

**Submission
No 109**

**INQUIRY INTO PROPOSAL TO DEVELOP ROSEHILL
RACECOURSE**

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Submission to the Parliamentary Inquiry into the Sale of Rosehill Race Course

A Broader approach to the issues

Introduction and Industry CV

1. My name is Michael Inglis. I am a lawyer and mediator by profession and currently a sessional tribunal member of the Personal Injuries Commission of New South Wales. I have been following the evidence so far given at the inquiry quite closely.
2. I am a member of the ATC and have been a member since 1978. I am also a member of two country race clubs, namely the Murrumbidgee Turf Club and the Mudgee Race Club.
3. I have been involved in the thoroughbred racing industry in a variety of capacities for many years. For the past 23 years, I have been breeding thoroughbred horses on a very small commercial scale but I have sold horses to South Africa, Japan and New Zealand over that period. I continue to breed horses but the current horse welfare regulations, requiring a breeder to commit to maintaining a retired broodmare for its lifetime is just not practical. I am currently agisting mares and younger stock off farm as I do not have room for them. I will be compelled to cease breeding, at least commercially, in the very near future. There needs to be scope for RNSW to rehome mares once they are retired from stud. I am a hands-on breeder, in that I foal down some foals myself, handle the foals and do basic veterinary work.
4. I have been racing horses as a sole owner and in partnership since 1978. For several years, I was the secretary of the New South Wales Racehorse Owners Association and their delegate to ATROC, the national body. I also served two years as chairman of that body. I was the alternative delegate for the association to the Racing Industry Consultancy Group (RICG).
5. I served on the board of the Murrumbidgee Turf Club (MTC) for over 20 years and was Vice President of the club, I think for about 14 years.
6. I was elected to represent the Southern Districts Racing Association (SDRA) on the board of Racing New South Wales Country (RNSWC). I was Vice Chairman of RNSWC for eight years prior to stepping down three years ago.

7. As a board member of RNSWC, I became aware of the financial status of every country race club. I also had a general awareness of the state of most country race tracks and the supporting infrastructure in place. Whilst a board member, I was involved in projects such as the installation of large viewing screens at major clubs and solar panels.
8. Whilst I served on the board, the influence and power of RNSWC was steadily eroded by RNSW. For example, RNSWC lost control of the media rights of country clubs and ceased to have any effective involvement in race programming. These are just a couple of examples. RNSWC was rarely consulted about proposed changes involving country racing by RNSW.

Funding

9. As is apparent from the evidence that has been given so far at the Inquiry that historically, country racing has relied upon a percentage distribution from the TAB of the turnover generated by the country race club at its meetings. Larger clubs in particular have been mainly reliant upon high turnover at carnival meetings as the major source of funding.
10. The turnover of the corporate bookmakers has increased. Such is the disparity, that corporate turnover is at least now 5.5 times the TAB turnover. The corporate turnover generated by the country clubs is returned to them only in the form of some infrastructure investment and prizemoney increases. As Mr V'Landys said in his evidence, the clubs have had to rely upon top-ups or handouts from Racing New South Wales in order to survive. This is a very unsatisfactory situation.
11. Fairness dictates that the country clubs should be afforded a percentage of the corporate turnover that they generate in similar fashion to the funding model that existed when the TAB had an effective monopoly. Clubs would then be in a position to budget based on turnover the previous year and return to being largely self-sufficient rather than being totally dependent upon funding from Racing New South Wales in order to survive. Those clubs that continue to be profitable are largely reliant upon non-racing revenue as a source of income. The current model is neither fair nor equitable.

12. I read an article recently in the Telegraph where the chairman of RNSW was quoted as saying that country race clubs are benefiting from the investment in infrastructure and that many are in a stronger financial position than they have been in for some years. I dispute the accuracy of this statement. There are, for example, two medium sized clubs that both of which had a trading deficit of over \$240,000.00 last year. An historically successful regional club's surplus will be reduced by about \$150,000.00 this year. Another will make a small surplus. How can these clubs budget, implement strategic plans and improve facilities for patrons with no reliable revenue stream. Survival for many is foremost at the moment.

