



IN THE AUSTRALIAN COMPETITION TRIBUNAL

No. ACT of 2017

Tabcorp Holdings Limited (Applicant)

Proposed acquisition of Tatts Group Limited by Tabcorp Holdings Limited way of scheme of arrangement

STATEMENT OF JOHN VINCENT YOVICH

Statement of: **Emeritus Professor John Vincent Yovich AM**
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Date: *22* February 2017

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I, Emeritus Professor John Vincent Yovich AM, Managing Director of Western Australian Turf Club (operating as Perth Racing), in the State of Western Australia, say that:

1 I am currently a director of the Western Australian Turf Club (operating as Perth Racing). My current position is Managing Director and Chief Executive Officer (CEO), with special responsibilities for “Master Planning, Special Projects” (Ascot, Belmont and Media Rights and

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Wagering). In this role, my responsibilities involve negotiating and dealing with Perth Racing's larger contracts, including the Sky broadcasting arrangement. I have held these positions since August 2016. I make this statement in my positions as Managing Director and CEO of Western Australian Turf Club (operating as Perth Racing).

- 2 This statement is made in relation to an application by Tabcorp Holdings Limited (**Tabcorp**) to the Australian Competition Tribunal (the **Tribunal**) for the authorisation of the proposed merger of Tatts Group Limited (**Tatts**) and Tabcorp.

BACKGROUND

Personal involvement in thoroughbred racing industry

- 3 My family has been involved in thoroughbred horses for many years. My family first became involved in the horse racing industry in the 1960s and have participated by breeding, owning, racing, buying and selling thoroughbred horses since that time.
- 4 I have been a regular racegoer my whole life. My passion for thoroughbreds led me to study veterinary medicine, specialising in equine surgery.
- 5 Since 2011, I have personally bred and owned a number of thoroughbred race horses, contracting with two or three different trainers at any one time. Over the years, I have raced over 50 horses, with approximately 500 starts with wins at metropolitan and provincial tracks.

Education

- 6 My curriculum vitae is annexed at **Annexure JY-1**.
- 7 I hold the following qualifications:
 - (a) Bachelor of Science (Veterinary Biology) (1980), Murdoch University, Western Australia;
 - (b) Bachelor of Veterinary Medicine and Surgery (First Class Honours) (1981), Murdoch University, Western Australia;
 - (c) Diploma in Large Animal Surgery (1983), University of Guelph, Ontario, Canada;
 - (d) Master of Science (1986), Colorado State University, Colorado;
 - (e) Doctor of Philosophy (1988), Colorado State University, Colorado;
 - (f) Institute for Higher Education Management Programme (2005), Harvard Graduate School of Education;
 - (g) Emeritus Professor (2010), Zhejiang University of Technology, Hangzhou, Zhejiang, China;
 - (h) Emeritus Professor (2011), Murdoch University, Western Australia; and

- (i) Honorary Professor (2011), Guangdong University of Business Studies, China.

Other relevant positions / experience

- 8 Between 1994 and 1998, I was an elected committee member of the Western Australian Turf Club (now operating as Perth Racing), holding the position of Vice-Chairman between 1996 and 1998. At the time, the Western Australian Turf Club was the principal thoroughbred racing authority, with state-wide responsibility for thoroughbred racing.
- 9 Between 1994 and 1999, I was a board member of the Racecourse Development Trust, Western Australia (**RDT**). The RDT assessed proposals of budgeting and funding allocation for capital works projects in the racing industry.
- 10 From 2001 to 2003, I held the deputy chair position on the Western Australian Totalisator Agency Board (**WA TAB**). Appointed by the Minister for Racing and Gaming, I held responsibilities including reviewing finances, strategy and audit. During this time, I was also a deputy member on behalf of the WA TAB of the Western Australian Betting Control Board (**WA BCB**). The WA BCB was responsible for regulating on- and off-course betting conducted pursuant to the *Betting Control Act 1954* and *Totalisator Agency Board Betting Act 1960*.
- 11 In 2013, I was appointed as an independent director to Racing and Wagering Western Australia (**RWWA**). RWWA is a body corporate and operates under the *Racing and Wagering Western Australia Act 2003*. RWWA is the principal racing authority for thoroughbred, harness and greyhound racing in Western Australia. It is tasked with the responsibility for off-course Totalisator Agency Boards (**TAB**) wagering (on-course wagering licences are held directly by racing clubs) and is obliged to distribute funding to the racing industry. As an independent director, I was a member of the Racing Operations committee, Audit and Risk committee and Remuneration and Nominations committee. Responsibilities included appointing the CEO, reviewing finances, appropriations, strategy, occupational health and safety, racing code management and all statutory requirements.
- 12 In mid-2015, I stepped down as an independent director of RWWA and became the General Manager of Racing for RWWA. In this position, I ran the day-to-day operations of the RWWA racing office including the programming of the Western Australia race calendar. Additionally, I helped rework the funding distribution model for racing clubs, whilst also working on several capital works projects, such as the new greyhound facility at Cannington. I also, together with the RWWA CEO, negotiated the broadcasting agreement with Sky Racing, on behalf of Western Australian race clubs (other than Perth Racing). I ceased being General Manager of Racing for RWWA in around August 2016.
- 13 Outside of the racing industry, I am a veterinary doctor, specialising in large animal medicine and equine surgery. I held the position of Professor, Executive Dean of Veterinary and

Biomedical Sciences at Murdoch University from 1996 to 2002 and Vice Chancellor and President of Murdoch University from 2002 to 2011. I was awarded the Centenary Medal in 2001 (for service to Australian society through veterinary science and university administration) and am a Member of the Order of Australia (2006) (for service to tertiary education (particularly through Murdoch University), to veterinary science and equine medicine, and to the community).

- 14 The description of racing and wagering in Western Australia that is set out below is based on my many years of experience in the industry both as a thoroughbred owner and in the various positions set out above.

THOROUGHBRED RACE CLUBS – GENERAL INFORMATION

General Information

- 15 A turf club's primary business is to conduct thoroughbred race meetings. Broadly, this involves hosting race days throughout the year, with each race day containing a program of thoroughbred horse races (each having different conditions and prizemoney).
- 16 At their own expense, a thoroughbred horse owner will typically appoint a licensed trainer to train their horse, the trainer is responsible for preparing the horse for races. In order to be eligible for races, horses must meet certain qualifications. Often trainers will take horses to "trials", held at racecourses, in order to meet the qualifications required to be eligible for certain races.
- 17 Thoroughbred horse owners can nominate their horse (assuming it is eligible) for a race being hosted by a club. Subsequently, RWWA has the discretion of accepting the horses for the final field.
- 18 On race day, owners and trainers of accepted horses bring their horse and appointed jockey to the club. The club provides prizemoney for each race. Prizemoney is an important source of funding support for the industry. Trainers and jockeys receive a proportion of any prizemoney.

Wagering

- 19 The public's engagement with the racing industry is intrinsically linked with wagering, the entertainment value of a race meeting is enhanced by the ability for spectators to place a wager. In this context, the racing industry and wagering operators complement each other. Wagering operators centre their business on the product provided by the racing industry. The better the product provided by the racing industry, the better business should be for wagering operators. Similarly, greater innovation and development in the wagering industry will increase the public's engagement with the racing industry. As a result of this close relationship, the

racing industry enjoys the benefits of funding support from wagering operators. Totalisator operators provide the bulk of this funding support.

- 20 Historically, to engage with and enjoy a race meet, patrons would attend the race day at the track and have the opportunity to place an on-course wager (or "punt"). Initially, punters could only place wagers with an on-course bookmaker. On-course bookmakers provided fixed odds betting at the racing venues within that state or territory.
- 21 Fixed odds betting is a form of wagering where the punter receives and retains the odds that have been quoted to them at the time when they place the bet. Essentially, the wager is made between each individual punter and the bookmaker, meaning the bookmaker carries the risk for each wager.
- 22 After some time, states and territories began licensing off-course wagering. These licences were retained by the state governments. With a view to avoid the risks associated with bookmaking, these off-course wagering operators were "totalisator operators".
- 23 Broadly, a totalisator operator runs a totalisator pool that involves a type of wagering known as "pari-mutuel" wagering, where all bets on a given event are consolidated (or pooled). The totalisator operator deducts a fixed percentage from the pool, with the remainder of the pool available for distribution to the winning punters. At the time that the punter makes the bets, the return to the punter if the selected horse wins is not known. That return depends on the total number of bets made and how many of those bets are for that horse. For this reason, the size of the totalisator pool impacts the dividend received. As the odds received by the punter are a function of the percentage of the total pool on each selection, each new bet placed into the pool impacts the size of the total pool and therefore the odds received by each punter. The smaller the totalisator pool, the greater the impact of subsequent bets on the payout odds of preceding bets. As a result, the smaller the totalisator pool, the less attractive the pool is for punters, as the return that punters will ultimately receive is less certain and more difficult to predict.
- 24 There is only one licensed retail totalisator operator in each state or territory. In Western Australia, RWWA controls the totalisator licence, which it currently operates as the WA TAB (described in further detail below). The WA TAB totalisator pool is the "SuperTAB" pool and contains Western Australian, ACT and Victorian TAB bets. There are two other totalisator pools in Australia, NSW TAB pool (NSW TAB bets) and the UBET pool (Queensland, South Australia, Tasmania and ACT).
- 25 For each state and territory, both bookmakers and totalisator operators are obliged to pay for the right to publish "race field" information and take wagers on those races. Race field information includes the field of horses, jockeys, trainers etc. These fees are known as "product fees", "race field fees" or, in the case of WA, "racing bets levies".

- 26 Over time, the wagering model has evolved. Today, although many clubs still have an on-course totalisator and on-course bookmakers, a large proportion of the wagers placed by race day patrons are via mobile applications with corporate bookmakers. Additionally, with the rise of television and internet services, punters can view and bet on races without attending the track.
- 27 Based on my experience in the thoroughbred racing industry, I am aware of the following prominent corporate bookmakers:
- (a) Ladbrokes;
 - (b) William Hill;
 - (c) Sportsbet;
 - (d) CrownBet; and
 - (e) Bet365.
- 28 Corporate bookmakers offer punters fixed odds betting, as well as "tote derivative" products. Tote derivative products are betting products that replicate the dividends provided by totalisator pools, without the associated risk of totalisator pools. Broadly, corporate bookmakers offer punters the dividend for a certain outcome, as determined by one (or more) totalisator pools. Tote derivative products include products guaranteeing the best dividend provided by all three totalisator pools or guaranteeing the dividend from one selected pool.
- 29 Based on my observations, I have noticed an increase in the marketing and advertisement of corporate bookmakers. In turn, I have observed an increase in punters opening accounts and placing bets with corporate bookmakers.

Western Australian Thoroughbred Racing Industry

- 30 Annexed at **Annexure JY-2** is a copy of relevant extracts from a report commissioned by RWWA and prepared by IER in January 2016, entitled "Size and Scope of the Western Australian Racing Industry" (**the IER Report**) that I refer to in this statement. The IER Report sets out the economic contribution made to the Western Australian economy by the thoroughbred, harness and greyhound racing industries.
- 31 The IER Report identified each racing code's direct expenditure within Western Australia. In 2014/15, direct expenditure in the thoroughbred racing industry totalled \$447.46 million (see page 16 of Annexure JY-2). This amount was composed of:
- (a) \$49.93 million - the production of thoroughbreds (breeding, maintaining etc.);
 - (b) \$101 million - the preparation of thoroughbreds (breaking-in, training etc.);

- (c) \$254.08 million - wagering related customer expenditure (net totalisator wagering revenue, bookmaker revenue etc.); and
- (d) \$42.45 million - raceday customer expenditure (catering, admission, transport, accommodation, memberships etc.) (see pages 14 – 16 of Annexure JY-2).
- 32 Broadly, the IER Report's model is based on the economic contribution of a racing code being equal to the "gross value-added", that is, the income (wages, salaries and profits) generated in the production of the racing product. In 2014/15, the IER Report estimated that the Western Australian thoroughbred racing industry generated a total of \$539.3 million of "gross value-added", including \$216.9 million in direct income and \$322.3 million in flow-on income (see page 17 of Annexure JY-2).
- 33 Testament of the economic contribution by the Western Australian racing codes is the number of participants in each code. In particular, the IER Report found that in 2014/15 there were over 14,000 participants in the WA thoroughbred racing industry, including 10,566 participants involved with the production of thoroughbred horses (ie, breeders, trainers etc.) and 3,447 participants involved in the production of the racing product (ie, club staff, club volunteers, jockeys etc.) (see page 20 of Annexure JY-2). This amounted to the Western Australian racing industry generally sustaining more than 7,360 full time equivalent positions within Western Australia. In particular, thoroughbred racing in Perth alone sustains 2,918 full time equivalent positions (see page 22 of Annexure JY-2).
- 34 The IER Report not only highlighted the economic contribution of the racing codes to Western Australia, but also the community and social benefits that the racing industry generates. The report concluded that racing events and facilities foster social cohesion and provide benefits for a broad range of individuals. Racing for many Western Australians is a profession, sport, hobby and leisure activity (see page 50 of Annexure JY-2).

