

**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 KALGOORLIE
FRIDAY, 19 MARCH 2010**

SESSION THREE

Members

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

Hearing commenced at 2.45 pm

PRANCE, MR DAVID IAN

**Immediate Past Chairman, Kalgoorlie–Boulder Racing Club,
examined:**

GLASSON, MRS JANICE MAY

**Administration and Racing Manager, Kalgoorlie–Boulder Racing Club,
examined:**

McMANUS, MR TREVOR JOHN

**Vice Chairman, Kalgoorlie–Boulder Racing Club,
examined:**

PERCASKY, MR MURRAY JOHN

**Chairman, Kalgoorlie–Boulder Racing Club,
examined:**

The CHAIRMAN: On behalf of the Joint Standing Committee on the Review of the Racing and Wagering Western Australia Acts I would like to thank you for your appearance before us today. The purpose of this hearing is to assist the committee in its inquiry into the Racing and Wagering Western Australia Acts. You would have seen a copy of the committee's specific terms of reference. 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 chair. On my left is John Bowler, MLA, member for Kalgoorlie and on my right, Peter Watson, MLA, member for Albany. This committee is a joint standing committee of the Parliament of Western Australia. This hearing is a formal procedure of the Parliament and therefore commands the same respect given to proceedings in the house itself. Even though the committee is not asking witnesses to provide evidence on oath or affirmation, it is important that you understand that any deliberate misleading of the committee may be regarded as a contempt of Parliament. This is a public hearing and Hansard will be making a transcript of the proceedings for the public record. If you refer to any documents during your evidence, it would assist Hansard if you could provide the full title for the record.

Before we proceed, I need to ask 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: Let us start by asking the delegates to explain to the committee a little bit about the history of the Kalgoorlie–Boulder Racing Club and the main activities that you hold; the number of meetings you hold each year and your main meetings.

Mr Percasky: The club has been racing in the goldfields since virtually people got here in the early 1900s. The Kalgoorlie club amalgamated with the Boulder club about 53 years ago and has been racing on this site since the inception of the Kalgoorlie Racing Club itself. The amalgamated club obviously still races here. We race between 23 and 26 meetings a year starting mid-March through to our round in mid-September, through the cooler months of the year when it is more favourable for the horses generally. We obviously conduct full race meetings down here. We have facilities here for functions and all that sort of stuff you normally get on a racecourse. We have stabling for 100 horses oncourse. Local trainers utilise those stables through the year to train their horses out of. We have got full training facilities on site, two sand tracks, a swimming pool for the horses, and of course we have the grass gallops for the horses that have not been near the track before. We let them have a look at the track before they actually race on it.

The CHAIRMAN: Before we ask a few questions about the operations of your club and the course here in Kalgoorlie, the main purpose of the committee that we represent today is to look at the Racing and Wagering Western Australia Act 2003 and also take into consideration the Racing and Wagering Western Australia Tax Act 2003. I would like to ask whether you have any comments on the act itself; whether you believe the act is serving the purpose for which it was meant when it was used to institute Racing and Wagering Western Australia? Specifically, the act itself—do you think it is working?

Mr Prance: Yes, I think the inception of RWWA and the act that currently supports the operation of RWWA was the biggest single improvement in thoroughbred racing and wagering overall. The structure of the act itself in maintaining the ownership of the wagering arm is what sets us apart from the other states and I think is what has kept Western Australian racing quite strong. I think that is the difference in the model that has been used elsewhere. We have seen the dilapidation of South Australian racing since the privatisation of UNiTAB. Maybe the model in Melbourne is slightly different and slightly coloured because of their use of gaming machines—and the same in New South Wales and Queensland. We are an animal apart from the other states. The act, as it was structured at the time for those particular purposes, was quite correct. I think the overall structure of RWWA, the governing board and the make-up of the board was probably the best starting point at the point of inception. But having moved five to six years on now, that probably is in need of review.

The CHAIRMAN: Can you elaborate on some areas where you think the act should be amended or there should be a restructuring in the governance of the racing industry?

Mr Prance: John, I have got a term for it—it is called “metrocentricity”. I think there is a little bit too much. I hark back to John Biggs’ comment from the northern or country regions—the focus is on the two metropolitan tracks and the two or three inner provincial tracks. Interest wanes very quickly once you get across the top of the scarp and a bit further south or north to the Geraldtons and Albanys. It is like the old bomb blast and the circles as they go out—the colours just change. You get less impact as you go out. I think the fact that the board was originally structured with two Perth Racing members and one particular member to represent the rest of the state—bearing in mind there is only one metropolitan race club, being Perth Racing, supporting two tracks. You have 10 provincial clubs and you have 41 country clubs. To me, it was an imbalance at the inception, but at the time you roll with what you have. It was the best improvement that was coming along because if we had stayed under the governance of the WATC, this industry would probably be on its knees a la South Australia as we speak.

