



HARNES RACING AUSTRALIA INC

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THE AUSTRALIAN HARNES RACING INDUSTRY RISK MANAGEMENT INITIATIVES

UPDATE

Harness Racing Australia and its Members have placed an increasingly significant and continuing emphasis on a range of risk management initiatives together with occupational health and safety initiatives since 1998 together with standardbred equine health and welfare policies for our standardbred herd. The development of pro-active response programs and the implementation of effective policies outlined below emphasises the focussed commitment by all Members in vigorously pursuing changes which have been achieved. The areas identified follow:

EMERGENCY ANIMAL DISEASE OUTBREAK AND RESPONSE – ANIMAL HEALTH AUSTRALIA

- **Animal Health Australia**
- **Livestock Working Forum**
- **EADRA Agreement with Federal Government**

This national Body empowered by Federal Legislation co-ordinates all National Animal and Livestock Industries. In the confirmed outbreak of an Emergency Animal Disease and the equine industry's response has meant a co-ordinated approach at the national level with the Australian Racing Board and HRA. Both bodies are members of Animal Health Australia and its Committees/Working Parties. Our industry's preparedness has been enhanced through training of our resources on the various liaison groups which will be co-ordinated at the national level by AFFA and AHA in working with the Chief Veterinary Officers Resources nationally and at the State level Racing Industry. Resources have also contributed significantly at the technical veterinary level, the work and expertise of Dr Patricia Ellis (ARB) should be noted on AUSVETPLAN and other areas. Other significant planning has also been undertaken by Racing Victoria and Harness Racing Victoria at the State industry level on Emergency Animal Disease Outbreak preparedness. AQIS, Bio-Security Australia, AFFA and the State Chief Veterinary Officers are key elements in any strategy and policies of this nature. HRA is also represented on the National Livestock Forum of Animal Health Australia as well as the Industry Member Board and its Forums.

Admission of the Australian Racing Board, Harness Racing Australia and the Australian Horse Industry Council as participants and signatories to the Federal Government's Cost Sharing Agreement in the event of an Emergency Animal Disease outbreak through the valuable assistance of Animal Health Australia will be effected in the near future.

EQUINE IDENTIFICATION

- **Identification Access, HRA On-Line**

Currently, standardbreds can easily be identified by reference to HRA On-Line on the national website (www.harness.org.au) whereby an explanation of the freeze brand is available with a search capability available in conjunction to identify all registered standardbreds. The Australian Equine Veterinary Association and others have been advised of this search capability. For the safety and welfare of all standardbreds, particularly breeding stock, in any location or “lost” with various local government or other bodies this facility was designed into our freely accessible website. It has been successful.

The identification and location of our racing codes equine herds are important elements in the containment and elimination of an emergency animal disease outbreak. For both the harness racing and thoroughbred codes this is a major risk management issue having significant financial and other implications for both the breeding and racing segments of the equine racing codes, particularly in the event of a “standstill”.

- **Freeze Branding and Micro-chips**

The area of equine identification of the standardbred is an important area of registry databasing. Internationally, the development of the Unique Equine Life Number will add a further layer of identification fields on both Racing Codes. This has become increasingly important in countries where the horse enters “the food chain”. Harness Racing utilises the Alpha Angle freeze branding system which is a discrete identifier under the mane, whilst the thoroughbred code is introducing microchips. Importantly, Harness Racing has a nationally co-ordinated and integrated Registry HRA/State Databasing system.

- **DNA Genotyping with Maxxam Analytics in Canada**

A detailed paper on HRA’s progress in this important area is also available. (http://www.harness.org.au/ausbreed/papers/dna_project.htm). This system of DNA Genotyping reinforces the Alpha-Angle Branding System for the integrity of the National Standardbred Herd.

ACCIDENT REPORTING & ANALYSIS

- **Drivers and Industry Participants**

HRA has developed an extensive incident/accident reporting system through the Stewards at each racetrack with documentation (Serious Accident Notification Form). This system has been effective for the purposes of HRA and its insurance underwriters in identifying areas important to all parties.

