



**CHAIRMAN'S REPORT - MR JOHN BAGSHAW  
AHRC MID-SEASON MEETING 11 MARCH 2005**

Having been your Chairman for less than 4 months and having not previously been exposed to an AHRC Council Meeting, I will confine this report to first impressions, to how I see us working effectively together, and to what I see is the biggest challenge ahead.

After reading the minutes of the last Annual Meeting of Council my first impression was what a broad range of complex issues the Council is grappling with. I thought 'how can 15 people sitting round a table twice a year possibly deal effectively with them'?

I then realized that the working party on corporate governance had already created the infrastructure to do it. It just required formalizing the links between the various Committees, Working Parties, Executive and Council to give each a clear responsibility mandate for it's area of operation. What the Council as a whole achieves will primarily depend on how effectively the Working Parties and Committees function.

Since the Annual Meeting one significant situation arose with respect to the wearing of approved protective vests in the mid summer heat in W.A. Working with the RWWA and our specialist consultant, Human Impact Engineering, we were able to expedite approval for use of two further vest types which meet the Beta 2 standard and therefore did not compromise safety. We also initiated a process for managing heat stress in affected drivers. Research is continuing with respect to approving additional protective vest types that improve comfort without compromising safety.

The biggest challenge facing our industry is to continue to increase prizemoney. This is the only way to make our industry more attractive to existing and potential participants. In this respect I am very pleased to see that several States have recently made significant announcements in this regard. Increasing prizemoney is dependent not only on increasing revenues but on

reducing costs. This requires tough decisions but like any business, we must not let the small minority who are disadvantaged stand in the way of the large majority who will benefit.

In our pathway to increasing prizemoney are a number of potential obstacles.

Betting Exchanges are a parasite on our revenues and a danger to our integrity. I compliment all the State and Territory Racing Ministers who are united in their stance against them. It remains for the Federal Government to see the damage they could potentially do to employment in the racing industry if given free reign. The three racing codes are united in continuing to lobby the Federal Government to outlaw them by amending the Interactive Gambling Act appropriately.

In recent years thoroughbred racing has lost a considerable share of totalizator betting turnover and is now fighting to recover it, primarily by chasing our successful time slots. Our challenge will be to at least hold and hopefully continue to increase our existing share of turnover.

State Governments are always looking for ways to raise revenues and gaming and gambling has always been a potential target. We must constantly remind State Governments of the importance of a viable racing industry and lobby them to reduce taxation rather than to increase it.

Tabcorp and Unitab are under constant pressure to increase returns to shareholders and squeezing returns to the racing industry is always an option. We must work very closely with them to ensure this does not occur.

Finally, integrity issues could reduce public confidence in our product and our betting turnover correspondingly. We must retain our vigilance. In this respect I am pleased with the emphasis and effort Council has been placing on this issue.

In closing, I firstly thank those of you who have participated in committees and working parties, the outcomes of which are on today's agenda for our consideration. I again thank you for electing me your Chairman. I will do my best to meet your expectations.

John Bagshaw  
Chairman