



CHAIRMAN'S REPORT - MR GEOFF WANT

HRA ANNUAL GENERAL MEETING 7 DECEMBER 2017

There is much to celebrate about the 2016/17 season with spectacular racing at meetings throughout the country and positive signs for the future.

Unfortunately there are many in our industry who prefer to dwell on the negatives. There is no doubt there have been challenges in the past year - and there will be in the years ahead - but that is the nature of the business.

Franklin D. Roosevelt once said: *"The only limit to our realisation of tomorrow will be our doubts of today"*. It is easy to be a critic, but there is much to be positive about in the Australian harness racing industry.

If racetrack performances were our only barometer of success it would be a stellar year. Smolda's stunning win in the 2016 Inter Dominion in Perth was the culmination of an outstanding carnival ... Lazarus was awesome in the 2017 Victoria Cup at Tabcorp Park Melton ... a week later Bling It On scored a tough win over a quality field in the A.G. Hunter Cup at the same venue ... Lennytheshark thrilled a bumper crowd at Tabcorp Park Menangle with a brilliant win in the Miracle Mile ... Hectorjayjay was dynamic in the Blacks A Fake at Albion Park ... and there was great racing at tracks across Australia.

WHIP BAN

Unfortunately, much of the focus away from the racetrack was on the decision taken at the 2016 HRA annual general meeting in Adelaide to ban the use of whips in Australian harness racing.

The reaction to the decision to ban whips was predictable. It was overwhelmingly applauded by animal welfare advocates, politicians and the broader community but polarising in the harness racing community.

Among the issues faced by our industry is administrator and stakeholder obfuscation and disinclination – some administrators who are reluctant to drive change, and many participants who are unwilling to accept, or adapt to, change.

The ban decision taken at the Adelaide AGM had the unanimous support of Members. Indeed, I canvassed every delegate at the meeting and there was not one dissenting voice. Furthermore, I cautioned that we should spend more time preparing the industry for the change, but this was rejected.

I had stated in my annual report that it was inevitable whips would be banned in Australian harness racing in the coming seasons, but I did not expect the decision to be taken at the AGM. Nonetheless, I applauded the initiative of Members and, with chief executive Andrew Kelly, was committed to ensuring the ban became reality.

Neither Andrew nor I expected the abuse we received from sections of the industry and it is disappointing some people find it impossible to dissent without using threats and intemperate language.

Robust debate opposing something is fine and fair criticism is acceptable, but the strident invective of a few people on social media was way beyond what could be deemed reasonable.

It was even more disappointing however when some delegates to the AGM attempted to distance themselves from the whips ban decision when they faced their stakeholders, despite their advocacy for it in Adelaide.

Despite the fallout from the Adelaide decision, there is no doubt the industry has taken a significant step forward in bringing about whip use reform. The start of the new racing season to implement a ban was probably never a realistic target and it was abandoned mid-year, but there did seem to be a general acceptance among participants of the need for further whip use reform.

At the time of writing this report it appeared there would be a new rule restricting whip use to a wrist only action, although the final wording and implementation date had still to be agreed by Members.

Most participants now seem to understand what animal welfare advocates and politicians alike are stating – that racing codes must not breach their “social license to operate”.

Of all the regulations under which we operate there is no formal or defined “social license”, but it is indicative of changing community standards and attitudes that we need to be extremely mindful of public expectations.

This is not just an Australian issue. At the World Trotting Conference in Canada in August there was a session – *“Is it time for whip free racing?”* – at which it was apparent most international jurisdictions have grave concerns about whip use.

Sweden has banned the importation of American harness racing telecasts because of what is deemed to be excessive whip use and other countries are closely monitoring developments.

Hopefully, rational debate will continue in Australia on the issue, which is as much about the image of our racing product as it is about animal welfare.

Personally, I believe social pressures will eventually encourage the racing industry to ban the use of whips – or will force governments to legislate to impose a ban.

A SALUTE TO CHAMPIONS

I've often lamented the fact we don't do enough to recognise and promote our heroes, both human and equine, although Harness Racing Victoria endeavoured to challenge this view when champion reinsman Chris Alford became the first person to drive 6,000 winners in mid-May.

