



CHAIRMAN'S REPORT - MR GEOFF WANT

HRA MID SEASON MEETING 2 MAY 2016

It has been an eventful six months since the annual general meeting of Harness Racing Australia in Perth, both on and off the track.

There has been some outstanding racing, which has probably not received the widespread attention it deserved, while there has been considerable industry focus on political developments largely outside the control of participants or administrators.

RACING

There has been ample evidence over the summer months of the fabulous product that standardbreds can deliver on the racetrack, in both the pacing and trotting gaits, as well as the excellence of the committed participants who train and drive them.

We have seen exciting and competitive racing, from country tracks to the major city venues, with the emergence of bright new stars to challenge the established campaigners in the elite open class series, the Australian Pacing Gold Grand Circuit and Trotting Masters.

Lennytheshark firmly established himself as a genuine Grand Circuit contender with a stirring victory in the \$1.3-million Tabtouch InterDominion championship at Gloucester Park in Perth and a dominant win in the \$400,000 Good Form Victoria Cup at Tabcorp Park Melton. He was the closest of seconds in the \$750,000 SEW Eurodrive Miracle Mile at Tabcorp Park Menangle.

Lennytheshark is joint 2016 APG Grand Circuit champion with the tough Kiwi campaigner Smolda, which won the \$500,000 Del-Re National Foods A.G. Hunter Cup at Melton and scored valuable points in three other legs of the series in Australia and New Zealand.

It was a stablemate of Smolda, Have Faith In Me, that grabbed considerable attention and stamped himself as a future superstar with wins in the only two legs of the Grand Circuit he contested. The four year old was impressive in the Auckland Cup but put in a blistering performance to nose out Lennytheshark in the Miracle Mile.

In a truly memorable performance, Have Faith In Me beat a quality field in the Australasian record time of 1.47.5.

Two other New Zealand four year olds, the trotters Speeding Spur and Monbet, graduated to open class with some stirring performances and seem set to dominate the trotting ranks for the next few seasons.

Speeding Spur announced his arrival on the Trotting Masters circuit with a strong second in the \$100,000 Seelite Windows and Doors Australian Trotting Grand Prix at Melton, nosed out by the well credentialled Keystone Del, but went one better a few weeks later with a strong win in the \$300,000 Pryde's EasiFeed Great Southern Star.

Monbet put in dominant performances in the two final races of the circuit, the Anzac Cup and Rowe Cup at Alexandra Park in Auckland, but Speeding Spur had accumulated enough points to be crowned Trotting Masters champion.

KERRYNN MANNING

There have been many fine driving performances in recent months but I wish to single out one driver for mention, the extremely talented and accomplished Kerryn Manning.

Michelle Payne has, quite rightly, received massive publicity since her surprise win in the Melbourne Cup, hailed as a breakthrough for female jockeys.

Kerryn Manning has been setting records in harness racing for almost two decades without fuss and did it again in the New Zealand Cup at Addington, just a week after the Melbourne Cup, when she won on Arden Rooney. She was the first woman to drive the winner of the time honoured feature which, for good measure, she also trained.

Her class was also evident when she won the inaugural International All Stars series conducted at Victorian tracks in March, beating some of the best reinsmen in the world. Kerryn is one of

many talented women who compete on an equal footing with men as both drivers and trainers, which sets harness racing apart from most other sports in Australia.

CHALLENGES

Whilst there has been a great deal of outstanding racing and wonderful performances by participants, harness racing continues to face some significant challenges. Wagering turnover remains soft, industry funding continues to be threatened by wagering leakage, our fan base is stagnant or diminishing, breeding numbers continue to be a concern and there are festering issues with media exposure.

This is not meant to be a depressing or negative view, but an acknowledgement of the challenges. Indeed, there are many positive aspects of our industry.

We have a thorough and professional integrity regime which we can rightly acclaim as world's best practice ... a considerate and ethical equine welfare agenda and rules ... committed and talented participants ... excellent administrators ... and, as I stated earlier, outstanding racing.

So, where are we going wrong and how can we tackle the issues?

It is easy to find excuses. There is now more competition for the leisure dollar than 20 years ago, people have a greater range of leisure pursuits to choose from, people are now time poor, and so on.

All are contributing factors, but we must ask ourselves if we are doing enough to meet the challenges we face. Do we find excuses for inaction, or simply put things in the "too hard" basket?

Our club and controlling body administrators have many competing priorities and do an amazing job planning and conducting race meetings, ensuring compliance with a strict regulatory regime and tackling the myriad other tasks which must be undertaken.

It is worth examining however whether we need a change of focus.

We have a great racing product but does it need a makeover? Is it providing punters and fans what they want? How can we improve the experience for spectators? What can we do to boost wagering turnover and grow the fan base?

Are we taking positive measures to attract new owners, members and sponsors? What are the benefits of ownership, membership and sponsorship and how do we promote these outside our dedicated followers?

There needs to be a collective will to address these questions and determine a way forward. I've stated several times that parochialism should have no place in our industry if we are to grow, and harness racing lags behind almost every sporting industry in Australia in taking a national approach to its development.

We should have a national marketing strategy embracing ownership, communications, promotion, brand exposure and development, and digital media. Most of the recommendations of the Wagering Working Party last year have been adopted in some way but we need to continue to explore ways to drive turnover.

Central to everything we do is the racing product, which we should comprehensively review. I'm not suggesting it is in need of a makeover, but when our fan base and wagering turnover are stagnant we should be looking at everything.