PERTH RACING – BACKGROUND

- 35 The Western Australian Turf Club was initially formed in 1852 and was subsequently recognised as an unincorporated entity under the *Western Australian Turf Club Act 1892*. Now operating as Perth Racing, it manages two thoroughbred race tracks in Perth – Ascot Racecourse and Belmont Park.
- 36 Annexed at **Annexure JY-3** is a copy of relevant extracts from Perth Racing's most recent Annual Report for the 12 months ending 31 July 2016 that I refer to in this statement.
- 37 As Western Australia's only metropolitan club, Perth Racing hosts approximately 90 thoroughbred race meetings per season (between both tracks). For the 12 months ending 31 July 2016, Perth Racing had over 2,500 registered members (see page 13 of Annexure JY-3).

In this period, Perth Racing held over 700 races, with over 7,000 starters and an annual race day attendance of 151,841 (see page 13 of Annexure JY-3).

- 38 The club owns the freehold title for both Ascot Racecourse and Belmont Park, although the title of Ascot Racecourse is held on trust, solely for the purposes of the club (it cannot be disposed without the consent of the Minister of Lands) (see page 33 of Annexure JY-3).
- 39 Together, Ascot Racecourse and Belmont Park host each of Western Australia's twenty four Group races. Races are classified into different "group" categories, with Group Ones being the most prestigious races. The twenty four consist of (three Group Ones, six Group Twos and fifteen Group Threes). The three feature Group One races are held during the TABtouch Masters and have prizemoney of \$1 million each. These races are:
- (a) the James Boag's Premium-Railway Stakes (1,600m);
 - (b) the Crown Perth-Winterbottom Stakes (1,200m); and
 - (c) the Peters Investments-Kingston Town Classic (1,800m).
- 40 Both Ascot Racecourse and Belmont Park are centrally located metropolitan race tracks. In addition to hosting race meetings, Perth Racing also hosts steward supervised race trials at both tracks to determine horse qualifications for race meetings. Both tracks are also used for training purposes, with Perth Racing subsidising the cost of the training facilities. Many members of the local racing industry use these facilities as their primary training location. In particular, the area surrounding Ascot Racecourse is an established horse racing area, with a number of stables situated in the neighbourhood. These stables rely heavily on Ascot Racecourse for its training facilities.
- 41 Perth Racing also operates both Ascot Racecourse and Belmont Park as function hire venues. The facilities are hired out on a commercial basis and used for social and community events.

Corporate Governance

- 42 Perth Racing is governed by a board consisting of eight directors and managed by an executive management team of five (including a chief executive officer and four general managers).
- 43 Perth Racing works closely with RWWA, via its involvement with the Thoroughbred Racing Consultative Group (TRCG).

Thoroughbred Racing Consultative Group and the Western Australian Racing Representative Group

- 44 The combined effect of the *Racing and Wagering WA Act 2003* and the *Racing and Wagering WA Regulations 2003*, is that RWWA is required to establish procedures to consult with the racing industry (including Perth Racing), in respect of matters concerning racing and the

supervision of on-course wagering. In complying with this responsibility, RWWA has established the Thoroughbred Racing Consultative Group (TRCG). Perth Racing is a member of the TRCG with three nominated representatives. Typically these representatives are Perth Racing's Chairman, Vice Chairman and Chief Executive Officer. I was one of Perth Racing's representatives at the August 2016 TRCG meeting.

- 45 Nominees to the TRCG are required to:
- (a) consult with RWWA in the formation of policies and strategies for the further development of the racing industry in Western Australia;
 - (b) consult with the ongoing review of the rules of racing with the objective of ensuring that racing in WA is conducted in accordance with national and international practices;
 - (c) consult with RWWA on issues affecting the general well-being of the racing industry in Western Australia;
 - (d) nominate representatives for special industry task forces; and
 - (e) participate with RWWA in the promotion and education of racing to the WA public.
- 46 The TRCG nominates two representatives for the thoroughbred racing industry to the Western Australian Racing Representative Group (WARRG). These nominees are Mr Michael Grant, a horse breeder and trainer, and Mr Ron Sayers who is also a horse breeder and large owner. WARRG was established in 2014 to represent the interests of racing industry participants in Western Australia in relation to the potential privatisation of the WA TAB.

PERTH RACING – FINANCIAL INFORMATION

Costs incurred in running Perth Racing

- 47 It is essential to Perth Racing's success that both Belmont Park and Ascot Racecourse are seen as attractive venues for owners, trainers, jockeys and the public generally. This involves incurring substantial maintenance and operating costs in relation to the track, training facilities and spectator facilities / amenities. Perth Racing's "winter track", Belmont Park, has a circumference of 1,699 metres with a 333 metre straight. Whilst Ascot Racecourse has a circumference of 2,000 metres with a straight of 300 metres.
- 48 Set out in the **Table 1** are the primary costs associated with running Perth Racing for the financial year ending 31 July 2016 (on a consolidated basis), extracted from Perth Racing's current Annual Report (see page 20 of Annexure JY-3).

Table 1: Perth Racing expenditure for the year ended 31 July 2016 (on a consolidated basis)

Expenditure	\$
Stakes and Subsidies	42,707,835
Race Meeting Expenses	8,292,175
Food and Beverage	8,292,968
Racecourse Maintenance	6,155,028
Administration	6,779,351
Marketing	3,561,445
Finance Costs	55,142
Depreciation	2,720,264
Impairment of Property, Plant and Equipment	173,358
Reorganisation Costs	141,370
Total Expenditure	78,878,936

Revenue

- 49 The primary sources of revenue for Perth Racing are: distributions from RWWA, revenue from on-course totalisator operations, race day ticket sales, membership fees, nominations and acceptances fees (ie, fees paid by horse owners to enter, and confirm entry, into races), food and beverage sales and broadcast rights (see page 30 of Annexure JY-3).
- 50 For the financial year ending 31 July 2016, on a consolidated basis, this revenue amounted to approximately \$71,786,936.

Distributions received from RWWA

- 51 RWWA receives revenue (and then makes distributions) from two primary sources:
- (a) firstly, RWWA controls the WA TAB, the WA totalisator and receives funds from the pari-mutuel and fixed odds betting carried out by punters through the WA TAB. Under the *Racing and Wagering WA Act 2003* RWWA first allocates funds it receives for certain

prescribed purposes. Subsequently, RWWA must then pay the balance of funds to thoroughbred, harness or greyhound racing clubs in whatever proportion it decides.

- (b) secondly, the WA Department of Racing, Gaming and Liquor is tasked with the responsibility of issuing racing bets levies in relation to the publication / use of WA race fields information. The *Racing Bets Levy Regulations 2009* sets out the differential levy structure, and the Gaming and Wagering Commission collects all levy monies. RWWA is tasked with the responsibility of distributing these amounts back to the racing industry. Under the *Racing and Wagering WA Act 2003*, any racing betting levies collected by RWWA must be paid or credited to thoroughbred, harness or greyhound racing clubs.

- 52 Through these mechanisms, Perth Racing, as a thoroughbred racing club, receives funding from RWWA. In 2016, Perth Racing received over \$47 million in distributions from RWWA. Approximately \$42 million of this was distributed for stakes (prizemoney), whilst the remaining amount was used for the purposes of subsidising the cost of maintaining training facilities and the track surfaces.

On-course totalisator revenue

- 53 Perth Racing runs its own on-course totalisator pool for race meets held at Belmont Park and Ascot Racecourse.
- 54 The Belmont Park and Ascot Racecourse on-course totalisators are run by Perth Racing on the WA TAB system, with access to the broader SuperTAB pool (ie, the totalisator pool including Western Australia and Victoria). The profits arising from on-course totalisator wagering are retained by Perth Racing.
- 55 In 2012, on-course totaliser sales totalled \$41,852,000. This amount has declined to \$22,924,000 in 2016 (see page 12 of Annexure JY-3). The decrease in on-course totalisator sales is a direct result of the rise of mobile wagering, with race day attendees moving from on-course totalisator wagering to mobile wagering operated by corporate bookmakers and other totalisator operators. During my various roles in the racing industry, I have observed this growth in mobile wagering and it is clear that at racing events hosted by Perth Racing, patrons are wagering on their phones and not at the physical on-course totalisator. Additionally, in my opinion, the tote derivative products offered by corporate bookmakers (described above) have further drawn punters away from on-course totalisator betting.
- 56 Further, this decrease in on-course totalisator betting is a trend that can be seen throughout the industry. Annexed at **Annexure JY-4** is a copy of relevant extracts from the Racing Australia Factbook 2015 – 16 that I refer to in this statement. Table 82 on page 67 of Annexure JY-4 outlines the trends in thoroughbred wagering in Australia (see figure 1 below). In 2003/4, thoroughbred wagering turnover with on-course totalisator operators was \$591.63 million out of total thoroughbred wagering turnover of \$11,150.39 million, or 5.3% of total wagering turnover .

By 2015/16, wagering turnover with on-course totalisator operators was \$391.21 million out of total thoroughbred wagering turnover of \$15,718.33 million, or 2.5% of total wagering turnover.

On-course bookmaker fee

57 Historically, on-course bookmakers paid Perth Racing a "stand fee" in return for the right to set up a bookmaker stand on race day at the track. In 2013 Perth Racing ceased charging on-course bookmakers stand fees. Previously, on-course bookmakers also paid a "Bookmakers Betting Tax" directly to Clubs. This tax was replaced with the introduction of racing betting levies, under the *Racing Bets Levy Act 2009*. Today, on-course bookmakers are only obliged to pay racing betting levies to the WA Department of Racing, Gambling and Liquor.

Broadcast revenue

58 Perth Racing has recently revisited its broadcasting arrangements with a view to maximise revenue from the right to broadcast vision of racing from its two racecourse tracks. In September 2016, a new six-year agreement for the broadcasting of Perth Racing's racing vision on digital and non-digital platforms (both in Australia and globally) was reached with Sky Racing. The new arrangement will more than double revenue compared with the previous arrangement (see page 5 of Annexure JY-3).

59 The rights to broadcast vision for Perth Racing's race meetings was highly sought after, with two capable and established broadcasters bidding for the rights. Tatts do not have a broadcast vision unit and were not involved in the tender process. As a result, I do not expect the Proposed Transaction to reduce competition for Perth Racing's broadcast vision. Additionally, due to the close nature of wagering and broadcast vision, I am of the view that there will always be competition for Perth Racing's broadcast vision.

Operating losses

60 Perth Racing has recorded a consolidated loss for the past two financial years. Most recently, a loss of \$5.7 million was recorded for the financial year ending 31 July 2016 (see page 20 of Annexure JY-3). In my view, the major cause of Perth Racing's operating losses has been the reduced wagering activity with the on-course tote and the WA TAB mobile application. These shifts in wagering activity are explored in more detail below.

61 I see these shifts in wagering activity, and the resulting underpayment of racing industry funding, as a symptom of a major issue with the current Western Australian racing funding industry. Unless this issue is remedied, I expect many of the Western Australian racing clubs to struggle to be financially viable in the medium to long term.

VIEWS ON THE RACING INDUSTRY AND WAGERING INDUSTRY

WA TAB and Totalisator Operators

- 62 As outlined above, RWWA (the operator of the WA TAB) has an obligation to consult with the racing industry and distribute a proportion of revenue received from the operation of the totalisator pool to the thoroughbred, harness and greyhound racing industries. Based on my experience in the industry and discussions with industry participants from other states, I understand that the legislative regimes in states with private totalisator operators provide for similar outcomes, often by obliging private totalisator licensees to agree commercial contracts for funding the racing industry.
- 63 The current set up of the WA TAB (and the various structures in other states) results in a series of benefits for the three racing codes that do not similarly flow from corporate bookmakers. These benefits include, amongst other things:
- (a) totalisator operators are required to distribute funds to the racing industry from their operations. Those funds greatly exceed the funds received from corporate bookmakers, who are only required to pay racing bets levies; and
 - (b) the three racing codes are required to be involved in consultation or commercial negotiations with the totalisator operator. This consultation provides the three racing codes with the opportunity to protect and promote their interests through that consultation. Corporate bookmakers are not subject to that requirement.

