

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

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

**TRANSCRIPT OF EVIDENCE TAKEN  
AT PERTH  
FRIDAY, 26 FEBRUARY 2010**

**SESSION TWO**

**Members**

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

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**Hearing commenced at 10.43 am****MARWICK, MR TONY****Chief Executive Officer,****Western Australian Provincial Thoroughbred Racing Association,  
examined:****WRENSTED, MR DAVID****Vice Chairman****Western Australian Provincial Thoroughbred Racing Association,  
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 chairman. The other members here to my left are John Bowler and Peter Watson.

The 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 the proceedings in the house itself. Even though the committee is not asking witnesses to provide evidence on oath or affirmation, it is important that you understand that any deliberate misleading of the committee may be regarded as a contempt of Parliament. This is a public hearing and Hansard will be making a transcript of the proceedings for the public record. If you refer to any documents during your evidence, it would assist Hansard if you could provide the full title for the record. For this hearing also, parliamentary staff will be testing the camera equipment in this meeting room. However, I stress that this is a test only and images will not be broadcast.

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

**The Witnesses:** Yes.

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

**The Witnesses:** Yes

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

**The Witnesses:** Yes.

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

**The Witnesses:** No.

**The CHAIRMAN:** Thank you for your submission to the 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 Marwick:** No.

**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?

**Mr Wrensted:** I do not.

**Mr Marwick:** No

**The CHAIRMAN:** Let's start by once again thanking you for attending. Could you tell us a little bit about what the WA Provincial Thoroughbred Racing Association does in the industry?

**Mr Marwick:** The association has member clubs. Racing is split into three groups—metropolitan, provincial and country. Provincial, which we represent, includes clubs such as Albany, Mt Barker, Bunbury, Pinjarra, Narrogin, Northam, Geraldton, Kalgoorlie, Coolgardie and York. They are the more substantial clubs. They are the non-metropolitan clubs that race predominantly greater than 10 meetings a year. The association represents those member clubs.

**The CHAIRMAN:** Your submission highlights the need for greater infrastructure investment. Is that one of the greatest challenges confronting provincial racing clubs?

**Mr Marwick:** I think it is, John.

**The CHAIRMAN:** Could you elaborate on that?

**Mr Marwick:** Yes. Before the advent of RWWA, the principal club, the Western Australian Turf Club, really administered and distributed funding for all thoroughbred clubs in WA. There had been a desperate lack of funding flowing through to non-metropolitan clubs. I think it was Minister Griffiths who allocated \$20 million to provincial clubs for infrastructure spending. That money certainly was much needed, and was spent of course. The recipient clubs are much advantaged and have a much greater infrastructure and a much greater product to offer the industry now. However, subsequent to that there has really been very little funding available through the RWWA funding distribution for infrastructure. I think that RWWA's funding model substantially has prioritised stakes—returned money to owners and trainers and industry participants—but there are a lot of clubs that really struggle from year to year; perhaps clubs like Albany and Bunbury who have got a substantial horse population. There have been disruptions to meetings. In the past 12 months both of those clubs have been unable to conduct a full meeting because of problems with the track. Some of these clubs have not had adequate infrastructure upgrades for many, many years. It has been a shoestring approach.

**The CHAIRMAN:** How would you like to see that addressed, that matter of funding for infrastructure?

**Mr Marwick:** I guess there needs to be some priorities and some recognition of the fact that particularly clubs that provide an integral service to the industry are funded, whether it is part of the RWWA funding or whether it needs to be another allocation from a parliamentary direction. There needs to be a priority. At the moment the priority is simply to survive in the industry. There are a lot of challenges, as you know. There is a lot of pressure on funding —

**Mr J.J.M. BOWLER:** One suggestion has been a reduction in the tax being paid, and that be quarantined into an infrastructure fund, to be used by Perth as well, but by the entire industry for facilities and infrastructure.

**Mr Marwick:** We would certainly support that. Part of our submission does relate to tax on the industry. I think in some ways, unless there is some segregated allocation of funds, it is difficult for me to see there being a substantial change or difference in the near future.

[10.52 am]

**The CHAIRMAN:** Do you think that might be one of the shortcomings of the legislation—that there is nothing there specifically to say that money has to be allocated to infrastructure and it is

basically left to RWWA to make that decision when it has also got the responsibility for making sure that prize money is still at a reasonable level?

