



**CHAIRMAN'S REPORT - MR TONY McGRATH
AHRC ANNUAL GENERAL MEETING 19 OCTOBER 2001**

On the completion of my first year as President, I am reporting to you on the activities of the National Council for the year 2001 and with some objectives and visions which can be set for 2002 and the years that lie beyond.

My very first major concern for Australian harness racing arose on my taking the Chair in October 2000 faced with a barrage of negative publicity regarding detection and prosecution of breaches to our TCO2 rules. This matter had festered on from the preceding Council meeting and needed to be addressed urgently for the welfare of the industry, its financial income and onflowing benefits to owners and participants.

At that meeting in October a suitable proposal was framed to address the problem by analysis, submissions, and expert advice and directional input. It was also very important that Council maintain control over its own destiny and not be hijacked by vested interests as unfounded rumours, gossip and vague inferences. From this proposal an expert group was established by Rod Pollock, as CEO of Council, and Dr Diane Ryan, as a Council Delegate and veterinary expert. I am sure it is accurate to say Diane has now established herself as an expert in this field and consequently presented a briefing paper of Australia's experience in this matter to the Harness Racing World Conference in Helsinki in July 2001.

Whilst I am able to both compliment and thank Dr Ryan for the very satisfactory completion of this project, I would also like to compliment Rod Pollock for his extensive thoroughness and competent managing of the projects and very complex progress to conclusion. This conclusion is clearly evidenced as successful since, from the day of Council's receipt of the sub-committee's report, and address from Dr David Auer at our Gold Coast meeting, the subject has disappeared from any media focus. That alone is an achievement which I thank Council for in its

forebearance and compliment Council on its positive action that made possible such an important change on the national scene.

I emphasize again, that whilst rules are necessary to enforce protection of our industry's integrity, when they are breached the application of the rules arises, and the management of the process in ensuring that positive public perception is created as a result is a prime objective for ultimate success and rewards.

The message I would hope to send out to Members is that policing is important, but publication of the punishment does not alone bring the image you would like to ensure public confidence. The process requires management.

On the matter of other areas of drugs, the Olympics have shown us, and subsequent events have occurred to enforce the position, that drugs provided to enhance performance currently invade any competitive area where reward is available from success.

The naturally produced substances, particularly EPO and Human Growth Hormone, remain a challenge, not in detection but in reliable rules and protocols that can withstand challenge. We must continue to search out solutions to ensure enforcement.

Having said that, I emphasize again that keeping the focus on the positives and the achievements of the majority who produce without the aid of cheating, is not only more satisfying, but far more fruitful for the long term.

The year started with the imposition of GST and this new influence has impacted severely and adversely on racing. I am amazed that harness racing finished the year so well organised to process the tax within its systems. Again I compliment Rod Pollock who handled this project with professional attention to detail and established a comprehensive information aid on so many aspects of the Tax's application. Council is now finished with the process, but the effect on racing is still a serious ongoing concern. It appears that only around 17% of owners are registered and this is almost identical with the percentage that thoroughbred racing experiences.

Consequently 83% of owners are bearing a 10% increase to their costs of ownership and we are all aware of the very low percentage of horses that win sufficient prizemoney to pay their way. I believe as realisation of the increasing cost impacts on the ability to sustain the ongoing

costs of non productive horses, the impact on racing stock to our industry will remain a growing danger.

Council has the benefit of the Ownership Survey provided at last year's Annual Meeting of Council, and Members should employ this information to service owners in their disclosed areas of concern. We have all acknowledged the value of owners to our industry. I have in this year at Harold Park, introduced the owner into the parade of horses onto the track before each race. Since there will be only one winner, one second, and one third, announcement of every owner in this way may well be the only time their value can be publicly acknowledged and announced – maybe it offers some recognition that is important. Melbourne has their winning owners' room and, having had an opportunity to enjoy it, I can only say it is very impressive. I know that Addington NZ and Harold Park offer a similar facility, albeit not as attractive or fulsome in presentation.

It would be good to hear reports from the State Members when and how they are addressing the ownership recognition factor.

The World Conference held in Helsinki, at which Australia was well represented, displayed many important and interesting exchanges in common concerns and enlightening initiatives.

Firstly, the most recognised problem was that of declining on-course attendances. Every country raised this alarm. Like us, the blame was fixed directly to off-course broadcasting. The solution was one of resignation to its inevitability although not quite to abandonment. Exchanges between Delegates clearly led to the belief that expensive or extensive programmes to stimulating on-course attendance at routine or minor meetings is a waste of resources. However, everyone formally believed in and demonstrated the essential need to support events that can be displayed by marketing as unusual and exciting. These events are where the scarce resources should be directed to ensure the success of the event or events. Events should not be too long over Carnival periods as that runs the risk of converting events into perception of routine or available at any other time of leisure choice.

Broadcasting rights also presented itself at the World Conference as a challenge of the future. Experts have arisen in the exploitation of broadcasting copyright and essentially to the international exploitation of, racing's benefits as an attractive wagering product. Protecting copyrights illegal usage is the challenge when detection and pursuit may be over many of the

world regions. We have our own Vanuatu which exploits product and pays Racing nothing. The same could arise in Belize or other "hard to operate in or get at" country.

Legal decisions have already been given in England on racing's ownership of copyright and Australian racing needs to position itself with a very attractive product of high wagering integrity value in a burgeoning future market.

