Our Ref MC586-1Anx

12 October 2012

Mr Neale Burgess MP
Chair
Economic Development & Infrastructure Committee
Parliament House
Spring Street
EAST MELBOURNE VIC 3002

Dear Mr Burgess

Submission to Inquiry into Local Economic Development Initiatives in Victoria

Thank you for your letters of 11 September 2012 inviting Racing Victoria, Harness Racing Victoria and Greyhound Racing Victoria to make submissions to the above Inquiry.

We are pleased to accept your Committee’s invitations and have prepared this joint response in our capacity as the respective governing bodies of the three codes of the Victorian Racing Industry (VRI).

1 Overview of the Victorian Racing Industry

The VRI is a driving, dynamic powerhouse of the Victorian economy, particularly in rural areas, employing more than 47,500 people in a full time, part time or casual capacity. This represents one in every 53 employed residents of Victoria being sustained in paid employment by the VRI which as an employer, places it at twice the size of the electricity, gas and water supply industry and five times the size of the mining industry.

The annual economic value of the VRI is estimated to be in excess of $2.1 billion and excluding wagering taxes, generates around $100 million per annum in State taxes and some $200 million in Federal taxes.

The tourism value of the industry is another important aspect with the Spring Racing Carnival consistently attracting 150,000 interstate and international visitations.

Central to the economic success of the VRI is the operation of a network of over 100 racing and training venues throughout the State. One of the key roles of the VRI’s three governing bodies is to provide funding for infrastructure development across this network and generally supporting racing clubs in the planning and execution of capital projects.
The racing venue network represents an enormous infrastructure asset base which demands ongoing improvement and renewal. The VRI's annual capital expenditure investment averages in the order of $20 million per annum and is further assisted by the Victorian Government’s Victorian Racing Industry Fund which co-contributes an additional $7.5 million per annum to selected projects.

2 Role of Local Government

Many racing development projects involve engaging with local municipal councils to facilitate planning or building approvals and commonly, councils actively fund, publicly advocate or otherwise contribute to the success of the projects. The positive role that many councils adopt reflects an acknowledgement that racing generates very significant economic, employment and social benefits for local communities and that racing venues represent important community assets with potential for expanded multiple usage.

However, not all councils adopt such a proactive position or can be hampered by local politics in making planning or funding decisions that would ultimately deliver a beneficial outcome to both the racing industry and the local community.

We believe there is a leadership role for the Victorian Government to play in promoting a coordinated, committed and consistent policy approach by local government and to equip councils with the appropriate tools to manage planning and funding approval processes.

3 Planning and Environment Act 1987

The administration of the Planning and Environment Act 1987 has in some instances, created substantial delays in the commencement of racing venue improvements. For example, the upgrading of the public facilities in the centre of Caulfield Racecourse was delayed some nine months due to a single objection which resulted in a protracted VCAT appeal process despite the Glen Eira City Council supporting and issuing the planning permit. Obviously, we are not advocating for overriding sensible planning controls, but contend there is scope for streamlining planning processes and adopting a more balanced and expeditious approach in examples such as this.

Another area of concern is that in some cases, the Act provides local government with an absolute discretion to determine certain planning matters with no appeal right available to the proponent through VCAT. This anomaly was highlighted in the preliminary planning phase of the Melbourne Racing Club’s Caulfield Village development where had the local authority declined to support the necessary Planning Scheme Amendment, there was no right of recourse to VCAT and the matter would have been reliant on being called in by the responsible Minister for Planning.

From a broader perspective, the Act contains no special support or recognition that reflects the specific and complex needs in maintaining and managing a racing venue. There is value in defining those works which are critical to the functional operation of a racing venue and to afford such works with either planning permit exemptions or provision for dealing with basic matters at planning officer level.

4 Crown Land Tenure

The vast majority of racing venues are situated on Crown land reserves and local management and tenure issues often influence and in some cases impede the optimal outcomes for maximising development and usage.

Some of these issues include the challenge of securing sufficient tenure to attract both public and private capital investment; the importance of having efficient Crown land management structures; and the ongoing impacts of land tax liability on lease holdings by not-for-profit racing clubs.
The Minister for Racing, The Hon Dr Denis Napthine, has recognised the need to address these issues and has convened a joint Government-racing industry working party to investigate and recommend measures for improving Crown land tenure policy and practices. It can be expected that the outcomes of that process will be informative to your Committee’s deliberations.

5 Use of Racing Venues in State Emergencies

Yarra Valley Racing Centre served as a vital emergency services base and evacuation refuge during the 2009 Black Saturday Bushfires, together with a number of rural greyhound racing clubs. Bairnsdale Racecourse has also played an important role during a number of East Gippsland flooding events.