Infrastructure

13. Several infrastructure projects in Country New South Wales were approved and funded by the previous state government. To my knowledge, very few, if any of those projects have been completed. Many have not even been commenced. In October of 2020, Racing New South Wales submitted a glossy brochure styled "Racing for the Regions" to the government proposing the various projects. One such project approved and funded was at the Scone Racecourse. The scope of that project included construction of a polytrack training service (Stage 1), construction of 400 stables (Stage 2), construction of function and exhibition centre (Stage 3). I understand that some work commenced very recently but the polytrack training service, if even started, has not been completed.
14. No one seems to know where the approved funding for these projects is held at the moment. I would hope that the parliamentary inquiry would thoroughly investigate the status and funding of the alleged infrastructure projects supporting country racing. I have a copy of the proposal to NSW government setting out the projects proposed, if that would assist the inquiry. I have attached some of the information contained in that proposal. Just where are the funds at the moment and why have these pre-approved projects been delayed.

15. Many of the NSW infrastructure grants are tied with conditions. A recent example is the grant of \$9m to Goulburn Race Club by Racing NSW to build stables. Racing NSW attached a condition to that grant that the freehold title of the property would be handed over to Racing NSW. Earlier grants required the clubs agreeing to the appointment of RNSW directors to the board or committee of the race club.

Governance

16. Board members of country race clubs are very reluctant to complain to RNSW. They fear there will be repercussions from Racing NSW such as the withdrawal of the allocation to the club of a heat of the Country Racing Championships.
17. At those heats, RNSW hosts a private function with guests personally selected by the CEO of Racing NSW. Directors of the race club, other than the chairman are not invited. RNSW insists on having sole access to the club's prime facility and the directors and members of the club are denied access to that facility for the day. I know also that Racing NSW are tardy in paying the clubs for the cost of the function. One club recently wrote off \$13,000.00, which was owed to the club by RNSW for the hosting of more than one of those functions/lunches.
18. Racing NSW has continued to expand its control and overstep it's function as the regulator of the Industry. In my respectful submission there clearly needs to be independent scrutiny of RNSW including its operations and finances.

Yours sincerely

Michael Inglis

1/9/2024

Racing for the Regions

Proposal to NSW Government October 2020



2 Description of Program

RNSW has worked with rural and regional thoroughbred race clubs to identify both shovel ready and less developed projects which would provide benefit to the industry and the local community. In developing the program, a multi criteria analysis was used to alignment to industry's strategic objectives and known government policy. The resulting project list including scope and key project metrics is below.

2.1 Description of Projects

Project Information	Project Name
Location	Newcastle
Club	Newcastle Jockey Club
Scope	Stage 1: Construction of 500 double storey stables which will increase number of horses in work, create additional jobs and replace 250 currently dilapidated stables. Stage 2: water harvesting, reducing reliance on town water
Phase of development	Stage 1: Pre-DA stage with council, final design and costing being resolved Stage 2: Planning stage only
Capital Cost	\$36.2 million
Estimated Construction Period	Stage 1: 24 months, April 2021 – February 2023 Stage 2: 9 months, April 2021 – December 2021
BCR	2.31

Project Information	Project Name
Location	Kembla Grange Racecourse
Club	Illawarra Turf Club
Scope	Stage 1: B Grass reconstruction, allowing for for a secondary racing surface and improved training surface (will reduce lost meetings in region) Stage 2: Course upgrade, reducing the frequency of lost meetings and lost revenue to the club, owners and participants Stage 3: Construction of double storey stabling with 200 boxes and accompanying workroom and storage, which will increase number of horses in work, create additional jobs
Phase of development	Stage 1: Shovel ready (no DA required) Stage 2: Shovel ready (once stage 1 completed; no DA required) Stage 3: Planning stages (land acquired)
Capital Cost	\$13.5 million
Estimated Construction Period	Stage 1: 9 months, April 2021 – December 2021 Stage 2: 4 months, September 2021 – January 2022 Stage 3: 24 months, April 2021 – February 2023
BCR	3.36

Project Information	Project Name
Location	Gosford
Club	Gosford Race Club
Scope	Stage 1: Construction of 200 double storey stables, which will create additional stabling and replace ageing stables.



