



## **CHAIRMAN'S REPORT - MR GEOFF WANT**

### **HRA ANNUAL GENERAL MEETING 13 OCTOBER 2014**

The 2013-2014 season was an interesting one with plenty happening both on and off the track.

Integrity remained a critical focus of all administrators, there was some success with our industry's lobbying of federal and state politicians, and there was some outstanding racing.

Benefits continued to accrue from actions taken following the Australian Standardbred Breeding Panel Report in 2011, with more than \$800,000 being provided for various breeding incentive schemes around the nation during the season. Representations with federal officials resulted in major changes to rules pertaining to the importation of fillies and broodmares and HRA also signed a formal breeding agreement with France.

Considerable time was spent assisting a group promoting a fledgling harness racing enterprise in China and 42 horses have been sold to them to be part of this venture.

There also were some significant animal welfare initiatives in the past year and it is pleasing to note that the Standardbreds Unharnessed program continued to provide fresh opportunities for retired racehorses.

Many participants have welcomed further enhancements to HRA's performance and breeding reports, part of an ongoing upgrade of the services provided to the industry.

The \$25-million redevelopment of Tabcorp Park Menangle was officially opened during the year and infrastructure upgrades commenced at other venues around Australia. There also were some significant changes in administrative ranks among HRA's Members.

Most importantly, Members continued to meet the challenges provided by a demanding market and produced high quality racing for fans and punters alike.

## **RACING HIGHLIGHTS - HORSES**

Some veteran stars dimmed and new heroes emerged in another stellar season on Australian racetracks.

The brilliant Tasmanian pacer Beautide was an overwhelming choice as Australian Harness Horse of the Year after a magnificent 2013-2014 season which netted 12 wins and a 2<sup>nd</sup> and \$1,119,844 in prizemoney from 14 starts. Beautide, owned by Tasmanian harness racing stalwarts, the Rattray family, and trained and driven by James Rattray, developed a strong following with his sterling performances in feature races.

The Bettors Delight gelding won two grand circuit races at Tabcorp Park Menangle, the TAB.COM.AU Inter Dominion Grand Final and the SEW Eurodrive Miracle Mile, as well as the Tabcorp Len Smith Mile at the same venue.

Beautide was also named Australian Pacer of the Year and Aged Horse/Gelding Pacer of the Year and finished a close second in the Australian Pacing Gold Grand Circuit series, behind the New Zealand pacer Christen Me.

Another New Zealander, Stent, took out the APG Trotting Master series following victory in the Seelite Windows and Doors Australian Trotting Grand Prix at Melton and placings in three other events.

It was pleasing to see Australian Pacing Gold come on board as sponsor of the two elite pacing and trotting series on the Australasian calendar and the connections of both Christen Me and Stent get a \$20,000 bonus to be spent at the APG sales.

Nicole Molander's outstanding trotter Keystone Del was a close second in the Master series after winning the Glenferrie Farm Challenge at Menangle for the second year running and dominating the Pryde's Easifeed Great Southern Star at Melton.

Keystone Del, driven by Blake Fitzpatrick, had eleven wins – seven of them in Group One races - and four placings from 17 starts during the season and amassed prizemoney of \$437,689. He was a deserved Australian Trotter of the Year.

Three time Inter Dominion winner Im Themightyquinn was missing from the Grand Circuit action during the season because of injury but still managed seven wins and three placings and prizemoney of \$196,740 from ten starts in lesser races.

Another champion, Smoken Up, battled on during the season with seven wins and 11 placings from 25 starts, and prizemoney of \$240,448 but it was obvious he was in the twilight of his wonderful career. Trainer/driver Lance Justice gave "Trigger" a farewell tour towards the end of the season and he had his final start at Melton just after the 2015 season commenced. Now a 12 year old, he finished a gallant 4<sup>th</sup>.

Smoken Up, an extremely popular horse, finished his remarkable career with 74 wins and 54 placings from 153 starts and prizemoney of \$3,607,985.

### **RACING HIGHLIGHTS – TRAINERS AND DRIVERS**

July 15 2014 was a night to remember for Victorian trainer and driver Shane Cramp when he shattered a world record by training all eight winners on the program at Mildura, his home track. His stunning achievement was even more remarkable as he drove three of the eight winners and trained a trifecta and three quinellas.

Furthermore, counting the meetings immediately prior to, and after, the July 15 fixture Shane actually trained 13 straight winners.

Shane Cramp's achievement gained plenty of attention in the mainstream media and set social media alight. There seems little doubt his world record will stand for many years to come.

Another driving milestone was achieved by the outstanding Western Australian reinsman Gary Hall (Junior) late in the season when he took his career tally of winners past the 2,000 mark.