Like many in the industry I feel our handicapping rules are in urgent need of revision.

HRA REVIEW

On the agenda for today's meeting is a discussion paper on how HRA can best serve the needs of members and the industry into the future. There are several options and, while I believe we should be realigning the role of the organisation, I should stress I do not feel this is imperative to drive some of the issues I've just mentioned.

We already have an excellent committee structure and consideration of these issues does not need to be delayed pending any review of HRA's role and function.

The matters raised in the discussion paper should not be interpreted as trying to usurp the role of the state controlling bodies, but rather an attempt to make our industry more effective in meeting the challenges we face.

WAGERING REFORM

Members should be well aware of the lobbying efforts of HRA on a range of significant national issues over recent years, with the assistance of a professional group in Canberra. We have had considerable success on several matters but wagering reform remains a concern.

In the past seven years HRA has lodged six submissions on wagering reform to federal inquiries, one submission to the NSW Parliament Select Committee Inquiry into Gambling, and raised wagering reform issues every year at the Australasian Racing Ministers' conference.

The two most recent submissions have been in the past six months. The first was to the federal government's review of illegal offshore wagering to investigate methods to strengthen enforcement of the Interactive Gambling Act 2001 (IGA), conducted by former NSW premier Barry O'Farrell.

The inquiry was to examine the regulation and taxation of illegal overseas betting operators as well as how to deal with emerging methods of live sports betting. Mr O'Farrell made 19 recommendations to the Turnbull government, which were revealed late last week by the Minister for Communications, Senator Mitch Fifield, and Human Services Minister Alan Tudge.

They said the government had accepted 18 of the 19 recommendations in full or in principle. Many related to stronger consumer protections such as *"the establishment of a national self exclusion register, a voluntary precommitment scheme, better information for individuals about their gambling spend and a ban on online wagering companies offering lines of credit"*.

Much of the media coverage of the announcement focused on the government's decision not to legalise online in-play betting. Indeed, it was noted that wagering providers currently offering "click and call" in-play services are in breach of the IGA, which the government intends to amend to clarify the situation and bring an end to the practice.

The ministers said the government was committed to taking action against illegal offshore wagering providers with a "multifaceted approach" which included strengthening the IGA, but , disappointingly, there was a lack of clarity about the measures to be taken.

The second recent submission was to the Senate Standing Committee on Environment and Communications which was considering amendments to the 2001 Act proposed by Senator Nick Xenophon.

Action on both fronts has now been halted because of the pending federal election. The delays in getting some positive wagering reform are frustrating, but federal politicians obviously have more pressing matters to attend to at present.

In recent years HRA Members have engaged in two comprehensive - and extremely successful - lobbying campaigns with state and federal politicians. The first was in the wake of the equine influenza outbreak, to both oppose a proposal to vaccinate horses and to support certain provisions of the Emergency Animal Disease Response Agreement, prior to HRA becoming a signatory.

The second was to acquaint members of parliament with the findings of the Size and Scope Study in 2013, to ensure they had a thorough understanding of the important role our industry plays in both a social and economic sense.

I submit that it is time for a third intensive campaign, to ensure that all federal election candidates fully understand our industry's position on key wagering issues, especially the need for measures to attempt to combat illegal offshore wagering. We need commitments from candidates, to try and ensure that these issues are not ignored yet again.

INDUSTRY CHANGES

Early in this report I stated that there has been considerable industry focus on political developments largely outside the control of participants or administrators. Apart from what has been happening on the federal scene there has been plenty of political activity affecting harness racing around the states.

A new Harness Racing Victoria Board was appointed recently after a prolonged period of speculation. I wish the new chairman, Dale Monteith, and his board every success as they tackle the issues confronting them.

In doing so I must also thank his predecessor, Ken Latta, for his efforts over six years on the HRA Executive, the last year as deputy chair.

In Western Australia the industry is anxiously watching developments with the future of Racing and Wagering WA, which operates the TAB. The state government appears committed to the sale of the TAB, which would complete the privatisation of all the state pari-mutuel operations in Australia.

In Queensland there has been more than a year of uncertainty following the dismissal of the tri-code controlling body, Racing Queensland, in the wake of the greyhound live baiting scandal. The final composition of the new controlling body is still not known, although the chair and three industry representatives were named recently.

The harness racing representative is Margaret Reynolds, who has a wealth of industry experience. We wish her well in addressing the issues and in driving the industry forward in Queensland.

Since the annual meeting, Dean Cooper has been confirmed as chairman of Tasracing and Graham Kelly has been elected to succeed Rex Horne as chairman of Harness Racing NSW. Best wishes to both of them in these roles.

The changes have meant a new look HRA Executive, with Mark Carey elected deputy chair at the most recent meeting and Matthew Benson succeeding Mark as treasurer.

ACKNOWLEDGEMENTS

I must thank everyone who contributes so magnificently to the smooth operation of HRA, including the members of the Executive, all who serve on our many committees, our hard working legal counsel Dean Cooper and, most importantly, chief executive Andrew Kelly and his wonderful team.

HRA has a strong working relationship with Harness Racing New Zealand and it is pleasing that chairman Gary Allen and chief executive Edward Rennell are able to join us today. Thank you gentlemen for the continued co-operation between our two organisations.

There are a number of important matters on the agenda for today's mid-season meeting. Thanks for your attendance and contributions and best wishes for a successful meeting.

Geoff Want

Chairman