

**INQUIRY INTO PROPOSAL TO DEVELOP ROSEHILL
RACECOURSE**

Name: James Mathers

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Partially
Confidential

NSW Government, Legislative Council

Submission to the Select Committee on the inquiry into the proposal to develop Rosehill Racecourse

James Mathers

Broad background:

- I am a practising Chartered Accountant specialising in taxation law
- my family are involved in the hotel industry owning a large hotel on the Central Coast of NSW
- I am a beef cattle producer in Queensland
- I am a director of several private companies
- I was on the board of the Australian Jockey Club and at one point was the Honorary Treasurer
- I have owned and raced many thoroughbreds with a multiple of trainers
- I currently have two racehorses horses in work with two regional traders
- I have bred many thoroughbreds
- I have acted in a professional basis for one of Australia's leading horse trainers and other trainers
- I have acted for thoroughbred breeders
- I have been involved in equestrian sports since my childhood and rose to complete the most senior levels in the sport of eventing
- I have served on the board of Equestrian Australia
- I part own three performance horses, an eventer that has represented Australia, a dressage stallion which we imported from Germany and is currently training in Victoria and a showjumper who is in training in Florida USA.
- I'm currently pursuing a juris doctor at the University of Canberra

Terms of reference

In relation to the terms of reference my comments will be focused on items a), b), f), g) and h).

I have gone to some length to outline my concerns under the heading of any other related matters, item h) because in my opinion many of the problems in the racing industry result directly from the intervention and administration of the industry by Racing New South Wales, the industry regulator.

Item a) the unsolicited proposal process including associated measures and b) the involvement of the government prior to the unsolicited proposal being made

- I'm astounded to note that Steve McMahon of the ATC met with the Premier of New South Wales on 30 October 2023 to discuss the potential sale of Rosehill without the knowledge and consent of the board of the ATC.

- According to media reports the ATC formally lodged a proposal to sell Rosehill presumably with the New South Wales government on 8 November 2023. If this report is correct, again I am astounded to believe that this was done without the knowledge and agreement of the board of the ATC
- I understand that on 17 November 2023 the CEO and Chairman of Racing New South Wales met Cabinet officials to confirm their support for the sale of Rosehill and further to lobby to direct any funds from the sale away from the ATC's control. Again I am astounded to read of this having regard to the fact that both the CEO and Chairman of Racing New South Wales were acting without the knowledge and authority of the board of the ATC
- I understand that the full board of the ATC was initially informed of the proposal to sell Rosehill on 21 November 2023.
- On 7 December 2023 the ATC and the New South Wales government held a joint press conference to announce the sale of Rosehill. It is important to observe that this announcement failed to include any reference for the requirement for the members of the ATC to vote in support of the sale.

I conclude by saying that there was no governance surrounding the potential sale of the ATC's most valuable tangible asset, an asset that is critical to the viability and the future of the racing industry in Sydney, New South Wales and Australia.

The processes adopted arouse serious concerns and I ask who were the drivers, who were in control and what were their motivations?

Item f) impacts on the racing industry in New South Wales

I am astounded that the proposal to sell Rosehill was being considered without a comprehensive examination of the potential effects on the racing industry in New South Wales..

Item g) the impacts on animal welfare and integrity concerns associated with the proposal which relate to animal welfare

The sale of Rosehill would not impact the animal welfare issue.

Item h) any other related matters

Racing New South Wales

- The board's composition is characterised by the unwarranted dominance of the CEO, a lack of racing and industry knowledge among board members, political based appointments, and members who take significant board remuneration and the prestige of appointment without ever challenging the CEO. The board consists of sycophants.
- Although this body is intended to serve as a regulator, it has evolved into the industry's commercial and marketing arm.
- They have overseen a disproportionate distribution of funds within the industry, which includes prize money, the division of prize money between trainers and

- jockeys, wages across the industry (from the senior executives to the lowly paid stable hands and track work riders) and distributions to race clubs.
- This body manages wagering, wagering taxes, take-out's et cetera. The take-out from the punters investments have been disproportionately exorbitant resulting in low returns to punters and in turn resulting in a reduction of wagering turnover. The punter is being taxed out of existence and these decisions are influenced by Racing New South Wales.
 - Racing New South Wales appears to disregard the costs of ownership of a horse. Stabling fees, track fees, barrier trial fees are excessive and they are a significant burden on owners which should be reduced, if not fully eliminated