The remarkable Chris Alford of Victoria was Australia's leading driver – for the ninth time - with 298 wins in the season. In taking the J.D. Watts Award he also drove 403 placegetters and won more than \$2.8-million in prizemoney.

Chris Alford had an outstanding strike rate, winning with one in five drives and being placed every second drive.

Amanda Turnbull, who divided her time between New South Wales and Victoria, was second in the national standings with 220 winners and 284 placegetters. Amanda also had a stunning strike rate, driving a winner every fourth race and a placegetter every 1.75 drives.

The J.D. Watts Award for leading trainer went to Grant Dixon of Queensland for the third consecutive year. Grant prepared 260 winners and 459 placegetters throughout Australia during the season and, for good measure, also drove 189 winners.

Steve Turnbull of NSW and Gary Hall (Senior) of WA were second and third on the national table with 217 and 214 winners respectively. Interestingly, 5 of the top 10 trainers in Australia were women.

#### **RACING HIGHLIGHTS - BREEDING**

There were a host of familiar names in the Globe Derby Awards for breeding excellence, sponsored by IRT.

Bettors Delight was Leading Sire by Stakemoney for the third time, with his progeny winning 905 races and \$9,215,974. Leading Juvenile Sire by Stakemoney was Art Major, for the sixth time, the 300 wins by his progeny earning \$3,731,950.

Art Major was also the Leading Sire of Winners (3<sup>rd</sup> time) while Holmes Hanover was the Leading Broodmare Sire by both Stakemoney (6<sup>th</sup> time) and Winners (8<sup>th</sup> time).

Sundon was the Leading Sire of Trotters by Stakemoney for the 12<sup>th</sup> time, his progeny winning 154 races for \$1,283,366.

Broodmare of the Year was Alldatglittersisgold for the second straight year, with three of her foals – Baby Bling, Bling It On and Show Me The Bling – winning 23 races and running 12 placings for just under half a million dollars in prizemoney.

## **EQUALITY**

The Australian harness racing industry comprises people from all walks of life and a study of our participants clearly shows there are no age or gender barriers.

We are fortunate to have so many young men and women in our training and driving ranks and we must ensure they stay involved long term. Administrators have an obligation to encourage these people to ensure they do not become disillusioned and abandon our industry.

There are many accomplished females firmly entrenched in the upper echelon of trainers and drivers, but there is no semblance of gender balance in administration. There are only seven women on the boards of HRA's member organisations, the controlling bodies and principal clubs in each state. This is an unacceptable statistic and must be addressed as we strive to broaden our market appeal and grow our fan base.

## **INTEGRITY**

Integrity remains a primary focus of all administrators and HRA's Members continued the commitment to identifying and penalising anyone breaching the Australian Rules of Harness Racing. Our industry has zero tolerance to the use of prohibited substances and fraudulent practices and the integrity officers of HRA Members are constantly meeting the challenges presented by people prepared to engage in illegal activities.

Fortunately most participants operate within the Rules and our integrity regime is highly effective in catching the few prepared to cheat. Nonetheless, it can be frustrating while our testing procedures and regulations catch up with a new prohibited substance, especially as our integrity officers, unlike the cheats, have to operate within the law.

It is even more frustrating when appeals courts in some jurisdictions show more sympathy for the cheats than the victims of their illegal activities, especially punters who have bet on the outcome of the race and the other participants in the event who have taken part believing it to be a level playing field. It can only be hoped some sanity prevails in the coming year and these jurisdictions address this appalling anomaly.

HRA was pleased to be a co-founder, with Standardbred Canada, of the International Racing Information and Intelligence Service (IRIIS) which launched during the season.

A major information sharing resource, IRIS could play a critical role in improving integrity in many international jurisdictions. Apart from harness and thoroughbred bodies in Australia and Canada, racing organisations in the United States, Great Britain, Europe and Scandinavia were quick to join and more are expected to follow suit in the year ahead.

## **INDUSTRY FUNDING**

The trend by punters to corporate bookmakers and fixed odds betting continued during the past year, although overall wagering turnover on Australian harness racing was up by almost three percent on the prior year.

Given that wagering is critical to our industry's funding, the increase in total turnover of more than \$61-million – or 2.66% - to almost \$2.4-billion was pleasing. The increasing popularity of fixed price betting and corporate bookmakers is cause for concern however, as the returns to our industry from these products and operators are less than from the pari mutuel totalisator pools.

Total TAB turnover at almost \$1.7-billion was down marginally on the previous year but the pari mutuel component, of \$1.29-billion, was down \$204-million or almost 14%. Fixed odds betting with the TABs was \$402-million, up a stunning 98%, the second year running it had almost doubled in turnover volume.