**Mr Marwick:** Generally I would say that the history says that infrastructure funding has suffered. So it clearly is a problem; it is basically safety issues only. It is a little bit like putting bandaids on after the event. I mean you cannot let things deplete to a point where it becomes a safety issue before you can address it; and that is really the current state of play.

**The CHAIRMAN:** How important is racing to country towns, the racing that is provided by your provincial members, your club members? Where do you see their role in the social fabric of country towns?

**Mr Marwick:** I think it is probably the biggest tourism event in many country towns. The Kalgoorlie race round, I would say, has long been a well-supported and recognised event in the Kalgoorlie region. In Bunbury there are 10 000 to 15 000 people at the Bunbury Cup. I think in every instance it would be one of the major sporting events, one of the major tourist attractions; tourist events. Beyond that, the racing industry, of course, is a large industry in relation to the number of industry participants. There are a lot of people in the Albany region that are associated with the racing industry; in fact in many communities. It is a large employer. I am the chairman of the Northam Race Club and we probably have about 4 000 people, and it is great to see, I suppose, the young people of the community be able to dress up and have a venue that they can attend. I think it is just part of our history, part of our culture. People like going to the races in the country.

**The CHAIRMAN:** Do some of your clubs feel that they have been let down by RWWA in terms of funding for infrastructure?

**Mr Marwick:** Quite seriously, John. The York–Beverley Turf Club—it has just been a fight. And until there is political interference, sometimes there are deaf ears. I feel for the Bunbury Turf Club; they have a substantial horse population, perhaps 200 or 300 horses in work. It is a large club and they struggle with the state of their track. You would not expect a professional industry to be subject to such difficulties.

**The CHAIRMAN:** What does RWWA say when your organisation raises these issues with them?

**Mr Marwick:** RWWA do not particularly pay a huge amount of heed to WAPTRA. RWWA prefers to deal club by club, and you feel as though you are squeezed out a touch.

**Mr J.J.M. BOWLER:** You mentioned in your submission a lack of feedback. Do you think there needs to be a mechanism for your organisation to liaise with RWWA?

**Mr Marwick:** We would certainly appreciate it. I think the nature of what they call consultative committees is that it is a fait accompli; they come to deliver a message to you. They do not ask you for your opinion. Prior to their attendance in fact there is a strategic plan that RWWA has been working on and is going to deliver, and I think it is early March —

**Mr Wrensted:** Towards the end of March.

**Mr Marwick:** — they have requested WAPTRA's attendance at a briefing, but the briefing will be nothing about what are some of the issues that we see. The briefing will be about, "This is the outcome." With funding models, with strategic direction, with infrastructure needs there is no consultation.

**Mr J.J.M. BOWLER:** The make-up of the RWWA board does say in the legislation that one member should—I forget the exact wording—in a de facto way represent the knowledge of regional areas, country areas.

**Mr Marwick:** Yes.

**Mr J.J.M. BOWLER:** Do you think the legislation should be more defining and maybe have two members representing the country?

**Mr Wrensted:** In the Geraldton submission I have actually made a suggestion that there should be a directly elected country representative. I do think that country clubs and regional clubs need an ear, and I do not think that we have got one at the moment. I think there needs to be a distinctly identifiable regional or country member on the board.

**The CHAIRMAN:** If you got funding allocated into an infrastructure fund that is separate to what RWWA has now, possibly through some sort of a tax concession on the TAB and, as the member for Kalgoorlie said, it was quarantined for use in racecourse infrastructure, how do you think that could be distributed? Would you be comfortable with RWWA having the responsibility to distribute that?

**Mr Wrensted:** Personally, no. I think the \$20 million that RWWA was given the right to distribute —

**The CHAIRMAN:** Which was Treasury money, was it not, from government?

**Mr Wrensted:** Yes. They actually distributed the money. I think Bunbury should really have got the first handout of that but I think a lot of the money was focused too heavily on the inner regional provincial clubs, and I do not think there was a very good cross-representation of where the money went.

**Mr J.J.M. BOWLER:** The biggest sum actually went to a metropolitan facility at Lark Hill.

**Mr Wrensted:** Yes.

**Mr J.J.M. BOWLER:** It should never have happened.

**Mr Wrensted:** But then I think 75 per cent of the \$20 million went within 100 kilometres of Perth. They may have all justified it, but I think there were probably other clubs that —

**The CHAIRMAN:** Do you think there was any political interference in some of these decisions?

**Mr Wrensted:** Tony can answer that one.

[11.00 am]

**Mr Marwick:** To be honest, I am not privy to the nature of the decision making. You do not like to have sour grapes, but, clearly, when it is attributed to this and \$5 million or \$20 million goes to Lark Hill, which is not provincial, you have to question the decision.