Also at the Conference a presentation by Finland of its marketing strategy to the very young and the youth markets was highly impressive. I believe that Council can aid in helping Members in this area if we set up a group comprised of management from across Australia to prepare a programme supported by marketing material comprising literature, apparel, and operational schedules etc., and an operating strategy to be used nationwide. Appropriate media coverage and on-course activities and promotions in provincial and country areas could be complemented to mini trotting and other horse activities. This is what Finland presented and it was very impressively presented by their full time Youth Co-ordinator who, herself, was a most positive and delightful enthusiast for the cause.

In recent years Council Members have co-ordinated the national strategy for junior drivers with concessions that have provided race driving opportunities for them and grow our participant ranks. This joint effort has been a great success nationwide and a credit to both the role of Council in creating combined direction and of Members in endorsing and implementing the strategy.

Last Friday week, fourteen junior drivers drove throughout the race programme of the night at Harold Park and won six races of the eight race programme, missing only the Trotters race and with the other two races won by a young driver, a graduate of the junior driver programme – a great example of progress!

Training programmes including TAFE courses are now established across Australia for the future development of this young talent. Education in the finer aspects of management skills in dealing with clients, presentation of oneself, media communications skills, etc., are combined with technical skill development. Harness racing has come a long way in this area in a short time.

Also at the World Conference the identification use of DNA registration has particular prominence amongst Member countries. It is clear that whilst we grapple with this subject, driven as we are by cost impact, we will have to grasp and use the technology through into the Australian system. It is true that we discover few cases of wrong identity but there remains that credibility doubt on the herd collectively. I was very disappointed recently that, on the morning of the main harness racing day of the week when our major dailies should be promoting our night of great racing and wagering, the only article our harness racing writer on the Daily Telegraph could find time to produce in a whole week was headlined "Ring In". It detailed a story of very minor interest to the public of a possible Stud mistake with its origin outside of NSW. Mistakes are possible and hardly deserve prime time of the public. However, within our Industry, we must arrive at DNA for Harness Racing from birth, to racing, and on to stud farm production. Council is closer to a recommendation and it is possible greater movement will occur during today's sessions.

Safety has been to the forefront of Council's attention and safety vests now complement the Occupational Health and Safety programme. Again I must commend the work and persistency of our CEO, Rod Pollock, in bringing about change in attitude in this area. He now is progressing to add the aspect of eye safety, an area rather forgotten until you see leading drivers putting drops into eyes persistently irritated over years of gravel intrusion and potentially permanent damage. Over many years Council has achieved much in safety progress with sulkies, helmets and gear being constantly reviewed.

Before I move onto my last subject I wish to acknowledge Rod's very genuine and loyal staff. They are a small team and output is only the result of input to which they all give generously. The work load of Stud Book, routine namings, Annual records, Australia's International relationships and affiliations are moving through the Council continually, The projects go on top of this work load, demanding more effort. I say to our staff on behalf of all Members of Council our sincere thanks. Our special recognition of the 20 years of service of Julie Davies completed for Council this year is a special, very special thanks and congratulations. Julie now joins Jo Carr in our 20 years service club.

There is another very important part to Council, by way of the combined talents, skills and experience of Members' Chief Executives in conference before our Council meetings. This conference should drive Council by its, collective decision making, exploring needs and alternatives solutions. They should meet as equals with common interest to harness racing's

welfare on a nationwide perspective. They know the "coal face" and Council looks to the group for initiatives and input. I offer them acknowledgment and thanks.

My last subject must deal with my own personal disappointment of Council not having yet completed conversion to record keeping and process design to the HaRVEY system which every State has now adapted to. We had, at Council, decided to leave Council until last so that operational needs of Members were first established and progressing in normal function on HaRVEY. I believe this was the correct decision and the timing meant the old system was used to complete the 2000 year. Again this year, 2001, we required the old system again to complete the year, as the HaRVEY functionality was not yet available for production use.

However, I have today asked that Council receive a presentation of progress to successful conversion and believe that up and running will be by the end of December 2001. HaRVEY conversion will be not only very important to Council and Harness Racing, but will bring economies to our infrastructure if each of us, the Members, enthusiastically grasp the opportunities. I am surprised that many Members are not yet employing the full potential of the system.

Victoria, with its experience on the system over the longer period, has demonstrated a greater use of the range of functions of HaRVEY. I raised with Members the need to examine this full range of functions and their own full usage of HaRVEY's potential.

Council is today blessed with many new arrivals. In greeting them we also say goodbye to others, and I send best wishes to Joe Beder of Victoria with thanks for his mountainous contribution to our rules and regulations. We also say goodbye to our old hand and harness racing's enthusiastic administrator, Van Ransley, of Tasmania. Van has been both friend and colleague over a very long time and we wish him well in his new role at the TAB.

In greeting new Delegates I have asked Rod Pollock to provide a full briefing paper on Council's structure and functions. As Ern Manea said last year upon his retirement, changing Governments bring somewhat unwanted change to Council and its function, but it also brings renewed enthusiasm and vigour from new blood and new thoughts often to old and repetitive problems.

May I welcome you and invite your enthusiasm to the tasks that lie ahead.

Council funding for its functions and its agreed projects now still stirs the emotions of the givers and the concerns of Members not so well off financially. I do hope we can agree the compromise that Council needs to have achieved to keep the close association of Member States working as equals together for the sound welfare development of Australian Harness Racing.

Tony McGrath

Chairman