



Nick Olive Racing

24 February 2011

Mr P Baxter  
Independent Competition and Regulatory Commission  
GPO Box 296  
Canberra ACT 2601

Dear Senior Commissioner,

I am writing on behalf of the registered race horse trainers in Canberra to provide this response to the draft report "Investigation into the ACT Racing Industry".

Yours sincerely.

A handwritten signature in black ink, appearing to read "Nick Olive".

Nick Olive  
For the Canberra Thoroughbred Racing Trainers

**Response to the Draft Report by**  
**Canberra Thoroughbred Racing Trainers**  
**To**  
**Independent Competition and Regulatory Commission**  
**On**  
**Investigation into the ACT Racing Industry**



We wish to make the following points in response to the draft report on the ACT racing Industry

1. We are a professional group of predominantly full-time businesses with a considerable investment into the industry and Thoroughbred Park. There are 20 privately owned stable blocks representing an estimated current value of \$5.5 million, with stabling accommodation for up to 400 horses. We are a significant employer group and believe that our contribution to the ACT economy has been greatly understated in the figures presented in the draft report. Individual thoroughbred racehorse trainers have turnovers which using your methodology each represents greater than 15% of the total benefit of the Racing Industry (all three codes) to the ACT calculated in the draft report.
2. **We made the point in our original submission that at least 75% of our revenue is generated from owners outside the ACT so any suggestion that these leisure dollars would be spent on other activities in the ACT is obviously incorrect.** If the racing industry closed down in the ACT this revenue would be lost to the ACT as owners put their horses with other trainers outside the ACT. Our staff are specialist staff in an industry which has problems getting good staff and if the industry closed these people would not be redeployed in other jobs in the ACT but would relocate to other training bases outside the ACT so not only would the income be lost but also the employees.
3. Thoroughbred Park is a major training centre where the number of horses trained has grown consistently over the past four years due mainly to the very good facilities developed by the Club. On page 27 you propose that there is leakage of horses and that many of the horses racing in the ACT are from NSW. The leakage is in fact the other way where there is a large number of horses based in the ACT which race in NSW and the actual number of horses based in the ACT is considerably more than the number which race at Thoroughbred Park so the ACT is a net exporter of horses racing. The revenue derived from owners goes to ACT trainers and their staff and is spent in the ACT. This situation could change if the Thoroughbred Park facilities are not continued at a high standard.
4. The Racing Industry is a national one with common movement of horses across state and territory borders. The fact that the ACT is a net exporter of horses racing means that some NSW betting turnover is generated by ACT horses. Under the gentlemen's agreement, which appears to be likely to continue for the foreseeable future, the amount received by the ACT Racing industry from ACTTAB is its share of this national market and should not just be based on turnover on ACT Racing. The funding the racing industry receives, whether it be through ACTTAB as a payment or through the ACT Government, effectively its parent company, is a fee for the racing product not a Government grant.

5. The Draft Report without any real justification proposes the gross turnover model for funding from the Race Field Legislation. We believe that the NSW % turnover model is much fairer to the racing industry and should be adopted if Racing NSW is successful in the current legal case. It seems strange that a model of product payment would be proposed where the amount paid depends on the success of a separate entity and if they make a loss the racing industry would have to pay the corporates for allowing them to use the racing product.
6. It is critical that any change in the ACT is done in conjunction with moves in other jurisdictions. NSW is currently proposing a considerable increase in funding to country clubs and Victoria has also just announced significant increases in funding. The funding model in the draft report suggests that in the ACT funding be significantly reduced. If this eventuated then the industry could not survive in the ACT.
7. ACTTAB used to be an innovator in the wagering industry but it has lagged behind in recent years. Notably it is only now introducing flexi betting, a major attraction for punters, where other jurisdictions have had this facility for many years. It should be small and nimble and able to respond quickly with innovation but this has not been the case. The government should look at increasing the efficiency of ACTTAB.

In conclusion the racehorse training industry in the ACT has shown considerable growth in the recent past and is an effective vibrant activity. Thoroughbred Park has been very innovative in optimizing its revenue growth with improved facilities such as the synthetic racing track. This industry is a significant one in the ACT and with fair funding based on product payment will continue to thrive. If the suggested funding cuts are implemented in isolation of other jurisdictions then it will soon die.