**The CHAIRMAN:** Do you think your association should have been consulted on how you felt, as the representative body for provincial clubs, on the greatest need?

**Mr Marwick:** We would appreciate it. We could be a party that has some input. All we would request is that it be considered. In the past, you were not asked; you were not considered.

**The CHAIRMAN:** Are you aware of the old racecourse development trust fund and how that worked?

**Mr Marwick:** Yes.

**The CHAIRMAN:** I think clubs would make a submission for funding.

**Mr Marwick:** That is correct, yes.

**The CHAIRMAN:** Did you like that system?

**Mr Wrensted:** I think it was a better, more independent system.

**Mr P.B. WATSON:** RWWA's core value was to look after all racing in Western Australia. Do you think that is happening in regional Western Australia?

**Mr Marwick:** I would say that perhaps it is to the extent that, since the advent of RWWA, there have not been a lot of clubs that have in fact folded. I understand that it is a difficult call to have a charter saying that you will promote and further racing in three codes throughout the state, many of

which, under any funding model, are not profitable. But the industry overall needs to accommodate that. To a degree, I would say it does. There are Moora races; there are a lot of non-TAB races, community-type races such as those in Meekatharra that continue to be conducted quite successfully.

**Mr P.B. WATSON:** Is that due to RWWA or the local community?

**Mr Marwick:** It is probably due to the local community. I am here today in the capacity as an honorary volunteer. The committees of every provincial and country race club are honorary and voluntary. Most country race clubs would not survive if it were not for the voluntary effort of the community. That goes through even to provincial clubs. There is a huge voluntary effort from the committee and the community. Without it we would not be able to race and hold our costs, which means a greater return to the industry.

**The CHAIRMAN:** Do you think that the revival of the Toodyay Cup, which I think is now run by your club, is an example of how there is support in the community for these tracks and special race days?

**Mr Marwick:** Absolutely. The Toodyay race happens only once a year, which is the Toodyay Cup. It probably has a capacity of 3 500 to 4 000 people. Most years it would be at capacity. It is by far the greatest single tourism event in Toodyay. I think the whole industry likes it because it has a picnic style. A lot of these events are run in beautiful venues and they have a very community-orientated feel. They are important to the communities.

**The CHAIRMAN:** You mentioned the York-Beverley Race Club, and there was a problem when it was shut down. There was a push, politically, to try to support the club to be reopened. Do you have a view on what happened there? Do you think the people at York were let down a bit by RWWA, and the fact that RWWA was disinclined to spend any money there?

**Mr Marwick:** I think the lack of money spent on a facility that was capable of racing caused the problem. York may have conducted two or three races and the jockeys said the track was unsafe, so the race meeting was abandoned. There is a lot of, I suppose, anger and bitterness by industry participants who take a horse and staff a long distance when there is no race and no compensation. I think that happened twice in one year at York. York runs on a voluntary basis; it does not have any paid staff. It is all very well for RWWA to say, "We are closing you down because you have had to abandon two meetings." It had no help. The facilities have been let run down to a point that they cannot race.

**Mr J.J.M. BOWLER:** Should the TAB or RWWA—I am sure it comes out of the same pool—support three clubs within an hour's drive of each other?

**The CHAIRMAN:** York-Beverley is one club.

**Mr J.J.M. BOWLER:** I know but there used to be Beverley, Northam and Toodyay. We still have three. Should we be supporting three courses out of these limited funds?

**Mr Marwick:** That is a different question. Everyone may have a different view. I would say no because there is not the horse population.

**Mr J.J.M. BOWLER:** Should we maintain them provided the council or local community maintains the courses for nothing and it is not an impost on the gambling dollar?

**Mr Marwick:** Yes.

**The CHAIRMAN:** Do you think there is an opportunity at provincial clubs that are within a reasonably short distance from the metropolitan area to start up training facilities and encourage trainers to set up? I think Northam has looked at it and so has York. Do you think that is the way the industry might go in the future, given the price of real estate at Ascot and in the metropolitan area? Do you think we might become like Victoria where they have trainers at Ballarat, Bendigo and Pakenham?