The growth of turnover with corporate bookmakers provided further evidence that the industry's traditional funding model, of dependence on TAB distributions, has been seriously eroded. Turnover with the corporates rose almost 14% to just over \$527.4-million.

In a stark reminder of why the race field's legislation has been so critical to our industry, the statistics show the corporate bookmakers' share of total turnover rose by more than 8% and now stands at 28%.

Some jurisdictions have increased the commission paid by the corporates and it will be interesting to see the impact this has on industry funding in the years ahead.

The major betting exchange operator, Betfair, had net customer winnings - the criteria used to determine commission payments to the industry - of just over \$132-million, up almost two percent on the prior year but still some \$4-million down on 2011-2012 returns.

## **WAGERING PANEL**

Concern over a range of wagering matters prompted HRA to appoint a special committee in late 2013 to examine these issues and make recommendations as to how turnover can be boosted, with a resultant increase in industry funding. There are no easy answers, but it is also true nothing will happen without a concerted effort to address issues which are impacting on our business.

To assist in its deliberations the Wagering Panel undertook an exhaustive survey which attracted 1,000 respondents. Determining why and how people bet, and what factors influence their wagering decisions, was a primary objective of the survey – and there were some interesting results.

Not surprisingly, many of the respondents were passionate about harness racing and more than half of them were owners of standardbreds. While this indicated there was a strong link between ownership and wagering, 31% of respondents had no industry involvement other than wagering.

The main reasons given for betting on harness racing were consistent and reliable form, industry knowledge and familiarity, enjoyment and getting a return on their investment. This was especially so with the 14.3% of respondents who described themselves as professional punters.

In the debate over the growth of corporate bookmakers in recent years, one argument used by advocates has been the freedom of choice provided to punters. This of course ignores the point that corporate entities are driven by profit and punters who win consistently are a threat to bottom line performance.

Of the survey respondents, almost 80% of professional punters and 35% of regular punters have been prohibited from betting with a corporate bookmaker and many have experienced problems placing large bets.

Nonetheless, a third of the professionals preferred betting with the corporate bookmakers although overall the most popular betting method of harness punters who responded to the survey is with the TABs via the internet.

Short priced favourites, small pools, standing starts, slow race tempo and leader bias at small tracks were identified as unappealing elements of harness racing by respondents, along with a number of integrity issues such as a perception of team driving in some races, use of prohibited substances, form reversals, stablemates, driving tactics and inconsistent stewards decisions.

The Wagering Panel report, including the recommendations, was still being compiled as this report was being finalised but I have no doubt it will create plenty of interest and, hopefully, will lead to positive changes in a number of areas.

It has been a major undertaking and I must thank the members of the Wagering Panel – chair Ross Cooper, along with Sam Nati, Harvey Kaplan and Shane Anderson, as well as secretary, Andrew Kelly – for the great deal of time and effort they have devoted to the project.

### **LOBBYING CAMPAIGN**

There were some positive outcomes from the extensive lobbying undertaken by HRA and our Members with state and federal politicians, especially with the proposed increases in export fees for horses. The Department of Agriculture still imposed an increase but the lobbying by HRA and other interested parties managed to lessen the impact and resulted in a formal review of the fees and processes involved in exporting.

The inclusion of training facilities within the design of the new super quarantine station at Mickleham in Victoria, despite the objections of some bureaucrats, was also a significant boost for harness racing, especially as we attempt to entice more foreign horses to compete in our major races.

HRA was particularly grateful to the federal Minister for Agriculture, Barnaby Joyce and Senator Richard Colbeck of Tasmania, along with several other members of federal parliament, for their assistance in these matters.

HRA continued to lobby politicians on a range of other matters. Key issues have been for the framing of national legislation to govern the funding of the racing industry, and for the Interactive Gambling Act (2001) to be strengthened to prevent exploitation by wagering operators who are not approved by Australian regulators.



National legislation was recommended by the Productivity Commission Inquiry into Gambling in 2011 and has been endorsed by the past three Australasian Racing Ministers' conferences. The Victorian Premier, Dr. Denis Naphine, added his weight to the campaign in an approach to the federal government in December 2013.

There is no doubt the 2013 report on the Size & Scope of the Harness Racing Industry in Australia provided considerable data to add weight to our industry's lobbying efforts. Evidence that our industry makes a valuable economic contribution - more than \$1.4-billion in value added to Gross National Product – and facts such as more than 19,000 people rely on harness racing for their livelihood, are hard for politicians and regulators to ignore.

The need for a national approach to wagering regulation and taxation and better measures to deal with unauthorised offshore wagering operators were among the issues covered in a detailed submission HRA made in November 2013 to the federal government's National Commission of Audit. Established by the coalition to examine issues related to the division of roles and responsibilities between and within the Commonwealth, State and Territory governments, including duplication, the Commission of Audit has not released a formal report.

