



## **CHAIRMAN'S REPORT - MR MICHAEL TARANTO**

### **HRA ANNUAL GENERAL MEETING 14 DECEMBER 2018**

This is my first Report since being appointed to the position of Harness Racing Australia (HRA) Chairman in December 2017. It was, and continues to be, both a humbling experience and steep learning curve to not only represent, but also assist in the coordination of successful outcomes for our great industry. Indeed, I have a new found appreciation as to the importance of *independence* in the Chairman's position as we continue to grapple with cyclical pressures between the States and find common ground on both national and, increasingly, international issues.

There are many events and issues to reflect upon when reviewing my short time in the Chair, but before I do, I must confess that I am continually amazed at the volume and diversity of work the small team at HRA are able to deal with in any given day, as well as the capability and collegiality of the HRA Executive who have been so generous with their support.

Indeed the 2017-18 harness racing season, was studded with highlights including some wonderful performances by our magnificent Standardbred horses, the outstandingly dedicated men and women among the training and driving ranks, and many positive developments off the racetrack.

While the full list of National Award winners are known to you all, there are many who require special mention here. It was a stunning year for the New Zealand based Lazarus when racing in Australia, with the entire earning over a million dollars and winning the Inter Dominion and Hunter Cup double for trainer-driver Mark Purdon (and training partner, Natalie Rasmussen). In addition to the Harness Horse of the Year award, he also took out the Australian Pacer of the Year and Aged Pacing Horse or Gelding of the Year Awards.

In another stellar season for Mark Purdon and Natalie Rasmussen, his star two year old pacing filly, Our Princess Tiffany also won the Australian Two Year Old Pacing Filly trophy after her three-for-three season in Australia culminating in a terrific Breeders Crown win.

Premier Victorian trainer Emma Stewart dominated the juvenile pacing boys divisions, with colts Centenario and Poster Boy taking out the Two Year Old and Three Year Old Colts and Gelding Awards respectively.

Great Southern Star champ, Sparkling Success, was the big trotting winner for John and Mary Meade as he won 2018 Australian Trotter of the Year and Aged Trotting Horse or Gelding of the Year, which was a thrill for the Meade's after the horse's untimely injury robbed him of a chance to race the world's best at Yonkers Raceway, New York, in the invitation only Yonkers International Trot.

Star Yabby Dam Farms trotter, Always Ready, was the most clear cut National Horse of the Year winner this year. In a season where he was not once out of the placings from his eight starts for trainer Anton Golino, Always Ready was the overwhelming victor in the Two Year Old Trotting Colts and Geldings division.

Not to be outdone, the brilliant Alison Alford trained, Chris Alford driven filly, Sleepiee was also never out of the placings, including 4 wins from her 5 starts, on the way to capturing the Two Year Old Trotting Fillies division.

Lazarus (Pacing) and Sparkling Success (Trotting) also accumulated top points to snare the respective titles of APG Grand Circuit Champion and APG Trotting Masters. I also extend thanks again to Australian Pacing Gold (APG) for continuing their sponsorship of the two elite Pacing and Trotting Series on the Australasian calendar – with the connections of the winners receiving a \$20,000 bonus to be spent at the APG sales.

While there was a great deal of excellent racing during the past season, the world stood and took notice of two particularly brilliant performances. Maori Time's scintillating 1:51.5 in the Trotters Mile at Tabcorp Park – Menangle (during one of the best nights of Group racing I've ever seen) stamped her invitation to the famed Elitloppet in Stockholm, Sweden, while an emphatic victory going 1:53.9 in the Aldebaran Park Maori Mile at Bendigo captured an elusive invite from Tim Rooney Esq. and the team at Empire City Casino to the Yonkers International Trot for Sparkling Success.

Unfortunately for the connections of both horses, their campaigns went amiss through a variety of unscripted circumstances. However, the connections endured their disappointment with such grace and dignity that they will be forever remembered by all those associated across both the Pacific and Atlantic Oceans, ensuring the paths they laid remain open for those following.

