



CHAIRMAN'S REPORT - MR GEOFF WANT
AHRC MID-SEASON MEETING 30 MARCH 2007

It has been an interesting and eventful five months since I assumed the Chair at the Annual General Meeting in Brisbane in October, particularly becoming familiar with the issues in our industry.

During this time we have also witnessed some outstanding racing, including the Grand Circuit events, highlighted by the exciting Inter Dominion Grand Finals in Adelaide in January. Congratulations to the South Australians for their efforts in staging a well conducted and promoted carnival which provided great exposure for harness racing in Adelaide.

Unfortunately however, the Inter Dominion generated little excitement outside the South Australian market. It provided further evidence that the Inter Dominion is a tired brand and we must strive to reinvigorate it as expeditiously as possible.

The AHRC Executive supports the endeavours of the Inter Dominion Harness Racing Council to revive the Series and endorses the proposed fund to help finance promotion of the Inter Dominion and related Grand Circuit events. The Working Party's recommendations on the fund will be discussed later in this meeting.

The AHRC Executive also advocates that the Inter Dominion Harness Racing Council be dissolved. We do not understand why it is necessary for so many people to be involved in overseeing what is, quite simply, a major event. It is our belief that the interests of the stakeholders in particular, and harness racing in general, can best be served by a small management committee. The guidelines can be determined when the committee is formed, but it should have responsibility for liaising with the host club each year to ensure the Series is conducted in accordance with the desires of the stakeholders, and the brand is protected.

It is important we get closure on these Inter Dominion issues, which have become a festering sore for harness racing.

The Executive also believes that the AHRC must be reorganised as a company limited by guarantee. Harness racing is a dynamic industry which has considerable economic impact and the national body should reflect this standing. The shareholders would determine the constitution and a board would be appointed to protect their interests. It is imperative that harness racing have an effective national voice and that certain decisions are mandatory for the overall good of the industry.

The drought continues to have a debilitating effect on harness racing and there are already indications it will cause a reduction in the number of foals into the future. The views of the Council's Working Party on this critical issue are keenly awaited.

The Executive is seeking information from the Australian Racing Board and other equine bodies on what measures they are taking in regard to the impact of the drought. Of particular interest is a proposed approach to government to have harness racing participants classified as primary producers, to qualify them for drought relief. It is felt a joint approach by all interested parties may have a greater chance of success.

Last September, the Executive wrote to the Federal Treasurer advising of the New Zealand Government's relaxation of taxation arrangements for their racing industry, specifically reductions in the write down period for stallions and broodmares. It was felt this gave New Zealand industry stakeholders a significant competitive advantage over their Australian competitors, and Treasury was asked to consider similar changes here.

Treasury advised in January that the "Government is not predisposed at this time to amend the tax law to change the depreciation arrangements applying to the horse racing industry".

Council is also maintaining a watching brief on an Australian Tax Office review of tax issues relating to the horse industry.

I strongly believe that the AHRC should be lobbying the major political parties in the months ahead on any desired changes in federal legislation which we believe can benefit our industry

and stakeholders. Now is the time to act, with a federal election due soon and a revitalised opposition forcing the government to take notice.

With the ownership of RISE now resolved, the Executive has given approval for the development of a specification and project plan for the integration of the state controlling body databases and for the creation of a national registration system. Funds which have been held in reserve for this purpose will be utilised for the initial work, which will be subject to further approval processes and considerable scrutiny.

On other matters, the Maxxams Analytics contract with Council on DNA genotyping was finalised with the revised pricing commencing at the start of the year and the Chief Executive has worked hard implementing the new insurance arrangements.

It is disappointing that New South Wales withdrew from the national insurance scheme. I appreciate that New South Wales saved money and respect their right to do so. Other States have received approaches from insurance brokers and the Chief Executive has been instructed to inform the insurance industry the AHRC will be prepared to negotiate with all parties next time around.

I had the pleasure of chairing the Conference of Chief Executives held at Harold Park last month and found it an invigorating experience.

There was robust debate on a wide range of issues. The previous day we held the first meeting of the Industry Development and National Marketing Committee.

In my view, harness racing in Australia does a good job with regulatory issues but lacks cohesiveness and unity of purpose in many areas, especially when it comes to commercial matters. It is my fervent hope that the Industry Development and National Marketing Committee can be a catalyst for change.

As a result of the first meeting, each Chief Executive has taken responsibility for scoping an issue. Some of the resultant discussion papers will be considered later in this meeting. Of paramount importance is that we focus on achievable objectives and get closure.

In line with the Executive's desire to adopt a more commercial approach, we are currently in the final stages of employing a Business Development Manager. This person will be responsible for devising strategies to expand harness racing's revenue and fan base, working closely with the State Bodies and Principal Clubs. I commend this appointment to you and believe we will reap rewards as an industry in due course.

The Executive has also initiated regular discussions with the Executive of Harness Racing New Zealand to consider issues of mutual concern and compare notes on a range of other matters. The first meeting was held in Auckland earlier this month and was extremely productive. Similarly, I have endeavoured to speak with as many Australian industry stakeholders as possible since assuming the Chair and hope to continue this process in the months ahead.

I'm sure we gave a collective sigh of relief when the broadcast rights dispute was settled last year and you may all be aware that the agreement has still to be approved by the Australian Competition and Consumer Commission. The Executive recently wrote to the ACCC endorsing the proposed agreement between Sky Channel, Tabcorp and ThoroughVision, because of the devastating impact the broadcast rights dispute had on wagering turnover. We did however highlight some areas of possible concern and trust the ACCC will take this into consideration when processing the approval.

On a related matter, I'm well aware that the owners of intellectual property – Principal Clubs and/or State Controlling Bodies – currently conduct all negotiations on broadcast rights, and that some States have legal obligations to get the most extensive coverage possible to support their wagering license holders. I have no desire to be involved in that process!

Nonetheless, harness racing needs to be mindful of the term of the proposed Sky-TVN agreement – until 2012 – and other existing or potential broadcast rights issues (specifically, emerging technologies) to determine the approach the industry as a whole should be taking.

There's strength in numbers and we need to consider our options to ensure the industry gets the best possible result when contracts are next negotiated – which will be well before 2012 in most cases.

Whilst on Sky, I'm aware that harness racing generally enjoys a good relationship with the broadcaster and Ray Sharman, John Dumesny and myself had a productive meeting with them last week on the racing product review.

I would like to take this opportunity to thank our Chief Executive, Rod Pollock, and his small team in the Melbourne office for their untiring efforts on our behalf. Also, many thanks to my fellow executive members Bob Lette, Neil Busse and Ray Sharman for their contributions, support and words of wisdom.

In particular, I'd like to thank your Chief Executives for their co-operation and willingness to contribute on a host of matters. I realise we are resource hungry and they all have Boards to answer to, but I value their input.

I have great confidence in the future of harness racing and firmly believe that if we all work together, to take advantage of the accumulated talent and knowledge at our disposal, we will all benefit and the industry will progress.

I thank you for the opportunity to chair the AHRC and look forward to the future with confidence.

Geoff Want
Chairman