Current state of the WA wagering industry

- 64 Over time, several large scale international corporate bookmakers have entered the WA wagering market via the introduction of new wagering platforms (ie, online and mobile applications). These bookmakers have acquired significant market share by investing in marketing, distribution and new product offerings. I have noticed the use of these corporate bookmakers' wagering applications increase with punters both at and away from the course.
- 65 Additionally, published reports showing trends in the Australian wagering market demonstrate a shift in the wagering activity of Australian punters, such as the Racing Australia Factbook. This publication compiles data relating to Australian thoroughbred racing, including trends in wagering activity.
- 66 Table 82 of the Racing Australia Factbook 2015-2016, at page 67 of Annexure JY-4, sets out the trends in Australian thoroughbred wagering turnover from 1998 to 2015. The table is as follows:

Figure 1: Table 82 of the Racing Australia Factbook 2015-16

TABLE 82. THOROUGHBRED WAGERING TURNOVER 1998/99 – 2015/16

Year	Total On Course (\$M)	TAB Retail (\$M)	TAB Phone & Internet (\$M)	Fixed Odds	Total TAB (\$M)	Total Bookmakers (\$M)	Total Wagering (\$M)
2015/16	299.21	3,022.99	2,119.54	3,509.09	9,505.53	5,912.50	15,718.33
2014/15	318.28	4,155.98	1,553.95	2,985.94	9,738.34	5,343.02	15,881.16
2013/14	550.95	4,479.24	1,874.65	2,644.17	9,648.99	5,949.79	15,399.12
2012/13	759.54	4,870.21	1,957.23	2,227.38	9,812.46	4,648.21	14,431.67
2011/12	813.59	5,228.59	2,364.24	1,869.12	10,272.55	4,109.84	14,275.49
2010/11	918.29	5,335.93	2,470.34	1,233.85	10,214.54	4,172.35	14,387.50
2009/10	934.97	5,343.52	2,232.73	891.19	10,071.91	4,323.29	14,395.20
2008/09	648.47	5,501.10	2,278.97	157.55	9,896.69	4,536.46	14,423.15
2007/08	704.50	5,214.40	2,016.40	97.10	9,051.40	3,907.23	12,958.73
2006/07	702.23	5,510.70	1,948.00	50.40	9,342.33	2,747.90	12,089.92
2005/06	554.51	5,386.00	1,754.00	68.20	8,792.91	2,881.33	11,574.25
2004/05	559.20	5,295.80	1,722.40	53.90	8,764.00	2,836.60	11,700.60
2003/04	531.63	6,167.20	1,602.89	48.50	8,408.23	2,742.16	11,150.39
2002/03	511.50	5,964.00	1,524.00	-	8,009.50	2,454.79	10,524.09
2001/02	520.00	5,235.00	1,026.07	-	7,821.07	1,842.00	9,663.07
2000/01	570.00	5,490.00	1,079.00	-	8,141.00	1,299.00	9,240.00
1999/00	592.00	5,597.00	-	-	7,509.00	1,457.00	8,975.00
1998/99	575.00	5,567.00	-	-	7,242.00	1,435.00	8,677.00

67 The table above shows a clear increase in total wagering on thoroughbred racing over the past 15 years. In respect of changes in who Australian punters bet with, it can be seen from the table that there has been an evident shift by punters from betting with the TAB to betting with corporate bookmakers. For example:

- (a) In 2003/4, total thoroughbred wagering turnover with the TAB was \$8,408.23 million out of total thoroughbred wagering turnover of \$11,150.39 million, or 75% of total wagering turnover. By 2015/16, total thoroughbred wagering turnover with the TAB was \$9,805.83 million out of total thoroughbred wagering turnover of \$15,718.33 million, or 62% of total wagering turnover.
- (b) In 2003/4, total thoroughbred wagering turnover with bookmakers was \$2,742.16 million out of total thoroughbred wagering turnover of \$11,150.39 million, or 25% of total wagering turnover. By 2014/15, total thoroughbred wagering turnover with bookmakers was \$5,912.50 million out of total thoroughbred wagering turnover of \$15,718.33 million, or 38% of total wagering turnover.

68 This shift towards corporate bookmakers has impacted Perth Racing in the following ways:

- (a) Perth Racing now receives diminished wagering revenue from patrons' on-course totalisator wagering (see paragraphs 53 to 56 above, and page 12 of Annexure JY-3;
- (b) Perth Racing no longer receives direct revenue from on-course bookmaker stand fees (see paragraph 57 above); and

(c) a sizable portion of wagering activity has shifted from totalisator pools to fixed odds and tote derivative betting with corporate bookmakers, drawing away from the WA TAB's potential wagering revenue growth. Should that trend continue it will likely result in a reduction in the potential funds available to the RWWA to distribute to the WA thoroughbred, harness and greyhound racing clubs.

69 In order for benefits to flow to the three WA racing codes, the WA totalisator operator needs to compete with (or ideally, out-compete), corporate bookmakers. The WA TAB is increasingly having to contest with the technological advancements and product offerings of the corporate bookmakers.

Potential privatisation of WA TAB

70 In 2014, the WA Government announced that it would commence considerations of the potential privatisation of the WA TAB. Set out at **Annexure JY-5** is a print out of the page from the WA Department of Treasury website addressing the potential sale of the WA TAB.

71 As noted above, WARRG was established to represent the interests of WA racing industry participants in relation to the potential privatisation of the WA TAB. Perth Racing supports WARRG in its work to present suitable terms of sale to ensure the viability of all racing codes post-sale (see page 4 of Annexure JY-3).

72 WARRG engaged Ray Gunston to prepare a report in relation to the potential privatisation of the WA TAB (the **Gunston Report**). The key conclusion of the Gunston Report was that should the WA TAB be privatised, there must be a commitment by the new private WA TAB operator of a "no worse off" racing industry funding model. In general terms, "no worse off" means that the funding outcome of a potential privatisation to the WA racing industry reflects what RWWA has been able to achieve and has forecasted to achieve in the future, whilst not materially changing the certainty of this funding (ie, the risk profile of the WA TAB).

73 I am aware that the WA Government intends to progress considerations of a potential privatisation and involve the racing industry in those considerations (see Annexure JY-5). I am also aware from public media releases that the WA Opposition Party introduced a motion to oppose the sale of the WA TAB (set out at **Annexure JY-6** is a print out from WA Labor party leader Mark McGowan's website). I am aware that in February 2017 the WA Labor party publicly stated that they are supportive of privatisation of the WA TAB if the racing industry favour privatisation (set out at **Annexure JY-7** is an article from The West Australian newspaper dated 2 February 2017). As the next Western Australian State Government election is scheduled for 11 March 2017 the progress of any privatisation remains uncertain and I do not know when it is likely to proceed.



74 In the event that the WA TAB privatisation proceeds, I am of the view that any arrangement needs to take into account the effect of new wagering platforms on financial returns to race clubs. Should on-course wagering turnover continue to reduce due to the shift in wagering from on-course terminals to mobile devices, then distributions from WA TAB revenue need to increase to compensate for this.

VIEWS ON THE PROPOSED TRANSACTION

75 I am aware that Tabcorp has proposed to acquire the issued shares of Tatts by way of a scheme of arrangement (the **Proposed Transaction**).

76 I attended a Tabcorp presentation to Western Australian racing industry stakeholders. I am aware, including from this presentation, that Tabcorp expects the Proposed Transaction to result in cost synergies, including (amongst others):

- (a) cost savings from de-duplicating functions;
- (b) procurement economies of scale;
- (c) common IT development and maintenance;
- (d) one marketing and promotional approach; and
- (e) joint R&D and innovation programs.

77 I am aware that these cost synergies are expected to enhance the merged business' ability to invest in innovation, marketing and customer experience, resulting in at least \$50 million of additional funding to the racing industry per year.

Expected impact on the WA wagering market and thoroughbred racing industry

78 I am of the view that the Proposed Transaction will not adversely impact Western Australian punters as there will be substantial ongoing competition from numerous corporate bookmakers for the WA wagering market and the merged Tabcorp / Tatts will be just one of several wagering operators accessible online by Western Australian punters. Currently, neither Tabcorp nor Tatts hold the licence to operate on-course or retail totalisator pools in Western Australia. Instead, both Tabcorp and Tatts provide an online wagering service and compete with corporate bookmakers (online) and WA TAB. Similarly, the resulting merged Tabcorp / Tatts will not have a physical presence in Western Australia. As a result, the immediate impact of the merger on the WA market, and in turn WA punters, will be limited.

79 I understand that the Proposed Transaction will result in the removal of UBET's fixed odds from the wagering market. I do not consider that this will have any material impact on competition in the wagering market, as there is a strong offering of wagering options (pari-mutuel betting, fixed odds, tote derivative etc.) by a variety of wagering operators.



- 80 The Proposed Transaction may result in a positive effect on the WA wagering market by strengthening the SuperTAB pool. This would come about as under the SuperTAB pool, money that is wagered on the WA TAB is "pooled" with funds wagered at TAB (operated by Tabcorp) in Victoria. Should the Proposed Transaction proceed, to the extent the merged Tabcorp / Tatts business achieves the synergies outlined above, the business will be enabled to further invest in innovation, product development and marketing, leading to an overall stronger totalisator operation. Subsequently, this should attract further pari-mutuel betting in competition with corporate bookmakers, leading to an increase in the totalisator pool available to WA punters via the SuperTAB pool. This larger pool provides punters with a potentially higher and more stable return on pari-mutuel bets, whilst also allowing the totalisator operator to offer a greater variety and more complex pari-mutuel products. Accordingly, pari-mutuel betting via WA TAB should increase, resulting in a subsequent increase in WA racing funding.
- 81 I understand that the Proposed Transaction may lead to the comingling of totalisator pools, with the potential for a national tote pool. To the extent the methodology for calculating WA TAB's pooling fee remains the same, I am of the view that a national tote pool would benefit WA punters and the WA racing industry. I take this position as a larger pool size provides for a more stable dividend, attracting additional punters away from corporate bookmakers, leading to increased WA TAB wagering turnover and subsequently, increased WA racing industry funding.
- 82 In the event that the WA TAB is privatised, I do not believe that the Proposed Transaction will have a detrimental impact on the privatisation tender process. I consider that the Western Australian Government will ensure that the tender process is open and transparent. I expect that interest in acquiring the WA TAB will come not only from Tabcorp / Tatts, but also from corporate bookmakers and other international bidders. There has been sporadic media coverage and speculation indicating that there are several interested bidders for the WA TAB (although these have not been officially confirmed). As a result, I am of the view that the Proposed Transaction will not prevent the WA Government from holding a competitive tender process. Further, the fair value of WA TAB can be calculated by advisors to a sale process and as such it is unlikely that the WA Government won't maximise the consideration it receives.
- 83 I am of the view that the privatisation of the WA TAB can result in a stronger WA totalisator operator, as a private operator with adequate resources, expertise and scale of operations, can maximise the value of the totalisator licence. This should ensure that benefits flow to the racing industry in the long term. Should the Proposed Transaction go ahead, I believe that the resulting merged Tabcorp / Tatts business will be well placed to realise the full potential of the WA totalisator licence for the following reasons:
- (a) the merged Tabcorp / Tatts business is most relevantly experienced in operating state totalisator licences. It may therefore be able to improve the WA TAB (including by the

use of pooling) offering, so as to attract more wagering revenue and, therefore, more funds for the racing industry in WA;

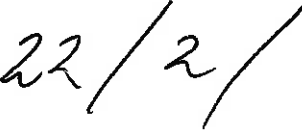
- (b) the merged Tabcorp / Tatts business will have access to extensive resources, including various wagering platforms and product offerings, whilst having the scale of operations to profit from the WA totalisator licence revenue stream; and
- (c) the merged Tabcorp / Tatts business will have the ability to create a larger national pool (subject to regulatory approvals), increasing the attractiveness of pari-mutuel betting for the public.

ANNEXURES

84 Set out in Schedule "A" of my statement is a table of annexures that I refer to in my statement.

Signature


John Vincent Yovich, Managing Director and Chief Executive Officer, Western Australian Turf Club (operating as Perth Racing)

Date:  2017



SCHEDULE A

TABLE OF ANNEXURES REFERRED TO IN STATEMENT OF JOHN YOVICH

Annexure	Description	Confidentiality claim
JY-1	Curriculum Vitae of Emeritus Professor John Vincent Yovich AM	-
JY-2	Extracts from IER Report 2016, Size and Scope of the Western Australian Racing Industry	-
JY-3	Extracts from Perth Racing Annual Report 2015 / 2016	-
JY-4	Extracts from Racing Australia Factbook 2015 / 2016	-
JY-5	Extract from Department of Treasury Western Australia website, accessed on 8 December 2016	-
JY-6	Extract from Mark McGowan website, accessed on 8 December 2016 entitled " <i>National MPs have backed the sale of the TAB after refusing to support a motion opposing the sale</i> "	-
JY-7	Article from the West Australian Newspaper – " <i>Privatising TAB back on track</i> ", dated 11 November 2017	-



Emeritus Professor John Vincent Yovich AM

BSc., BVMS (Hons), MS, PhD, Dip L.A. Surg.,
Diplomate, American College of Veterinary Surgeons

Emeritus Professor John Vincent Yovich AMjohn@johnyovich.com

0439910068

Personal

Born November 16, 1959 Perth, Western Australia

Married, 2 children

Professional Qualifications**Bachelor of Science 1980** (Veterinary Biology)

Murdoch University, Western Australia

Bachelor of Veterinary Medicine and Surgery, 1981

First Class Honours Graduated First Place in class

Murdoch University, Western Australia

Diploma, Large Animal Surgery 1983

University of Guelph, Ontario, Canada

Master of Science 1986

Colorado State University, Fort Collins, Colorado

Doctor of Philosophy 1988

Colorado State University, Fort Collins

Colorado Thesis titled: Correlative clinical and pathologic studies of horses with chronic cervical compressive myelopathy

Harvard Graduate School of Education 2005

Institute for Higher Education Management Programme

Emeritus Professor 2010

Zhejiang University of Technology, Hangzhou, Zhejiang, China

Emeritus Professor 2011

Murdoch University, Western Australia

Honorary Professor 2011Guangdong University of Business Studies
Guangdong, China.