The J.D. Watts Award recognises the achievements of harness racing's leading trainer and driver on the national scene and it was record breaking performances in both fields to secure victory for Emma Stewart and Chris Alford respectively.

Emma secured her first ever National Title and set a new Australian record for training performance in the process with 309 victories for the season, while Chris Alford broke the glass ceiling of 400 winning drives in a season – smashing through for a mammoth 457 wins. This was Chris' 12<sup>th</sup> National Title and fourth in a row.

Despite the outstanding racing performances, and wagering turnover hitting another record high watermark, pressure remains on industry revenue as administrators continue to grapple with the critical question of whether the racing product is meeting market needs and remaining attractive to punters – thus underpinning our industry funding and sustainability.

Many people believe the handicapping system is in need of an overhaul, while others feel the answer lies in improving programming – so with this in mind, and on behalf of our Members, HRA continued the work to explore and test various handicapping philosophies in a bid to find common ground on a system which included competitive racing, full and balanced fields, wider prizemoney distribution, wagering and provides (as much as can be possible) unlimited racing opportunities for horses of all ages, abilities and gaits.

While agreement was reached with the view that the current handicapping system was no longer relevant, the best way forward was not so clear. As such, during the year, Western Australia (WA) developed their own localised system based on Win Dollars, while HRA have developed a Ratings Based points system for the other five States. Given the geographic distance between WA and the other States, this has not been considered an issue as horses do not regularly move from east to west or vice versa, and the HaRVey system has been updated to easily convert a horse's classification according to the State in which it is entered to race.

Both systems look likely to be introduced in the 2018/19 season. While major change and transition such as this can often be difficult for the industry to accept, handicapping and programming are critical to industry sustainability. I therefore urge all sectors of the industry to look beyond their own stable, take the time to understand the new systems, participate in consultation wherever possible, appreciate that there will inevitably be some winners and losers during transition, rest assured that there will still be a winner of every race, and maybe most importantly, understand that the industry needs to embrace and adapt to new ways of doing things.

Pleasingly, wagering on Harness Racing in Australia continues to grow year on year with FY18 showing more than an 8% increase on turnover compared to the previous year.

The 8% increase brings annual turnover on Harness Racing in Australia to almost 3- billion dollars. However remarkable that is, the transformational shift in wagering from the traditional state TAB's

Pari-mutuel model to the Fixed Odds model of the Corporate Bookmakers is showing no signs of slowing down.

Whilst the five year total turnover analysis illustrates strong growth of more than 23% in total wagering since FY14, it is the Corporates that are almost entirely responsible. Their growth over the same period is stunning – more than doubling their turnover (1.126B in FY18) and year on year growth at almost 30%.

This year, for the first time, the TAB's fixed odds betting offering has eclipsed pari- mutuel betting. This is particularly significant as the TAB's fixed odds service accounted for only 12% of its turnover just six years ago and has since risen to almost 53% and turnover quadrupling in the same time.

However, as impressive and as transformational this change is, the growth has been solely at the expense of the once dominant pari-mutuel – with turnover halving in six years.

In what is a sobering statistic, total TAB Turnover has practically flat-lined for the previous five years and in fact dropped 3% in FY18.

Following an extremely successful partnership between Racing and Wagering Western Australia (RWAA) and Gloucester Park Harness Racing (GPHR), the final of three back-to-back memorable Inter Dominions was held in Western Australia, with an unforgettable Championship victory to the superstar, Lazarus.

As the baton changed, the new rotation between co-hosts Harness Racing New South Wales (HRNSW), the New South Wales Harness Racing Club (NSWHRC), Harness Racing Victoria (HRV) and Harness Racing New Zealand (HRNZ) continued to take shape during the year, with a key addition – the return of the of Inter Dominion Trotting Championship.

The way was paved for the Trotter's return following a formal request from the co- hosts which culminated in unanimous support from HRA Members at probably the fastest Special General Meeting that HRA has ever conducted! The inclusion was also ratified by the Inter Dominion Event Committee (IDEC), assuring the industry that both the Pacing and Trotting Inter Dominion Championships will be held concurrently for the foreseeable future.

