



Member Update

Corporatisation of Perth Racing

Respecting our heritage while embracing the future

Dear Member,

In my most recent Member Update on 28 March, I shared the news that the Board had commissioned a comprehensive corporate and governance review of Perth Racing.

We commissioned the review because the Club, established under an Act of Parliament dating back to 1892 has operated as an “unincorporated” entity ever since. While this structure has served us for many years, it presents increasing challenges. It brings with it a complex governance framework and potential risks of personal liability for Directors and Members in certain circumstances. More importantly, remaining unincorporated is now limiting our ability to move forward confidently in today’s business environment.

To ensure Perth Racing is positioned for long-term success, the Board believes it is time to modernise our structure. We will be seeking your support for the Club to become an incorporated entity—an important step we intend to bring to Members for approval at the Annual General Meeting in October 2025.

I encourage you to take the time to read this Member Update and future communications as we work toward Member approval for the Club’s corporatisation. We’re committed to upholding the highest standards of governance and transparency, and we believe this change will help us better achieve our strategic goals. Your support is vital to shaping a stronger future for our Club, and we look forward to engaging with you as we take this important step together.

Since the early days of the Swan River Colony, The Western Australian Turf Club (“Club”) has performed a vital community function as part of the economic and social fabric of Western Australia. Now trading as “Perth Racing”, we are the premier sporting organisation engaged in thoroughbred horse racing in Western Australia from our two leading venues at Ascot Racecourse and Belmont Park.

Our Club has unique historical foundations with legislative recognition through The Western Australian Turf Club Act 1892 (as amended), with the Club’s administrative governance or constituent rules in the form of By-laws determined by the governing Board of the Club.

It is a heritage of which all Members should be proud.

But time marches on, as does the evolution of informed corporate governance expectations and business affairs since the Club’s 1892 statutory enablement, now some 133 years ago.

It is the Board’s desire for the Club to operate in accordance with generally accepted contemporary high standards of governance principles and practice to deliver the Club’s strategic objectives. Further to that desire, the Board commissioned an independent review of the Club’s legal structure, By-laws and governance framework by a highly reputed WA based consultant with expertise in organisational governance and structuring.

The consultant critiqued in detail the Club’s current governance framework and structure and to quote from the report’s executive summary:

“(a) The Western Australian Turf Club (“Club”) operates under a unique, relatively complex and anachronistic governance structural model dating back to 1892.

(b) Such a model:

(i) is not consistent with contemporary generally recognised organisational governance principles;

(ii) risks personal liability claims in certain events for directors and officers, and possibly even members; and

(iii) may inhibit optimal outcomes for the Club in its future business dealings either by counterparties risk weighting their dealings with the Club, or by added legal complexities in structuring dealings arising, to address the unique governance structure and the Club's unincorporated status."

The report goes on to highlight material risks for the Club, its officers and members should the current governance framework remain for the future including:

- risks of ultimate material personal liability for directors, officers and possibly also members in connection with contractual and/or tortious liability claims against the Club;
- the misalignment of the Club's governance structure (and the implications of such misalignment) with commonly accepted organisational governance, business practices and commercial understanding, creating confusion and uncertainty which may inhibit ongoing development and operations in the best interests of the Club;
- the limitation of its business horizons to the State boundaries of WA without extra registration and extensive extra regulatory compliance requirements.

Without delving into the legal technicalities, in particular, the consultant's concerns arise principally from:

- the Club's unincorporated status;
- the complexities of terminology of the 1892 Act;
- the lack of alignment of the Club's governance framework with contemporary accepted organisational structures and accountability models.

Subject to:

- extensive Member consultation and feedback between now and the 2025 AGM;

- support in principle to the proposal by the Minister and RWWA,

the Board has resolved to develop and propose to the Members a more contemporary governance framework for the Club consistent with the consultant's recommendations.

Essentially this is anticipated to entail:

- ensuring the “continuity of being” of the Club to maintain its rich heritage;
- incorporating and registering the Club as a “company limited by guarantee” under the Corporations Act (a structure commonly now adopted by many significant not for profit sporting and community organisations of size and operational scale similar to the Club);
- adopting a comprehensive “governance charter” for the Club to better assure integrity of decision making, strategic focus, maintenance of operational regulatory compliance, transparency and Member accountability.

The Board has recently engaged with the Minister and RWWA to brief them on the proposal and is confident of their support in principle to the initiative.

Over the following autumn and winter months you should expect to hear much from the Club as it communicates and consults with the Members to explain in detail the initiative and seeks Members' feedback on essential aspects of the initiative. Subject to that feedback, it is the Board's desire to present to the Members by the Club's 2025 AGM formal special resolutions, for consideration by the Members, to give effect to the initiative. Ultimately it is the Members who will have the determining say on the matter.

It is the Board's belief that to better assure the Club's vibrant future, these proposed changes to the Club's governance framework will not only strengthen the Club for the benefit the Members as a whole, but also will be complementary and evolutionary to the Club's distinguished heritage as the premier sporting organisation engaged in thoroughbred horse racing in WA.

Members will shortly receive an invitation to a **Member Forum on Wednesday 7 May 2025, at Ascot Racecourse – taking place after the final race** on our last midweek meeting of the autumn season. This is an opportunity for Members to hear from the Board regarding the programme of planned improvements for Belmont Park Racecourse and give their feedback. It is also an opportunity for Members to ask any questions regarding the corporatisation of Perth Racing and the Club's ambition to become an incorporated entity.

The Board looks forward to the consultation with Members as well as progressively keeping Members apprised of progress of matters.

Yours sincerely,

Carol Adams OAM

A handwritten signature in cursive script, appearing to read 'C. Adams', is positioned to the left of a vertical line.

Chair, Perth Racing