	Stage 2: Polytrack – replace existing Pro-ride with new polytrack training surface, which is essential training infrastructure.
Phase of development	Stage 1: Planning stage Stage 2: Polytrack DA approved and fully costed
Capital Cost	\$11.4 million
Estimated Construction Period	Stage 1: 24 months, June 2021 – April 2023 Stage 2: 6 months, January 2021 – July 2021
BCR	4.27

Project Information	Project Name
Location	Hawkesbury Racecourse
Club	Hawkesbury Race Club
Scope	Construction of 150 double storey stables, which will increase the number of horses in work, and create additional jobs
Phase of development	DA in place for 76 single storey stables only; DA for expanded stables underway
Capital Cost	\$6 million
Estimated Construction Period	16 months, May 2021 – August 2022
BCR	5.52

Project Information	Project Name
Location	Scone Racecourse
Club	Scone Race Club
Scope	Stage 1: Construction of polytrack training surface Stage 2: Construction of 400 double stables Stage 3: Construction of function and exhibition centre
Phase of development	Stage 1: Pre-DA with council, final design and costing being resolved Stage 2: Planning stage only Stage 3: Planning stage only
Capital Cost	\$30 million
Estimated Construction Period	Stage 1: 6 months, January 2021 – July 2021 Stage 2: 24 months, June 2021 – April 2023 Stage 3: 36 months, December 2021 – September 2024
BCR	1.97

Project Information	Project Name
Location	Cessnock
Club	Newcastle Jockey Club
Scope	Stage 1: Construction of 300 single story stables Stage 2: Construction of a synthetic work track
Phase of development	Planning stage only
Capital Cost	\$11.5 million
Estimated Construction Period	Stage 1: 12 months, August 2021 – July 2022 Stage 2: 6 months, May 2021 – November 2021
BCR	2.39

Project Information	Project Name
Location	Muswellbrook Racecourse
Club	Muswellbrook Race Club
Scope	Grandstand upgrade for public facilities and racing amenities, which will create greater capacity for race day and non-race day events and functions and additional ongoing jobs
Phase of development	Shovel ready: DA approved ✓
Capital Cost	\$4.2 million
Estimated Construction Period	12 months, January 2021 – May 2021
BCR	N/A

Project Information	Project Name
Location	Tamworth Racecourse
Club	Tamworth Jockey Club
Scope	Stage 1: Sand training track upgrade, which will replace current ageing surface and cater for additional horses in training Stage 2: Replace stables at southern end with a two storey complex, adding 40 additional stables, which will replace ageing stables and create additional stabling
Phase of development	Stage 1: Shovel ready, DA not required Stage 2: Planning stage only
Capital Cost	\$2.4 million
Estimated Construction Period	Stage 1: 4 months, January 2021 – May 2021 Stage 2: 12 months, July 2021 – June 2022
BCR	2.76

Project Information	Project Name
Location	Moruya Racecourse
Club	Moruya Jockey Club
Scope	Stabling – construction of 30 boxes, feed and storage rooms
Phase of development	Planning stage only
Capital Cost	\$700,000
Estimated Construction Period	9 months, March 2021 – November 2021
BCR	4.67

Project Information	Project Name
Location	Wagga Wagga Racecourse
Club	Murrumbidgee Turf Club
Scope	Construction of 4 stable blocks, each containing 32 boxes, which will increase number of horses in work, employment opportunities
Phase of development	Shovel ready; DA pending
Capital Cost	\$6.8 million
Estimated Construction Period	12 months, March 2021 – February 2022
BCR	2.43