

17TH May 2011

COMMITTEE SECRETARY
Mr STUART WRIGHT
LEGISLATIVE COUNCIL GOVERNMENT
ADMINISTRATION COMMITTEE "A"

To the Chair, Ruth Forrest MLC

RE: INQUIRY INTO TASRACING PERFORMANCE

Recently Tasracing announced a new funding model for the 3 codes for the coming financial year 2011/2012. It was announced that there would be a decrease in funding to the Thoroughbred Industry of \$181, 291, plus which was not stated by Tasracing CPI less 1%, which equates to a decrease in total funding of approximately \$500,000 to the Thoroughbred Racing Industry.

By this action the Tasmanian Jockeys Association does not believe that Tasracing has taken into account the amount of people that the industry employs or services. The figure is approximately 8,000 people in Tasmania such as jockeys, horse trainers, breeders, owners, farriers, vets, saddlers, feed merchants, farmers, truck drivers, floating companies, strappers, trackwork riders, horse breakers, horse dentists, horse chiropractors, stewards, race day officials, race clubs and administrators, bookmakers, photographers, jockey's managers and so on. The Thoroughbred Industry more than the other 2 codes assists the economy with visitors to the State, thus helping with Tourism. This is more so seen during the Summer Racing Carnival.

The TJA is concerned that nothing has changed in the department of stakesmoney and the number of race meetings. The local jockeys are barely surviving especially in light of the amount of race meetings in Tasmania. There are only 68 race meetings in Tasmania compared with 95 race meetings in the late 1990s. All jockeys Australia wide have always noted that their main living comes out of the number of rides they accumulate over a year. Only the leading riders make extra out of percentages of stakemoney (10% of jockeys Australia wide). Tasmanian Racing is the only Thoroughbred Racing Industry in Australia that has decreased their race meetings as compared to other States and Territories.

The result of the decreased number of race meetings is less jockeys based in Tasmania and more riders being flown into every race meeting from the mainland. This impacts severely

on the expenditure by Tasracing, who subsidise the interstate riders travelling costs. Also with the implementation of night racing there is the added cost to the industry of accommodation subsidies for these interstate riders, as there are no flights out after the last race which is approximately at 10.30pm.

Another cost to the industry is the added expense of the lights that are in use for the night meetings in Launceston.

We have substantially lost our number one spot on Sundays on Sky Channel; the form for our race meetings is not in print in mainland newspapers; most venues on the mainland do not televise our product; some local venues would not even know when we are on as they do not televise Sky 2.

Some points that Tasracing has not answered are:

- What happens after 2011/12, given that a new licence arrangement for Victoria will be in place, as who knows what impact that will have on national demand for Tasmanian product and indeed, what pool, if any, will Tote Tasmania be included with.
- Tasracing's revenue is dependent on a funding deed with the State Government providing base funding of \$27m per annum plus CPI less 1% over 20 years and funding from Tote Tasmania of approximately \$4.9m in lieu of race field fee on gross turnover. This is all good but how can the industry thrive on this when the Auditor-General states that Tasracing will incur net losses over the next five years mounting to \$3.1m to \$4.1m. Realistically Tasracing to function properly needs funding of approximately \$36m.
- The CPI funding less 1% is not viable. No business can function on CPI, let alone 1% less.
- Where is the funding from our "saviour" Betfair? By the licensing of Betfair in Tasmania, it has caused us to be "blacklisted" by TABCORP and Sky Channel.
- Furthering to this is that the idea of night racing was to generate income from overseas markets especially the Asian Racing Industry. Note that when we race on Thursday nights there is no Asian Racing such as Hong Kong and Singapore. These places cannot bet on our product on Thursday nights, as unlike Australia they do not have betting agencies, such as TABs. They can only bet when they are at their own race meetings.
- Tasracing ran at a substantial loss last financial year of some \$400,000 and adding to this in this financial year is the impact on its overhead and administration costs of the installing of the lights at Mowbray, an all weather track at Devonport and the upgrade of Elwick's two tracks by creating one; while the funds may have been provided to cover the capital costs of installation of such major assets it needs to be clear as to how servicing them will be quarantined so as not to impact on

stakesmoney in the future. The point also being is that there is no use racing on world class assets if the product is the reflection of poor stakemoney, which we have at present and no extra race meetings to attract more jockeys to settle in the Tasmania.

- Given the fact Tasracing needs to be accountable to the industry for its own financial performance we need to see the evidence that it has and which it uses to determine the weightings in its formula for the sale of the product overseas, in other states and locally to determine the funding models and ongoing profits or losses.

Tasracing under the Act is a State owned company and functions as the Principal Racing Authority in Tasmania. Under this banner Tasracing is recognised as a member of the Australian Racing Board. Tasracing role is to govern and administrate the industry codes. Tasracing provides the strategic direction and funding required to produce the best product.

I respect to the role of the Department of Infrastructure, Energy and Resources (DIER) it has the responsibility of maintaining the probity and integrity of the 3 codes. It is required to maintain under the Rules of Racing, Harness and Greyhounds to maintain a safe, fair and credible industry.

The TJA maintain that the two entities should be kept separate. The TJA and its members have an excellent working relationship with Mr Tony Murray and the Stewards Panel. We feel by moving DIER under the same roof or banner of Tasracing they will lose their effectiveness to administering of the rules and integrity and lose their identity as the people that are in control of race meetings and the everyday policing of the industry.

On the other hand Tasracing is there to make sure the industry is sustainable and prospers (???). DIER also works well because it is in the central part of the 3 codes in the State and people feel that it is easily accessible. "If it's not broken don't mess with it."

Yours Faithfully

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