The CHAIRMAN: So now you think it is time to give country racing a voice?

Mr Prance: I think it has become quite obvious now that the sharing of who produces the turnover is now quite open; that is, the number of horses, and as an equal to either one of those metropolitan tracks is an equal player. We are outperforming either of those tracks singularly, not obviously together, but by the same token they do race twice a week and those sorts of things. The number of horses that race provincially and the distribution on relative terms to either of those metropolitan tracks, I believe the provincial clubs deserve that same level of recognition and representation.

The CHAIRMAN: How do you suggest that RWWA should determine the allocation of funding from the TAB to provincial and country racing compared to those city clubs? Have you got any formula in mind?

Mr Prance: I actually have. It is part of the overall WAPTRA submission that you will discuss at some later stage. I will go into it at much more detail at that point, but suffice to say the distribution model I think—again, given it was virgin territory, you are starting off from an absolute zero base in 2003—I think the distribution model over the first two or three years—yes, there was some rough edges. We tweaked them, or RWWA tweaked them. I think the basic componentry of the distribution is reasonably right. Given that it was always the intent and it was always said it was the intent—this was from every board member and CEO, given that it has only had two, Ray and now Richard—that the distribution model would move towards performance-based distribution. As soon as I walked in there a couple of years ago and proved to them that the model was not actually being distributed on a performance base, out come the excuses, the same as a losing jockey—they had more in their kit bag.

Mr J.J.M. BOWLER: What were their excuses?

Mr Prance: The cost of putting on a race meeting is dearer in the metropolitan area, and this was this. I asked the details of these things 12 months ago in a meeting with the executive. “It will all come out in the strategic review.” We have waited 12 months for the strategic review. There is a severe leakage of distribution funds, if you are looking at a performance-based system, away from provincial racing. I will relate it back to the previous method prior to RWWA. It was basically a percentage thing—thoroughbreds, trotting, greyhounds. When thoroughbreds got it—when they got their share of the pie, 67.8 per cent or whatever—as a first charge both the WATC and the provincial clubs bore the funding of the country clubs. That came off the top. Before anybody got a share, we had to fund country, which we understood we had to do and still have to do, to support those community meetings. They cannot support themselves and they do not have the TAB turnovers. We understand they have to be supported. That carried on during the course of five years of RWWA. That percentage actually was written into the act, if you remember, initially. Then it was phased out in 2007.

Mr J.J.M. BOWLER: What percentage?

Mr Prance: The original carve-up percentage. I cannot tell you the exact figures.

Mr J.J.M. BOWLER: How much went to racing, how much to trots and how much to harness?

Mr Prance: Yes. Those percentages were maintained when RWWA was first formed and the act was formed by mainly the country political representatives. The trot people needed the comfort that they would maintain the funding because they cannot really fund themselves. Anyway, the bottom line is these days, on a performance basis, the figures are quite clear, that Ascot and Belmont together provide 61 per cent of the turnover but get 63 per cent of the distribution.

The CHAIRMAN: How much of the turnover do country get?

Mr Prance: Provincial provide 37 per cent of the turnover and only get 30 per cent of the distribution. The figures I was using back then to Mr Burt was 2005–06.

Mr J.J.M. BOWLER: Where does the other seven per cent go?

Mr Prance: Country racing had to be funded to the tune of about \$2.8 million, but that was coming out of our performance, if you like; not out of Perth Racing. In fact some of the money from provincial performance ended up in Perth Racing. That galled me more than supporting country racing. I will support country racing all the way through as long as the burden is equally borne by Perth Racing and provincial. We are the major TAB turnover and recipients, it is our duty to support country racing. It is not the provincial's duty to do it on its own.

The CHAIRMAN: As we are looking at Kalgoorlie–Boulder Racing Club today, those same figures that you just presented then on behalf of provincial and country versus city, what about the performance of this club compared to the money that you get back in returns from the TAB?

Mr Prance: I cannot tell you the last year. I do have the figures here for that particular year for the individual club —

Mr J.J.M. BOWLER: Are you going to table those figures?

Mr Prance: You have this submission anyway. Basically in the year 2006–07, the Kalgoorlie–Boulder Racing Club contributed 6.1 per cent of turnover and received 4.91 per cent of distribution, which was a minus 1.19 per cent of a fairly large pie, about \$600 000.

The CHAIRMAN: You are saying the distribution falls \$600 000 short of what you have generated for the industry?

Mr Prance: In totality, but we realise a good percentage of that needed to go to country racing anyway. What galls me is that there is nothing coming from the other participant in this three-way argument to support —

The CHAIRMAN: What you are saying is that under the previous regime, country racing was also funded by the Western Australian Turf Club?