Specialist Registration and Board Certification

Diplomate, American College of Veterinary Surgeons 1987

Registered Specialist in Veterinary Surgery and Equine Surgery

Australian College of Veterinary Scientists and Veterinary Surgeons Board, Australia

Member Australian Institute of Company Directors 2002.

Australian Honours

Centenary Medal 2001

Commonwealth honour “ For Service to Australian Society through Veterinary Science and University Administration”

Member of the Order of Australia. AM 2006

For service to tertiary education, particularly through Murdoch University, to veterinary science and equine medicine, and to the community.

Appointments

Managing Director The Western Australian Turf Club, Perth Racing

Appointed July 2016.

**General Manager of Racing,
Racing and Wagering Western Australia 2015-2016**

Appointed in Role - June 2015. Lead RWWA's Racing division responsible for all racing operations across the state. This included fixture planning, racing systems and information maintenance, handicapping and grading, programming, stakes supervision, funding distribution modeling, industry communications, racing operations and strategy, industry consultation, club support and advice, racing industry development, control of industry training venues and participant training, major event support, as well as the management and negotiation of SKY and club vision and services, together with the overall strategic direction of the racing industry in Western Australia.

Executive Chairman Student Edge 2011- 2014

Executive oversight and responsibility for strategic directions, budget, information technology development and governance of a large student membership organisation with over 575,000 members nationally. Student Edge provides

benefits and services to students largely through its information technology platform.

Vice Chancellor and President Murdoch University Western Australia 2002-2011

The Vice Chancellor role is a Chief Executive Officer of a large organisation with a mix of public and commercial revenues and activities. It includes responsibility for all aspects of strategic planning, finance and audit, human resources, physical resources, government, corporate and public relations, research and teaching. The University budget was \$310million with 1,556 full time staff equivalent and 19,700 students.

During my term I

- produced significant budget surpluses every year and a growing investment portfolio (commencing in the role after a previous period of budget deficits)
- established the University endowment investment
- sourced major funding and undertook significant a capital works program of new campuses, new buildings and refurbishments including Master Builder Association award winning projects
- established campuses in Mandurah, Singapore and Dubai
- lead strategic planning and organisational and cultural change
- grew the research output to new record performance for the University and established major new research centres including two \$20 million plus government supported Centres
- developed commercial research income and established the commercialisation team
- established the Murdoch Foundation and successful fundraising programs
- was actively involved in relevant National and State organisations and was appointed to leadership roles in several such as Chair of the Innovative Research Universities group
- developed and implemented successful branding and marketing campaigns that received national recognition
- was proactive in ensuring sustainable environmental practise was used – such as through oversight by an environment committee and officer
- met all University, State and Federal governance, reporting and audit requirements
- ensured maintenance programs and funding prioritised occupational health and safety requirements including a major works program to remove asbestos from the campus
- implemented quality assurance practises
- greatly expanded relations with Federal and State government

Professor, Executive Dean,

**Member of University Senior Executive,
Division of Veterinary and Biomedical Sciences
Murdoch University, Western Australia 1996-2002**

The Executive Dean role encompassed all Chief Executive functions for the Division of Veterinary and Biomedical Sciences and concurrently I was a member of the Vice Chancellors Senior Executive responsible for all of University finance and planning. In early 2002 my role included Pro Vice Chancellor Research.

During my term I

- took over after a period of budget deficits and produced income growth and budget surpluses each year- approximately doubling Divisional income during my term
- made the decision to and lead the Division through the planning and accreditation process to become the first Australian Veterinary School to receive American Veterinary Medical Association professional accreditation (the internationally recognised highest benchmark)
- grew the International Veterinary Student numbers
- established the Biomedical Science programme
- grew research income every year including doubling ARC National Competitive grant income between 1997-2000.
- Appointed the first Aboriginal Special Education officer to support the Professional Education Programme for Aboriginal and Torres Strait Islanders leading to the graduation of Australia's first Indigenous Veterinarians
- Established the Murdoch University Veterinary Trust and lead successful fundraising
- Oversaw the Veterinary Clinic which grew income from \$1.8 million in 1997 to \$4.5million in 1999
- Planned and gained funding for a significant refurbishment and capital works programme that included a new state of the art biomedical teaching building, clinic facilities including a 24hour emergency clinic, chemotherapy unit etc
- Strengthened relationships with professional bodies, corporates and alumni
- As part of the Senior Executive contributed to University wide activity including budget formulation, teaching and research strategies, enterprise bargaining, capital planning

Associate Professor, Equine Medicine and Surgery 1994-1996

Murdoch University, Western Australia

Teaching, research and clinical work. Chief large animal surgeon.

Senior Lecturer, Equine Medicine and Surgery 1988-1993

Murdoch University, Western Australia

PhD, Colorado State University 1986-1988

Thesis "Correlative Clinical and Pathologic Studies of Horses with Chronic Cervical Compressive Myelopathy"

Residency, Large Animal Surgery and MS programme 1983-1986

Department of Clinical Sciences
Colorado State University, Fort Collins, Colorado

Internship, Large Animal Medicine and Surgery 1982-1983

Ontario Veterinary College, Guelph.
Obtained Diploma Large Animal Surgery by examination

Veterinarian 1981-1982

Belmont Horse Hospital, Perth, W.A., specialist horse practice

Board Appointments and Administration

Racing and Wagering Western Australia

Director 2013- present

Independent Director with full directors responsibilities

Member, Racing Operations committee 2013-2014

Member, Audit and Risk committee 2014-

Member, Remuneration and Nominations Committee 2104-

Appointed by the Minister for Racing and Wagering

Responsible for appointment of the Chief Executive, finances, appropriations, strategy, occupational health and safety, racing code management and all statutory requirements.

Income is from the heavily information technology dependent wagering and gaming industry.

Wagering turnover exceeds \$2 Billion annually and industry distributions exceed \$120 million.

Royal Institution of Australia

Inaugural Council member 2007—present

Appointed by the Premier of South Australia

I am one of the founding councillors who planned and launched Ri Australia. The South Australian Government, Federal Government and corporates provided support. It is dedicated to the dissemination of scientific knowledge. The program has required extensive IT development, marketing and membership strategies. It is now Australia's most visited site for Science media.

City of Rockingham Economic Development Advisory Committee

Chair of the Board 2009- 2014

The committee provides strategic advice on development activities to the Council. Council Executives consult the committee on a range of matters.

Australian Science Media Centre

Member of Board 2006-2011

The Australian Science media centre is independent and not for profit. It has established a database of scientific experts and given many media training. It creates a link between the news media and scientists to assist public access to science including on "breaking news" topics and events.

<http://www.smc.org.au/>

Universities Australia (Australian Vice Chancellors Committee)

Member 2002-2011

The organisation of Vice Chancellors with oversight of businesses owned by the University collective including IDP Australia, management of collaborative

programs and policy. Elected to sub committees including Committee on University Quality and to Board of IDP.

Western Australian Higher Education Council

Member 2002 – 2011

The group of Western Australian Vice Chancellors dealing with Higher Education matters and all University business with the WA Minister for Education

Western Australian Vice Chancellors Forum

Member 2002 –2011

The group of Western Australian Vice Chancellors working on collaborative activities and response to government policy.

Institute for Immunology and Infectious Diseases

Chair of Board 2010-2011

Responsible for appointment of the Institute Director, Institute research plans and funding.

Inaugural Chair of the Institute after I did the planning of and presentation Federally to obtain \$19.5million in government funding to build this research institute, together with funds from philanthropic support

Planned and oversaw the construction of the award winning Institute research building.

Agricultural Research Western Australia

Invited Member by DAFWA 2004-2006

Stakeholder forum for Agricultural research matters involving Universities and the Department.

Minerals Institute of Western Australia

Board Member 2004 – 2007

For collaborative strategies with the minerals industry and Universities. Review of education and skilling of the Minerals industry.

Western Australian State Government Public Sector Review

Chair, External Reference Group 2004

“People Making a Difference: The Public Sector” Appointed by The Minister for Consumer and Employment Protection; Indigenous Affairs, The Hon. John Kobelke.

The review focused on human resources, culture, leadership training and processes in the public sector. Report submitted in 2004.

Future Directions International

Member of Board 2004- 2006

A not for profit think tank which publishes on significant issues for Australia.

Australian Vice Chancellors Committee, Working Party on Auditing University Quality 2004—2006

Review of quality standards and measurement in Higher Education

Australian Vice Chancellors Committee, Working Party on University Engagement

Chair of Working Party 2005-2006

Review of Universities engagement politically and engagement with business and students of varied socioeconomic groups.

Murdoch University Westscheme Enterprise partnership

Chair of Board 2004-2007

I negotiated the first funding arrangement of this kind where Westscheme allocated \$5million for seeding projects at Murdoch University where the research passed review and was deemed to have commercialisation potential.

**Business Industry Higher Education Collaboration Council
Inaugural Member of the Advisory Council 2004-2006**

Appointed by the Minister for Education, Science and Training the Hon. Dr Brendan Nelson

The board advised Government on improving effective linkages between Business, Industry and Higher Education; knowledge transfer facilitation and graduate skills recognition.

Innovative Research Universities Australia

Member of Founding group of Vice Chancellors 2003-2011

Chair of IRUA 2006-2008

The IRU Australia University group worked collaboratively in government submissions, benchmarking, research and teaching developments.

Murdoch University Foundation

Inaugural Chairman, Trustee 2002-2011

I planned and established the Foundation and obtained the Deductible Gift recipient status.

Australian – American Fulbright Commission

Board of Directors 2008-2010

Appointed by the Minister for Education Science and Training on behalf of the Prime Minister of Australia.

Responsibility for appointment and review of the Director and the operational budget. Duties included budget approval and monitoring, research and research student assessment for grants and human resource management of the commission.

IDP Education Australia Limited

Director 2003-2006, Vice President 2004-2006

Member Audit Committee 2003-2004

Member Finance Committee 2004-2006

IDP is the company formed by Australian Universities to manage its education export industry especially through international student recruitment. It is Australia's largest education export business with international offices and revenue of approx. \$80 million.

Full corporate directors duties including strategy, finance, audit and appointment and review of the Chief Executive.

Federal Rural Veterinary Services Review

Member of Panel 2002

Appointed by the Minister for Agriculture, Fisheries and Forestry : Hon Warren Truss and Minister for Education, Science and Training Hon. Dr Brendan Nelson
Review paper submitted to federal Government in 2003.

Western Australian Totalisator Agency Board

Deputy Chair 2001- 2003

Appointed by the Minister for Racing and Gaming

Chair Internal Audit sub-committee

Corporate Directors responsibilities for appointment of the Chief Executive, strategy, finances, audit, statutory requirements and information technology with the wagering business being heavily IT dependent.

Wagering turnover reached an annual record of approximately \$1 Billion in 2003 with revenue of over \$128 million and distributions to industry of approximately \$70 million.

Western Australian Betting Control Board

Deputy member from the Totalisator Agency Board 2001 – 2003

The Board undertakes regulatory functions under the Act.

Murdoch University Veterinary Trust

Trustee 1997- 2011

I established the Trust whilst Executive Dean and served as a Trustee and oversaw the operation and strategic direction of the Trust as well as the investment portfolio and grant allocation.

Rural Industries Research and Development Corporation, Equine Research and Development Advisory Committee

Member of Inaugural Committee, 1995 – 2002

In establishing this research programme we scoped the horse research effort across Australia and put in place a grant assessment and funding process. Duties included development of the strategy, the appointment of the executive, financial oversight and funding allocation.