There was plenty of publicity both before and after the milestone achievement, with Chris deservedly getting many accolades.

The 49 year old, an eleven time champion Australian driver of the year, clocked up 6,000 wins behind Diamond Grace at Tabcorp Park Melton on May 15. At season's end he had accumulated 6,121 career wins.

In the 2016-17 season he drove 332 winners – an astonishing 118 more than any other driver – to again secure the JD Watts Award as Australia's champion driver. He also had an impressive strike rate, with 25% of his drives winning and 53% being placed.

Chris Alford is a modest, unassuming man – a champion reinsman and a champion person – and an absolute credit to our industry. We are fortunate to have him!

The same can be said of another legend and fellow Victorian, Gavin Lang, who also achieved the magical 6,000 winners when he drove Tell Me Tales to victory at Melton on July 8.

It was another milestone in a truly remarkable career for the 58 year old who is renowned for his ice cool driving tactics. At the end of the season Gavin had progressed to 6,021 career wins.

Another master reinsman, Chris Lewis from Western Australia, also celebrated a significant achievement when he became the third driver in Australia to reach 5,000 wins. The 62 year old drove four winners at Bunbury on New Year's Eve with one of them, Im The Best, taking him to the 5,000 mark.

Chris, a former JD Watts Award winner, finished second on the national table this year with 214 wins in the season, taking his career tally to 5,150.

The world's best female driver, Victorian Kerryn Manning, grabbed her own slice of history two days before the end of the season when she became the most successful horsewoman in any code of racing around the globe.

Driving Mr Mojito to victory at Terang took her career record to 3,706 wins, one clear of American jockey Julie Krone.

Kerryn Manning is a five time Australian champion driver and has a career littered with honours and accolades. Despite an injury interrupted season she drove 75 winners from 396 drives, with an admirable strike rate – 19% wins and 49% placed.

Wayne Hill of South Australia won the Australian Driving Championship conducted at Globe Derby Park in Adelaide while Todd McCarthy of NSW triumphed in the Australasian Young Drivers series held in Western Australia.

Whilst saluting our champions it is appropriate to recognise the achievement of Queenslander Grant Dixon, who was Australia's leading trainer for the sixth successive year with 286 wins. Grant surpassed 4,000 winners during the year, finishing the season with 4,134 career victories.

Emma Stewart from Victoria was second on the national table with 216 winners and was one of six females in the top ten trainers in Australia, the others being Skye Bond, Amanda Turnbull, KerryAnn Turner, Chantal Turpin and Vicki Rasmussen.

There were two females among the top ten drivers, Amanda Turnbull of New South Wales and Danielle Hill from South Australia.

EQUINE STARS

Some of the outstanding racetrack performances were mentioned at the beginning of this report including Smolda's stirring success in the 2016 TAB Touch Inter Dominion Final at Gloucester Park in Perth. Trained in New Zealand by Mark Purdon and Natalie Rasmussen, and usually driven by

Mark, Smolda also took out the South Australian and Ballarat cups and was named Australian Harness Horse of the Year.

The Victorian two year old Wobelee was named Australian Trotter of the Year after a stunning season in which the gelding won 10 of 12 starts for driver Chris Alford and his trainer wife, Alison.

Smolda's stablemate Lazarus took out the Australian Pacing Gold Grand Circuit after stunning wins in two of the features, the New Zealand Cup and the Victoria Cup. The brilliant entire was one of seven individual winners of the eight legs of the APG Grand Circuit.

All five legs of the APG Trotting Masters were won by different trotters, with the New Zealand mare Habibti Ivy, trained by Paul Nairn, taking the series on the strength of victory in the Anzac Cup at Alexandra Park in Auckland and a second in the Rowe Cup at the same venue.

TEAM TEAL

Regardless of issues which can cause angst or concern at times, harness racing remains a wonderfully inclusive and generous industry. When disaster strikes or someone is down on their luck, the industry rallies with emotional and financial support.