Mr Prance: Correct.

The CHAIRMAN: Now the country racing component is taken out of provincial racing, not from metropolitan racing?

Mr Prance: Pretty much the way the figures look to me. It is quite easy to see in that table. That has been disputed by RWWA because of these other reasons of the cost to run meetings and this, that and the other. The bottom line is if they wanted a performance-based model, Perth have been overcompensated for their performance and all provincial clubs have been undercompensated. That was back in 2006–07. That was to the tune of \$3.5 million. In 2007–08 it has now turned into \$5.1 million.

[3.00 pm]

Mr J.J.M. BOWLER: That is the two per cent; 61 to 63, or the penalty you are paying and the fact that you are generating 37 per cent and only getting 30 per cent.

Mr Prance: Round figures, yes.

The CHAIRMAN: We need to be fairly specific today about Kalgoorlie–Boulder Racing Club, bearing in mind that we will be talking to you about your other hat.

Mr Prance: I suppose the question you raised before was the structure of the act and you moved on to the distribution. The distribution model, I believe, is basically sound and has provided all provincial and country clubs a much better life since the inception of RWWA, and I will say that upfront. In terms of the broad terms of reference, I will deal with (b) first: the need for continuation of operations of RWWA from Kalgoorlie–Boulder's point of view is absolutely a no-brainer; we must have that independent body, as long as it remains independent and does not become metro-centric.

The effectiveness of RWWA is in general of a very high standard. Areas where the distribution model has some flaws, I will say from Kalgoorlie–Boulder’s point of view, does affect us fundamentally to the tune of a few hundred thousand dollars. The other area where I see a lack of effectiveness, and this was raised by the Northern Goldfields people as well, is capital infrastructure. We all know the history of the Gallop \$20 million and RWWA threw \$6 million into it and away we went and spent that over the next three or four years. The prediction that after the second year it was going to provide the ongoing \$9 million or \$10 million, that \$9 million or \$10 million, which now should be sort of \$12 million and \$13 million because we are up to that \$1.4 billion in turnover, is not getting preserved within RWWA for regional capital infrastructure, which clubs need. Clubs are going to need capital infrastructure as we move on, especially as the demands for safety issues, which come from other elements within the industry, have to be dealt with. I believe it is an integral part of the RWWA charter or the acts that it is RWWA’s responsibility to provide that stream of capital funding; therefore, it is incumbent on RWWA to make sure that, basically, every avenue is taken to lobby people, like yourself, to see if we can get that tax relief, bearing in mind that \$60 million turns up on the government’s doorstep no questions asked and no input.

The CHAIRMAN: Are you saying that without some form of tax relief, given the constraints on RWWA at the moment in terms of competition for the gambling dollar, it will be impossible to fund the infrastructure program that is required around the state?

Mr Prance: I believe that is definitely the case. We are not so bad at the moment because of the remnant effect of the initial regional infrastructure funding by the Labor government four years ago; it sort of staved things off. But it is only a short-term stave off; there are ongoing maintenance requirements throughout the whole industry and Perth Racing as well. With their metropolitan base, they have the ability to generate a capital stream themselves; most smaller provincial clubs can generate a very small amount of capital for maybe a new tractor that RWWA will not buy, or as we did, we saved for two years and built \$250 000 worth of stabling because it could not be funded from within the industry. It is a very tough market out there; the wagering market is fiercely contested and with the product fee—this is no fault of RWWA’s themselves—turnaround and those other issues that happened with SuperTAB have created a bit of a void. They have had to fill that void without affecting stake money, which was the right thing to do at the time, because I fully agree that you cannot start decreasing stake money and other parts of the industry. In that respect you just get into this downward spiral and you will not get out of it and as soon as you start driving people out of the industry, you will not get them back in.

As far as the ongoing capital need, it probably is not going to be a huge amount. If everybody got their wish list, yes, it would be \$20 million or \$30 million a year, but I am quite sure there are ways of managing those wish lists to a realistic level whereby a tax relief of a percentage on the overall wagering turnover that goes back to the government would probably provide a good basis for RWWA to be able to maintain over the next five to 10 years. That is notwithstanding that you are not going to rebuild \$20 million and \$30 million tracks at some places, you have to sort of use a little bit of commonsense, but there is still going to be the need to ensure safety requirements and other infrastructure to maintain your market presence. At the moment it is getting eaten away by the corporates and by other avenues of wagering, we have to make sure that—up until now it has been very vibrant, but I can see it is pretty shaky.

Mr J.J.M. BOWLER: So you are talking about the need for an infrastructure fund much like the old Racecourse Development Trust?

