



CHAIRMAN'S REPORT - MR MICK LOMBARDO
AHRC MID-SEASON MEETING 19 MARCH 2004

I welcome you to my home State of Western Australia for our Mid-Season Meeting. As identified in my last Report to you in Hobart, I focussed on the need to commercially protect arrangements with both your respective TAB's and the industry telecasting medium Sky Channel. It is interesting to note the commercial strategy being pursued by the thoroughbred code in determining its future with these key players.

Harness Racing considered similar strategies in earlier meetings but decided to continue its individual State by State approach. The ultimate outcome and resolution of these negotiations will impact on how their and ultimately our product is presented both nationally and on the emerging international scene.

The emerging changes to the technology of telecommunications and digital television access will present opportunities for future.

The environment of takeovers and mergers in the national TAB's corporate area is currently being determined as the three key TAB players seek to establish a dominate force in the wagering market. To have a strong national presence is essential to enable the synergy of growth, both nationally, and then globally, given the high level of credibility that the Australian Wagering and Racing Industry has. Some of you are highly involved. As our industry's key funding mechanism, such market restructure will be a key determinant of how we are able to deal with our commercial future. In addition, the creation of a dominant national wagering organisation will provide an enhanced ability to deal with the emerging wagering threats like Betting Exchanges and Off-Shore Wagering Entities utilising our product. You are actively involved and closely co-ordinate your commercial activities with your State Racing Ministers, Governments and other Code Partners in your State. This is vitally important to focus and achieve the best result.

Brian Paddock represented Council at The Racing Minister's Conference in Canberra last week. He will update you on the decisions taken at the national level with the other Racing Codes to pursue our common objectives in this meeting.

Council joined with the Thoroughbred and Greyhound Racing Codes to issue a joint letter to the Federal Government to pursue with the State Racing Minister's the resolutions from the Meeting to promote the safeguards to our intellectual property.

This meeting will continue our evaluation of a number of key national areas progressing our future governance. Our agenda is directed towards establishing our transition to the active working of a Sub-Committee structure to enhance and generate our national co-ordination of issues as an improved way of operating into the future. The professionalism and thought developed through our initial Working Parties is our best future way of developing member networking where we can assist each other to go forward.

The importance of integrity and professionalism is vital in our racing operations as this is the key to the future in how our Stewarding Panels administer the functions and performance of our industry participants. The development of effective operational Rules and Policies implemented consistently through training is a key feature of the way forward for our Stewards. Education and Training will unlock the potential of the functional roles within our administrative structures and licensed industry participants. The Executive is addressing this in a positive way which will be implemented through the appointments to all Sub-Committees, and in particular, the Integrity, Rules and Handicapping Sub-Committee as part of the AHRC Corporate Governance Review. There have recently been examples where Members' have promulgated Local Rules to suit their own environment when an established process exists to implement changes to our National Rules. The Rules Sub-Committee chaired by Dean Cooper is addressing this with the co-operation of the Members. You will note in the Corporate Governance's Working Party on significant issues that consistency of product presentation is a critically identified issue to be undertaken. So the onus is on you as a Member to make our administrative decisions work co-operatively between each of you for all industry participants. This is particularly true in our approach to the area of Prohibited Substances and I commend the approach recommended to independently review this for our future to assist our Stewards in their important task.

Finally at the national level we have a number of areas being progressed which are now achievements. Nationally, the risk management coverage of participant public liability is well

established with wider coverage. Concentration on Occupational, Health and Safety together with Personal Accident Insurance nationally are the next key focus. Harness Racing involvement has been instrumental in the strategic and successful implementation of the Racing Industry with the ARB into the Agri-Food Industry Grouping under the auspices of the Australian National Training Authority. With the Australian Racing Board we have worked to confirm our membership of Animal Health Australia and establish a baseline for funding an Emergency Animal Disease outbreak which you will consider in advance of the Equine Industry generally. Further developments with both USTA and Standardbred Canada has been agreed to take our DNA Genotyping Arrangement and its benefits further for our industry participants in all three markets. Council's website and database management of its information has been further enhanced throughout its free and subscriber services that now cover around 1250 electronic files, a significant task fulfilled. These are some examples of positive progress on the national operations undertaken by Council's effective staff.

Lastly, changes in staffing occur over time where Board's and executive personnel move on. This transition and renewal should be viewed as positive. I personally have not sought re-election to the WATA Board myself. I would like to thank Peter James (Former Chairman, HRSA), Peter V'Landys (NSWHRC), Damian Raedler (APHRC & HRNSW) and Richard King (HRV) for their contributions to their Member and Council activities at the national level. As a result, I welcome their replacements and wish them great success and hard work for our industry participants.

Mick Lombardo
Chairman