VRI racing venues are an ideal fit for these purposes and being designated as Neighbourhood Safer Places due to their large size, high capacity facilities and access to services.

A Victorian Government led program to further develop this role would provide important and immediate benefits to local communities.

6 Coordination Across the Three Tiers of Government

In terms of measures to assist in the planning and implementation of major economic developments, we would encourage your Committee to consider recommending the Victorian Government or local councils establish a single economic development initiative contact point from which all of the relevant government agencies and associated sources of funding and other assistance can be mobilised in a coordinated and integrated manner.

One of the common frustrations that racing clubs express in attempting to advance major projects is the difficulty in working across three layers of government and identifying and leveraging the most appropriate public partners. There is a perception that there can be a haphazardness as to which agencies become involved in projects often driven by the local knowledge and degree of interest of regionally based staff. Communication gaps and competing priorities can also emerge when there is a lack of effective coordination and not all agencies are fully engaged.

Ideally, a single contact point could identify and assemble the relevant agencies into a project focussed taskforce that can work with the project proponents and pursue the optimal economic outcomes for the region and the State in general having particular regard to local employment and tourism growth.

At the very least, a single website displaying each of the potential agencies and funding programs would be a most helpful resource.

7 Case Studies

Finally, brief outlines of a number of notable recent, current and future major racing projects are attached for your information and these may assist with your investigation of best practice local economic development initiatives.

The VRI would be delighted if you decided to highlight any of these projects in your report particularly if they are presented and promoted as case studies for other councils to follow.

If you require any further information in respect to any of these projects, please contact Mark Close (VRI Government Relations Manager) who can be reached on [contact information removed].
Yours sincerely

ROB HINES
Chief Executive Officer
Racing Victoria Limited

JOHN ANDERSON
Chief Executive Officer
Harness Racing Victoria

ADAM WALLISH
Chief Executive Officer
Greyhound Racing Victoria

cc The Hon Dr Denis Napthine MP, Minister for Racing
### Major Racing Projects Featuring Significant Roles for Local Municipal Councils