Mr Prance: On a larger scale, John; yes. The Racecourse Development Trust money that came from unclaimed tickets used to peak out at about \$3 million or \$4 million and I believe still does; I do not think it has really grown. It is probably going to peak now with the new changeover to the TAB and different machines and tickets; you will get a little bit of a peak because people will do the

wrong thing. But, generally, that is not going to—and even funding in the old days, that really only looked after little minor jobs and a few things around the provincial clubs. But bearing in mind that you need to look at your industry as a whole and rationalise where you can and where it is sensible and where it is not to the detriment of the communities involved, it really is one area that—I am not being too harsh on RWWA but I still see it as their responsibility and part of their effective role to really make sure that every avenue is followed to ensure that they can get that funding.

The CHAIRMAN: Murray, your club holds arguably the most successful and biggest provincial cup every year. It was mentioned to us at a previous hearing—the subject which is very close to the member for Kalgoorlie’s heart—that the club’s desire is to have a standalone meeting for Kalgoorlie Cup Day on a Saturday and have no Perth racing. I believe RWWA had a bit of a review of that and decided not to proceed, so you are faced with the position of either racing on Saturday with Perth racing going ahead the same day, or racing on Sunday. Have you given up hope of a standalone Saturday meeting or are you thinking now you might have to look towards Sunday?

Mr Percasky: We certainly have not given up hope of a standalone Saturday meeting; a primary objective of the club is to obtain that. We look at the rest of the country and every state’s main metropolitan club gives up one, two or three meetings a year. They do not race in Adelaide, like at Oakbank, for the Easter meetings; Sydney do it, they race at Hawkesbury—is it?

Mr Prance: Hawkesbury Guineas and they used to do it for the Canberra Black Opal.

Mr Percasky: And Brisbane do it with the Gold Coast, so we have examples of it happening right across the states. David has a pretty comprehensive set of figures here—which he submitted to RWWA at the time you are talking about, when our submission was knocked back—that prove that the overall industry was not going to be worse off with Kalgoorlie racing standalone on the Saturday for the cup. We think that the product coming out here on that day is pretty special. About three years ago I went through the TAB form and we were the highest stake race in the country that day by a long shot. We think that the club certainly deserves to have a better hearing along the lines of the standalone meeting on the Saturday.

The CHAIRMAN: If it was no detriment to the industry and the turnover in general throughout the state, how much better off financially would the Kalgoorlie–Boulder Racing Club be by having a stand-alone meeting on the Saturday?

Mr Percasky: That is bit of an unknown question in respect to the races on Sky. We do get the last two or three where you get the cup on Sky and the one before it and what else—sometimes we get four on that day. The numbers for the betting on our cup is phenomenal. In respect of our numbers, we normally turn over about \$1.2 million or \$1.3 million for a normal meeting through the year on a Sunday; our cup meeting is well over \$2 million, as is our Hannan’s Handicap on the Wednesday. We think that proves as well that the public likes our product and they are prepared to wager on us on the Wednesday to almost the same extent as they do on the Saturday on our cup meetings, so obviously if we can get that \$2 million dollar mark on a Saturday when we are in competition with Melbourne, Sydney, Perth and everywhere else, we think if we got Perth out of the equation, obviously we could perform a lot better than what we do.

Mr J.J.M. BOWLER: The other thing is: is it true we are not competing for jockeys and trainers —

Mr Percasky: Correct.

Mr J.J.M. BOWLER: Last year on Kalgoorlie Cup day, can you explain to the committee where you nearly had one of the main fancies —

Mr Percasky: The jockey on the favourite in the cup had a fall out here going to the barriers in the first race. It was Danny Miller and he was not allowed to ride for the rest of the day. We had apprentices here, but apprentices are not allowed to ride in the cup, so we were short on jockeys for the cup itself. One of our local blokes who did not have a ride in the cup, tried for over an hour and

a half, wasted dramatically in his sauna and just made the weight to get on the favourite for the cup. So if we had stand-alone, obviously, we would be attracting a far better range of jockeys out of Perth and it would alleviate that situation happening.

The CHAIRMAN: Another situation that has arisen during this inquiry has been with regard to compliance with the liquor act, especially on big race dates when you have big crowds. It has affected the Perth Cup and other cup meetings. Can you give us some idea of how many security people you have to employ on a big day like Kalgoorlie Cup Day, what sort of impost that is for the club, and also what your view is to the strong stance that seems to be being taken with regard to the liquor act and major events?

Mrs Glasson: I can honestly say that last year we employed about 120 to 130 security staff. We had to bring three planes up from Perth to bring the majority of that staff up here; not just security, it was also bar and tote staff because we cannot source them in Kalgoorlie. The majority—one plane entirely—was security staff and the cost of that, as you can imagine, is quite enormous. The liquor licensing seems to have gone a bit crazy; that is only way you can sort of describe it. We do not get any support from the local police so we have to have the extra security here. I actually was in Bunbury last week and could not believe how they had about 40 police officers there; I think we had three or four here last year. That visible evidence of people coming on the course and not seeing police certainly makes it worse. Then these guys turn up, which is liquor enforcement, and they are the worst, they want to see—like, we have to employ people to count people in and out of our tent land areas; they just will not wane on it. David could tell you that at the end of the night when they were handing out fines, he was just so proud that he had closed Gloucester Park down.