**Mr Marwick:** I think the issue of training thoroughbred horses in WA is a major issue that needs to be addressed by RWWA. No club is compensated for carrying out and providing training facilities. For example, in Albany and Mt Barker, Albany's stakes are much lower than Mt Barker's stakes because Albany has a requirement to service the horse population in training; Mt Barker does not. It costs the club substantially. Perth Racing has put RWWA on notice and said, "We will not be carrying on a training facility five years hence at the metropolitan clubs." RWWA needs to be looking at a greenfields site or at outer metropolitan sites in places such as Northam, York or Pinjarra to establish training. As you perhaps know, there has been a major move in Victoria to the fringes, but the model does not compensate clubs to conduct training. At Northam we have an approved subdivision to attract trainers, but we have shelved it, because why would we embark on a venture that will be a financial burden?

**Mr Wrensted:** Training horses is a very costly business and building training facilities is becoming increasingly costly. Ascot and Lark Hill sites are very expensive real estate. I live in Ascot and the block prices are prohibitive and they are not big enough. To encourage younger and even more established trainers, there certainly needs to be a long-term vision for training facilities. I support what Tony said. I know it is a very ambitious process, but I think RWWA or the industry needs to look at a greenfields site, possibly north of Perth, and develop a northern Lark Hill where the land is a bit cheaper. If they do it differently from Lark Hill, hopefully, they can subdivide some of the land and pay for some of the cost of establishing a training facility. In Tony's case with Northam—I had some association with Northam for a couple of years; it is only an hour away from Perth, which is perfect—the cost of setting up a training facility there would be prohibitive for the club in the short term. Again, RWWA would have to invest in a training facility, whether it be at Northam or York. You cannot really expect a trainer to move to Northam tomorrow and not have the best of training facilities. He will walk in tomorrow and want it; he cannot wait for the two or three years it might take to build facilities in those areas.

[11.10 am]

**Mr P.B. WATSON:** With the pressure on the two racecourses in Perth, would Northam have the capacity to do a Saturday meet on a regular basis?

**Mr Marwick:** Yes. We race in the winter, from late April to the end of October. The grass track is kikuyu, which is very susceptible to frosts. We battle with trying to maintain and grow a grass species that predominantly is not a winter species. When we have severe frosting, sometimes overuse of the track can put it at risk. It is a matter of race programming. We race every week. We conduct 22 to 23 meetings from 1 May to the end of October. We probably could not have more race meetings, but if we dropped the Thursday meeting we could take a Saturday.

**The CHAIRMAN:** You talk in your submission about a leakage of money coming back to the provincial clubs compared with the city. I have seen the graph you did. Can you elaborate on why you think provincial clubs have missed out?

**Mr Marwick:** The assumption is that there is a model from which there is equitable return from what is produced through TAB turnover. That is an assumption. If you suggest that part of RWWA's charter is to return equitably to different codes and subsets within those codes, the provincial clubs turn over X and the return to the provincial clubs is much less than they turn over; whereas Perth racing actually gets a greater distribution than they produce. Country racing is basically heavily supported, but that is not at a huge cost. It seems inequitable that effectively under the RWWA funding model the provincial clubs do not get returned to them what they produce.

As you would be aware, about 25 per cent of the WA TAB turnover is on WA product and about 75 per cent is on eastern states product. It would be very easy to have a model whereby there was some equity in a portion of the funding model and the other portion of the funding model had the ability to further top up the needs. With RWWA we currently have a cap on the return on some of our

TAB turnover. They have said, “We don’t care whether your turnover goes up to whatever, we’re going to cap your return.”

**The CHAIRMAN:** So there is no incentive.

**Mr Marwick:** No.

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

**Mr Wrensted:** I have been in the racing game for a long time and there is the old chestnut of who gets the 75 per cent that is invested on non-Western Australian products. The model that RWWA uses is neither reasonable, fair nor equitable—that is, that Perth racing turns over 57 per cent of the WA product, but gets 68 per cent of the thoroughbred distribution. Commonsense would suggest that they stick to what it turns over is what it gets. That would be a fair and easy way to do it. We understand that the 75 per cent is always in question. The figures the association supplies do not allow for the additional funding model—the feature stakes model—which, again, is very top heavy in favouring Perth racing. Of the 60-odd feature races in WA, 30 of those are fully funded to 100 per cent. Perth racing does get 68 per cent of the thoroughbred distribution model, turning over about 60 per cent of the WA product. The fair and reasonable assumption would be that it gets 60 per cent of what it turns over, the provincial clubs get 38 per cent and what is left over goes to country races.