**Australasian Veterinary Boards Council – Veterinary Schools Accreditation Advisory Committee
Deputy Chair 2001**

The Council manages the Accreditation of Veterinary Schools and recommends on requirements Schools need to maintain Accreditation and improve. My term included membership of the accreditation review panel of the University of Sydney Veterinary School.

**The Australasian Veterinary Deans Conference
Member 1996—2002**

**Australian and New Zealand Veterinary Council
Member 1996—2002**

**The Western Australian Turf Club Committee
Elected Committee Member 1994 – 1998
Vice-Chairman 1996-1998**

This was at the time the principal thoroughbred racing authority with statewide responsibility for racing. The Committee had the responsibilities of company directors including oversight of matters of probity and licencing, finances capital works and racing product strategy.

**Racecourse Development Trust, Western Australia
Board Member 1994 –1999**

Assessment of proposals, budgeting and funding allocation for capital works projects in the racing industry

**Australian Equine Veterinary Association
Member 1990-2002**

Served on the Editorial committee and the Ethics advisory committee

**New Zealand Foundation for Research, Science and Technology
1997 Invited research program reviewer**

Australian Equine Veterinary Association

Faculty Representative to and liaison with the Equine Veterinary Association
1990—1996

Prizes and Awards

WSA Gordon Memorial Prize 1980

Murdoch University, for best academic performance in first four years of the veterinary course

Ramsay Surgical Prize 1981

Murdoch University, for highest achievement in surgery in the veterinary course

Australian Veterinary Association Federal Award in Veterinary Pathology 1981

Murdoch University, for highest academic achievement in pathology

The Westralian Drug Company Pty Ltd Prize 1981

Murdoch University, best academic performance in the fourth and fifth years of the veterinary course

Research Publication Award 1985

Best resident research publication in Veterinary Surgery awarded by American College of Veterinary Surgeons for 1985 for the articles:

Yovich JV, Turner AS, Smith FW: Holding power of orthopaedic screws in equine third metacarpal and metatarsal bones. Part I. Foal bone. *Vet Surg* **14**:221-229, 1985.

Yovich JV, Turner AS, Smith FW: Holding power of orthopaedic screws in equine third metacarpal and metatarsal bones. Part II, Adult horse bone. *Vet Surg* **14**: 230-234, 1985.

Postgraduate Study Award 1988

Colorado State University

Ian Clunies Ross Memorial Award 1992

Australian College of Veterinary Scientists award for outstanding contribution to veterinary science in Australasia in area of high academic and research accomplishment, 1992 recipient.

**VMS Award For Excellence, Australian Equine Veterinary Association
1993**

Awarded for excellence in the equine veterinary field based on leadership, contribution to knowledge particularly at research and postgraduate level and significant contribution to the equine veterinary profession, 1993 recipient

**Australian Equine Veterinary Association, Peter Irwin Literary Award
1995**

Awarded for the best scientific article with direct clinical application published in the Australian Equine Veterinarian.
1995 recipient for the article:

Colbourne CM and **Yovich JV**: Suspensory ligament injuries in racing horses: Ultrasonographic diagnosis and long term follow up. Australian Equine Veterinarian **12**: 119-128, 1994

**Australian Equine Veterinary Association, Reginald Pascoe Senior
Clinical Prize 1996**

Awarded for the best clinical or research paper presented at the annual Australian Equine Veterinary Association, Bain-Fallon lectures.

1996 recipient for Hough M, Colbourne C, **Yovich JV** and Bolton J: Right Dorsal Colitis caused by Non-steroidal Antiinflammatory Drugs in Horses.

**Australian Equine Veterinary Association, Peter Irwin Literary Award
1997**

Awarded for the best scientific article with direct clinical application published in the Australian Equine Veterinarian.
1997 recipient for the article:

Yovich JV, Caroll GJ and Bell MC: Intra-articular Methylprednisolone Acetate Increases Synovial Fluid Proteoglycan Concentration in the Middle Carpal Joint of Standardbreds in Race Training.
Australian Equine Veterinarian 14 (4) 182-185, 1996.

Australian Equine Veterinary Association Pascoe Oration 2011

Invited presenter of the Pascoe Oration at the Bain Fallon lectures of the Australian Equine Veterinary Association 2011
"Surgical gowns and Vice Chancellors robes- issues facing the equine veterinary profession."

Size and Scope of the Western Australian Racing Industry



FOCUSED THINKING

Prepared by IER January 2016



RACING AND WAGERING WESTERN AUSTRALIA



4	Introduction & Background
9	Key Findings
14	Economic Impacts
20	Employment & Participation
24	Racing Clubs
34	Ownership
40	Training
44	Breeding
50	Community & Social Benefits
66	Wagering
68	Regional Summaries
88	Appendix

Direct Spending

The calculation of economic impacts, as identified in this study, is predicated on determining the extent to which the WA racing industry contributes to the state economy. This is achieved by identifying the value of direct (or final) expenditures within the state, as well as the subsequent direct and indirect flow-on impacts on the WA economy.

In 2014/15, the racing industry in Western Australia generated more than \$682 million in direct expenditure. Revenues generated from wagering are the most significant driver of the industry's expenditure profile, comprising more than 57% of the total direct spending impact.

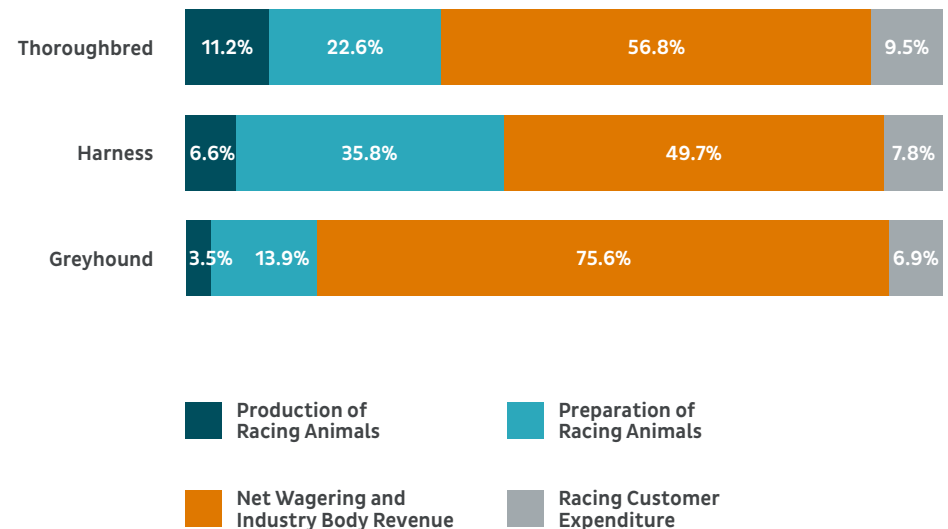
Each of the key areas of racing industry expenditure assessed within this study are defined as follows:

- + Producing animals** - includes all expenditure on the production of foals and pups, the maintenance of sires and broodmares/broodbitches and the preparation of yearlings/greyhounds for sale
- + Preparing animals** - includes all expenditure on the breaking-in and training of racehorses and greyhounds (including spelling)
- + Wagering related customer expenditure** - includes net wagering revenues from the totalisator wagering, bookmaker revenues and the state's share of product fees
- + Raceday customer expenditure** - includes all expenditure generated from on-course activities (raceday) such as sponsorship, catering, admission and raceday functions. It also includes all expenditure generated outside the racecourse as part of attending the races (such as transport, accommodation, retail etc.). Finally, it also includes all spending on non-raceday functions, facility hire, and membership. It does not however, include wagering as this is covered in 'wagering related customer expenditure' section.

The chart opposite illustrates the proportional breakdown of direct expenditure within WA.

In 2014/15, the racing industry in Western Australia generated more than \$682 million in direct expenditure

Proportion of Direct Spending by Code



ECONOMIC IMPACTS



The thoroughbred racing industry is responsible for more than \$447.5 million (65.6%) of this recurrent expenditure. Wagering related expenditure makes up the largest proportion of the industry's expenditure profile (56.8%), whilst more than 22% is generated by the training sector.

The harness racing industry is responsible for more than \$147 million (21.6%) of this recurrent expenditure. As with the thoroughbred racing sector, wagering related expenditure makes up the largest proportion of the industry's expenditure profile (49.7%) however the preparation of racehorses (35.8%) makes up a similarly large proportional component of expenditure.

The greyhound racing industry is responsible for \$87.6 million (12.8%) of this recurrent expenditure. More than 75% of the industry's expenditure impact is generated from wagering related expenditure. This is largely a reflection of the greyhound racing industry's positioning as a wagering product.

Distribution to Regions

The direct expenditure has been allocated to 9 'Royalties for Regions' across the state. The level of economic activity will not proportionally follow the expenditure, as regional areas generally have higher import penetrations than metropolitan areas – i.e. a lot of the expenditure is on product imported from the metropolitan area. This study employs a top down distribution that recognises that where regional input/output tables exist. Direct industry ratios of value-added, employment etc. are generally similar between the state and sub-regional table, but regional induced impacts are on average of the order of 50%–70% of the state induced impacts (dependent on the region and the sector – as observed from regional input/output tables for WA constructed for other purposes). The actual difference will vary from industry to industry sector, and from region to region, but this observation has been used as a basis for distributing the state level impacts to regions. Therefore the direct impacts have been distributed proportionally, while the induced impacts have been distributed with a 70% discount for the thoroughbred sector - based on its size and scale (implying that there is sufficient work generated for specialised suppliers to develop in the area- and increasing the level of production induced impact) – and 50% for the smaller sectors of harness and greyhound. The balance is distributed to the metropolitan area.

In summary, the impact at the regional level is almost 55% of the state impact in terms of the expenditure, and a little less than that in terms of initial or direct impact – but after allowing for the leakages from the regional area in terms of induced impacts, this has about 41% of the total level of activity. While a large proportion (59%) of the impact occurs directly and indirectly in Perth, all regions gain some contribution – with the impact especially felt in the Peel region, and to a lesser extent in the South West and Wheatbelt regions.

Adjustment of Expenditures

The aggregated data is converted from purchaser prices to basic prices, as the raw data includes margins, taxes and subsidies. All monetary values in the WA input/output models are expressed as basic values.

The prime differences between purchaser prices and basic values are that:

- + Basic values exclude the cost of transport and wholesale and retail trade which are embedded in the purchase price (and allocate these to the transport and trade sectors)
- + GST will be allocated to Gross Operating Surplus

The WA input/output model adopted in this study has been developed specifically for this study using a location quotient approach to derive a state table for 2015, based on the national 2012/13 table (ABS) and employment data from the 2011 census. It is assumed there have been limited labour productivity gains since that time, but the table has been adjusted for inflation over the two year interval.

The core assumptions to make the adjustments from purchaser price distributions to basic values are:

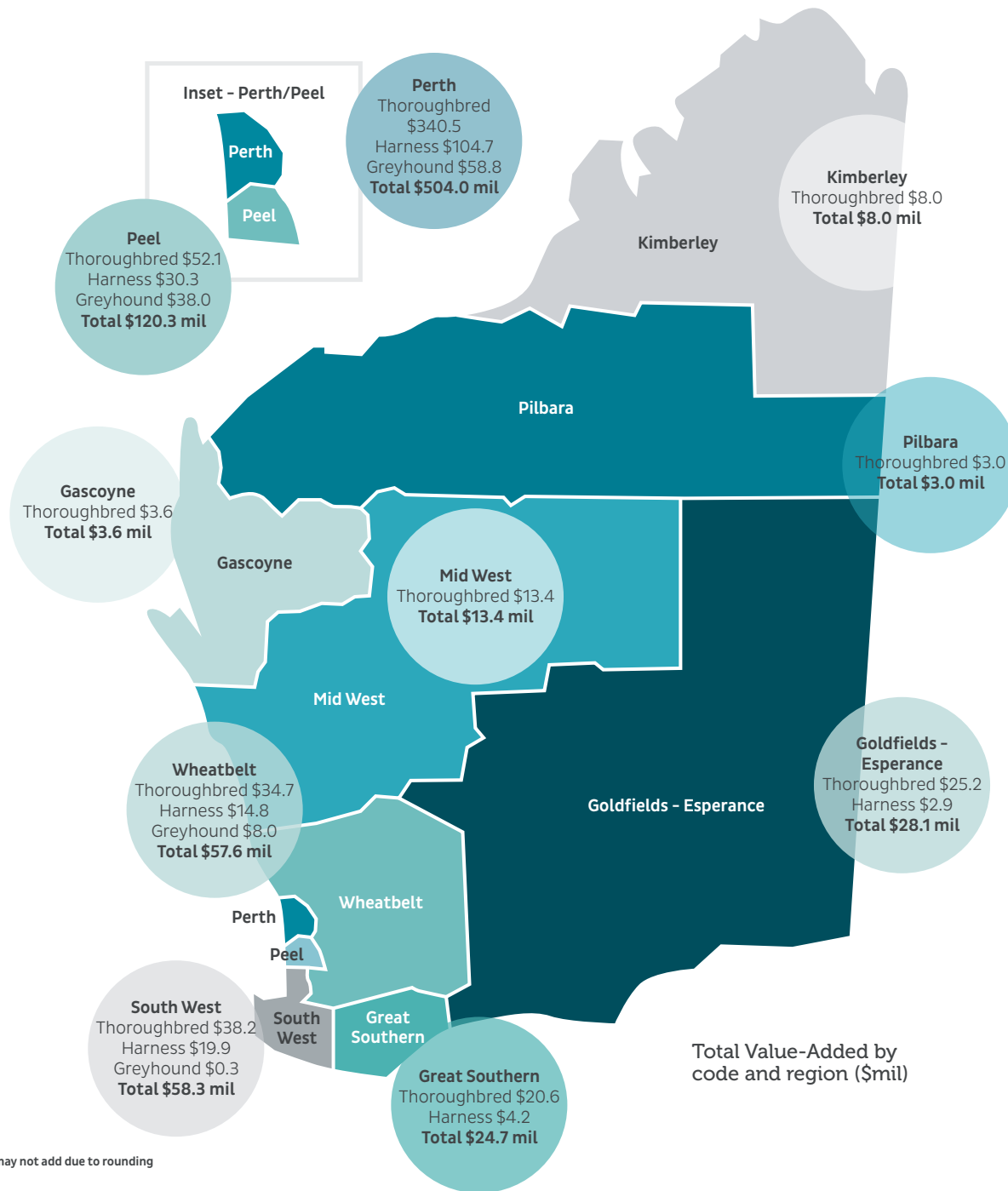
- + The average value-added in each of the industry sectors is extracted and then the GST component (at 10% - which is only paid on the value-added) is deducted and separately identified. It is assumed that the value-added coefficient for the arts and recreation sector understates that of the spend for the racing industry, as the cultural industry will be dominated by public sector institutions and not-for-profits – whereas the recreation sector is more commercial.
- + The purchaser price is adjusted for the average margin for wholesale, retail and transport sectors, as identified in the national input/output tables.

Goods and Services Tax

The GST generated by the racing industry in WA represents 5.5% of direct expenditure or close to \$37 million. It is assumed that GST revenue is directed back to the state and used to fund items such as government administration, health and education.

The previous 2012 study was based on an IO table prepared for WA in the period 2006 by Econsearch. Relative to the location quotient method used to prepare a table for this study, this table used extended data to provide a more detailed and descriptive table of the WA economy. However the table was for 2006, and since that time there have been substantial changes to the WA economy. Gross State Product grew by an average 5.3% over the decade (relative to 3% nationally) while employment growth also was strong and exceeded the national average (and of the order of 3-5% in most years). While the abatement of the mining boom will mean some slowdown, the implication is that the state of WA is economically quite different to 2006, and as such a table prepared describing the economy 10 years ago would no longer be relevant (source: <http://www.dsd.wa.gov.au/docs/default-source/default-document-library/wa-economic-profile---november-2015?sfvrsn=4>)

Racing Code (\$mil)	Production of Racing Animals	Preparation of Racing Animals	Wagering Related Customer Expenditure	Racing Customer Expenditure	Total
Thoroughbred	\$49.93	\$101.00	\$254.08	\$42.45	\$447.46
Harness	\$9.79	\$52.63	\$73.22	\$11.54	\$147.18
Greyhound	\$3.08	\$12.19	\$66.25	\$6.09	\$87.61
Total	\$62.80	\$165.82	\$393.55	\$60.08	\$682.25



Gross Value-Added

Real gross value-added is the generally accepted measure of the value of production from economic activity. It is the sum of value-added by all industries in a region (in this case, regions of WA). In any period of time, the value-added in an industry is essentially, the value of sales less the value of inputs used in production. This means value-added is equal to the income (wages, salaries and profits) generated in production.

The real gross value-added calculation uses constant prices (prices in a selected year), hence it does not allow for general price level changes (inflation). Also the calculation makes no allowance for capital used in production (depreciation).

As illustrated earlier, the level of economic activity will not proportionally follow the expenditure, as regional areas generally have higher import penetrations than metropolitan areas – i.e. a lot of the expenditure is on product imported from the metropolitan area. As such, the model takes into consideration these leakages between regions.

The table below illustrates the direct and flow-on value-added impacts generated by the WA racing industry.

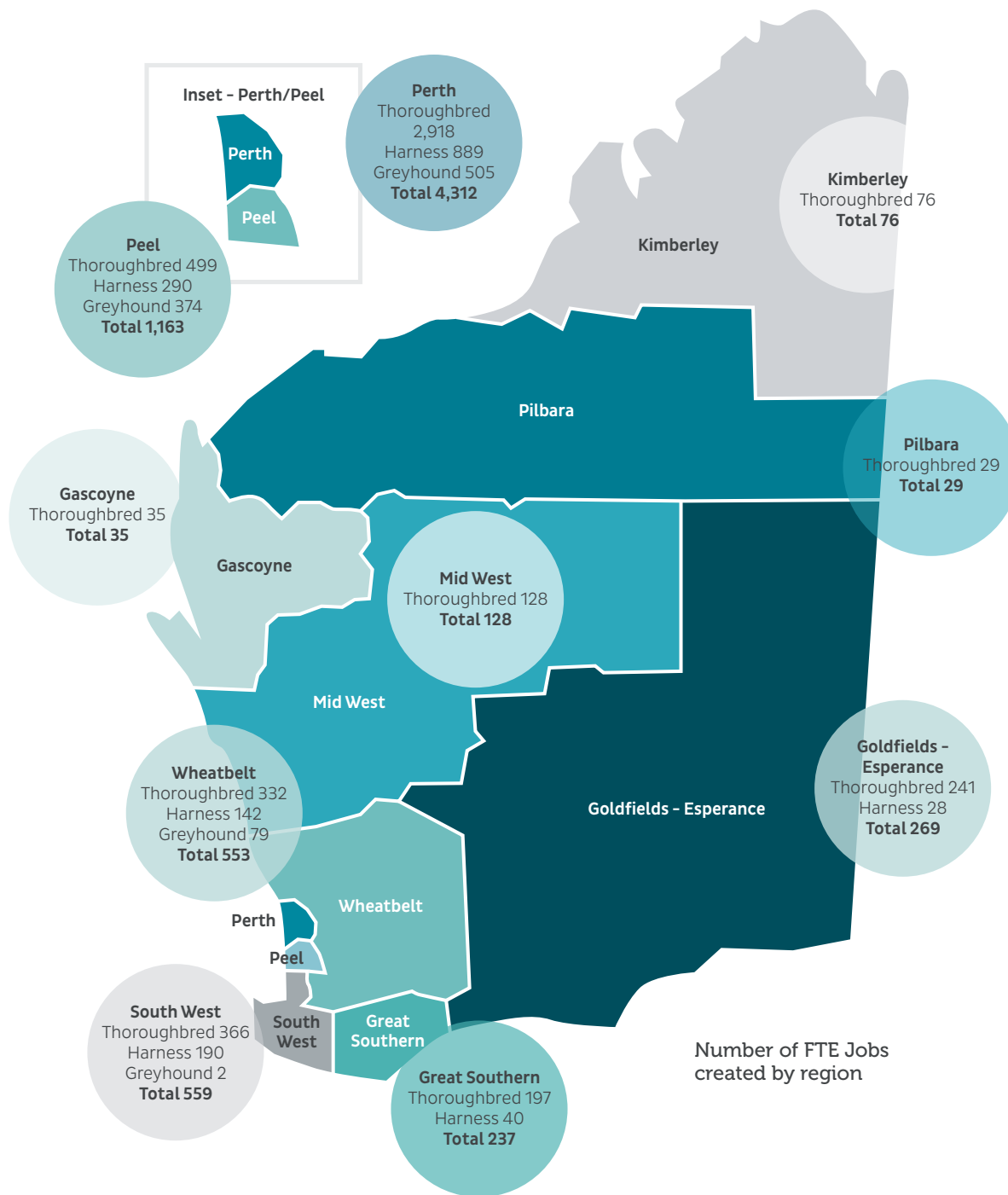
Racing Code (\$mil)	Direct	Flow-on	Total
Thoroughbred	\$216.9	\$322.3	\$539.3
Harness	\$70.8	\$105.9	\$176.8
Greyhound	\$41.5	\$63.6	\$105.1
Total	\$329.3	\$491.8	\$821.1

Participants in the WA Racing Industry

Number of Participants in the WA Racing Industry

	Thoroughbred	Harness	Greyhound	Total
Breeders	427	238	195	860
Breeders Staff	422	156	74	652
Owners & Syndicate Owners	7,845	2,485	2,725	13,055
Trainers	607	556	263	1,426
Stable/Kennel Employees	1,265	271		1,536
Participants in Producing Racing Animals	10,566	3,706	3,257	17,529
Full Time Club Staff	124	29	23	176
Part Time Club Staff	51	76	2	129
Casual/Contractor Staff	2,283	379	80	2,742
Farriers/Float Drivers/Vets	68	49		117
Club Volunteer	599	325		924
Jockeys, Drivers & Apprentices	85	62		147
Barrier & Catching Pen Attendants	237	29	300	566
On-Course Bookmakers				36
On-Course Bookmaker Staff				70
TAB Wagering Staff				1,978
Participants in Producing the Racing Product	3,447	949	405	6,885
Industry Administration Staff	28	17	12	45
Total participants residing in WA	14,041	4,672	3,674	24,459





Full Time Equivalent (FTE) Employment

There are approximately 26,000 participants directly involved in the WA racing industry. As outlined earlier, this is a statistical construct that takes into consideration participants, volunteers and employees (full time, part time, casual and contractor).

The economic activity generated by the racing industry sustains more than 7,360 full time equivalent positions in WA. The direct impact on employment, generated specifically by the activities of the racing industry, sustains 3,696 FTE jobs each year. When the indirect impacts (generated by the flow-on of economic benefits to other industries) are taken into account, the total employment impact rises to more than 7,360 FTE positions.

The WA racing industry, like racing industries all over Australia, relies on a large number of part-time and casual labour. Further to that, it employs a large number of people in roles that are not plentiful in the marketplace (such as horse care). It is important to note that the FTE job creation does not necessarily directly follow direct spending within the WA economy. This is because some regions have a higher need to import labour (due to supply side constraints) than others.

The FTE positions that are sustained by the WA racing industry result in more than \$419.9 million in wages and salaries for the people employed in the racing industry as well as those employed in other down-the-line industries that receive increased demand as a result of racing. Some examples of the other industries that are stimulated by racing include; veterinary, feed, retail, tourism, accommodation, transport, entertainment and fashion.

Community and Social Benefits

Thoroughbred, harness and greyhound racing in Western Australia play an important role in the development and preservation of social and community benefits throughout rural, regional and metropolitan areas of the state. The majority of these social impacts are initiated through club activities, both on racedays and non-racedays, as well as the partnerships they form with many community organisations. This contribution to community social benefit enhances both individual and community wellbeing throughout the regions where racing exists.

The economic activity generated by the Western Australian racing industry complements the social impacts, particularly in regional areas where racing events and facilities foster social cohesion and provide benefits for a broad range of individuals and community organisations. Racing and non-racing events attract community members, independent of socio-economic status, age or gender. This is highlighted within the racing industry throughout Western Australia, where racing is a profession, sport, hobby and leisure activity. The development of social and environmental initiatives also has a positive impact in terms of family socialisation and volunteerism. With this, racing also supports health, education, employment and environmental practices. However, maintaining and building the trust and respect of the communities in which racing clubs operate is also extremely valuable.

The implementation and communication of social and environmental initiatives play an important role in managing community perceptions, and in doing so protect and enhance racing's image and

reputation. This in turn provides the industry with a greater opportunity to foster the support of customers, corporate partners and Government, as well as building pride and increased satisfaction with internal stakeholders.

The sport of racing also demonstrates a rich cultural significance in terms of its history and heritage throughout Western Australia. The first recorded race meeting was held in Western Australia at Fremantle on 2 October 1833, although it was not until 1852 that the controlling body, The Western Australian Turf Club, was formed. The establishment of the Western Australian Trotting Association (WATA) occurred in September 1910 and by 1972 the Greyhound Racing Control Act was passed and the Greyhound Racing Control Board was formed to conduct greyhound racing in Western Australia.

The historical elements of all racetracks throughout the state are an important part of the fabric of many local communities. These tracks and clubs are the focal point for the achievements of some of Western Australia's great sportsmen and sportswomen, racing identities, horses and greyhounds.