<table>
<thead>
<tr>
<th>Council</th>
<th>Racing Venue</th>
<th>Project Description</th>
<th>Council Role</th>
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<tbody>
<tr>
<td>Ballarat</td>
<td>Dowling Forest Racecourse, Ballarat</td>
<td>Planning of further development of major thoroughbred training precinct including on-course stabling.</td>
<td>Possible further planning approvals following on from previous approval of precinct and advocacy for related Crown land leasing approvals. Proposed sponsorship and financing of funding application to Regional Development Victoria for assistance with major training stabling development project</td>
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<td>Ballarat</td>
<td>Bray Raceway, Ballarat</td>
<td>Upgrade of harness racing track at a cost of $500,000</td>
<td>Possible planning approval</td>
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<td>Buloke</td>
<td>Charlton Park</td>
<td>Multi-purpose administration and grandstand facility for use of various user groups on site</td>
<td>Planning approval and public advocacy</td>
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<td>Cardinia</td>
<td>Pakenham/Tynong Racecourse</td>
<td>Relocation of the Pakenham Racing Club from the current racecourse within the Pakenham township to a new 250 hectare green field site adjoining Tynong. The estimated $60 million cost of constructing a new racecourse and training facility will be largely financed by the sale of Pakenham Racecourse land which was approved as a Comprehensive Development Zone to facilitate residential and commercial development. Works at the new site have commenced with the aim of commencing racing by the end of 2014. The new racecourse will feature extensive trainer stabling and residencies.</td>
<td>Significant cooperation in obtaining the State planning approval for the rezoning of Pakenham Racecourse and the approval for the new development within a green wedge zone.</td>
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<td>Casey</td>
<td>Cranbourne Racing Centre</td>
<td>Installation of night thoroughbred racing lighting in 2011/12 at a cost of $6.7 million.</td>
<td>Planning approval and public advocacy for the introduction of night racing.</td>
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<td>Casey</td>
<td>Casey Cranbourne Racing Centre</td>
<td>Construction of new racecourse grandstand at an estimated cost of $3.6 million aiming to commence in 2013</td>
<td>Possible planning approval</td>
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<td>Casey</td>
<td>Cranbourne Training Complex</td>
<td>Construction of major on-course stabling development aiming to commence in 2013.</td>
<td>Planning approval and potential utilisation of adjoining Council owned land</td>
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<tr>
<td>Casey</td>
<td>Cranbourne Harness Racing Complex</td>
<td>Development of a harness racing training complex at a cost of $1.5 million</td>
<td>Planning approval and financial assistance</td>
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<tr>
<td>Geelong</td>
<td>Geelong Racecourse, Breakwater</td>
<td>Relocation of Haworth Court trainers to new on-course stabling at an estimated cost of $2.5 million as part of a long term masterplan development for Geelong Racecourse. Aiming to commence in 2013.</td>
<td>Planning approval</td>
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<tr>
<td>Glen Eira</td>
<td>Caulfield Racecourse</td>
<td>Caulfield Village development including major residential and commercial uses on 5 hectares of land adjoining Caulfield Racecourse. The project is expected to involve investment of $1 billion over the next 15 years. In addition, Melbourne Racing Club is undertaking major enhancements to the racecourse infield to provide community benefits including extensive open space and park facilities. Planning approval and public advocacy for the project throughout a highly complex and lengthy public consultation process.</td>
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<td>Horsham</td>
<td>Horsham Showgrounds</td>
<td>Potential development of a $3 million function, event &amp; raceday centre to service race day patrons as well as providing a location for corporate and social functions in the Wimmera region.</td>
<td>Planning approval, funding assistance and public advocacy</td>
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<td>Latrobe</td>
<td>Glenview Park, Traralgon</td>
<td>Redevelopment of Glenview Park to incorporate a new track and grandstand/function/event centre at a cost of $4 million</td>
<td>Planning approval and extension of lease</td>
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<td>Melbourne</td>
<td>Flemington Racecourse</td>
<td>Long term planning for a potential major commercial and residential precinct development.</td>
<td>Planning approval and public advocacy.</td>
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<td>Melton</td>
<td>Tabcorp Park, Melton</td>
<td>Major commercial and industrial development on site and adjacent land</td>
<td>Planning approval and public advocacy.</td>
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<td>Mildura</td>
<td>Mildura Showgrounds</td>
<td>Harness racing track upgrade at an estimated cost of $1.5 million</td>
<td>Masterplanning, extension of lease, public advocacy and planning approval</td>
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<td>Mitchell</td>
<td>Seymour Racecourse</td>
<td>Possible development of on-course stabling facilities including trainer residences.</td>
<td>Planning approval and public advocacy.</td>
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<td>Moonee Valley</td>
<td>Moonee Valley Racecourse</td>
<td>Major residential and commercial development plan including reconstruction and alignment of racing facilities.</td>
<td>Planning approval and public advocacy.</td>
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| Swan Hill        | Swan Hill Racecourse         | Regional Racecourse Revitalisation masterplan implementation including –  
  • cessation of golf due to incompatibility with other uses  
  • relocation of Nyah Harness Racing Club involving construction of new harness racing track and night racing lighting  
  • construction of a Community Hub Complex for multiple community uses including bowling club house | Contribution of $200,000 towards Community Hub Complex project  
Support for planning approvals including the conduct of night harness racing  
Public advocacy for the project within the Swan Hill community and liaison with the Victorian Government |
| Wangaratta       | Wangaratta Racecourse        | Commissioning of a master plan for long term development of Wangaratta Racecourse.                                                                                                                                  | Planning approval, public advocacy and possible funding assistance            |
| Warrnambool      | Wannon Park, Warrnambool     | Grandstand redevelopment at a cost of $1.25 million including extended decking and improvements to existing structure.                                                                                               | Planning approval                                                           |
| Wodonga          | Wodonga Racecourse           | Regional Racecourse Revitalisation masterplan implementation including –  
  • ‘droughtproofing’ water re-use project and wetlands  
  • course proper drainage and irrigation improvements  
  • upgrading junior football ovals  
  • new sports pavilions  
  • toilet block development  
  • new race day stalls and sheds  
  • relocation of trainers horse pool  
  • installation of play ground | Contribution of $1.7 million towards projects since 2008  
Initiating funding application to Victorian Government for contribution to pedestrian underpass into in-field sports grounds  
Continuing planning for completion of master plan including –  
  • multi purpose community/administration building  
  • exterior and interior security fencing  
  • public address system |
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| Wyndham       | Werribee Racecourse       | Establishment of the Werribee International Horse Centre in 2010 and associated reconstruction of the Werribee course proper at a total cost of over $5 million.  
The Centre is the dedicated quarantine facility which accommodates the international racehorses competing in the Spring Racing Carnival and other feature racing events. | Planning approval and transferring of Council owned land to accommodate the new quarantine centre.  
Generally advocating for the establishment of the centre and the ongoing conduct of racing. |
| Yarra Ranges  | Yarra Valley Racing Centre| Regional Racecourse Revitalisation masterplan implementation including –  
- infrastructure works to accommodate community events, emergency services base and peak raceday marquees  
- sealing of internal roadways and landscaping  
- flood mitigation works  
- fit out of grandstand ground floor for multi use purposes  
- pedestrian path linkage to Yarra Glen township  
- longer term prospect of a commercial hotel facility to meet regional tourism accommodation and conference centre demand | Contribution of $150,000 towards pedestrian path linkage.  
General advocacy for the masterplan. |