The Team Teal initiative, which raises funds for the Women's Cancer Foundation and specifically research into how ovarian cancer mortality can be reduced, is a fabulous example of how harness racing participants answer the rallying call to assist others.

The driving force behind Team Teal is Victorian industry stalwart Duncan McPherson, who sadly lost his wife Lyn to ovarian cancer, with support from his family and a group of supporters such as Michael Taranto.

Launched in Victoria in 2014, it has grown to encompass mini trots and clerks of the course and went national in the 2016/17 season. Some 253 female drivers wore teal pants in a six week window in February/March 2017, attracting sponsorship dollars for every win, while 130 mini trots participants also promoted the cause.

The female drivers also made generous donations, promoted the fundraising and organised special appeals. Other drivers and trainers contributed, along with wagering organisations and HRA Members, including a special night at Tabcorp Park Melton.

In all more than \$240,000 was raised, almost half of it by the Team Teal reinswomen through driving some 290 winners and undertaking other fund raising activities.

To quote the Women's Cancer Foundation: *"As ovarian cancer impacts mothers, sisters, daughters, aunts, wives and friends, Team Teal provides the harness racing industry with a unique opportunity to collaborate with a cause that appeals directly to its community and networks"*.

Congratulations to all involved in what is a truly positive undertaking by our industry and there is no doubt the fund raiser should be a permanent fixture in Australian harness racing.

INDUSTRY STATISTICS

Analysing statistics does not always lead to an accurate portrayal of the health of an industry and there is no doubt there are some disturbing signs when comparing various harness racing indicators with a decade earlier.

This is particularly so with breeding numbers. In the 2016 breeding season there were 3,603 live foals, down by 1,484 on 10 years ago. There were some 5,157 mares served at the same time, just over 300 down on the prior year and 2,637 fewer than 10 years earlier.

Declining foal crops are disappointing, but there also have been some positive steps taken to improve fertility rates and to get a greater percentage of foals to the racetrack.

During the season we raced at 92 tracks around Australia, one more than 10 years ago, but there has been a vast improvement in the quality of tracks – and a number of new or renovated venues – in that time.

Over the decade there has been a gradual decline in the number of race meetings programmed (1,737 in the past season, down almost 200 in the period) and the number of races conducted (14,085 or more than 1,500 fewer than 10 years ago).

Total stakes money – excluding bonuses, trophies and other incentives – in the past season was more than \$116.6-million, an increase of \$26-million over the decade. It was however down more than \$1.5-million on the prior year. There were heartening increases in NSW, Tasmania and South Australia but Queensland, Victoria and Western Australia all recorded falls in stakes money of about \$800,000.

Associated with these figures has been a significant fall in the fan base, both on and off course, in the past two decades which has resulted in a loss of relevance. Disturbingly, harness racing has now clearly become the third code of racing, based on wagering turnover figures, behind thoroughbreds and greyhounds.

The most concerning fact however is the changing wagering landscape which has resulted in erosion of industry funding.

INDUSTRY FUNDING

Betting turnover for the past financial year grew a further 6% which builds on a similar increase last year, but analysis of the figures for the past five years shows just how dramatic the change in the wagering landscape has been.

Harness racing turnover from all licensed wagering operators now exceeds \$2.68-billion, which is an increase of \$385-million over the five years, or almost 17%. Whilst this is extremely pleasing there is cause for grave concern with the seismic shift in betting preferences, particularly the move by punters away from the traditional pari-mutuel totalisator wagering to fixed odds.

Pari-mutuel wagering has been the primary revenue source for the industry for many years and the returns are far better than the commission from fixed odds betting. This accounted for some 88% of turnover on the nation's TABs five years ago but it has since plummeted.

There has been a drop of almost 40%, or \$580-million, in the past five years.

This has had a serious impact on industry funding. Gone are the days of the industry being reliant on strong returns from dependable pari-mutuel operations and administrators must find ways of overcoming the downturn in this traditional revenue source.