The importance of racing clubs and tracks extends beyond simply those with an interest in racing. They are valuable community assets – particularly in regional parts of the State. This racing industry study incorporated a social impact survey which was completed by the racing clubs within each code. The information gathered from this survey provided valuable insights in determining the extent of the social and environmental benefits generated by the racing industry.



ANNUAL REPORT 2015-16



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Board of Directors

FROM LEFT TO RIGHT

Colin Brown, Matt Birney, Peter Gangemi, Chris Chalwell, Neil Pinner (Chairman), Harvey Crossman, Paula Sullivan, Trevor Nisbett

DIRECTORS' MEETING ATTENDANCE

N J Pinner	12	M J Birney	10
C W Chalwell	8	T J Nisbett	10
H R Crossman	12	E Van Heemst	3
P M Gangemi	11	N W Carter	2
P Sullivan	10	P F Bell	3



As Chairman of the Board of Perth Racing it is my pleasure to report to members on the activities and achievements of Perth Racing in the 2015-16 season.

Neil Pinner

Chairman's Report

“Over the past six months, the Board has developed our strategy for the viable operation of two tracks situated within the metropolitan area - Ascot and Belmont Park.”

Numerous events affecting the racing industry and your club ensured it has been an eventful year. Moreover, the significant issues facing the racing industry in Western Australia highlight the need for Perth Racing to take a strong strategic approach to the management of its assets to prepare for the future.

The announcement of the Western Australian Government that it intends to sell the licence to operate the WA TAB has created significant debate and uncertainty. In our discussions around the sale Perth Racing continues to support the Western Australian Racing Representative Group (WARRG) in its work to present suitable terms of a sale to Government in order for the racing codes to prosper post-sale.

It has not been helpful, however, that concurrent softening of the economy and competition from corporate bookmakers

has put pressure on wagering growth and therefore financial returns to the racing industry. This, together with the shift to wagering on digital platforms on mobile phones, continues to erode on-course wagering returns to Perth Racing.

Any TAB sale and future distribution arrangements need to take into account the effect of new wagering platforms on financial returns to race clubs. It is an unfortunate and serious consequence of modern technology that the Club is now receiving diminishing wagering revenue from patrons' on-course wagering.

Cognizant of the present and future challenges facing the Club, the Board has undertaken a rigorous review of the cost structures of the Club, its assets and its revenue streams. A significant amount of work has been done on the valuation and potential revenue options for the rights to broadcast vision of





racing from Perth Racing's tracks.

Perth Racing has engaged over the past year with various potential broadcast providers. A decision on the broadcast partner, Sky Racing, was made and contracting commenced in September 2016. A new six-year agreement for broadcast of our racing vision on digital and non-digital platforms both in Australia and internationally will more than double the revenue compared to the previous arrangement.

This multi-million-dollar agreement with Sky underpins a profitable operational financial forecast for Perth Racing over the next several years.

Over the past six months, the Board has developed our strategy for the viable operation of two tracks situated within the metropolitan area - Ascot and Belmont Park. The two-track plan

is vital to the 2020 Growth Strategy for Perth Racing and to the success of the thoroughbred racing industry in WA.

Two tracks provide metropolitan racing every week. Metropolitan racing and stake money is needed to attract investment by owners in the thoroughbred industry. Provincial and country racing benefit from the flow-on effect of this investment with wagering distributions and a supply of horses for their racing. The plans for Perth Racing include increasing non race day use of the facilities and racing in time slots that support growing international broadcast distribution of our races.

Metropolitan racing attracts the most wagering including product fees that lead to greater ability for the TAB to fund the industry and greater returns to Government. Year-round metropolitan racing creates the most efficient

business model for Perth Racing as fixed annual costs are amortised across all year-round racing and events.

The Ascot and Belmont Park racecourse locations are accessible and prominent sites for tourism and events, which is key to the success of the greatest racing jurisdictions worldwide. With the addition of lights for night racing, and an all-weather track at Belmont Park, the international reach of WA metro thoroughbred racing will be enhanced, further growing revenue for the State.

The Board has continued to progress the planning of the redevelopment of Belmont Park. We have been working very closely with our project manager IPS and architect Hames Sharley. The detailed design plans are complete and we submitted our request for approval of the Local Development Plan to the Town of Victoria Park in February 2016.

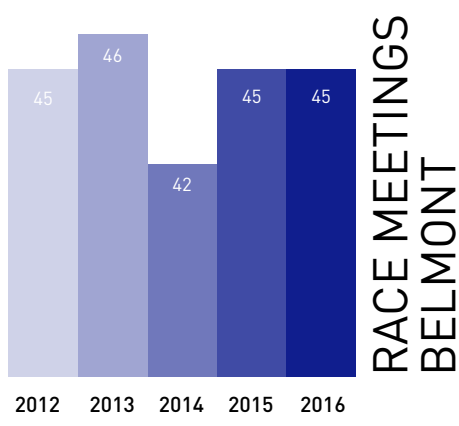
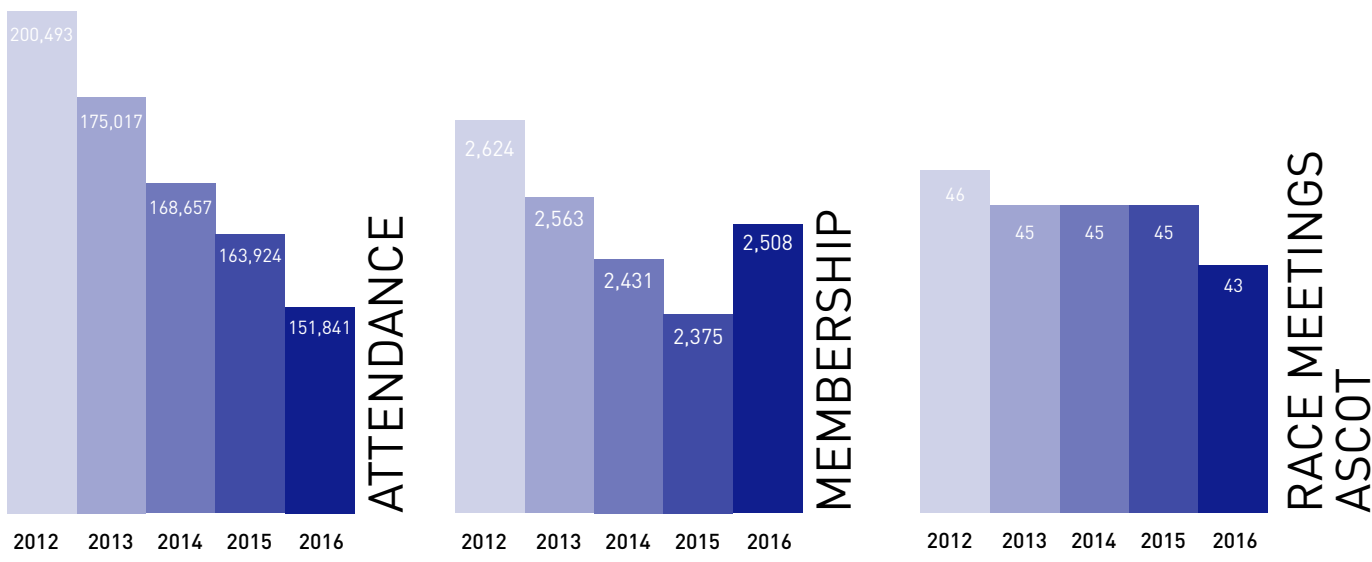
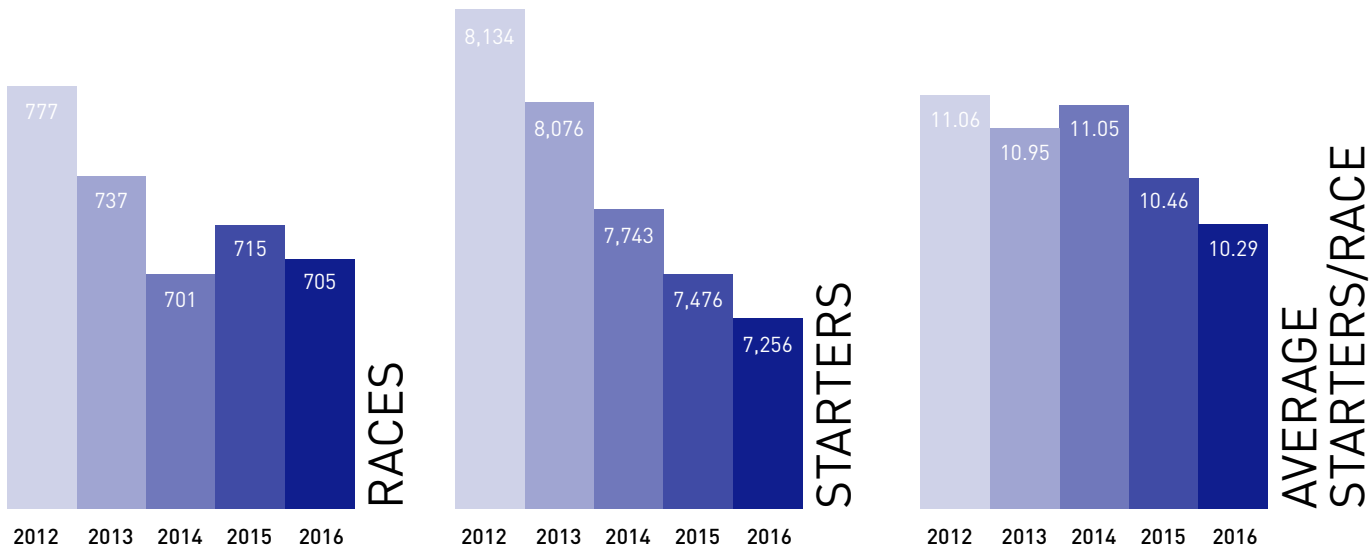


Perth Racing Statistics

Five-Year Statistical Summary

	2012	2013	2014	2015	2016
On-course totaliser sales (\$'000)	\$41,852	\$37,902	\$31,636	\$30,120	\$22,924
TAB on WATC meetings (\$'000)	\$137,066	\$130,928	\$113,313	\$107,967	\$91,299
RWWA Net distribution (\$'000)	\$32,658	\$32,928	\$37,313	\$40,231	\$41,729
Stakes & subsidies (\$'000)	\$33,436	\$33,715	\$38,277	\$41,216	\$42,708
Operating Revenue (\$'000)	\$65,646	\$65,297	\$69,035	\$70,460	\$71,787
Operating Expenditure (\$'000)	\$66,225	\$65,854	\$71,248	\$74,449	\$78,564
Operating profit/(loss) (\$'000)	(\$558)	(\$557)	(\$2,213)	(\$3,989)	(\$6,777)

Five-Year Statistical Summary continued



The Western Australian Turf Club
ABN 82 227 231 356

Statement of comprehensive income

For the year ended 31 July 2016

	CONSOLIDATED		
	Note	2016	2015
		\$	\$
REVENUE			
Revenue	2	71,786,936	70,460,462
Other Income	2	1,334,369	2,128,135
Total Revenue		73,121,305	72,588,597
EXPENDITURE			
Stakes and Subsidies		42,707,835	41,216,062
Race Meeting Expenses		8,292,175	7,645,092
Food and Beverage		8,292,968	7,475,339
Racecourse Maintenance		6,155,028	5,850,335
Administration		6,779,351	5,740,703
Marketing		3,561,445	3,724,883
Finance Costs		55,142	52,376
Depreciation		2,720,264	2,744,334
Impairment of Property, Plant and Equipment		173,358	-
Reorganisation Costs		141,370	24,076
Total Expenditure		78,878,936	74,473,200
PROFIT/(LOSS) FOR THE YEAR		(5,757,631)	(1,884,603)
Other Comprehensive Income for the year		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(5,757,631)	(1,884,603)

These financial statements should be read in conjunction with the accompanying notes.

