

Mr Neil Laurie
The Clerk of the Parliament
Queensland Parliamentary Service
Parliament House
George Street
BRISBANE QLD 4000

Dear Mr Laurie

I refer to the petition headed "Horse racing cutbacks in regional and remote Queensland" and tabled in the Queensland Legislative Assembly on 7 October 2003 as paper number 6096.

The petition incorrectly refers to "the Government's cut back in race meetings" - which ignores the fact that the Board of Queensland Racing, the body responsible for race date allocations, is not appointed by the Government. Racing in Australia is run by the industry itself, not by governments. Notwithstanding this misconception, the following information is provided in response to the general intent of the petition.

The passion engendered in people who love horse racing and the many facets of the industry that sustain that passion, including club activity, volunteerism, breeding, racing excitement and satisfaction and Australian cultural heritage, are acknowledged.

Unfortunately, passion is not sufficient to ensure a viable racing industry. On a worldwide basis, racing industry administrators are now recognising that the industry needs to change to remain contemporary and relevant in the wider entertainment and leisure industry in the 21st century. People who choose to be involved in the racing industry must not lose sight of the fact that they are in a business, in an industry which depends for its sustainability on the revenue generated from wagering. This is the commercial reality of the racing industry.

Economic decisions had to be made in the interests of the long-term viability of the industry as a whole, not just for individual race clubs. The decisions made by the independent Board of Queensland Racing were based on its review last year of the response of the non-TAB (country) racing and TAB (commercial racing) wagering program to the commercial imperatives faced by the industry.

Some people have called for the Government to intervene and overturn the decisions of the independent industry control Board in relation to the allocation of race dates for the 2003-04 season. However, racing in Australia is run by the industry itself, not by governments, and it is not the role of the Government to involve itself in the allocation of race dates.

2.

The Board has stated that it fully comprehends the need to maintain a sound race club infrastructure throughout the State to ensure competitive horses and horse participants are available for major metropolitan and regional race meetings.

The risks of allocating race meetings on a community or social dividend basis as some people have proposed could breach binding commercial agreements, and any fall in racing industry revenue would directly jeopardise the livelihoods of racing industry participants.

The changes the Board has implemented for the 2003-04 racing season were designed to maintain a sustainable country racing program, to increase the product fee income and to reduce costs through the greater utilisation of higher profile venues.

The results of Queensland Racing's strategy have started to unfold with its recent announcement of a massive industry funding increase, which includes provision for a number of country racing initiatives. These initiatives were detailed in a Queensland Racing media release on 21 August 2003, available on the web site of Queensland Racing (www.queenslandracing.com.au).

However, while acknowledging that the Board of Queensland Racing has full responsibility for managing its code of racing, including the allocation of race meetings, the Government recognises the contribution of some race meetings which offer an important social function in their local communities, particularly in small and remote areas. That is why the Government has provided funds through Queensland Events of up to \$200,000 annually for a Queensland Community Racing Scheme (QCRS).

Those 30-odd registered race clubs that generally held only one or two meetings a year and that have not been allocated a meeting by Queensland Racing can apply to Queensland Racing for a race date and funding under the QCRS. Accordingly, there is no reason for small clubs to cease operations simply because they have not been allocated a race date by Queensland Racing, when financial support is available to assist with "social" racing occasions.

It is up to Queensland Racing to determine whether a race club is eligible to apply for a "professional" race date, or a "community" race date under the QCRS.

Queensland Events and Queensland Racing have announced that priority will be given to non-TAB clubs allocated two or less race dates in 2003-2004, with particular emphasis on those clubs not allocated a meeting by Queensland Racing.

Queensland Events has written to the secretaries of all non-TAB clubs advising of the establishment of the QCRS and information sheets and application forms have been sent to all non-TAB clubs in Queensland. Copies of these documents can be accessed through the websites of Queensland Racing and Queensland Events (www.qldevents.com.au). Further advice on this may be obtained by direct contact with Mr Darcy Tyrrell, Country Racing Manager, Queensland Racing, on telephone number 07 3869 9720 or email dtyrrell@queenslandracing.com.au.

Morven Race Club, omitted from Queensland Racing's non-TAB schedule in 2003-04, was the first club to take advantage of the QCRS. I extend my congratulations to the Club on conducting a very successful race meeting on 11 October 2003, and on its commercial acumen and persistence in ensuring its important annual community event was not lost.

3.

An article entitled “Community Racing Scheme Gains Momentum”, which appeared in the September edition of Queensland Racing’s monthly publication *Queensland Racing Magazine*, advises that Queensland Racing is also currently working on application enquiries from a number of other clubs.

I note that the first name to appear on the petition tabled in Parliament is that of Mr Howard Hobbs MP, the former Opposition racing spokesperson, who did not consider it important to be present when the new *Racing Act 2002* was debated and unanimously passed by Parliament. Mr Hobbs also appeared to consider it unnecessary to correct the misconception stated in the petition – “the Government’s cut back in race meetings” – which, as pointed out at the commencement of this letter, ignores the fact that the Board of Queensland Racing, the body responsible for race date allocations, is not appointed by the Government.

The Opposition’s proposed “Racing Rescue Package” commits scarce taxpayer funds as prize money stakes for race horse owners. There is nothing in the package to suggest that the Opposition has any idea how the racing industry operates or that it has an understanding of the complex problems that the industry confronts in a modern society and the changes which must be made to ensure a viable future for the industry in Queensland.

The Opposition’s priorities appear recklessly askew if it proposes the diversion of recurrent taxpayer funding from high priority community service needs such as health, education and public safety for use as horse racing prize money stakes.

The Government considers the funding it currently provides to the racing industry to be more than reasonable support by the taxpayer, and will not contribute further taxpayer funds to the provision of prize money stakes for horse racing or any other gambling activity. Nor is this funding necessary when the racing industry has received successive record annual fee payments under its commercial agreements with UNiTAB, following privatisation of the Queensland TAB in 1999, which were underpinned by the Government lowering the wagering tax rate from 34% to 20% - the lowest in Australia. UNiTAB Limited’s record 2003 results translated into record product fee and commission payments of \$111 million being made to the Queensland racing industry.

Thank you for bringing this matter to my attention.

Yours sincerely

Hon. Merri Rose MP
Minister for Tourism and Racing and
Minister for Fair Trading