It really is the era of fixed odds betting, both with the TABs and with corporate bookmakers. Interestingly, the significant rise of fixed odds betting within the totalisator companies has resulted in total TAB turnover being flat over the five year period. The corporate bookmakers, through aggressive marketing and exceptional customer service, have out-performed the TABs over the last five years, with turnover on harness racing doubling.

Given the harness racing industry's partnership with the TABs and our reliance on their wagering turnover, it will be interesting to see how they respond to the corporates in the next few years.

WAGERING REFORM

After a decade of campaigning by HRA and other racing bodies for wagering reform in Australia, it was pleasing to finally see amendments to the Interactive Gaming Act passed by the federal parliament in August 2017. These amendments are designed to combat illegal offshore gambling and to provide greater consumer protection, including a ban on online credit betting and measures to assist problem gamblers.

During the past nine years HRA undertook extensive lobbying of state and federal politicians for wagering reform and lodged eight submissions to parliamentary inquiries, including the O'Farrell review of illegal offshore wagering in 2016 which prompted the reforms.

Under the reforms it is illegal for companies or individuals to provide gambling services to Australians unless they hold a licence issued by an Australian state or territory. The measures are largely in line with the recommendations made by HRA, although we would have preferred a more stringent regulatory regime which included a ban on banks processing payments for illegal operators.

Nonetheless, the amendments contain heavy penalties for breaches of the Act and it is a welcome step in the right direction.

Under the amended Act the Australian Communications and Media Authority is charged with responsibility for enforcing the provisions and with maintaining a register of licensed interactive wagering services, to provide clarity on which companies can operate legally. Currently, there are 38 companies on the register.

Estimates vary on how many companies are – or have been – operating illegally in Australia and it is difficult to determine the quantum of wagering revenue lost to these operators each year. It is interesting to note however that Sweden estimated at the World Trotting Conference that there are as many as 83 illegal betting companies operating in Scandinavia.

INTEGRITY

Integrity matters remain a major focus for all jurisdictions in order to provide industry participants, owners and the public with the confidence that there is a level playing field in Australian harness racing.

For its part, given the dynamic nature of the industry, HRA coordinates two Integrity Conferences each year where rules and practices are formally reviewed. Any suggested amendments are then considered via the HRA governance structure which includes the National Rules Committee, Executive and the Members before being communicated and adopted.

These conferences provide value in that they bring stewards, integrity staff and regulatory veterinarians together to discuss issues and ultimately improve the framework which underpins the industry.

The importance of integrity systems and processes is also illustrated in increased funding and resourcing that most States either have, or are undertaking. An increase in out of competition

testing, stable inspections and raceday target testing have been combined with investigative, intelligence and veterinarian services to ensure no stone is left unturned in the pursuit and eradication of cheats from our sport.

MICROCHIPPING

During the season much work was undertaken to prepare for the introduction of microchipping from 1 September. The necessary Australian Harness Racing Rules (AHRR) and Stud Book Regulations (SBR) were amended, while the HaRVey system was updated to automatically populate fields which will also be visible in HarnessWeb. Further, most forms within the industry were reviewed and reprinted to include a space for microchip numbers.

As previously reported, microchipping will be undertaken in parallel with freezebranding for at least the first three years, when there will be a comprehensive review. This will allow the hardware, software, processes and chain of custody to be fully tested and revised if needed.

Microchips provide a lifetime permanent identification number for horses. This number is unique in the world, cannot be altered, and eliminates doubt. Horse owners use it for many different reasons, such as proof of ownership, theft protection and recovery, disaster recovery, health certificates, medical records, farm management, event entries, travel, Registry ID, and sales documents.

Much of this is the same for harness racing, with the addition of integrity based functionality built in to a bespoke database which will provide time and place stamps for raceday and stable visits, as well as real-time updates for activities such as trials.

BIO-SECURITY

HRA undertakes many and varied tasks on behalf of the industry, some of which are not understood by stakeholders. One of these tasks which fly under the radar is ensuring there is constant vigilance by Australian authorities on bio-security.

