that to be healthy or in the best interests of the proper functioning of RWWA. And, if not, what are your thoughts in respect of that?

Mr Mahood: Just one thing—this is my personal view—I had some contact with the board in the early days. I was told quite frankly, which is fair enough, “The board is here to run RWWA and racing, and we have nothing to do with what is happening at the clubs.” I thought, personally, that if the board was in place and it had a representative representing country racing and all the other things, you should be able to go to that member, surely, and ask him for some advice or help to find out ways of doing things. That does not happen with the board. Why would that be?

Hon MAX TRENORDEN: If you look at corporate law and not worry about racing, they are saying that cannot happen. They say that the role as chairman or board member is the functioning of general aspects, and management manages. In that theory, if you went to UWA and did your course on corporate law and you are going to be a board member, it is clearly saying it is not your role to interfere in the daily management process as that is the job of the CEO and the staff. Therefore, we have some difficulty in that model working with the things that I think the general industry wants to happen.

Mr O'Brien: As a bit of information, I made some inquiries through freedom of information regarding grants that were given out. This is in April 2006. I looked down to the bottom and it has got that the Western Australian Turf Club—you probably recall this—was granted \$800 000 for a horse pool. Above it, it says that the Western Australian Turf Club was granted \$1 million, and it says, “annual non-specific grant”. And when you asked, “Do they have undue influence”, I think that may convey something along those lines.

The CHAIRMAN: The Western Australian Turf Club would probably say they provide the major training infrastructure in Western Australia, I guess, with all those trainers who train out of their course. That might be the reason that they get that funding.

We are talking about funding now. I would like you to tell the committee a little bit about what has happened to your race club. You have ridden a rollercoaster in recent times with meetings reduced and a threat of closure. Now you have been given a new lease of life. For the record, can you tell us what has transpired, what assistance you have had from RWWA and from royalties for regions to do some redevelopment of the track?

Mr Mahood: I should answer that, I think. Mr McGrath and other members, this club was in dire straits five years ago, financially and in every other way. RWWA come into being. I met here in this particular room with the representatives who came up. They sort of said to me straight out, “York is finished”. I got a bit upset about it. I said, well, what have you made those rulings on? They said, “Well, it is a cot case; nothing has been done.” I eventually got around that and talked to them, and we decided to race. We got together and we got the racing up and running, but there was no funding for the upkeep of the track—only what we could do ourselves. Then we got a little bit of help and we started to race, and then we had trouble because it was not up to the standard they required. But, instead of biting the bullet and coming to us and saying they thought we should stop racing here; they did not do that. They kept hanging us along and hanging us along. We eventually got a couple of good people on board, sponsorships. We got a bit of money and we did some work up in the corner. It was only a temporary situation. In the end, they came up. We had a little mishap on the corner, which was pretty trivial. But John Zucal said, “That’s it, we’re not going to race here until the track is done.” That is when I contacted John McGrath personally. He came up and had a look and we went about trying to resurrect the club. And we did, with the help of members of Parliament and different people—wheat board development came up with the funding. We spent about \$180 000 of the wheat board development grant on the track. RWWA has now come and said that York needs to be a part of the system. Remember this, they gave us very little funding before. They have all of a sudden come up with money to fertilise it, to buy sprinklers, apart from our grant. They have given us a grant for a tractor, which we have been trying to get for five years, and a grant for a mower. We got all these sorts of things, and now where we sit today is we have six race dates, all Sky Channel, and they will commence in September this year. From then on, this club should go forward because the funding has been put in, whereas before when we were having the trouble, there was no funding to really do what had to be done to make it happen.

The CHAIRMAN: Can you tell the committee what the role is that clubs like York, the smaller clubs, play in the overall racing scheme of things and why it is so important that clubs like yourself remain in operation?

Mr Mahood: A club the size of York needs to be in operation for the bottom-end scale of horse racing. When you get racehorses, about three out of every 50—or maybe more than that—maybe three out of every hundred ever get to win a race in Perth. A lot of them get to run in Perth, but they cannot win a race. Everyone knows if you cannot win a race, why are you in it? With clubs like York, Mount Barker and Narrogin, you can bring those horses along, maybe win a maiden or maybe win two races. That gives all these little owners and hobby trainers a great chance to compete, and then they can go to owners and say, “We have won a few bob. We have won \$6 000. The stake money is good. We will buy a better horse.” If you never had the Yorks, the Narrogins, the Mount Barkers, the Yalgoos and places like that, you would not get these people in the industry. Really, York’s position, in my view, is for people to come in with a lower-class horse. I am not saying that the lower-class horse racing is inferior. It is not, because they are all matched on the same level so you get good racing and it is a good atmosphere for people to come. Whereas, a lot of clubs do not attract the people that York attracts. I cannot give you the answer to that, but we do attract good crowds here, even midweek. I believe that is our position. We need to be here, not so much for the battlers but for the people who have got horses that cannot really win anywhere.