**The CHAIRMAN:** What do you get now?

**Mr Wrensted:** We turnover 37 per cent and we get roughly 26 per cent.

**Mr J.J.M. BOWLER:** Traditionally there was a link between provincials and midweek. For a long time they were roughly the same. Suddenly, about eight to 10 years ago that link was broken. Perth, when it was still running the show, increased it dramatically. Do you think that link should come back?

**Mr Wrensted:** It definitely should come back. What has happened is that because of the way the RWWA model funds, Perth racing gets a certain amount—\$14 000. It has so many of its races fully funded that it can top up the stake money that then makes it uncompetitive for Northam, Bunbury, Pinjarra and Kalgoorlie, which are on the next level, to get stake money close to that of provincial racing. The way it is heading at the moment I fear—not so much with Kalgoorlie—that Northam, Bunbury and Pinjarra, which race predominantly maiden races with a lower class of horse, because the better class of horse will be continually attracted to the higher stake money in Perth for the midweek meetings.

**The CHAIRMAN:** Can you explain how the individual clubs are allocated their prize money allocation?

**Mr Wrensted:** I can speak only for Geraldton. Geraldton gets \$8 800 per unit, which is per race. We are allowed to fund to 80 per cent of that. That is the minimum stake money we are allowed to allocate for each race.

**Mr J.J.M. BOWLER:** What do you mean by 80 per cent? Is that 20 per cent more that you can put in yourself?

**Mr Wrensted:** Or you can top up the other races, such as the Geraldton Cup or the other sprint races throughout the season.

**The CHAIRMAN:** How much above the \$8 000 can you go with a maiden race?

**Mr Wrensted:** We go to the barest minimum. We go to \$8 000 so that we can top up other races.

**The CHAIRMAN:** If you wanted to, you could top up other races?

**Mr Wrensted:** Yes, we could if we had the money.



**The CHAIRMAN:** If you had money in your coffers from other fundraising, could you increase your minimum stake from \$8 000 to \$12 000?

**Mr Wrensted:** Absolutely. Kalgoorlie does that; it races above its allocation.

**The CHAIRMAN:** What happens with Northam?

**Mr Marwick:** Most provincial clubs have a base stake. Our base stake is \$10 000 per race for maidens. We might race four or five maidens a week. We have the other classes of race. It used to be class 1, class 2 depending on the number of wins. Now it is on a 55 to 64 basis and that is based on the class of horse. As you go up in class, the stake money tends to go up. What David was saying is that we have a standard stake of \$10 000 and we can race our maidens for \$8 000, which is 80 per cent of the \$10 000. We can use some of that buffer to increase our class races and feature races.

**The CHAIRMAN:** So you cannot go below the 80 per cent?

**Mr Marwick:** No, that is the maximum.

**The CHAIRMAN:** Therefore, are you required to pay 80 per cent of what they allocate?

**Mr Marwick:** Yes, but we need to spend 100 per cent of our stake allocation on stakes.

**Mr J.J.M. BOWLER:** You might covet a bit for the Northam Cup.

**Mr Marwick:** Absolutely. We have a \$100 000 Northam Sprint on 2 May, I think. We have a \$100 000 Northam Cup in October. The stakes for a lot of those feature races come from sponsorship and moving —

**Mr J.J.M. BOWLER:** Does it come from the oncourse tote and things like that?

**Mr Marwick:** Yes.

**The CHAIRMAN:** What is the story now with subsidies? There have been various periods in racing when there have been unplaced subsidies. What is the situation now with country racing?

**Mr Wrensted:** They have been withdrawn, which really significantly affects the Albanys, Geraldtons and Kalgoorlies. The subsidies offset the great cost of travelling to the Albanys, Geraldtons, Kalgoorlies and even further afield to places like Yalgoo, Port Hedland, Carnarvon and Broome.

**The CHAIRMAN:** Do you think they should be brought back?

**Mr Wrensted:** To some degree, yes. I understand that they are a fair drain on the industry. It has had a fairly dramatic effect on some of the country race clubs. This is only the first year. As time goes on, the effect will be greater, particularly for the Broomes, Port Hedlands and clubs like that.

**Mr Marwick:** It has certainly had a greater effect on non-metropolitan clubs. Everybody who had a start got paid \$100 if they were unplaced.

[11.20 am]

**The CHAIRMAN:** If you got your allocation, which you are saying you should get, relative to what you are turning over and what your clubs are generating, by how much do you think provincial racing prize money could be increased?