The Members of HRA have considerate and ethical equine welfare programs, with strong regulation and integrity functions to enforce rules and policies. This uniform approach, with a continuous improvement agenda, ensured another important and busy year for HRA on this front.

A review of the first season of microchip identification for foals was conducted and pleasingly found no issues with the processes or hardware involved. In fact, there was some discussion about dropping freezebranding early, but as there had been a commitment to review the 'dual identification' after three years, it was determined to at least complete a second year before making such a decision.

New 'Whip Rules', which had been extensively debated in a range of forums since 2017, were also unanimously approved during the year, continuing the moderation of whip use which began back in 2010. The rules, which require drivers to use a flicking, up and down motion which does not engage the shoulder, took effect on 1 September 2018 and, on the whole, drivers are to be congratulated for how well they have adapted. That is not to say things are perfect, there is still some work to be done to regulate the whip use of some drivers, but the overall presentation of the product to the wider community, as well as its attractiveness to overseas jurisdictions as a wagering product, is all benefitting from the amendments that have been made.

The industry has also continued to embrace and improve the paperwork associated with retiring horses from racing. This is a critical element for the traceability of all registered Standardbreds, as well as responsibility for horses beyond the racetrack.

To this end, the HRA catch phrase of, *There Is No Finish Line*, has begun to morph into a brand of its own. The dedicated welfare website [www.thereisnofinishline.com.au](http://www.thereisnofinishline.com.au) and associated social media platforms have continued to gain fans and interest. This interest reached almost fever pitch when HRA Health and Welfare Coordinator Kathleen Mullan's plan to retrain a Standardbred, step by step in front of the public, was approved by the HRA Executive.

What was to follow has been amazing so far, as the retired Paul Rowse trained gelding, Savesomtimetodream, transforms from paddock to Equitana show ring in a project supported in paper and digital form by Horse Deals, as well as a number of other generous sponsors, including many new to the harness racing industry. While the horse's transformation is a credit to Kathleen's equine skills, the fan base and financial commitments that have been built around the project reflects how important and interesting this work is for the industry.

With regards to industry interest and improvement, the HRA Executive set an ambitious assignment with plans for an inaugural HRA National Conference to explore and workshop key industry topics of Business Development, Breeding, Industry Funding and a Youth Forum to give young participants a voice. In reality this is an industry conference – not specifically HRA's – and it is hoped that as it is timed to complement the Inter Dominion Championships, a good crowd will support what might become a regular bi-annual type event if successful.

In closing, I wish to acknowledge many people in what has been a year of considerable change on the HRA Executive Committee and steep learning curve for me personally.

Not only did Geoff Want retire as Chairman of HRA after more than 11-years in the role, paving the way for my nomination and election to the position of HRA Chair, but Chris Hartwig stepped down as Chairman of HRSA, succeeded by Gary Crocker who in turn joined the HRA Executive

Many thanks to Geoff and Chris for their hard work and dedication to the industry over many years, as well as all who have served on the Executive during the year.

Thank you also to the numerous people who give up their time to sit on our committees and working parties.

HRA has continued the excellent relationship with HRNZ, where there has also been significant change in recent times, with Ken Spicer, ably assisted by Brian Wastney taking the reins. Thanks to both men, as well as HRNZ chief executive, Edward Rennell, for their continuing co-operation.

As this report was written for a timeframe in advance of Edward's announcement to move on from HRNZ, I would also acknowledge his contribution – a point which was made at a presentation in Christchurch to coincide with the NC Cup.

My final thanks goes out to all of the staff at HRA. I will not single any of them out as they are truly a team. As I said earlier in this report, this small, largely unsung, yet dedicated team care deeply about our sport and work tirelessly for Members and the wider industry. Thank you one and all!

Next year shows no signs of slowing and I look forward to working with you all again for our common goals.

Michael Taranto  
Chairman