The damage which can be caused by lapses in bio-security protocols was starkly demonstrated when equine influenza brought the harness and thoroughbred racing industries and other equestrian sports to a halt in New South Wales and Queensland in 2007. Equine influenza - those weeks of turmoil which devastated equine activities in both states and caused a serious drop in wagering turnover nationally, and the aftermath – was the biggest challenge encountered during my tenure of more than eleven years as chairman of HRA.

During the crisis HRA was the conduit for dealings with commonwealth authorities and in the months following there was a critical battle to avoid the approval of vaccination of horses against

EI, either compulsory or voluntary. Vaccination, an agenda being pursued with vigour by powerful thoroughbred breeding interests, would have been extremely costly for harness racing and would also have seriously jeopardised the free movement of horses across the Tasman.

Also in the aftermath there were prolonged negotiations leading to HRA becoming a signatory to the Emergency Animal Disease Response Agreement (EADRA), on terms extremely beneficial to our industry. The benefits will only ever be fully understood in the event of another equine disease outbreak. Hopefully, this will never occur!

Stringent bio-security protocols and vigilance in observing them will be the best protection in ensuring the EADRA provisions remain a mystery to most of our stakeholders.

HANDICAPPING REVIEW

There seems to be widespread acceptance in the Australian harness racing industry that handicapping is in need of an overhaul and numerous suggestions have been made as to what system should be adopted.

Many believe a ratings based handicapping system would best serve the industry and there has been a great deal of work in the past year analysing and evaluating different models. It is a critical task and there will be no changes to the current system until Members are confident they have a model that will provide the best outcomes for the industry in the coming years.

There has also been considerable discussion and analysis of a proposal to change the racing season to a calendar year, and there are undoubtedly many benefits, as well as some disadvantages. This remains a work in progress.

INTER DOMINION

Congratulations to the Gloucester Park Harness Racing Club and Racing and Wagering Western Australia for staging another excellent Inter Dominion Pacing Championship series in December 2016. Both the race meetings and the social events were first class and well patronised.

Western Australia's three year tender for the Inter Dominion ends in December 2017 and there is every reason to believe the third carnival will be another great success.

The Inter Dominion Event Committee sought expressions of interest mid-year from clubs interested in staging the series from 2018 and seems likely to accept a tender which will secure the future of the event for at least the next six years. It is likely the Inter Dominion will be staged in New South Wales, Victoria and New Zealand during this time.

WORLD TROTTING CONFERENCE

A strong Australian contingent attended the 2017 World Trotting Conference hosted by Standardbred Canada in Charlottetown, Prince Edward Island, in August.

All were active participants in the proceedings. Andrew Kelly chaired the Equine Health and Integrity Committee (for the third occasion) and I chaired the Racing and Wagering Committee (for the second time), while we both also appeared on panels at a racing symposium held as part of the conference.

It was a privilege to again lead the Australian delegation to what was my 6th world conference, all of which have been extremely informative, as well as providing an opportunity to meet like-minded administrators to discuss common issues and problems.

There is no doubt all members of the International Trotting Association face similar issues, despite the obvious differences brought about by different cultures or the size of the industry in our various jurisdictions.

The Conference was capped with Australian success in two of the eight International Media Awards categories, where Paul Courts and Scott Hamilton were both recognised on the world stage for their outstanding media contributions.

Paul won Best News Article for 'Desperate attempt to save promising pacer', which documented the battle Lance Justice and his staff endured to save the life of promising pacer Love Ina Chevy from a snake bite.

Scott Hamilton's success came via the Best Social Media category for his coverage of the 2016 Inter Dominion, where he provided regular updates, interviews and news to different social media platforms helping to promote the race to a younger demographic.

The World Driving Championship was staged in conjunction with the conference, with the 20 race series being won by the Canadian representative, James McDonald.

Queenslander Shane Graham finished sixth wearing Australia's colours and was a great ambassador for our industry, both on and off the track. He won a race and was competitive in most of them, despite drawing some poor horses.

ACKNOWLEDGEMENTS

We are fortunate indeed to have a committed and professional team at Harness Racing Australia. This small but dedicated group gets through a mountain of work without fuss and all Members should be grateful for their endeavours.