[3.14 pm]

The CHAIRMAN: Have you tried to get a greater police presence?

Mrs Glasson: Yes.

Mr Prance: It was a funny thing: we always had a very good relationship locally, and there was no reason for that relationship to change. I do not think it has changed from a person-to-person relationship. We would have the police van down just inside the front gate.

Mrs Glasson: Yes, the big mobile post.

Mr Prance: A number of police would just be walking around in their high-visibility jackets in pairs—there might have been six or eight on duty all day—and it was good to just have that physical presence. Then not last season but the season before, we were informed that that would not be available.

The CHAIRMAN: Because of staffing?

Mr Prance: Staff and funding.

Mrs Glasson: Staff issues out of the local station.

Mr Prance: I approached the local and I said is there some way we can actually fund —

The CHAIRMAN: Police officers?

Mr Prance: I approached the local police and asked if there was some way we could actually fund police officers to attend. I prefer the high-visibility approach of officers to the underhanded way that these liquor enforcement guys went about their business, where they showed no duty of care in watching an underage person get a drink, and then go and nab them.

The CHAIRMAN: Yes.

Mr Prance: If they had been standing there next to the bar in their high visibility shirts saying, “I’m a liquor enforcement guy”, the person would not have been there in the first place.

Mrs Glasson: Their intent seemed to be to find us out.

Mr Prance: Their intent is to find people.

The CHAIRMAN: Historically, though, Kalgoorlie Cup day normally has a fairly well-behaved crowd; you do not have a history of trouble.

Mr Prance: No.

Mrs Glasson: We had one incident, probably three years ago, up in tent land, and that was a private matter between two parties. They happened to come across each other and it was a domestic dispute between a husband and wife. That was it.

Mr Prance: There has been the odd skirmish out on the streets as people are leaving. When you have 10 000 people moving out of a venue, you will get the odd skirmish. Generally, the police have been very happy with the way this has run for very many years, and, other than this year just gone by, I think we have only had one charge levelled against us before for underage drinking, which was overturned.

The CHAIRMAN: Is this a real impediment for country racing clubs?

Mr Prance: Yes; all country and provincial clubs are under immense pressure and cost on their major carnival days. I am not saying the rules are wrong, but I would rather see the rules enforced a little bit better than this —

Mr J.J.M. BOWLER: How many of those 110, 120 staff do you think you really need?

Mr Prance: Probably half.

Mr P.B. WATSON: Did they give you a quota of how many you should have?

Mrs Glasson: Last year, in our tent land area, we had to have one to 120; the previous year it was one to 100.

The CHAIRMAN: Yes, it used to be one to 100.

Mrs Glasson: But we actually applied for one to 120, and they allowed it last year. Whether they will this year or not; who knows?

Mr Prance: By the same token, the law enforcement people came in and set up drug and alcohol testing the year before in the back of the main office up the front gate and took all of our security staff off in groups of six and eight at a time to be tested. Then they wanted to come down and blue us because we did not have a guard on a particular gate.

The CHAIRMAN: Have you asked RWWA to represent your clubs in this matter?

Mr Prance: I have done that through my chairmanship of the WAPTRA and the TRGC. It has come through the TRGC from the Country Racing Association, WAPTRA, and Perth Racing, obviously, through RWWA and the consultative group that some approach be made to the liquor and gaming guys from the police department to try to get some sense out of it, because it is everybody.

Mr P.B. WATSON: Was the guy who said he had closed down Gloucester Park a police officer or from liquor and gaming?

Mrs Glasson: Liquor enforcement.

Mr Prance: Yes, which is a division of the police.

Mrs Glasson: It is a division of the police, yes.

Mr Prance: They are not from liquor and gaming.

Mr J.J.M. BOWLER: Had they come from the Perth for the round week?

Mrs Glasson: Yes; they come up specifically for that.

Mr Prance: Yes.

Mr J.J.M. BOWLER: So there are local officers who do that, and then extra ones come up.

Mrs Glasson: Our local officers actually came in and said they were happy with the way everything was going.

Mr J.J.M. BOWLER: The minister was present, and he thought it was a wonderful day and the crowd was excellently well behaved.

The CHAIRMAN: Has your club been fined for any infringements?

Mr Prance: We got five \$1 000 fines last year.

The CHAIRMAN: For, what; underage drinking?

Mr Prance: Three were underage drinkers, and one was intoxication, I think.