**Mr Marwick:** I do not know, John. If the club had the discretion of using some of that money for infrastructure improvements, my judgement would be that stake money is not too bad right now. In Western Australia, metropolitan and provincial, we race for a similar stake to Victoria and New South Wales. So I would not be looking for a huge push in stake improvement, but I would certainly be looking for a huge push in upgrades in provincial infrastructure.

**The CHAIRMAN:** If the provincial clubs got that extra money out of the TAB that you claim you are not getting now, and it is going to Perth Racing, could that be used as part of that infrastructure fund? Is that what you are saying?

**Mr Marwick:** The club has an income. It is things like maintenance. I suppose there is a bit of a crossover between capital infrastructure and maintenance of infrastructure. Some clubs struggled to maintain their infrastructure—poor quality machinery, retic systems that need upgrades. It is probably the maintenance of the infrastructure. Sometimes clubs have to put a proposition to RWWA, whereas if the business of the club generated enough income for the club then to be able to attend to those things, it would be the best thing.

**The CHAIRMAN:** RWWA might say, “If we give this money to the provincial clubs, stake money would be reduced at Ascot and Belmont.” Do you think that would necessarily happen or do you think that there is money in the system that maybe is being wasted? Is RWWA running as efficiently as maybe it should?

**Mr Marwick:** Just in relation to midweek metropolitan to provincial racing, midweek metropolitan gets a venue fee of about \$11 000 per race day on a Wednesday. The Northam Race Club gets a venue fee of \$5 500 to race on Thursday. We race the same number of meetings. We attract a similar pool of horses. Our TAB offcourse turnover is not substantially different. The cost to the industry on the one hand is double of that on the other. So there are a lot of anomalies I suppose.

**Mr J.J.M. BOWLER:** Are they recognising the level of volunteerism that the clubs get that they do not get in Perth?

**Mr Wrensted:** I think in some ways they take advantage of that. Albany people, Kalgoorlie people, Geraldton people —

**Mr J.J.M. BOWLER:** If they started paying it and not taking advantage of that, would you lose that volunteerism, which you really do not want to lose?

**Mr Wrensted:** I think you would still get a large percentage of volunteers because they want to be part of the club. But the cost of running a Belmont midweek meeting is no different from running a Northam midweek meeting. They have only got stewards, judges and barrier staff to run it, so it is just another inequitable funding with metropolitan racing.

If I might make a comment. You mentioned Perth Racing stake money. It is not up to the West Australian provincial association or the country racing association to justify Perth Racing stake money, but at the moment the funding is very heavily weighted towards Perth Racing. They pay above RWWA’s allocation to a significant degree, and they get that because the stake money percentages are higher than the provincial clubs. As Tony mentioned, venue fees are significantly higher. On Saturday when you can generate enormous oncourse money, the venue fee is \$16 500. I personally cannot see the difference in the costs of running a Northam Wednesday meeting at \$5 500 and a Saturday meeting when you have got an enormous opportunity to generate oncourse income and you get \$16 500. Perth Racing stake money is very good, but, again, it is not up to the provincial clubs or the country clubs to prop Perth Racing stake money up. If they are paying above what RWWA allocates, that is a risk they take themselves.

If I could mention one of my pet things. It is the feature stake money allocation. A race like the Railway Stakes is a \$1 million race, and Western Australia is lucky to have it, but RWWA funds that race to 100 per cent, so RWWA gives Perth Racing \$1 million to run the \$1 million Railway Stakes. I cannot say how much the race is sponsored or how much they get in acceptance and declaration fees, but it would appear that they are making a profit on RWWA’s 100 per cent allocation.

**The CHAIRMAN:** What would RWWA put into a race like the Northam Cup or the Bunbury Cup?

**Mr Wrensted:** Fifty per cent. As I have mentioned—I apologise because we are not supposed to speak to the Geraldton submission—Kalgoorlie and Northam stake money is \$1.5 million, I think, per annum for 23 meetings. Albany’s is about \$800 000 and Geraldton’s is about \$1 million, so we run 19 race meetings and get just over \$1 million in stake allocation. Perth Racing runs one race, the

\$1 million Railway Stakes, which is a great race, but it gets fully funded to 100 per cent. I do not think in anyone's language that is an equitable way of funding the stake money.

**The CHAIRMAN:** Do you believe that the racing industry or RWWA has become a bit city-centric?

**Mr Wrensted:** Absolutely. I think the vast majority of country people would say that. It is actually in many ways drifting back to the old style of management.

**The CHAIRMAN:** Do trainers and owners say to you that they do not want to go to the provincials? There is a feeling out there that owners would prefer to go to Ascot or Belmont so that they do not have to travel to the country.

