



## **MEDIA STATEMENT**

# Draft Findings on Racing Industry Recommends Industry Reform

'The Government's current commitment to funding for the racing industry in the ACT should be seen as a transitional stage to a more self reliant industry', Mr Paul Baxter, Senior Commissioner, Independent Competition and Regulatory Commission said today. Mr Baxter was speaking at the release of the Commission's Draft Report into the ACT racing industry, encompassing thoroughbred, harness and greyhound racing in the Territory.

'The racing industry is undergoing significant change across Australia, particularly in terms of the capture of revenue from its racing product, and the industry in the ACT cannot avoid the need for change', Mr Baxter said.

Racing product refers to the information on race outcomes and the assurances regarding the integrity of the conduct of race meetings that are the fundamental inputs into the wagering industry. Under current legislation in the ACT, users of racing product provided by the ACT racing industry are required to pay a fee of 10% of wagering gross revenue.

'The Commission's draft findings are that the current commitment to government funding which will continue until 2013-14, is only generating a value added contribution to the ACT economy of approximately the same dollar value as the public funding itself', Mr Baxter said.

'With competing demands on public funds, this level of funding cannot continue into the longer term, although on equity grounds the government may provide some limited ongoing funding for this industry in much the same way as limited funding is provided for other sporting and recreational activities in the ACT,' Mr Baxter said.

The Commission's draft conclusions are that the level of public funding should be reduced at the end of the current four year commitment, and that the industry needs to use this period to develop the racing product in the ACT such that it becomes the main source of revenue generation for an ongoing racing industry in the Territory.

The Commission has also concluded that the current level of product fee of 10% of gross wagering revenue is appropriate at this time, although this rate could be increased in line with similar action taken by other jurisdictions.

'At this time of significant change in the way in which the racing industry is funded, it is important that the ACT gives strong support to moves to establish a national approach to product payments,' Mr Baxter said.

'It is the Commission's draft conclusion that the current transitional period provides an opportunity for fundamental change in the overall governance and management of racing in the Territory,' Mr Baxter said.

'The Commission's proposal is that the ACT government and the ACT racing industry work towards the establishment of a single independent governance body that oversees the three different racing codes,' Mr Baxter said.

'Similar arrangements exist in Tasmania and Queensland, and the Commission's draft conclusion is that this would be likely to increase the integrity of the racing industry for the different codes, as well as provide a more flexible and efficient allocation of resources across the industry,' Mr Baxter said.

'Furthermore, consideration could also be given to some form of co-location of racing activities to improve the overall efficiency of the industry, and more importantly to strengthen the industry's ability to negotiate sale of its racing product' Mr Baxter said.

The Commission is inviting comments and input on the Draft Report prior to finalisation of the report and its submission to the Government in early April 2011.

Comments on the Draft Report are requested by 1 February 2011, and subject to public response, a public hearing on the Draft Report may be held later in February.

The Draft Report is available on the Commission's website at [www.icrc.gov.au](http://www.icrc.gov.au)

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