People will not keep paying up for horses that cannot win. But if they can come to York and win one, then they can sell it or retire it and you have got a few dollars and you go and buy another one. So the industry grows from clubs like York and Narrogin, and those back clubs that we need to keep in existence.

The CHAIRMAN: Are you confident that you can carry your end of the bargain in terms of producing turnover for the TAB provided you are given Sky Channel coverage, and the fact that you have now got your track realigned and you have the home turn cambered? Do you think you can contribute your required share of TAB contribution?

Mr Mahood: To be quite honest, we would have no problem. This club has never had any trouble in competing with other clubs—the likes of Kalgoorlie, Geraldton, Albany and any of those clubs. If you look at our figures, what we turn over offcourse and oncourse, we are always on a par or in front. A gleaming instance is the last year that we raced here, RWWA took \$120 000 out of our input to the TAB and distributed it to the other clubs. We have never run at a loss, as far as running a race meeting. It is only on days when we run one race meeting and we have to pay everyone. Apart from that, this club on a race day never runs at a loss. Never!

Hon MATT BENSON-LIDHOLM: I have a question in relation to the promotion that is going to be accelerated over the next year or two. In terms of the promotion and development of racing in this particular area, what sort of other funding requirements do you have or do you foresee that you are going to require? I take on board the point that has been made about royalties for regions. What sort of other funding requirements do you have? What sort of projects do you have on the drawing board, and how and when are the funds likely to be obtained to put these sorts of things in place?

Mr Mahood: As far as our future and getting much funding, goes, it is all about the title to this land. Funding is tight anywhere. We do a lot of our own funding, which is only small-time stuff. As you look around, this is a very old complex and it does need money spent on it. It would have to be over a 10-year period, but with this new investment in the shire and the title goes to the government it gives us flexibility —

The CHAIRMAN: Can you explain to the committee the title arrangement with this course?

Mr Mahood: The land is vested in the York race club. That title allows it only to be used for racing. If it is not used for racing, you would have to give it up. But as it is being used for racing, to get money off it and say you wanted to sell it—if we sold any blocks off this land once the title changed, all that would come back into the infrastructure of this club.

The CHAIRMAN: Is there a possibility you might be able to do that? Have you got any land on this complex?

Mr Mahood: We have 10 acres—I have explained to several people in the shire and other people in the industry—that would never ever be used for racing. We would not be cutting off our nose to spite our face because it is not land that would be used for racing. For argument's sake, if you wanted to put in a straight course here that land is still available and all that sort of stuff.

The CHAIRMAN: RWWA also had a plan for you to become a training centre. There was some talk that horses coming to the summer carnival at Ascot could maybe housed up here and you could have a quarantine centre and this could be a training centre of some degree of excellence.

Mr Mahood: That has gone by the way. RWWA and Perth Racing have dropped that program. I believe the quarantine centre would have been a bit hard to run, but I do believe that RWWA is still interested in the training centre here, and that will happen. But to put you in the picture with that, it is a matter of finance. Everyone who reads the paper every week knows that RWWA is always short of finance. For us to get a training facility here, our thrust is to siphon off that 10 acres and put it back into here. That would come over a period of time. The first priority would have to be an upgrade of some of the buildings—not big flash, knock 'em down, but just make them a bit more presentable—and get your training facility up. That would give you good cash flow. You would

find that once you had a training facility, and with the amount of land that has been subdivided in the equine precinct here, trainers will move. They will not move here until such time as there is a training facility here.

Hon MATT BENSON-LIDHOLM: Have you got in place or intend putting in place some strategic plan about what you want to see and how you are going to get there? My original question was: how and when are you likely to get the resources? That is probably predicated on the understanding that you have a strategic plan or you are working towards something or you have something in place so that when you go to RWWA or royalties for regions sources for funding, you can say this is our long-term vision? Do you have anything like that in place?