**Mr Wrensted:** Absolutely, and we understand that.

**The CHAIRMAN:** Do trainers and owners tell you that or do they say "we are happy to come"?

**Mr Wrensted:** I think the importance of provincial racing, particularly the inner provincial racing in Kalgoorlie, can never be underestimated, because most racehorses in Western Australia race at provincial clubs. They are not good enough to race at the metropolitan. There are only seven or eight metropolitan winners a week. There are at least 24 provincial winners each week. Most city horses are really only of the standard to race at the Bunburys, Northams, Pinjarras, Geraldtons or Albanys. So the importance of provincial racing can never be underestimated, just to support the industry. The vast majority of the leading trainers in Western Australia go to Northam, Bunbury and Pinjarra, and they go to Kalgoorlie, Albany and Geraldton when the need arises. Provincial racing, in my opinion—it may be a little over the top—underpins metropolitan racing.

**The CHAIRMAN:** Do you think that compared with, say, a state like Victoria we are a bit neglectful of our provincial racing?

**Mr Wrensted:** Personally, yes. RWWA, in my opinion, as good a job as it has done, has focused on city racing and then it has filtered its thoughts back down to provincial racing, in some ways almost as tokenism. That is only a personal opinion.

**Mr Marwick:** Just as an example of the city-centric, I think the RWWA board made a decision to buy a big screen and a semitrailer that is carted around.

**Mr J.J.M. BOWLER:** That was out of the country funding, by the way.

**Mr Marwick:** Yes. We made a submission that some provincial clubs had it on Melbourne Cup Day, because Melbourne Cup Day is the second biggest day in Bunbury and it is the second biggest day in Geraldton. Perth Racing has been unwilling to allow it to be moved.

**Mr J.J.M. BOWLER:** Who owns it—RWWA or Perth Racing?

**Mr Marwick:** RWWA.

**Mr J.J.M. BOWLER:** I got the costs down last year but only after —

**Mr Marwick:** Yes, but the problem is the relationship between RWWA and Perth Racing. Perth Racing has underpinned. It has said, "We will commit to 30 days a year." So it just picks its days and it is not negotiable. It was bought by the RWWA board out of provincial, non-metropolitan allocation of funding. It would mean a lot to Bunbury, even if Perth had it one year, for Bunbury and then Geraldton to have it on Melbourne Cup Day.

**Mr J.J.M. BOWLER:** Even the cost of going to the country is quite considerable.

**Mr Marwick:** It is.

**Mr P.B. WATSON:** Especially if you are promoting racing out there.

**Mr Marwick:** We are, but most provincial clubs have had it. We have had it and we probably covered it in sponsorship. We had people sponsor on the big screen. It is a great addition to your day of entertainment.

[11.30 am]

**The CHAIRMAN:** What does RWWA charge per day for that use?

**Mr Marwick:** It charges \$2 000 a day plus travel.

**Mr J.J.M. BOWLER:** In an answer to a question from the Chairman about the importance of country racing, you talked about the cups. It is really about having a big day out. A matter which is not under the jurisdiction of this inquiry but which has been raised by Perth Racing, that I am aware of, is the administration of the Liquor Control Act and its threat to country racing. Would you like to comment on that?

**Mr Wrensted:** It is probably the most significant issue that race clubs now face. We understand the philosophy behind it; it is the implementation of it that is the concern. There will be a day when costs to the outlying clubs become so prohibitive that they might not be able to race or will at least have to reduce the number of people who can attend a feature event. I cannot imagine someone sitting outside a gate and saying that no-one else can come in when the number gets past 4 000. It is a very draconian and hard way to enforce the Liquor Control Act.

**Mr J.J.M. BOWLER:** Is it the administration and the interpretation of the legislation that is at fault?

**Mr Wrensted:** Again, I can understand the reasons behind it. The problem that a lot of clubs face is the inconsistency between police jurisdictions. The views of the local liquor detectives differ greatly from Geraldton to Kalgoorlie and from Kalgoorlie to Bunbury. The liquor department in Geraldton has a very forceful way of interpreting the Liquor Control Act and if we intend to have 3 000 people at the Geraldton Cup, we have to have 31 security guards, otherwise we cannot open, but it is more flexible at other clubs.