HRA has previously commissioned a review/survey utilising the information provided on the Serious Accident Notification Forms to determine patterns of injuries from the information collated for analysis. This information should assist all parties to evaluate and identify accident elements further in the racing environment. In addition, we have just commissioned an investigation into case accident studies by Human Impact Engineering to look in specific detail at a number of accidents which have occurred to ascertain causal

effect. This small but highly focussed study will cost around \$25,000. It is being funded by Liberty International Underwriters.

It should also be noted that claims administration for both of HRA's national Accident/Incident claiming schemes is totally outsourced through our negotiated Broker and Underwriter arrangements. This specialised administrative arrangement is a significant financial and resource saving for our industry. However, more importantly, the incidence of accidents and injuries to our industry participants has improved significantly as a result of the combination of initiatives employed by HRA and its Members within the physical racing operational environment.

○ **Personal Accident National Scheme**

This season HRA has finalised a National Personal Accident Insurance Scheme for all Drivers and Trainers with comprehensive defined benefits to age 75. A limited range of benefits applies to age 76 to 85 for our industry's licensees. It is a defined benefit scheme providing an extensive range of negotiated financial benefits. Claims administration in this insurance scheme is outsourced. The personal accident cover is on a 24/7 basis whilst undertaking "harness racing activities". The latter coverage is also applicable to stablehands in Queensland, New South Wales and Tasmania. In both of HRA's insurance schemes, recognition of our industry's licensing categories occurs as does the employment basis of employees, contractors and volunteers given the propensity of family and/or training unit entities. These are also matters of integrity for the Stewards unit. It is noted that insurance investigatory techniques on claims administration are utilised; as are specialised legal resources in resolution of civil litigation. This national scheme works in conjunction with Medicare and the licensee's own private health insurance coverage. Full details are available on the HRA segment of the national website. It should be noted that all licensees are encouraged to take out private health insurance coverage to maximise benefits.

The industry dimension of this scheme approximates \$850,000 per season. The individual licensee cost is \$167.50 per season. A comparable State policy last season cost nearly \$600.00 so the saving by using a nationally consolidated scheme is considerable. Please note that Workers Compensation Insurance only exists in New South Wales. Further both State stamp duty (at differing State rates) and GST is levied on policies in both insurance schemes. State stamp duty should be abolished under the Federal/State Government agreement at the introduction of the GST, it has not been.

○ **Industry Participant Public Liability - National Insurance Scheme**

HRA has participated in a long term partnering arrangement with its Brokers Jardine Lloyd Thompson and our underwriter Liberty International Underwriters. This commercial outsourcing agreement has utilised their professional skills and capabilities in delivering National Public Liability participant insurance coverage for drivers, trainers, Clubs and our State Controlling Bodies. It has been negotiated annually on a national basis and has delivered public liability insurance when it was difficult to obtain in hard markets with outstanding per licensee "value for money" and both containment of premium cost and organisational resource savings in financial and real terms. Our Industry's savings through this partnering methodology are considerable. When coupled with the other risk management initiatives

and scheme trust establishment together with excess contribution payment, it will continue to deliver future ongoing benefits. The dimension of our industry's premium exceeds \$2 million yet the individual driver and trainer only pays approximately \$170 per season for coverage whilst performing "harness racing activities". It should be noted that the Pony Trots for children and their mini trotters are also provided cover by our State Controlling Bodies. In addition, limited financial protection is provided for racing standardbreds injured in an accident. This policy has responded in the past where negligence has been established in the process of litigation of an initiated civil action. In addition, coverage is also extended on a user pays basis for overseas licensees participating in Australian racing for Grand Circuit and Feature Races.

These two national participant insurance initiatives are critically important to our industry given the racing and travel environment of licensees in fulfilling the industry's racing programs. They provide significant 'value for money' protection for our licensed industry participants.

- **Management Liability Club Insurance**

Recognising that many Boards, Committees and other entities are made up of Directors, Executives, Officers and employees (including volunteers) in Harness Racing's Boards and Committees where they are recruited because of specific skills or experience which they bring to our industry organisations. Yet through carrying out the role and responsibilities of their entity they may be held liable for failure to use "care and diligence" in carrying out their duties. They can face the risk of personal liability from an ever widening range of sources such as employees, volunteers, members, regulators, creditors and suppliers.