The Western Australian Turf Club
Notes to the financial statements for the year ended 31 July 2016

2 Revenue

	Note	2016 \$	2015 \$
Operating activities			
Racing and Wagering Western Australia		47,493,908	45,865,182
Distribution Sponsorships		2,317,042	1,721,790
Wagering Operations		3,912,967	5,036,240
Admissions		1,195,255	1,371,028
Membership		1,086,478	1,199,667
Nominations and Acceptances		1,013,350	962,650
Food and Beverage Sales		9,692,146	9,605,933
Vision Export Income and Broadcast Rights		2,581,875	2,477,358
Other Revenue		1,843,227	1,325,306
Outsourced Security Income		430,443	685,570
Training		220,245	209,738
Total Revenue		71,786,936	70,460,462
Non-operating activities			
Profit/(Loss) on Disposal of Assets		(5,097)	1,819
Interest Income	2(a)	781,147	1,221,682
Other		558,319	904,634
Other Income		1,334,369	2,128,135
a. Interest revenue from			
- bank deposits		781,147	1,221,682
Total interest revenue		781,147	1,221,682

3 Key Management Personnel Compensation

The key management personnel compensation relates to all Executive staff. The compensation included within employee expenses is:

	Short-term benefits \$	Termination benefits \$	Post- employment benefits \$	Other long- term benefits \$	Total \$
2016					
Total compensation	1,240,671	9,103	-	-	1,249,774
2015					
Total compensation	1,183,300	65,904	-	-	1,249,204

The Western Australian Turf Club
Notes to the financial statements for the year ended 31 July 2016

9 Property, Plant and Equipment

	2016 \$	2015 \$
Land		
Freehold land at cost	99,865	99,865
Accumulated depreciation	-	-
Total Land (i)	99,865	99,865
Tracks and Landscaping		
Tracks and landscaping at cost	8,584,215	8,311,976
Accumulated depreciation	(3,927,791)	(3,505,999)
Total Tracks and Landscaping	4,656,424	4,805,977
Buildings		
Buildings at cost	26,453,784	25,750,969
Accumulated depreciation	(15,721,620)	(14,777,560)
Total Buildings	10,732,164	10,973,409
Plant and Equipment		
Plant and equipment at cost	36,386,627	32,382,584
Accumulated depreciation	(28,589,114)	(27,480,754)
Total Plant and Equipment	7,797,513	4,901,830
Capital Works in Progress		
At cost	480,207	1,409,178
Total Capital Works in Progress	480,207	1,409,178
Total Property, Plant and Equipment	23,766,173	22,190,259

	Land at Cost \$	Tracks and Landscaping at Cost \$	Buildings at Cost \$	Plant and Equipment at Cost \$	Capital WIP at Cost \$	TOTAL \$
Balance at 31 July 2015	99,865	4,805,977	10,973,409	4,901,830	1,409,178	22,190,259
Additions	-	-	-	-	4,499,633	4,499,633
Transfers	-	272,240	908,979	4,247,385	(5,428,604)	-
Disposals	-	-	(124,722)	(78,732)	-	(203,454)
Depreciation expense	-	(421,793)	(1,025,502)	(1,272,970)	-	(2,720,265)
Carrying amount at 31 July 2016	99,865	4,656,424	10,732,164	7,797,513	480,207	23,766,173

(i) Summary of Land held by the Western Australian Turf Club

Lot	Deposited Plan	Address	Area (hectares)
9002*	60342	71 Grandstand Road, Ascot	51.2241
9101	73845	1 Graham Farmer Freeway, Burswood	28.7688
7705*	209359	71 Mathieson Road, Ascot	4.3262
9103	73845	1 Graham Farmer Freeway, Burswood	2.8133
100	60341	1 Raconteur Drive, Ascot	2.5725
452	60339	70 Grandstand Road, Ascot	1.1441
13	26760	71 Grandstand Road, Ascot	0.9131
51	15104	2 Raconteur Drive, Ascot	0.6939
50*	5729	71 Mathieson Road, Ascot	0.3516
3	55346	96 Grandstand Road, Ascot	0.0950
23	2198	2 Carbine Street, Ascot	0.0927

*Originally Crown lease but subsequently granted freehold title upon trust to be held solely for the Club's purposes. This property cannot be disposed of without consent from the Minister of Lands.



RACING SEASON 2015/2016 FACT BOOK



www.racingaustralia.horse

A GUIDE TO THE THOROUGHBRED INDUSTRY IN AUSTRALIA
Racing Season 1st August 2015 - 31st July 2016

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TABLE 82. THOROUGHBRED WAGERING TURNOVER 1998/1999 – 2015/16

Year	Tote On Course (\$M)	TAB Retail (\$M)	TAB Phone & Internet (\$M)	Fixed Odds	Total TAB (\$M)	Total Bookmakers (\$M)	Total Wagering (\$M)
2015/16	391.21	3,785.99	2,119.54	3,509.09	9,805.83	5,912.50	15,718.33
2014/15	515.28	4,166.96	2,068.96	2,986.94	9,738.14	6,143.02	15,881.16
2013/14	550.95	4,479.24	1,974.55	2,644.17	9,648.93	5,949.79	15,598.72
2012/13	758.64	4,870.21	1,957.23	2,227.38	9,813.46	4,648.21	14,461.67
2011/12	813.69	5,226.59	2,364.24	1,868.12	10,272.65	4,103.84	14,376.49
2010/11	918.39	5,586.93	2,470.34	1,238.88	10,214.54	4,173.26	14,387.80
2009/10	994.97	6,143.53	2,352.28	581.13	10,071.91	4,323.39	14,395.30
2008/09	848.47	6,601.70	2,278.97	167.55	9,896.69	4,536.46	14,433.15
2007/08	704.50	6,234.40	2,015.40	97.10	9,051.40	3,907.33	12,958.73
2006/07	703.23	6,610.70	1,948.00	80.40	9,342.33	3,747.60	13,089.93
2005/06	584.51	6,386.00	1,754.00	68.30	8,792.81	2,881.55	11,674.36
2004/05	589.20	6,396.80	1,722.40	55.60	8,764.00	2,936.60	11,700.60
2003/04	591.63	6,167.20	1,602.89	46.50	8,408.23	2,742.16	11,150.39
2002/03	601.30	5,964.00	1,524.00	-	8,089.30	2,434.79	10,524.09
2001/02	560.00	6,235.00	1,026.07	-	7,821.07	1,842.00	9,663.07
2000/01	572.00	6,490.00	1,079.00	-	8,141.00	1,399.00	9,540.00
1999/00	612.00	6,897.00	-	-	7,509.00	1,467.00	8,976.00
1998/99	575.00	6,667.00	-	-	7,242.00	1,435.00	8,677.00

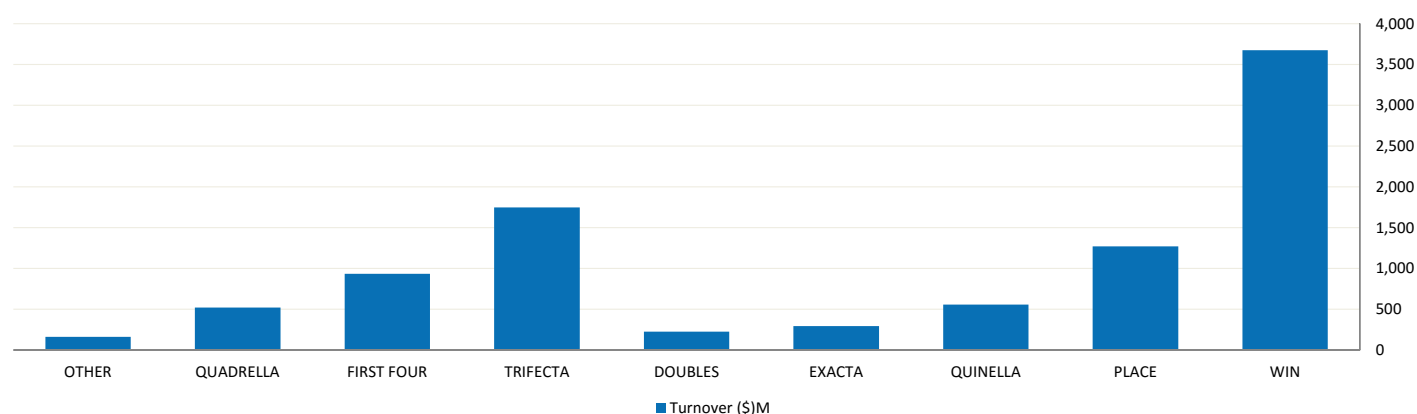
TABLE 83. ALL CODES PARI-MUTUEL BET TYPE DISTRIBUTION (\$) IN 2015/16

Bet Type	NSW (\$M)	VIC (\$M)	QLD (\$M)	SA (\$M)	WA (\$M)	TAS (\$M)	ACT (\$M)	NT (\$M)	Australia (\$M)
WIN	1,483.52	996.7	372.01	132.1	543.78	69.21	48.05	33.24	3,678.61
PLACE	449.51	351.52	154.75	50.52	211.49	27.81	14.5	9.48	1,269.58
QUINELLA	231.07	153.72	66.47	22.45	56.4	13.19	7.24	4.34	554.88
EXACTA	96.69	86.37	41.22	14.57	41.76	5.88	2.52	2.76	291.77
DOUBLES	63.48	104.94	22.35	8.41	15.45	5.07	4.04	0.75	224.49
TRIFECTA	473.35	438.08	292.56	96.94	370.57	32.42	22.7	22.26	1,748.88
FIRST FOUR	284.88	306.67	72.6	17.73	230.9	7.04	6.38	6.4	932.6
QUADRELLA	109.1	254.71	61.59	17.76	59.11	7.9	7.04	3.35	520.56
OTHER	32.85	27.59	61.8	19.88	12.21	3.9	0.56	1.65	160.44
Total TAB	3,224.45	2,720.30	1,145.35	380.36	1,541.67	172.42	113.03	84.23	9,381.81

Note: Not Including Fixed Odds

Other includes Big 6, Duet, Triwin, Treble, Favourite numbers etc

CHART 13. PARI-MUTUEL BET TYPE



Department of Treasury Western Australia

- The TAB provides online and retail outlet wagering services throughout Western Australia. The TAB is currently part of Racing and Wagering Western Australia (RWVA). As well as operating the TAB, RWVA is responsible for overseeing racing within Western Australia, which includes fostering development and ensuring the integrity of racing through the regulation and supervision of racing in Western Australia. RWVA distributes a percentage of the net profits it receives from the TAB in order to support the racing industry.

The racing and wagering industry has changed rapidly over recent years, with the increase in corporate bookmakers and online sports wagering. The TAB has operated successfully in Western Australia, and this has resulted in a strong racing industry. However, the consideration of a sale of the TAB provides an opportunity to address the likely challenges that will arise in the future.

The Government will continue consulting with the racing industry to develop an agreed solution for a sale and industry funding structure that will enable the Government to realise the value of the TAB, but also ensure the racing industry remains strongly supported into the future.

[Subscribe](#) to stay up-to-date with the latest news and updates of the various asset sales projects.

- **Asset Sales**

Mark McGowan, WA Labor Leader



Thursday 17 Sep 2015

Fast Facts:

- National MPs vote with the Liberal Party to back the privatisation of WA's TAB
- Not one National Party MP supported WA Labor's motion against the TAB sale
- Even three Liberal MPs crossed the floor and voted with WA Labor
- National MPs have ignored the pleas from the racing industry and their electorates

National MPs have backed the sale of the TAB after refusing to support a motion opposing the sale.

The National Party chose to vote against WA Labor's motion 'that the House opposes the sale of the WA TAB'.

Three Liberal MPs crossed the floor to oppose the sale, however the motion was still defeated due to the National Party voting with the Government.

"The WA National Party clearly doesn't care about country communities and the thousands of jobs in the racing industry.

"Not one National MP had the courage on the floor of the Legislative Assembly to stand up and support our racing industry.

"Terry Redman and the National Party have failed once again to stand up against the Barnett Government and support regional WA.

"Selling off the TAB will mean country towns will suffer as the racing industry will no longer be supported.

12/8/2016

Mark McGowan, WA Labor Leader

"The performance today by the National Party is a slap in the face to struggling country race clubs in regional WA."

MICK MURRAY MLA - SHADOW MINISTER FOR RACING AND GAMING

Privatising TAB back on track

The West Australian · 2 Feb 2017 · Daniel Emerson, Gary Adshead and Dylan Caporn

The WA TAB is all but certain to be privatised after the three major parties yesterday revealed they would go to the election in support of the previously contested move.

After first being touted in 2011 and added to the State Government's assets sales list in 2014, the privatisation had fallen off the political radar until Monday when the industry described continuing uncertainty as a "noose around (its) neck".

The WA Racing Representative Group has called for a "no worse off" privatisation committing \$100 million to an infrastructure fund and guaranteeing recurrent yearly funding of at least \$193.7 million from any buyer.

After being opposed at various stages by WA Labor, the Nationals and the industry and more recently put on the backburner by the Liberals, yesterday heralded a breakthrough. Premier Colin Barnett said "the position of the Liberal Government is yes, we would sell the TAB".

Opposition Leader Mark McGowan said: "If the racing industry is united and wants to sell it, then would agree with that."

Nationals leader Brendon Grylls said the industry model would "breathe new life back into the sport of racing".

WARRG chairman Michael Grant said last night: "We look forward to working with the next State government to find a positive outcome." The timing for the on-again, off-again Ellenbrook rail link has been brought forward but could still be more than 30 years away.

The final version of the Barnett Government's long-term transport plan was released online yesterday and has shifted the timing for the link — which is a spur line to Marshall Road in Malaga — so it will be ready before Perth's population hits 3.5 million in about 2050.