The ATC

- Both the management and the board of the ATC seem incapable of engaging in negotiations or standing up to Racing New South Wales. They are merely instruments of Racing New South Wales.
- The composition of the board of the ATC is nothing short of pitiful. The board appears comprised by people who are present for the prestige, the complimentary sociability on a weekly basis, and the opportunity to dine with their friends at the club's expense. They contribute little to the racing industry, they never challenge the status quo, and they aren't respected by Racing New South Wales, other race clubs including interstate race clubs, the members of the ATC and wider industry participants including the breeders. The majority of board members have little or no knowledge about horses or horse racing. They don't own racehorses and have never owned or bred a race horse. They are essentially a social committee. I refer you to the Instagram pages of board members and their wives to observe how they socialise and position themselves both in Australia and abroad. The board comprises a number of imposters, pretenders.
- It is unsurprising that the board of the ATC is not widely respected.
- Some of the ATC board are elected mostly on the back of effective social media campaigns. The most qualified and appropriate individuals are not being elected to the board.
- I am surprised that the board of the ATC have not removed the Chairman of the ATC as a result of his role in the proposed sale of Rosehill. Governance is not comprehended by the board, and they demonstrate inadequate dedication.

The punter

- Punters are the industry's lifeblood. Without wagering there would be no prize money and thus no industry. It seems no one seems to care about the punter. As previously stated the punter is being taxed out of existence, resulting in a dramatic fall in wagering turnover.
- To support massive prize money increases, the regulator has increased wagering take-out. This is unsustainable.

Racehorse ownership

- The industry is not doing enough to reduce the costs of owning racehorses, therefore buyer beware remains a concern. As previously stated, the racing regulator in New South Wales has the ability to take action.

Racehorse welfare

- Most horse breeders and race horse owners love their horses. They are inherently horse lovers. However, the industry has failed to communicate the simple fact that there is insufficient funding to provide horses with a lifetime of care.
- The industry is in a nascent phase, purchasing properties throughout New South Wales with the objective of relocating retired racehorses. This objective is ill-conceived and absurd.
- The community misunderstands that putting a horse in a paddock does not guarantee its well-being. Horses require ongoing healthcare including drenching, attention to teeth, feet and general ailments. They primarily require supplementary feeding. This all comes at a substantial expense.
- The number of thoroughbred racehorses that can be securely and successfully rehomed into the equestrian industry is exceedingly low. Very few equestrians have the skills or experience to retrain unpredictable racehorses.... and many are just that.

ATC members

- They have generally lost interest in the ATC and in racing.
- Membership numbers are declining significantly.

The racing public

- Public interest in racing is declining significantly.
- Racing New South Wales promotes the big days however in reality they are no more than rock concerts and parties.

Racehorse industry workers

- These people are the unsung heroes. They do all the hard work, all the dangerous work for minimal compensation.
- Racing New South Wales has not provided sufficient assistance to important racehorse industry workers.

Racing media

- In general a negative on the industry.
- Sycophants who cater to the regulator Racing New South Wales.
- The constant biased media reporting in New South Wales is a consequence of the significant race fields' publication funding that major media is dependent on. Racing New South Wales provides the race fields publication funding.
- The quality of journalism and media representation in the industry is a significant concern. These people represent the industry to the public.

The future racing

- The industry requires significant restructuring and overhaul of its leadership and governance practices. The industry will continue to experience a precipitous decline unless this is addressed within the next few years.

Other

Solution

- **I'm advocating for the dismissal of the CEO of Racing New South Wales and for the board of Racing New South Wales to be stood down.**
- **I'm advocating for the board of the ATC to be replaced. Their position and the way in which they have handled this Rosehill matter has revealed their inadequacies. They are inadequate.**
- **I'm advocating for a review of the governance practices of the racing industry.**
- **I'm advocating for a review of the financial, cultural and social issues of the racing industry which will encompass the aforementioned areas.**
- **I'm advocating for review and amendment of the Thoroughbred Racing Act 1996.**
- **I'm advocating for Racing New South Wales to be responsible to the Auditor General of New South Wales.**

James I Mathers

Dated 16 July 2024