HRA has introduced with our Brokers Jardine Lloyd Thompson a new form of insurance cover. It is designed for "not for profit" organisations and provides cover for the following areas: Management Liability Cover, Company Liability Cover, Fidelity Cover, Employment Liability Cover, Taxation Disputes (up to \$50,000), Investigation Costs, Crisis Loss & Publicity Extensions, OH&S Defence Costs & Investigation Costs, Pecuniary Penalties Extension and Special Excess Limit.

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT

- **National Coverage**

Members are researching and developing industry State policies through investigating various key areas of their operating environments recognising relevant State Government legislation and policies. In addition, Harness Racing Victoria has employed a full time Risk Management Officer to develop Occupational Health and Safety initiatives capable of implementation throughout the State. Occupational Health and Safety Committees have also been established, where practical throughout Australia. Harness Racing Victoria is also developing Occupational Health and Safety Manuals and documentation for the licensing and education of industry participants. When completed, it is proposed that this information resource will be progressively made available nationally. In addition, Victorian licensees in the past season were required to undertake an on-line Occupational Health and Safety course prior to license renewal. This was completed with a high take-up rate.

Further development has also recently occurred with HRV conducting workshops for their Country Clubs, providing them with a Club focussed OH & S Policy and Procedures Manual, and will be undertaking OH & S audits at all harness racing venues. Additionally, they have developed Horse Movement and On-Course Safety Principles for use during race meetings for public and participant safety which have currently been circulated for comment.

The environment of harness racing, and racing generally, means that HRA and its Members have funded initial studies on accident/incident data referred to earlier to ascertain the common characteristics of accidents utilising a leading Bio-mechanical Engineering Consultancy, Human Impact Engineering. In addition, HRA has also commissioned and completed a consultancy review on "Climatic Conditions" occurring during our racing operations environment as it impacts on our industry participants, human and equine, to develop appropriate "hot weather" policies. All Members are committed to safe racing and training operations.

- **Education & Training of Licensees**

HRA through its positive contribution to the educational activities of the Racing Industry Standing Committee (formerly Racing Training Australia affiliated with Agri-Food Skills Council) has formulated training and educational programs delivered through the TAFE System. State Controlling Bodies have aligned training to the functional licensing role for all industry licensed participants. As a result, functional competency based standards have been formulated for each license grouping with considerable success.

- **Stewarding Surveillance**

Nationally, the Stewarding panels are regularly assessing the actions of licensed drivers and trainers within the racing environment to ensure that the Rules, Policies and practices are implemented and policed to encourage safe driving and racing practices for both the driver and standardbred. Stewards are a key factor in any operational racing policy implementation and ongoing compliance program. They are also utilised in the registration of Studs and artificial breeding stations and their ongoing operations, where necessary to ensure with the State Registrars the welfare of the Standardbred herd.

- **Gear & Equipment Policies**

HRA has regulated the compulsory wearing of protective vests whilst driving in official races and official trials. Through our education and communication process many drivers (and trainers) wear the protective vests when training and working with standardbreds as a result. This is encouraged. Continual updating and determination of the Gear and Equipment policy and review has been undertaken with appropriate adjustments being progressively introduced. This is an ongoing process as the changes to Guidelines recently approved by the HRA Executive demonstrate our reinforcement of the international regulatory environment. Unfortunately, many of the protective vests manufactured and imported into Australia are developed in Europe, which has a colder climate. HRA was instrumental in establishing relevant Standards Australia standards. As a result of further consultancy advice, HRA adopted the international BETA 2 level as the minimum standard for protective vests approved for use in harness racing. In addition, we are regularly and actively investigating the availability of additional protective vests for approval. Internationally, Australia is both a geographically distant

and small market for the protective vest manufacturers of Europe and America.

