



Hon. Robert Swarten MP
Member for Rockhampton



**Queensland
Government**

Ref: DPW03077/05

**Minister for Public Works,
Housing and Racing**

01 OCT 2005

Mr Neil Laurie
The Clerk of the Parliament
Queensland Parliamentary Service
Parliament House
George Street
Brisbane Qld 4000

Dear Mr Laurie

I refer to petition number 542-05 entitled "Townsville North Queensland Harness Racing Club" tabled in the Queensland Legislative Assembly on 29 September 2005.

Petitioners would be aware that the Queensland Harness Racing Board (the Board) has announced its decisions as to which clubs will be granted licences for the 2005-2006 racing season.

The Board decided not to grant the North Queensland Harness Racing Club (the Club) a licence for the 2005-2006 racing season.

Under the *Racing Act 2002*, decisions on the licensing of race clubs are not matters for government or the Minister for Public Works, Housing and Racing. It is not the role of government to oversee the day-to-day operations of the industry, but rather to focus on issues associated with probity and integrity and the welfare of animals involved in racing under the Act.

It is the Queensland Harness Racing Board's role to manage operations for its code of racing.

I have been advised by the Board that:

- all harness racing clubs wishing to be licensed from 1 September 2005 were required to apply to the Board by 1 July 2005 for a permanent club licence. The Board assessed each application in accordance with its club licensing policy, which requires clubs to demonstrate the ability to meet performance criteria set by the Board and to meet financial and regulatory obligations;
- having considered all information supplied by the clubs, the Board decided to refuse the Club's application, as the Board did not consider the Club had the ability to meet performance criteria which would be set by the Board in a performance agreement with the Club;

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- the Club did not demonstrate that it could achieve a net positive financial return to the harness racing industry from all wagering at race meetings held by the Club. The Board considered that the Club's ability to improve its financial position in the medium to long term (to permit it to maintain a solvent financial position) was doubtful;
- the Club's ability to meet its financial obligations had been of concern to the Board for over ten months. This concern actually led the Board to suspend racing at the Club for a period in January 2005, and the Board had continued to closely monitor the Club's financial performance since that time; and
- during the licensing application process, the Board consulted extensively with the Club and provided every opportunity for the Club to submit its case to the Board. The Board also met with representatives of the Club in August 2005 to provide the Club with the opportunity to furnish additional information that was not considered at the time of the Board's original decision. The Board gave due consideration to the additional information supplied by the Club, however, it decided to confirm its original decision to refuse the Club's application.

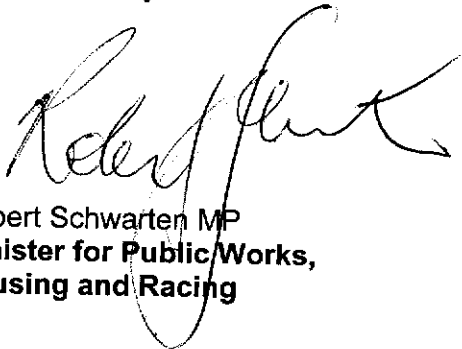
As the economic sustainability of a racing industry depends on the financial nexus with betting on its product, the Board has a clear obligation to optimise both the revenue that the harness racing code receives through its commercial arrangements with UNITAB Limited and the returns it provides to harness racing owners and trainers through the distribution of prize money.

The Board cannot autonomously make decisions for one club, one venue, one group or one region. There are compromises to be made to ensure the best overall outcome for the whole of the harness racing code.

While I sympathise with the plight of harness racing participants in Townsville, I am advised that the Board did not make its decision lightly and without due consideration of the long-term benefits for the Queensland harness racing industry as a whole.

Thank you for bringing this matter to my attention.

Yours sincerely



Robert Swarten MP
**Minister for Public Works,
Housing and Racing**