Mr Mahood: We have talked about this, and this will go into place in the next 12 months. Our last 12 months has been getting the track where it is now so that we can get back racing. It is no good putting the cart before the horse. We had a lot of trouble getting to where we are today.

Hon MATT BENSON-LIDHOLM: I appreciate that.

Mr Mahood: Now that the shire will be co-tenants here, they will have access to a lot more planning ideas and things that we have had. They already have this equine precinct. Tony might like to shine a light on that a little bit.

Mr Boyle: Sure, I am happy to answer your question. The view of the shire, speaking as a shire councillor here, we have set up an equine precinct—it is vast in area—right around this racetrack. This racetrack is essential to the shire's strategic plan as being the hub of the equine precinct, not only for thoroughbred racing but for harness racing, training, riding for the disabled, the horsemen's association—the whole lot. The shire is 100 per cent behind it, to the point where when the shire was able to achieve co-tenancy that enabled the shire to waive \$70 000 in back rates, because it was on its own land, it could do that; it had the power. And the shire was also able to waive going forward any future rates. That in itself makes the club more viable than it has been in the past. All of these things point towards a very viable club. On top of that, the shire used this venue as a site for other events such as the jazz festival, York show et cetera. It is ideally situated for that; it has the stalls for the horses for the show et cetera. I guess, going forward, there has been a turnaround in the view of the shire. Now that it is coming out of the hands of the crown and going into shire and racing, the shire expertise in gaining heritage funding to put towards these buildings, such as the old grandstand, can only be beneficial. All of those things add up to a viable race club.

Hon MAX TRENORDEN: For the record, the land process was not a racing industry process; it was started with a range of people—I was one of them, with Alannah MacTiernan, when she was Minister for Lands, and continued on after the election with Brendon Grylls, who is also the Minister for Lands. That process was happening independently of the racing industry. It has been a long, long sad saga but happily is nearing the end.

The CHAIRMAN: Are there any other points you would like to raise? I think we have raised most of the issues that were raised in your submission. Is there anything else you would like to put to the committee?

Mr O'Brien: In support of what Mr Mahood said regarding the viability of the club, it is quite an astonishing thing—this is a problem that RWWA has—but it is quite an interesting thing that York, when I did the figures, had 43 races. We had six race meetings: five meetings of seven races, and one of eight races so that is 43 races. Over those six race meetings, we averaged \$2 million on the eastern seaboard. That will come back to Western Australia to offset the 1.5 per cent in performance fee that we have to pay them. As I say, it was \$2 million, and that is averaged over those six meetings.

Hon MAX TRENORDEN: There are two issues I would like to discuss. I would like you to put on record the role of winter racing, because that is something we need to hear some word about, and also the historic nature of the club.

Mr Mahood: The role for winter racing, I do not see a problem there. I did not see a problem in the past if the funding had been there in the first place. I do not see a problem now. As I pointed out to you, we have done a little test in our first lot of rain —

Hon MAX TRENORDEN: By winter racing, I do not mean York. I mean the role of summer versus winter; that is, Bunbury versus York; that argument.

Mr Mahood: I get you, yes.

Hon MAX TRENORDEN: You did allude to the fact there was a 10 per cent variation.

Mr O'Brien: There was a definite demarcation: six months Northam and the Avon Valley and six months the Avon and Bunbury. That has gradually been eroded, as you say.

Hon MAX TRENORDEN: Is that an issue we should be conscious of?

Mr Mahood: Personally, I do not believe so. Now I know what you are asking. I believe RWWA has done a good job in that particular side of their operations. Before, you raced here, there and somewhere else. Everyone must realise that these places have to be kept going all the time. If they spread it out and you run into one another's season, it is much better for the clubs. Everyone says that it is a bit hard to get your work done, but I do not believe that is the problem. You need to organise it. I believe that system has improved to what it was. To be quite honest, I think that is the one of the big things that has improved.

Mr O'Brien: One of the things that has been mooted, and I do not go along with it, is that it was put forward that Bunbury, Pinjarra and Northam would race 12 months of the year. On the first of the month they would race at Northam and then they would go down to Bunbury and race on the fourteenth of the month and that would give Northam two weeks to get its track fixed up and then they would come back to Northam and then they would shoot across to Pinjarra. And they would race those three clubs for 12 months a year.

Mr Mahood: That was only mooted.