**The CHAIRMAN:** Can you get those security guards locally or do you bring them in?

**Mr Wrensted:** The security costs over three years at the Geraldton Turf Club have increased from \$25 000 to \$80 000 per annum. For a club that runs a very tight budget, it is a major problem. I imagine that it is the same situation for Albany, Port Hedland, Broome and the other outlying clubs where they have to get security from Perth. Geraldton has 12 licensed security guards.

**Hon MATT BENSON-LIDHOLM:** I apologise about my lateness, but I was at another meeting this morning. You might have covered this point, but it seems that Racing Radio is a big issue for the clubs that I am either a member of or work with in regional and rural Western Australia. I am particularly interested in your comments about Racing Radio and the lack of coverage. I was also fairly concerned about some of the reports that I have read thus far that talk a lot about consultation and communication between RWWA and the clubs. Have you been talking about that?

**The CHAIRMAN:** Yes, we spoke about that.

**Mr J.J.M. BOWLER:** Not about Racing Radio.

**Hon MATT BENSON-LIDHOLM:** Racing Radio is a big issue for me because one of the main problems with the entire industry is that the punting dollar is getting less and less, yet in the same breath people in the regions are saying that they cannot place a bet. Not everyone has access to a computer and so they cannot just log on and make a bet. Do you have any comments about Racing Radio and the services it provides?

**Mr Wrensted:** It is a very important service. Again, I understand the great difficulties of servicing Western Australia because it is such a big state. I am not sure how to overcome that. I know that some inroads have been made into servicing Bunbury and Geraldton but I know also that the service

is very average in some pockets around the hills and the not-too-distant towns. I am not experienced enough to —

**Hon MATT BENSON-LIDHOLM:** My contention is that if the provincial and outer metropolitan clubs, but particularly the provincial clubs, are penalised in terms of their incapacity to generate further revenue, it is incumbent upon RWWA—they control the industry—to put something else in place. Like you, I do not know what it needs to be. I want it put on the record that I think RWWA has a big responsibility in this area if we are to broaden the interest of racing between Kununurra, Esperance and Steep Point. It is a job that must be taken on board.

**The CHAIRMAN:** It is not very good around Northam, is it?

**Mr Marwick:** No, it is not.

**Mr Wrensted:** That is not far away.

**The CHAIRMAN:** That is very close to the city.

**Mr J.J.M. BOWLER:** Most of them are on FM radio, which is very localised. We need two or three AM stations to cover the state.

**The CHAIRMAN:** Do you have any other items that you would like to discuss?

**Mr Wrensted:** The only thing is transparency within RWWA. I do not know whether many people in the industry actually know who makes the decisions in RWWA. Some very big decisions have been made by RWWA that affect a lot of people in the industry but I do not think there is any transparency about who makes those decisions, such as whether it is a group of people within RWWA. As we said earlier, there is no consultation with industry people, whether it be WAPRA, trainers or jockeys. If there is consultation, it is only minimal. I am concerned that there is no real transparency about who makes the decisions and how they are made in RWWA, whether it is two or three people —

**The CHAIRMAN:** How do you suggest that can be addressed?

**Mr Wrensted:** Again, in the Geraldton submission I have suggested that we have a panel of industry people that makes some recommendations to the people in RWWA and that the decision making in RWWA be more transparent. As Tony mentioned, if you go to one of those thoroughbred group meetings, the decision has been made and you are just there to rubber stamp it. I wonder whether the WA Thoroughbred Racing Industry Council could become more effective and make more decisions. There are plenty of intelligent people in the racing industry who could contribute greatly, but I do not think they are allowed to.

**Mr Marwick:** I strongly support a greater emphasis on a board member having a non-metropolitan interest. Under the act, it says that one of the board members will have had either experience with or an interest in regional development. This is no slight on the current board member that holds that position, but there is no communication. There is no particular interest on his part in provincial racing beyond that of other board members. I do not think he sees that his role is to promote or look out for the interests of non-metropolitan racing.

**The CHAIRMAN:** You would like to see it as a more specific role?

**Mr Marwick:** Yes, otherwise we will get lost.

**Mr J.J.M. BOWLER:** Are we not getting back to the old system of one representative from here and one from there and you will always be outvoted because you will have one rep out of seven?

**Mr P.B. WATSON:** That person should be looking after regional interests anyway.

**Mr Wrensted:** At least we would see it as a voice.

**The CHAIRMAN:** Thank you very much. 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 via these corrections, and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. If there is something else you want to say outside of the transcript, you can do that when you return the transcript. Thank you again for your attendance.

**Mr Wrensted:** Thank you for the opportunity.

**Hearing concluded at 11.38 am**