



Australian Racing Board Limited

7th May, 2010

Mr Mike Kelly
Executive Director
Office of Racing
Locked Bag 180
City East QLD 4002

Dear Mike,

Thank you for your letter dated 28th April, 2010.

The scheme of the Australian Rules of Racing is to recognise one body within each State and Territory as the Principal Racing Authority. Relevantly, this body must satisfy the requirement established by AR7 of "*having control and general supervision of racing within its territory*". The constitution of the Australian Racing Board Limited, which is a company limited by guarantee under the Corporations Law, also requires, relevantly, that "*members of the Company must have the general supervision and control of racing within their Territory.*"

These words have a clear enough meaning - each Principal Racing Authority must have the full suite of responsibilities which, taken together, can be characterised as constituting the control and general supervision of racing within its territory. This plain meaning is reinforced by the specific provisions of AR7 as well as the range of other Australian Rules particularising the powers of Principal Racing Authorities, including:

- Licensing industry personnel (AR7(b))
- Reciprocation of interstate and overseas penalties (AR7(f), (g))
- Registering race clubs and race meetings (AR7(l), AR11)
- Allocating Race Dates (AR7(n))
- Appointing Stewards (AR8)
- Approving Race Programs (AR36)
- Approving the transfer of race meetings (AR38)
- Approving the division of races (AR42)
- Approval of syndicates (AR69)
- Setting riding fees
- Hearing appeals

In short, to be recognised as a Principal Racing Authority under AR7 and to qualify for membership of the Australian Racing Board a body must have control over enough of those incidents of racing administration, both regulatory and commercial, as to be able to

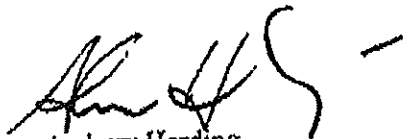
be characterised as having the control and general supervision of racing within its territory.

Plainly, legislation conferring on the Minister significant powers to issue directions to a control body would be at odds with that entity being recognised as having control and general supervision of racing within its territory.

In terms of your other inquiry, I confirm that a long-established requirement of recognition of Principal Racing Authority status and membership of the Australian Racing Board is that the committee or board of directors of a State's racing control body should not consist of government appointees.

It is recognised that because Australian racing is of such importance both economically and socially Governments are very interested in whether the industry has able and successful administration. However, our view is that the best means of achieving this is for the industry to have the stability and expertise of professional and independently selected governance.

Yours sincerely,



Andrew Harding
Chief Executive
Australian Racing Board Limited