



**FEB
2005**

NSWROA DIRECTORS

Rob Albon – President
Benedict Chan – Vice President
Max Whitby – Secretary
John Leslie – Treasurer
Noel Bracks
Chris Keogh
Stephen van Eyk
Caroline Fara – Executive Officer

MEMBER GET MEMBER

Introduce a new Member into the Association and receive a \$50 betting voucher.

The first 200 NSWROA Members who introduce a new Member during February and March 2005 will receive a \$50 betting voucher from either Henry Noonan or Roger Hawke.

Conditions: Proposer must be a financial member of NSWROA. Applicants must have paid for their Membership by 31 March 2005 in order for the existing Member to receive a betting voucher. Betting vouchers may not be exchanged for cash and must be redeemed in one transaction (can be on multiple races).

To take advantage of this offer, simply contact Caroline Fara on 9299 4299 and provide details of your friends and/or family who are interested in joining NSWROA,

and we will forward them a Membership Application Form.

Our thanks to Roger Hawke and Henry Noonan for their continued support of the Association.

EASTER CARNIVAL RACE DAY LUNCH

The Association will be hosting a **race day lunch at Royal Randwick on Saturday, 2 April 2005**, Sydney Cup Day.

As always, it should be an excellent day at the races. We will have prizes for Ladies Best Hat, Gents Best Tie, guest tipsters, tipping competition, raffle and other assorted prizes and a sumptuous buffet lunch, drinks and afternoon tea. There will also be full tote and bookmaker facilities.

Cost for **members is only \$130 per person** and for **non-members \$150 per person** inc. GST. [The standard cost for lunch at Randwick on this day is \$200 per person.]

BOOK TODAY as numbers are strictly limited! Complete and return the attached booking form with your payment to NSWROA.

BETTING EXCHANGES: The Impact Confirmed in the UK

The Association has taken a strong line against the licensing of betting exchanges in Australia. The NSWROA has supported all moves by the racing industry to persuade our legislators that the result would be disastrous for the existing structure of racing and is particularly inimical to the interests of owners.

Previous articles here and on the Association's website have raised the likely effects on the financial basis of racing in Australia if exchanges were permitted to operate and the losses that are already being suffered through the use of offshore exchanges.

In this context, a news item, carried by Racenet on 20 January 2005, is of great relevance. While the funding of racing in the U.K. is organised differently to in Australia, the ultimate effect of the decline in revenue back to the industry that results from betting with exchanges is the same. It is also interesting to learn how vital the exploitation of Australian racing to Betfair is; an immediate benefit to the current company principals which would lead to the decline of returns to all industry participants, especially owners, unless a new model for returns is developed.

The news article reported that in the U.K. a National Audit Office report has found that betting exchanges paid just £7.3m in tax last year, despite taking bets worth more than £2.67bn. This compares to £376m paid by bookmakers on bets worth £30bn. In percentage terms, exchanges paid a mere 0.27% of turnover in tax compared with the 1.25% paid by bookmakers.

It should be borne in mind that in the U.K. tote betting is relatively insignificant.

The Observer newspaper wrote that: "The duty and the commission that exchanges make just doesn't add up. It's all pointing to the Treasury acting to stop this."

The Observer also reported on the implications of taxation changes for the future of the UK's largest operator, Betfair.

"If the Treasury moves, it will be a serious blow to Betfair, which controls 95 per cent of money wagered on exchanges. The firm is desperate to float or engineer a buyout, but uncertainty over the tax regime it will face has delayed any decision".

Betfair has previously talked down suggestions that the company was preparing to float but the exchange's co-founder, Andrew Black, confirmed earlier this month that this was his goal.

The importance of Australia to these stock exchange plans is demonstrated by The Observer's estimate of the \$300-400 million value an Australian licence would contribute to an I.P.O. Securing this, or any, value for the exchange's existing private investors is dependent on one or more States or Territories issuing it with licences. Despite the Commonwealth having apparently left the door open, intense lobbying by Betfair has to date failed to secure these.

The Racenet article concludes that the commercial benefits to its private investors from an Australian licence forming part of a company prospectus may be compared with the impact on Australian racing.

Analysts, including Racing NSW, have estimated that Governments and the racing industry will lose up to \$240 million per annum if betting exchanges are permitted to freely operate in Australia.

RACING'S NIGHT OF CHAMPIONS

A further prominent organisation has joined with the NSWROA as a major sponsor of this year's Racing's Night of Champions.

Macquarie Funds Management

is one of Australia's leading fund managers, with over 20 years funds management experience and \$A40 billion under management.

This year's awards night will take place in late July/early August in the Pavilion at Royal Randwick.

Full details in coming newsletters and on the website.

CONGRATULATIONS NICK!

Nick Moraitis, a member of the Association and a great supporter of racing was made a Member (AM) in the General Division in the Australia Day Honours List. The Award was given for 'service to the community through support for a range of organisations related to the health and welfare of children and to business through the fresh produce business'.

ADVERTISING IN THE NEWSLETTER

The NSWROA Newsletter enjoys a large distribution each month. If you are targeting owners then remember that advertising is available in the Newsletter. For further information on our advertising rates for boxed ads or one page flyer inserts, please contact Caroline Fara at our offices on 9299 4299.

NSWROA WEBSITE ACCESS

Don't forget that members need a **username** and **password** to access the website so if you haven't already done so either call **Caroline Fara**, Executive Officer on t: 9299 4299 to obtain your username or email your password to nswroa1@ozemail.com.au.

FREE ENTRY - FEB

2 nd	Wyong
3 rd	Ballina
4 th	Tamworth
5 th	Albury, Kembla Grange
6 th	Sapphire Coast
7 th	Grafton, Muswellbrook
8 th	Taree
10 th	Gosford
12 th	Broadmeadow, Grafton
13 th	Canberra, Wyong
14 th	Lismore
15 th	Bathurst
16 th	Kembla Grange
18 th	Quirindi
19 th	Broadmeadow, Corowa
20 th	Ballina,
22 nd	Albury, Gosford
24 th	Hawkesbury
25 th	Canberra, Grafton, Muswellbrook
26 th	Albury, Canberra, Kembla Grange, Moree
27 th	Wyong
28 th	Orange, Scone

Yours in Racing

Rob Albon
President



For all your Bloodstock
Insurance Needs

Call us now on
1800 652 006 or 02 9635 3100