Mr O'Brien: I do not know whether it was a brainstorm or not, but from what you are suggesting I thought there might be a seed planted somewhere.

Hon MAX TRENORDEN: No. It is more about making sure. What is in my mind is—like you, I have been around the racing industry for a long time, and we have seen Belmont fail on occasions, Northam fail on occasions—clubs are going to fail on occasions. That is, fail to race on a day. You do need some robust process, like you are doing now to get your track ready for your times so that you can assure the industry you can fill your contract, whether it is Northam, you or even Belmont.

Mr Mahood: That is true. As you are saying, they fail because they are overworked. The way that RWWA, especially in the last two years, has run over these lines I believe that gives all the clubs a better chance.

The CHAIRMAN: Do you think the clubs are being assisted a lot more now with Mr Murphy from RWWA coming to country tracks to have a look at them and giving you some assistance? Is that working?

Mr Mahood: I think it is working. I think it could be improved. I am not saying it cannot be improved. They were grabbing at straws at the time. Geoff has taken on the role, and he has done a fairly good job from what I can see but it needs to be improved, just like everything else. It was the first time ever that they have had someone who is overseeing the whole program. I think that is good, but it needs to be improved a lot more. It is too much for one man, I believe. I think some of his ideas are really good. The way he is saying that we will take curators out of Esperance and take them to Perth and run them through how the machinery works in the city, and then we will send the machinery down there when they stop racing and they can do their own work. I think that is a great idea. I believe that will improve nearly every country track around the place, as long as that is kept going. It is pretty important that it is kept going, but I do not know how it will carry on with Geoff's

position the way he is because he is still employed by Perth Racing from what I can gather. But he has put some good things in place. I think it is a great idea, and it should have happened well before it did happen.

Mr Boyle: I think it is very fortuitous that this club commissioned RWWA to fix this track—to build this track. RWWA will be less likely to say this track is unsuitable when they are the ones who built it.

Mr O'Brien: The thing with Mr Murphy is that what Mr Murphy wants to make a track better or to improve the track, he gets it. It detracts a little bit from us—we asked for things too but we never got it.

Hon MATT BENSON-LIDHOLM: I want to change tack a little. I want to know your feelings about Racing Radio. I am a country-based MP and have lived in the bush for many years. Could I have your comments in respect of coverage and also the capacity for the town or the region to supply TAB services or other betting services? Do you have any issues with respect to coverage on the radio and those sorts of things?

Mr Mahood: Matt, the Racing Radio is a joke in the bush. Let us face it, we have one here and if you are three miles out of town or even two miles out of town you cannot hear it! They have one in Northam and if you drive up the street, you cannot hear it!

Hon MAX TRENORDEN: You do not even have to leave town and you cannot hear it.

Hon MATT BENSON-LIDHOLM: For the record, can you articulate how that impacts on turnover or information?

Mr Mahood: Considerably, because people like to have a bet but they do not bet if they cannot hear their race. When the ABC and 6PR—or whoever it was—if you were down at Bremer Bay, Margaret River, Marble Bar or wherever, you could hear the races and people were betting on them. That has been my argument for a long time. They come here and they put a thing on top of this roof. We have Mount Bakewell up there and for the extra dollars, if they had put one up there the coverage would have been five times greater. But, no, they said they will stick it on the roof of the racetrack. Have a look at the place; it cannot go anywhere! It was a waste of funding.

The CHAIRMAN: That leads to one very important point that has been raised with this committee by a number of groups. The biggest challenge, we are told, facing RWWA at the moment is infrastructure, like infrastructure for racing radio, transmission and infrastructure at many, many clubs that have grandstands that are quite old now on courses all around the state. It is a massive demand. Some people have suggested the formation of something similar to a racecourse development fund. At present, it appears that the money just comes out of general revenue at RWWA. Do you have an opinion on whether there should be a separate racecourse development fund and whether the money should be funded separately by some sort of tax concession out of the TAB, because RWWA says that to set up a fund it would affect prize money? Do you have any view on the need for infrastructure and what type of challenge this is for the industry?