Chief Executive Andrew Kelly is an outstanding administrator who is equally adept at discussing rules with participants, negotiating international telecasts or dealing with federal bureaucrats on bio-security issues – and a plethora of other tasks.

He is a genuine asset to our industry and highly regarded in the broader sporting community.

I cannot heap enough praise on Dean Cooper for his excellent work as HRA's legal counsel. He is always available to provide considered advice, and also serves on the HRA Executive where his wise counsel is valued.

Many thanks to all who have served on the Executive during the year and also to the numerous people who give up their time to sit on our committees and working parties.

HRA has an excellent working relationship with Harness Racing New Zealand, and thanks go to Chairman, Ken Spicer, and Chief Executive, Edward Rennell, for their continuing co-operation.

I should also take this opportunity to record my appreciation for the assistance and co-operation I have received from so many people in the industry during my tenure as chairman of HRA. There is much to be admired in Australian harness racing, and I wish the industry every success in the years ahead.

MUSINGS

It is not for me to determine whether HRA has been a successful organisation during my tenure, which comes to an end at the annual general meeting in December 2017. In more than 11 years I have endeavoured to fulfil my role in a professional manner and I believe, with the assistance of some very talented and committed people, we have achieved some significant progress on a range of issues.

There will always be issues in an industry such as ours as there are so many competing priorities. Stakeholders, understandably, want greater financial returns in the form of either better prizemoney or breeding bonuses, while administrators have to balance the demands of integrity, track maintenance, insurance, financial management and a myriad other tasks.

Unfortunately – as I have lamented on many occasions – marketing misses out. In my opinion we are poor marketers, despite the efforts of a small band of dedicated people. Several years ago I pointed out that the major football clubs all had more people in their marketing divisions than we had in our entire industry, and they are major competitors for the leisure dollar. It is a mystery to me why we don't do something about this situation.

Furthermore, I'm bemused by our approach to programming, where our major clubs seem reluctant to schedule major meetings in opposition to football matches (ie. AFL and NRL). This results in a truncated season of major races, all crammed into a window away from the big football codes.

I'm not sure why administrators fear competition so much as there are ways of working event clashes to advantage. It is not as if our crowds have been so great that we should have a fear factor, and I refuse to believe we share the same market to the extent a clash would have a debilitating effect upon our fan base or wagering returns. Administrators need to have confidence in the product and their ability to promote it.

Many people in harness racing lament the lack of mainstream media coverage of our sport/industry. The world has changed and we will never again see the sort of coverage we enjoyed 40 or more years ago.

Instead of moaning, look to the opportunities presented by the digital age. I still believe a national media centre could achieve great exposure for the industry, but unfortunately parochial administrators have prevented this happening.

Indeed, parochialism is a major factor in hindering the growth of harness racing in Australia. In the past two decades, every sport which has taken a national approach has thrived, but harness racing administrators persist with focusing on their own state. Our competitors are other sports, cinemas, theatres, concerts, lotteries, hotels, clubs and so on, not the harness racing clubs across the state border.

Which brings me to my greatest lament. Harness racing is a fabulous spectacle, for those who understand it or who have been exposed to it over a period of time. Unfortunately, it is a tired product that has not changed in decades, regardless of other advances in sport, leisure and entertainment.

We have to adapt, to win back the fans and show them this is a fun sport. But to do that we need the co-operation of everyone in the industry. We've virtually lost a generation of fans, which not only impacts on attendances at race meetings but also on wagering turnover and in attracting new participants from outside our core support base.

Otherwise in the years ahead we will be racing for ribbons rather than reasonable prizemoney and be consigned to the history books as one of the dinosaurs of Australian sport.

It is a challenge, but we need to find a way to broaden the appeal of harness racing, to demonstrate to a new legion of fans what our administrators, participants and supporters already know – this is a great sport, it is entertaining, and it is fun.

Helen Keller, the American educator and humanitarian, who rose to the challenge of overcoming blindness and deafness, once said: *“Optimism is the faith that leads to achievement ... Nothing can be done without hope and confidence”*.

Geoff Want
Chairman