Mrs Glasson: No, I think they were all underage drinkers.

The CHAIRMAN: Are there any other matters you feel we should raise today or that we might have skipped over?

Mr P.B. WATSON: Can I just ask about the training track? How much money do you get back from RWWA, and what percentage is it of what it costs you?

Mrs Glasson: Now we have a performance-based payment for our horses. We get \$1 150 a month that we actually get back to the club to assist us with the training facilities.

Mr Prance: My recollection is that it is about \$70 000 per annum, because it is only during our racing season.

Mr P.B. WATSON: What does it cost you?

Mr Prance: About \$400 000, \$500 000.

Mrs Glasson: That is one part of our budget that blows out every year.

Mr Prance: Yes:

The CHAIRMAN: According to the act, as I read it, the interpretation by the clubs is that RWWA should be responsible for making sure there are training facilities. Do you think this is an area in which there has been a bit of a shortfall or there is a need to look at?

Mr Prance: Can I just answer this one? Specifically, John, prior to RWWA there was no funding for a training track.

The CHAIRMAN: No; you had to find it yourself.

Mr Prance: Forming part of the overall distribution, there is the distribution from the TAB, and then you have these other chunks of money that come from the training subsidy for the number of horses you have. We are in a better situation than we were. I would not expect that RWWA would have the wherewithal to cover that cost for every venue, and I would not have expected it. But as long as there is a way forward and some way of indexing that to the actual, real cost of maintaining the course, that would be a better way of going about it. The formula was set five years ago, and that is the way it has stayed.

The CHAIRMAN: The problem, of course, is that you could be a club with a training facility, and there could be a club 100 kilometres down the road that is quite a big club but does not have the same need to provide training facilities, and they are a lot better off than you.

Mr Prance: They are.

Mr P.B. WATSON: Jan, the formula was set a few years ago, but do they calculate it on a yearly basis depending on how many horses you have in training, or is it still based on the number of horses you had four years ago?

Mrs Glasson: I would think it is still based on previous years. It has not increased, to my knowledge, over the years.

Mr Prance: If I could clarify: what we get this year is based on last year's starters that were trained on this track, regardless of where they started. If you took a horse to Ascot and started it, because it was trained here, you would still get that particular amount. Whatever the machinations are within the detail of that formula, basically our 2010 allocation is based on the number of starters that raced in WA that were registered as being trained on this track.

Mr Percasky: Obviously we supply horses through to the northern Goldfields races, and Leinster, Laverton, Leonora, those sorts of places, when they race. Most of the horses that race there come off training facilities here, so there is a case in point there.

The CHAIRMAN: Mr Prance, you have been, obviously, to racing around Australia; how do you see the RWWA model and the model that has been adopted in Western Australia in comparison with some of the other states that have adopted similar, but not totally the same, models of governance of racing?

Mr Prance: Highly superior to New South Wales and Queensland, if you had asked me that question two years ago, Mr McGrath I would have said highly superior to Melbourne, but I think Victorian racing is a different kettle of fish because it is funded totally differently, so I would take them out of the equation. But I think the model is very close to being able to, if properly administered, support the way WA racing currently is. There are some tiers to remove and there are some rough edges to knock off, but I just generally think the model is not that bad.

The CHAIRMAN: When you say "tiers to remove", can you be more specific?

Mr Prance: Yes; you have got metropolitan racing, you have got inner provincial, outer provincial, country, and you have varying different trotting groups around the place that all have their own drum to bang. One way of rationalising the industry as a whole and the administration of the industry as a whole, both by RWWA and the groups that are currently involved—CRA and WAPTRA, whatever—would be to create three areas of governance, if you like, or regional governance. If you took an area like Pinjarra or something like that, it would cover all codes down the great south and the southern. You could regionalise RWWA, you could actually regionalise people in that area to look after that, and then Kalgoorlie might take in all the eastern Goldfields, down to Northam and that area, and then Geraldton would look after points north. There could be one racing administration body that had, coupled with it, aspects of RWWA—that is, the integrity stewards, training, and some of the procurement-type functions that it tries to perform. It is a big step to get rid of, or to rationalise, the old committee-based scene where everybody is just trying to do their own thing for their own thing, so regionalising that not just from the clubs, but from the governing body as well.

Mr J.J.M. BOWLER: Across the codes?

Mr Prance: Across all codes; you would base them regionally. It is fairly radical.

The CHAIRMAN: So inside RWWA you would have someone looking at a region, and there would be some form of communication or semi-governance in that region so that you would not have a body such as RWWA dealing with the whole state?

Mr Prance: RWWA would be dealing with three bodies and three administrative groups that it would have very close contacts with because it would have people based in those regions, rather than dealing with WAPTRA, CRA, WATRIC, WATA, WCCA, WGRA; the list goes on and on and on.

