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27 January 2016

Ms Jennifer Howard MP  
Member for Ipswich - Chair  
Agriculture and Environment Committee

By email: [aec@parliament.qld.gov.au](mailto:aec@parliament.qld.gov.au)

Dear Madam,

**Submission to the inquiry into the Racing Integrity Bill 2015**

We are pleased to provide our submission to the inquiry into the Racing Integrity Bill 2015.

AQRHD Pty Ltd is the first commercial company to hold a conditional approval for the **fourth code of racing**, Quarter Horse (Sprint) racing.

Our submission is one of overall support for the Bill.

AQRHD have established the need for a new industry and Queensland is the only state investing in this new industry. With over 100,000 registered Australian Quarter Horses (being the third largest breed registry in Australia), this is an industry that Queensland needs. AQRHD is strongly backed by the American Quarter Horse industry (whom have over 2.5 million horse in the stud registry).

We do note that there is the potential for some unintended consequences due to the early nature of the new control body. These are provided in detail in our submission. The key points are:

- The Bill should reflect the infancy nature of AQRHD and ensure that a new industry can be established
- The business has not envisaged an external cost structure (i.e. the Commission) and would request exemptions for the formation period of our and other future industries
- Provide clarification on the reporting requirements for formative control bodies
- That the All Codes Racing Board is reflective of AQRHD participation given its control body status.

AQRHD provides this succinct overview of the issues noting the significant information we are able to provide if desired by the committee. We are also willing to provide further information and offer insights to the international practices for the committee's consideration at the public hearing on Wednesday 17 February 2016.

Yours sincerely



John Hocken  
Chairman

Enc.

Attachment 1: AQRHD Submission to the inquiry into the Racing Integrity Bill 2015

Attachment 2: Letter from Minister Dickson enclosing Information Notice about Minister's decision on approval application

# Submission to the Parliamentary Committee Racing Integrity Bill 2015



## 1. Executive Summary

The Australian Quarter Horse Racing Development (AQHRD) would like to thank the Agriculture and Environment Committee (Committee) for the opportunity to provide a submission on the *Racing Integrity Bill 2015* (the Bill).

AQHRD has long advocated for reforms to the racing industry. Many attempts to provide a new industry through access to the significant Quarter horse populations of Queensland have been historically prevented. The introduction of the highly successful Quarter Horse sprint racing in the United States to Queensland is a wonderful challenge and opportunity.

The *Racing Integrity Bill* will provide an important step in transparency, accountability and importantly a genuine approach to governance.

Our summary of the issues are:

### **1. An inclusive All Codes Racing Board**

- a. Ensure that the All Codes Racing Board is reflective of the conditional control body license that AQHRD holds and consideration for participation by an AQHRD director.

### **2. That a new industry can succeed**

- a. That the Bill is reflective of the infancy nature of AQHRD with subsidised fee structures for new industries
- b. That the unintended consequences of establishing competitive barriers to establishing new racing product are created
- c. That AQHRD has an exemption period from the costs of the Commission for a formative period (being a minimum period of 2 years)

### **3. That commercial drivers ensure success**

- a. That the current conditional body approval is reflected in the terms for commencement of the Commission and third parties cannot utilise dual assessment processes
- b. The reporting processes (e.g. section 43) are reflected in guidelines reflective of the size of the organisations

## 2. Introduction to AQHRD

AQHRD Pty Ltd (**AQHRD**) was established as the entity to make the application to the Queensland Government to act as the control body for the sport of quarter horse racing in Queensland.

AQHRD was granted the first Australian proprietary racing approval (with conditions) (Attachment 2) on 12 February 2014 and is the control body for quarter horse racing in Queensland. As quarter horse racing is the new fourth code of racing, AQHRD is in the process of launching a new industry into an Australian market already well versed in horse racing.

The USA quarter horse racing industry have been integral in the development stages of this venture, as their industry has operated since the 1940s, and now boasts a multi-billion dollar racing and breeding experience. Since the announcement of the new approval by the Premier of Queensland, the Honourable Campbell Newman of Queensland in March 2014, there has been an increase in breeding by Australian quarter horse breeders looking to import USA genetics into the Australian quarter horse population.

Wagering is crucial to racing, and developing the industry as an export wagering product will deliver substantial returns to the Queensland economy creating a significant number of jobs across the state as the industry expands.

Responses from key wagering entities here in Australia have indicated support for the product and reinforced the significance of the timing and shape of the new wagering product. Simply, Quarter Horse sprint racing is consistent with the global demand for new exciting product which is not reliant on onsite crowds and high asset costs (i.e. large tracks).

AQHRD is in the process of opening negotiations with Queensland Racing to commence quarter horse racing on existing race tracks around Queensland. AQHRD is looking to have the first quarter horse race under the approval in later 2016.

### 3. Recommendation 2 – All Codes Board

Under Recommendation 2 of the MacSporran Report of the Queensland Greyhound Racing Industry Commission of Inquiry (**MacSporran Report**) it is recommended that an all codes board is established as the control body for three codes of racing being thoroughbred, harness and greyhound. As we are a fourth code of racing in Queensland we would respectfully request that we are also nominated to this board and the board consist of eight members, including one drawn from our code of racing.

We further request that the AQHRD Pty Ltd Control Body continue in force as the control body for quarter horse racing in Queensland. This will allow the company to continue to develop the quarter horse racing industry.

We note the ongoing application processes with the Office of Racing and we have a significant investment to date. We wish to ensure the rights of the current control body process are not affected *ultra vires*.

### 4. Fees for Queensland Racing Integrity Commission

Under s 56 of the Racing Integrity Bill 2015, the cost of performance of the commission's functions is to be funded mainly by the control bodies. We, as a new industry, respectfully request a reduction in any fees charged.

We are still in the beginning stages of developing the quarter horse racing industry and any large fees would negatively affect our efforts.

### 5. Key Contacts

Mr John Hocken  
Chairman – AQHRD  
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Mrs Melissa Brown  
Corporate Counsel – AQHRD  
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Hon Steve Dickson MP  
Minister for National Parks, Recreation, Sport and Racing

Our Ref: 02825/14

**13 FEB 2014**

Mr Keith Hamburger AM  
Director  
AQHRD Pty Ltd  
149 Boundary Road  
BARDON QLD 4065

Dear Mr Hamburger

I refer to the application by Australian Quarter Horse Racing Development Pty Ltd (AQHRD) for a control body approval for the code of quarter horse racing in Queensland, under the *Racing Act 2002* (the Act).

Enclosed is an Information Notice about my decision on the application pursuant to section 25 of the Act.

In order for me to give AQHRD Pty Ltd an approval as the control body for the quarter horse code of racing under section 26(2) of the Act, AQHRD must:

- complete the attached notice (Form 7), which states that there have been no changes to the information in the approval application, or other documents or information given to me or the chief executive, that are likely to affect my decision
- pay the fee of \$3286 for the first year of the approval.

Upon the above matters being addressed, I will be in a position to provide AQHRD with a control body approval for the quarter horse code of racing. At that time, a Control Body Approval Notice will be issued, which will state the conditions that are subject of the approval.

Should you have any further enquiries, please contact Mr Dale Himstedt, Acting Executive Director, Office of Racing on telephone (07) 3338 9343 or via email [info@racing.qld.gov.au](mailto:info@racing.qld.gov.au).

Yours sincerely

  
**Steve Dickson MP**  
Minister for National Parks, Recreation, Sport and Racing

Encls

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