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## MEDIA RELEASE

# VICTORIAN RACING INDUSTRY

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Monday, 3 November 2008

### **VRI MEDIA STATEMENT IN RESPONSE TO THE VICTORIAN GOVERNMENT'S ANNOUNCEMENT OF WAGERING TAX REFORM FOR NEW LICENCE**

Racing Victoria Limited Chairman Michael Duffy, Harness Racing Victoria Chairman Neil Busse and Greyhound Racing Victoria Chairman Jan Wilson have issued the following joint statement in response to the Government's announcement of wagering tax reforms for the new wagering licence to offset the loss of VRI gaming revenue from 2012 and to legislate for a review and adjustment process for ensuring the tax rates meet that objective.

"The VRI acknowledges the Brumby Government's stated intention to create a new framework to support a viable and growing racing industry and to honour the legislative requirement that the VRI's position is no less favourable under the next wagering licence.

"The VRI agrees with the Government views about the difficulty in setting the wagering taxes based on future year projections given the dynamic nature of the wagering and gaming markets.

"The VRI also acknowledges the importance of the Government's agreement to introduce legislation to require the conduct of a review and adjustment process to ensure that by 2012 the pari-mutuel tax rate provides the necessary revenue to offset the VRI's loss of gaming revenue based on the market's performance at that time rather than based on current projections.

"The diversity and growth of gaming revenue has been a critical asset to the VRI since 1994 and its loss must be fully addressed.

"We will work with the Government to ensure that there is an agreed safety net that properly takes into account the full extent of the loss of the VRI's ongoing normal gaming revenue and the future growth it would have achieved over the period of the new licence had the gaming licence structure not been changed.

"It is imperative that the Government work closely with the VRI to develop an effective mechanism that will adjust the tax rate to fully meet the loss of gaming revenue and that the partnership agreement between the VRI and the new licensee delivers the funding arrangements that are necessary to secure a viable and growing foundation for the VRI's long term prosperity.

"In addition, the VRI welcomes the Government's announcement to allocate capital funding of \$45 million over the next four years which builds upon the highly successful Racing Industry Development Program.

"Through the addition of significant capital funding by the VRI of some \$41 million, we are able to address the needs of the VRI's regional racecourse network up until 2012".