

Second Reading

The Hon. PENNY SHARPE (Parliamentary Secretary) [11.30 a.m.], on behalf of the Hon. Ian Macdonald: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

The main purposes of the bill before the House are:

to modernise the corporate structure of the Australian Jockey Club by recognising the incorporation of the Australian Jockey Club Limited,

to provide for necessary transitional arrangements from the unincorporated Australian Jockey Club to the recently formed Australian Jockey Club Limited and

to enable the Trustees of Randwick Racecourse to grant a lease of the racecourse lands for up to 99 years.

It is essential for the AJC to move to a modern corporate structure to enable the club to conduct its business effectively in the 21st Century.

Many people would be surprised to learn that the AJC, which was formed in 1842, is an unincorporated association. The current arrangements under the Australian Jockey Club Act 1873 impose a level of personal liability on the AJC Chairman and the club's officers and members.

Similar traditional arrangements existed in Victoria until recently, and the AJC has requested that the Government assist it with reforms along the lines of those implemented for the Victoria Racing Club.

The 135 year old Australian Jockey Club Act has clearly been overtaken by modern corporate practices, and is now obsolete and inappropriate.

The AJC Committee has recently taken steps to incorporate a new body to be known as the Australian Jockey Club Limited.

The process of incorporation was undertaken by the club with an appropriate awareness program for its members to advise them of the many benefits of the transition to membership of a company limited by guarantee.

The bill before the House will recognise the AJC's incorporation and will provide for the seamless transfer of the assets, rights, liabilities and regulatory authorisations of the unincorporated body to the new company.

Once this transition has been made there will be a proper measure of protection and limited liability for the AJC Chairman and the club's officers and members.

Importantly, the bill preserves the current rights and privileges enjoyed by AJC members and provides for the continued tenure of AJC employees.

The AJC through its own endeavours and achievements has become one of the premier horse racing clubs in New South Wales and arguably Australia, a status it has enjoyed for more than a century and a half.

Through its use of the Randwick Racecourse the AJC has had an unparalleled opportunity to promote horse racing in this State, an opportunity which has been well used to the advantage of the community and the racing industry.

Randwick Racecourse is recognised internationally as one of Australia's major racing venues. Queen Elizabeth II has formally given the title of 'Royal' to the racecourse.

Under the management of the AJC, the Randwick Racecourse is fully utilised for horse racing and training purposes. The racecourse, with its considerable facilities and amenities, including a modern convention centre, is also used for public functions and entertainment purposes.

Substantial revenues are generated for the Government, the AJC and the racing industry by the activities conducted at the racecourse and numerous persons are directly and indirectly employed as a result of the AJC's use and promotion of the racecourse.

The venue is also an invaluable source of social and recreational activity to the public and is a significant community centre.

Randwick Racecourse will play a pivotal role in the upcoming World Youth Day celebrations.

Hundreds of thousands of pilgrims will walk to the racecourse on Saturday 19 July 2008, where there will be an

evening vigil with Pope Benedict XVI.

In the order of half a million people are expected to take part in the Final Mass to be held on the following Sunday.

The people of New South Wales are fortunate to have such an impressive venue situated in close proximity to the Sydney CBD.

The Government's \$40 million package to enable Randwick Racecourse to host World Youth Day celebrations recognises that it is of considerable benefit to the State that the Randwick Racecourse continues to operate at an optimal level.

It is vital and that this unique public asset continues to host top level racing and be available for major public events.

The support of the Government in assisting the AJC with its future planning and to enhance its business certainty is also vital to the ongoing viability of the New South Wales thoroughbred racing industry.

The bill will enable the Trustees of Randwick Racecourse to issue a lease of the racecourse lands for a period of up to, but no more than 99 years, giving the AJC security of tenure at the venue.

It is the convention that upon execution of the new 99 year lease, the current lease which expires in 2042 is to be surrendered by the club.

The exclusivity of the lease of the Randwick Racecourse to the AJC gives rise to competition issues.

However, the uniqueness of the arrangement and its rich history must be recognised, as has been the case in Victoria with the Victoria Racing Club's use of the Flemington Racecourse.

Accordingly the bill provides the Trustees with an exemption under the Trade Practices Act 1974 in relation to the grant of a 99 year lease of the racecourse.

The opportunity has also been taken to re-write the legislation in line with modern language and drafting practices. A glance at the preamble to the 1873 Act will show that this is not before time.

The Government is committed to implementing practical solutions to ensure that racing has a sustainable future.

The Government's racing policy is driven by the need to provide a statutory framework which:

1. facilitates sustainable economic development and the future viability of the racing industry, and
2. ensures the integrity of the conduct of racing and associated wagering on racing.

To this end the Government has recently commissioned two independent reviews.

A review into wagering is being undertaken by Mr Alan Cameron.

The review will consider all facets of wagering including the significance of racing as an industry and employer, new technology and wagering, and the impacts on wagering from National Competition Policy.

It will provide a framework for future growth and sustainability of the racing industry.

A review of the regulatory oversight of the State's racing industry, which is being conducted by Mr Malcolm Scott, is to examine whether there are adequate powers and procedures in place for the effective and efficient regulation of the three codes of racing.

The response to the recent Equine Influenza outbreak is another example of the Government's commitment to working hand-in-hand with the racing industry to achieve common goals and outcomes.

The Government moved swiftly to contain the outbreak of this devastating exotic disease, providing practical support to racing industry participants, while at the same time committing significant funding to assist those whose livelihood was impacted by the outbreak.

The proposals contained in the bill are further evidence of the Government's commitment to assisting the racing industry in ensuring its future viability and growth.

Nothing in the bill will impose any undue regulation or will impinge upon existing rights.

I commend the bill to the House.