The CHAIRMAN: Do you think that would that put a cost impost on the industry, or not?

Mr Prance: It would put very much a big ego cost on the industry; there would be a lot of people with their noses out of joint. I do not believe it would be a big cost; in fact, regionalising aspects of

RWWA is something that should have been looked at from day one, rather than making the centre of everything Osborne Park.

The CHAIRMAN: As far as the Kalgoorlie-Boulder Racing Club goes, you are not supportive of the notion that has been raised in some areas; that the government should look at privatising the TAB?

Mr Prance: Definitely not, without one shadow of a doubt. It is, and it always has been, an industry-owned asset, and it should stay that way.

The CHAIRMAN: What about the other point that has been raised in some quarters, that maybe the government should distance itself more from RWWA and leave RWWA to run the racing and wagering industry of Western Australia, and have no government involvement in it? It has even been suggested to us that maybe you would not even have a Minister for Racing.

Mr Prance: To put it clearly, the Minister for Racing and Gaming has very little impact —

Mr J.J.M. BOWLER: The only impact he has now is selecting a chairman, is it not?

Mr Prance: — or persuasion over RWWA anyway.

The CHAIRMAN: He appoints a chairman; that is about it.

Mr Prance: Basically, that is the end result, and I think he has a say in appointing the committee that selects the —

The CHAIRMAN: Do you think there should be some link between government and the industry just in case something goes wrong?

Mr Prance: I believe so. On the rare occasions when all avenues have been exhausted—the referee system, as it currently is—and when the board of RWWA is the final referee, in most instances that has come up with the right decision. I know it was suggested by the representative for the northern goldfields that maybe you need another court of appeal above that, but I am wary and very leery of that. However, when I talk, particularly about the Kalgoorlie-Boulder Racing Club, I would love to have had another level to go to when all the facts and figures were getting bounced around, disfigured and warped regarding the stand-alone meeting because it was a con job. It is a simple, straightforward fact that the Kalgoorlie Cup should race stand-alone on the Saturday and Perth should race on the Sunday. End of story! Everything supports it, so just do it!

The CHAIRMAN: Did RWWA not have an independent group come up with that and it did a study?

Mr Prance: Yes, it did. And I have a 10-page report that absolutely makes a joke of some of their figures and their assumptions. And they admitted there were some errors in the report. The whole point, John, was that it came down to the fact that they took every possible number and distilled it all down so that the industry would lose \$45 000. The review cost \$65 000. The sensibility of that, and the other key factors about that stand-alone meeting—if I could stay on that for one point—was that, yes, the industry would lose \$45 000 if Perth moved to a Sunday. Perth Racing itself would lose \$40 000 of that because it would lose the money it got from Singapore at that time. The third argument that was levelled was that the act says that Perth Racing must race on a Saturday. Point four was that Perth Racing is the primary turnover venue and that must always be the primary TAB and Sky Channel venue. All those things have changed totally. Last year Kalgoorlie out-turned Belmont for the first time in history —

The CHAIRMAN: On the same day?

Mr Prance: On the same day. As of last year, we are now the primary turnover meeting on that Saturday. And we did it with only two Sky Channel races, and they had all theirs on Sky.

Mr J.J.M. BOWLER: And they do not race on Saturdays. They ran Christmas – New Year.

Mr Prance: They gave away Boxing Day to Geraldton. They have given away 1 January a number of times when they wanted to race the Perth Cup on the Monday holiday. They have changed the rules a number of times, and they do not have this direct Singapore thing, where they get this \$36 000 to themselves anymore. That went by the board last July. Virtually every argument that was put up for the stand-alone has basically gone.

Mr Percasky: They had the Karrakatta Plate rained out two years ago and then re-ran the meeting on the Sunday. They had a very successful meeting on the Sunday in Perth. They proved to themselves that they could do it.

Mr Prance: A lot of elements within RWWA agree with it, but it comes back to this little bit of metro-centricity and the influence of certain members of Perth Racing.

The CHAIRMAN: Getting back to the infrastructure, just quickly, you explained today that you had quite a big infrastructure program on your course with the widening of the track, the new sandtrack and the new stewards' tower.

Mr Prance: Correct.

The CHAIRMAN: Was that money funded by RWWA?

Mr Prance: That money, the original \$26 million, came out of the regional infrastructure grant. That was the last of it in the barrel. Kalgoorlie was the last one to get a grant.

The CHAIRMAN: So you do not know whether that came out of the \$20 million from the previous government or the \$6 million from RWWA.

Mr Prance: It is virtually one fund because it was all supposedly administered by planning and infrastructure.

The CHAIRMAN: Does your club have ongoing needs for more funding through RWWA for infrastructure on this course that you feel is necessary?

