QTON No. 25

Legislative Assembly for the Australian Capital Territory

Select Committee on the Fiscal Sustainability of the ACT

Inquiry into Fiscal Sustainability of the ACT

Answer to question taken on notice

Asked by: Ms Jo Clay MLA

Addressed to: Mr Chris Steel MLA, Treasurer

In relation to: Horse racing industry MOU funding

Hearing: 2 June 2026
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Answer Due: 22 June 2026

THE CHAIR: … Treasurer, I want to ask you about a couple of the smaller line items that the government are funding. I am trying to work out how the government are setting their priorities in this difficult fiscal position that we find ourselves. Has the government decided if they are going to fund the next horseracing MOU yet?

Mr Steel: I think that is still yet to come to government. It sits with Minister Paterson. I am happy to take that one on notice and provide some further information.

THE CHAIR: That would be great. I am not expecting anything that you cannot yet announce, but I am assuming that, if this is in the current budget, there would have been a justification as to how that funding amount of $8.5 million stacked up. Are you able to tell us how the government looked at that funding of $8.5 million and decided?

Mr Steel: There was a review, I understand, of the methodology which led to the current arrangements. We can provide some further information on that.

THE CHAIR: Was that a public review? I do not remember seeing that.

Mr Steel: This goes back quite a long way. We are happy to provide that information on notice.

THE CHAIR: Do you mean the horseracing industry's economic review into their—

Mr Steel: No.

THE CHAIR: Something different?

Mr Steel: I think it was a review into the previous arrangements funding the industry.

THE CHAIR: It would be great if you could take it on notice and also say when that was published.

Mr Steel: Yes.

THE CHAIR: If it is a very old thing, we may have just missed it perhaps.

Mr Steel: I think you were aware of it. It was a long time ago. I think it was prior to—

THE CHAIR: The 2011 Productivity Commission work.

Mr Steel: Yes; it was prior to that work.

THE CHAIR: I am probably more looking, Treasurer, at what decisions you are making in this budget and going forward, rather than what decisions government made 15 years ago that led us to this point. Is that something you can provide? Did you want to take on notice what the reasons are?

Mr Steel: I am happy to take on notice where the current arrangements are up to with the thinking around the next MOU.

THE CHAIR: And how government is justifying that $8.5 million in each budget at the moment?

Mr Steel: It was part of an MOU that was struck over a period of time. The decision was made effectively when the MOU was decided on.

THE CHAIR: So it is not a decision government would ever revisit?

Mr Steel: During the MOU?

THE CHAIR: Yes.

Mr Steel: Yes; that is right. Obviously, the timeframe for the MOU is coming up—which is what you are alluding to—and there will need to be government consideration about the next MOU. But it is not a matter that is directly in my portfolio, and I have not seen anything about it recently. So I will take that on notice.

DR MARISA PATERSON MLA: The answer to the Member's question is as follows:

Government funding to the racing industry has its origins prior to self-government through the return of a share of revenue from government operation of a totalisator within the ACT. Until 1 July 2010 this occurred through the 'racing development fund' established under part 4 of the *Betting (ACTTAB Limited) Act 1964* (repealed) and associated arrangements for finance under part 3 of that Act.

From 1 July 2010, the government moved to a direct budget allocation of funding to the racing industry. Funding was benchmarked against the value of funding previously directed to the industry through the racing development fund with a downwards adjustment reflecting new legal authority for the racing industry to levy a charge on the use of 'race field information' (see part 5B of the *Racing Act 1999*).

Following the shift in funding approach, government referred an investigation into the industry to the Independent Competition and Regulatory Commission: see https://www.icrc.act.gov.au/projects/completed-projects/non-regulated-industry-reviews/act-racing-industry-review-2011. The resulting ICRC report recognised the emergence of a national market as justification for government funding to the racing industry.

Government funding to the racing industry presently reflects the government position on recommendations of the 2011 ICRC report, including that the value of funding is now annually adjusted by budget indexation minus 0.5%.

The government has not yet formally considered or made decisions on racing industry funding arrangements beyond the end of the current memorandum of understanding on 30 June 2027

Approved for circulation to the Select Committee on the Fiscal Sustainability of the ACT

M. Paterson

Signature:
Date: 23/06/2026

By the Minister for Gaming Reform, Dr Marisa Paterson MLA