

## SUPPLEMENTARY QUESTIONS

### Ms Caroline Searcy, Director, Australian Turf Club

1. (1) You have been quoted on ABC radio as stating: “We all understand, revenue streams as far as wagering, there is a view that that is dwindling. We all know the government is putting all sorts of regulations into place as far as wagering is concerned, all of those things threaten the industry.”
  1. (a) Are the federal government’s current proposals to restrict gambling advertising one of those regulations? **There is a risk a ban on gambling advertising could have a detrimental effect on revenues back to the racing industry and it is important racing is carved out from general sports advertising bans. Racing depends on wagering whereas sport has other large revenue streams – racing is also somewhere where people traditionally go to bet- it’s a fundamental part of the sport even though many people also attend the races without having a bet.**
  2. (b) Would you agree that a federal parliamentary committee’s recommendations, and associated community campaigns, to outlaw gambling advertising are examples of further long-term threats to wagering revenue? **As per above.**
  3. (c) Is revenue, that is the subject of funding agreements between Racing NSW and the industry, wholly derived from gambling related sources? **The ATC’s main sources of revenue through Racing NSW are the prizemoney subsidy and TAB distributions.**
  4. (d) Would any renegotiation of a funding agreement with Racing NSW reduce the exposure of the thoroughbred industry to wagering revenue, or mitigate against the risks that poses? **The renegotiation of the funding agreement is essential to give the ATC more control over its cash flow which has shrunk as TAB’s market share has declined, with corporate bookmakers taking a bigger share of the wagering market. If the ATC was receiving the same percentage of overall wagering income that problem would not exist. However wagering revenue remains a vital part of the club’s income although other revenue streams are constantly being explored and improved upon through the club’s commercial team, non race day events revenue etc.**
  5. (e) Do you believe that a reasonable person, discharging their duties with a degree of care in these circumstances, should continue to explore

alternative long-term revenue streams to wagering? **Yes. All potential revenue streams must be looked at, but it is an inescapable fact that prizemoney and the entire business of racing is dependent on wagering.**

- 6. A Stage 1A submission is a preliminary first step in an unsolicited bid process. Do you believe the ATC board and members should keep an open mind, and not be pressured, while details continue to be developed so that the real costs, benefits and risks to the ATC can be impartially assessed when a full proposal is presented to members. Absolutely. It is the duty of the board to keep an open mind about what could be possible regarding the proposed sale of Rosehill. It is important to gather the information required so the members can have a fully informed vote on the proposal. I have spent many hours talking with industry participants who both support and those who oppose the proposal and I think a director's role is to gather that feedback and get a gauge on how people are weighing up the pros and cons themselves, from members to owners, trainers, sponsors, racegoers – from all industry stakeholders.**