Mr Prance: We will have over time. Given that certain public facilities and other facilities are the burden of the club to carry, which we fully recognise, but infrastructure that refers to safety or track issues —

Mr Percasky: And training related.

Mr Prance: — and training related, we believe there should be some avenue, not for full funding but similar to the way the Racing Development Trust used to operate: if it was a matter of safety, you got the lot; if it was something else, you got 70 per cent; and if it was just for a new gate or whatever, you would get 50 per cent. We would like to see the avenue where the impost continues so that our club could expand by building more oncourse stabling and we would get some rebate, whether it be 30 per cent or something like that out of a capital fund, if it existed.

The CHAIRMAN: Are there any other matters that you would like to raise before we wind up the proceedings?

Mr Prance: Yes, Mr Chairman. The effectiveness of RWWA to provincial clubs is sometimes in question. We were talking about levels just a moment ago. There is no consistent argument other than historical bumph on why there should be different apprentice allowances between Northam, Bunbury, Kalgoorlie, Geraldton and Albany; and also for things like riding fees for jockeys. It is a normal case in business—I am in private enterprise—that if I send someone to do some consulting up at Kununurra, that company gets charged more than if that person from my company was consulting in Perth. They could stage the jockeys' fees to geographical locations so that if you travel outside that region, you get \$160 and if you go all the way up to wherever, you get \$180.

The CHAIRMAN: Are the fees the same everywhere?

Mr Prance: They are flat, so there is no incentive for jockeys to start supporting provincial and country meetings, if they do not want to—if they have a bad day.

The CHAIRMAN: Does your club pay anything to jockeys coming up or do they pay their own way?

Mr Prance: They pay their own way. We try to help them out as far as organising flights and things like that so that all the regional clubs—Albany, Geraldton and Kalgoorlie—are on the same sort of basis. With those sorts of things, jockey fees and apprentice allowances, even the ratings system is being bastardised between different regions. They do it without the full geographical recognition of why. Kalgoorlie is totally different to Pinjarra because we have a captive population that we need to service, whereas Pinjarra has a floating population from Ascot. You cannot treat them exactly the same.

The CHAIRMAN: Can you explain why apprentice allowances are different?

Mr Prance: Historically, Kalgoorlie, and to a degree Geraldton and Albany, used to be the training ground of apprentices. This is where all apprentices came to be trained. What they say is that a three-kilogram apprentice kid loses his allowance quicker up here because they reckon it is easier to win races up here. That is not the case now with racing on a Sunday where senior jockeys make up most of the fields now, not the apprentices. The apprentices do not live up here any more, whereas 10 or 15 years ago there would be 10 apprentices living in this town. Now, there is maybe one and they all travel—they all fly. Fifteen years ago they would have given their eyeteeth to ride and would sit in the back of a float with the horses to get to a race meeting. Now, unless they can fly business class, they do not want to come!

Mr J.J.M. BOWLER: Has that always been the case? That has not always been the case.

Mr Prance: They say the issue is that because they are riding against stronger jockeys in Bunbury, it is going to be harder for them to win races down there so they can keep their allowance down there longer. That, basically, is what they are saying. Historically, that might have been the case 25 years ago, but now it is not relevant. There is a lot of non-relevant stuff that is just a hangover from 20 or 30 years ago that needs to be cleaned out of the cupboard.

The CHAIRMAN: Where does the four-kilogram allowance apply?

Mr Prance: That is a brand-newy, and that is only for the first so-many rides or the first 10 or 12 rides.

Mrs Glasson: Yes, something like that. It is just new.

The CHAIRMAN: And that applies around the state?

Mr Prance: Yes. We have dealt with the issue of stand-alone, and, as I have said, that comes back to a selective will to act that they have at some stage. RWWA could have overruled the race-date setting with Perth and said, “No, you will race on the Sunday as we think that is a suitable date.” They chose not to—whatever. The lack of consultation that RWWA is showing at the moment, I find is affecting their effectiveness. I have represented this club at a WAPTRA level, and I have represented WAPTRA as chairman at the thoroughbred racing consultative group. It is a misnomer: there is no consultation and things are handed down from the executive and, at times, from the board through the executive. They hand down what is going to happen: this is what integrity has decided; this is what someone else has decided. There is no consultation. It is basically, “This is what we have decided. This is how it is going to be.” I do believe that it is clearly stated in the act that there needs to be a consultative process. Just creating a thoroughbred consultative group, by name, and bringing in bookmakers, owners and breeders, and the various different groups to be sat around the table and just delivering the result is not consultative. I would like to make that point, Mr Chairman.

The CHAIRMAN: Thank 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 via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include the supplementary submission for the committee's consideration when you return your corrected transcript of evidence. Thank you very much.

Hearing concluded at 3.38 pm