Mr O'Brien: The racecourse development trust was mainly funded by unclaimed TAB tickets. Last year that amounted to something like \$6.5 million. Surprisingly enough, the people who lose most of the tickets are people who back dogs. It was \$6.5 million. That goes straight into what you would call general revenue. Prior to that, it used to go into a fund and a chap by the name of Tom O'Neil, ex-MLC, was the chairman of the RDT funding. When RWWA came into being, the RDT became defunct of course and that money now goes into general revenue. Some of that \$6.5 million, of course, is set aside—25 per cent or something is set aside for Sportsbet. I know that some money is siphoned off. However, if that was reintroduced again —

The CHAIRMAN: That \$6.5 million probably would not be enough, given the demands now for infrastructure spending. There would need to be more money added to that.

Mr Mahood: My opinion, John, is the fact that the regional scheme is a good scheme.

The CHAIRMAN: Royalties for regions?

Mr Mahood: Yes. There is no doubt about that. To my mind, the racing side of it should be out of it. There are that many other people and other little clubs that have a dabble at that. Racing, as you say, is in—not a bad state of repair, but there needs to be money spent on certain parts of infrastructure. I think that the way RWWA was funded—I do not know how it was happening—but they were doing all of that out of fund. Now everyone has to go through the regional funding. As I say, it is a good scheme because a lot of little people are now getting things they did not get before. But I do not think this is the way we should be funding our industry.

The CHAIRMAN: You are saying that RWWA should not be relying on royalties for the regions.

Mr Mahood: No. I believe they should not be. I believe that the race clubs should be standing up and saying that it is a great scheme—we got our money from it, so I am not saying it is not—but there are a lot of little clubs that were not getting any money and now they are. But the racing industry is having trouble getting funding now. Geraldton had a problem getting funding; I do not know if they did get it. I think RWWA should look at getting back to its own system of funding infrastructure.

The other thing with the infrastructure funding is that they seem to go over the top. Everyone does not realise that a lot of people do not come to racing any more. In the city they do; on cup days they do, but there is only a minority compared to who used to come to racing. That is because of the great coverage of Sky. Sky has taken over everywhere. If you go to a hotel, everyone will have a bet because they can see the racing on Sky. That is what I say about your question, that unless you are living in the metropolitan area Racing Radio is a waste of funds.

Hon MAX TRENORDEN: One last question: Could you give a comment, as you see the future, about attracting trainers to the Avon Valley?

Mr Mahood: I honestly believe, with the contacts and the people that I meet—I go to every racecourse in this country and even outside the country when I get the a chance—I believe the Avon Valley is the growth area for RWWA, but they do not see it that way. The only reason they do not get the feedback from Louie Lucianis and all those guys—they ask those guys; they do not ask the smaller trainer. If they asked the smaller trainer, “If we had a facility in the Avon Valley, York, Northam, wherever it may be—would you go up there?” The answer they would get would be a lot different from what they get from the Louies, the Parnhams, and those guys. I am not knocking those guys; they are well established, but the other guys are not and they have nowhere to go. I know guys at Lark Hill, young guys who have three or four horses who are threatened by people now because of the big developers moving down there and taking the stables that they rent. They are throwing their hands up in the air and getting out of game. There are a couple of real good young trainers who would be moving this way if we had the facility up here. It is not going to happen tomorrow, but if they started planning for it they would come. To answer your question: the future of the Avon would be a lot better and probably as good as the South West because there is the same problem in the South West. Where are we going to with all this new development that is happening in Bunbury? Where are you going to for trainers? To Donnybrook? To Bridgetown? Where are you going to go? You cannot get on the coast any more. You cannot get into Capel any more or to Stratham. It is prohibitive. There are two or three people I know in the breeding industry who went down there in the last three or four years. They are getting out already because someone is coming along offering a huge amount of money. So where are they going to go? The Avon is ideally situated to take 20 per cent of the training out of the metropolitan area. We have developments here and the shires are doing everything. There is development in Beverley even; there are little farmlets going up. I think Hooker has done a big development up there in the past couple of years for small people, and it is central. Look at Morton; he has gone to Pingelly. He is a pretty cunning man. He says, “I have to get out now or where am I going to go?” He has established

himself at Pingelly. In probably five years' time Danny Morton's horses will be trained out of Pingelly. So, Max, I believe the Avon has a great future.

The CHAIRMAN: Thank you for appearing before the committee today. A transcript of this hearing will be forwarded to you for correction of minor errors. Any such corrections must be made and the transcript returned within 10 days 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 by these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. Thank you very much, gentlemen.

Mr Mahood: On behalf of York Racing, I thank you for your attendance as well.

Hearing concluded at 10.39 am