Helmets which must be worn by licensed drivers at all times and they must comply with the Equestrian Helmet Standard promulgated by Standards Australia. HRA is a member of the relevant Standards Australia Committee. This is a continuing process of evaluation. The HRA Executive after a recent review decided to discontinue the use of helmets five year or older from the commencement of the 2006/2007 season following similar thoroughbred code action. Other initiatives include the promulgating of Guidelines for Protective Eyewear to meet the requirements of Standards Australia.

The Chairmen of Stewards Committee acts as a Sub-Committee in reviewing and approving this area regularly. In the last two years, some twelve areas of review of product gear and equipment has been progressed. A major examination has occurred recently with horseshoes. As a result, HRA deregulated the horseshoe racing choice and usage to the trainers themselves on race day. Stewards regularly check gear and equipment on raceday prior to a race in the Stalls and Parade Ring.

HRA was also involved in the product recall and rectification of the Challenger Plastic Sulky Wheel hub from New Zealand. With the co-operation of the manufacturer, this recall was initiated through accredited Australasian sulky repairers and communicated to industry participants in State Controlling Body magazines and the national website. HRA also assisted with the international aspects of this recall. This major action was completed with the effectively by of all parties.

Importantly, HRA is not expert in all of the areas of Standards Australia, where applicable, preferring to rely on expert consultancy in determining Gear and Equipment on our industry's Approved List. Recently, we have jointly established a testing laboratory through the purchase of laboratory equipment at the Sydney premises of Human Impact Engineering. The capacity to test both protective vests, helmets and other gear and equipment will ensure that before they are approved for use that they meet the relevant promulgated Australian/NZ Standard. One of HRA's insurance underwriters Liberty International Underwriters has now joined with HRA in financing the balance of the purchase of this laboratory testing equipment. This is an important investment for the safety of our industry participant.

- **Track and Club Facilities Management**

Each State Controlling Body has formulated a range of policies establishing criteria for the registration and licensing of Clubs conducting Official Races/Official Trials on their facilities and/or training tracks. Investigation and evaluation of these facilities is an ongoing program. Clubs participate in our Public Liability coverage however the focus of this segment of the paper is on the tracks and their racing design for standardbred performance and welfare.

In terms of new track technology Victoria has commissioned a Western Australian Consulting Engineer to plan the successful upgrade program of its key tracks. This engineering consultant had previously rebuilt Bunbury and another track after significant research. The program covers many Victorian tracks including Shepparton, Maryborough, Terang and Kilmore etc as excellent updated racing tracks. They are larger, usually around 1000 metres and extremely safe to industry participants – human and equine. Victoria

leads Australia in this track refurbishment program. Nationally, harness racing tracks differ in shape and size dependent on the Club's historical development and local topography. At an approximate estimated cost of \$1.25 million per track project, this is an investment in a safer future.

States are involved in a range of differing programs involving upgrade and facilities enhancement to venue multi-code sharing and club consolidation policies. A key feature has been the assessment of the operational racing surface on which industry participants train and race. As a result, track improvements and maintenance assessments have been formulated on many existing and new tracks.

Additionally, these policies have meant that many tracks have been redeveloped and enhanced through consulting engineering services and designed to provide safer racing surfaces as funding becomes progressively available to HRA Members. The degree of international research, particularly in Scandinavia on Standardbred physiology (legs and joints) has been incorporated into the new track design technology. This has assisted in promoting injury free training and racing whilst limiting equine breakdowns etc.

States have developed and implemented a national program for the removal of hard material running rails on all tracks throughout each State racing jurisdiction. This is a major national initiative which provides the licensed driver (and their registered standardbreds) with a range of options to avoid trouble in the event of a racing incident/accident. Compliance has been national with the exception of a minor number of dual racing code facilities whereby the removal will create an even more potentially hazardous situation. Continual review and progressive upgrading of facilities is ongoing.

- **Conclusion**

The initiatives demonstrate commitment to providing an increasingly safe racing, training and breeding environment for both our licensed personnel and registered standardbreds in the harness racing industry. Our seasonal statistics are demonstrating the significant effectiveness of these initiatives.

HRA and its Members will continue to actively pursue this further.

Rod Pollock
Chief Executive

Updated: 13 May 2008.