It is understood however that the Commission advocated that a determined effort must be made to remove bureaucratic red tape and streamline operations within the various levels of government.

Other major planks of the HRA submission were the need for a national approach to integrity standards, particularly in relation to non- racing sporting bodies, and the need for a review of Australia's taxation laws in relation to the breeding of racehorses.

It is believed the HRA submission was well received by the Commission but only time will tell if this results in any legislative reform.

## **UNITY OF PURPOSE**

Harness racing in Australia is a vibrant sporting industry with scores, if not hundreds, of dedicated administrators who devote countless hours to ensuring the wellbeing of the business. We have committed and passionate people in every facet of the industry, whether they are trainers, drivers, owners, breeders or involved in some other capacity.

Despite this we seem incapable of tackling one of the biggest problems confronting our industry – parochialism! Local rules and a lack of consistency in penalties imposed in different jurisdictions are only one example of this parochial approach. Flawed disciplinary appeal structures in some states only add to the problem!

Many of our competitors for the leisure dollar are highly organised national sporting bodies, but we seem incapable of recognising our shortcomings. I've pointed out on several occasions that most football clubs in the major national competitions employ more marketing staff than we have in our entire industry.

Regardless of this we have had no real success in combining our resources, to take a collaborative approach to promoting harness racing throughout Australia.

I have long advocated a national media centre to focus on increasing the exposure of harness racing across all media and have questioned the need for several state based industry magazines, when it would be more cost effective to have one national publication.

Similarly, there is a wonderful opportunity to create a national media centre utilising the facility developed by Harness Racing NSW. A first class television studio housing Trots TV has been created at Menangle, where all online activities and traditional print operations have been consolidated. Other Members have undertaken some excellent digital projects but, despite an offer from NSW to host it, there has been no genuine attempt to co-operate on a single national media centre.

A committee appointed at HRA's mid-season meeting in Sydney in February to develop an industry wide new media plan had not even met by the end of the season. Despite the impact of new media and the digital age, and the potential effect of emerging technologies on our industry, we seem incapable of working together to meet the challenge.

Even the most blinkered administrator should realise by now that we need to become masters of our own destiny if we are to prosper in the years ahead and insulate harness racing from any adverse effects of technological change.

We have an excellent relationship with Sky Racing on operational matters and some of the coverage of major events in the past year has been outstanding. Unfortunately we have not

been able to make any real progress with Sky management on the commercial issues we have been discussing for the past two years, but we will continue to persevere in an attempt to find some common ground.

An effective Media Centre would not only broaden our exposure to participants, punters and fans – and possibly a new digital audience – but also provide a measure of independence for the industry in the years ahead.

The world has changed and we need to move into the digital age with a cohesive, industry wide initiative.

### **INTER DOMINION**

The New South Wales Harness Racing Club and Harness Racing NSW must be congratulated on the outstanding Inter Dominion grand final day staged at Tabcorp Park Menangle in early March. The innovative format has helped broaden the promotion of the Inter Dominion with heats held in Brisbane, Sydney, Melbourne, Perth and Christchurch and a magnificent programme of Group One races on grand final day.

Fabulous coverage of the heats and final on Sky Racing and national free to air exposure of the final on the Nine Network certainly bolstered the promotion of the event. The format was not embraced by all but it was a genuine attempt to reinvigorate the ailing series and won widespread acceptance, despite the detractors.

The third running of the Inter Dominion under this format will be staged at Menangle in early March and we look forward to another exciting final.

The Inter Dominion Event Committee has awarded the rights to the series for three years from the 2015-2016 season to Western Australia, following an outstanding tender submission from Racing and Wagering Western Australia and the Gloucester Park Harness Racing Club. Apart from the Interdom series there are widespread benefits for harness racing in WA, including some significant infrastructure developments.

The series will be run under the traditional format of three heats and a final, with the latter worth \$1.3-million. While I have no problem with the format change, the WA organisers face a

significant challenge in ensuring widespread promotion of the event in Australia and New Zealand and maintaining the momentum to rebuild the Inter Dominion brand.

Given the passion and professionalism displayed to date, I have no doubt RWWA and Gloucester Park will meet the challenge head on.

Congratulations to both parties and their counterparts in NSW for working closely on a reshuffle of feature race dates which will give a much more potent look to the Grand Circuit in the 2015-2016 season.

The first round of Inter Dominion heats will be run at Gloucester Park on the 27<sup>th</sup> November 2015, a fortnight after the New Zealand Cup carnival at Addington. To accommodate this the New South Wales Harness Racing Club has moved the Miracle Mile to the first Sunday in March 2016, where it will be part of the sensational Super Sunday meeting at Menangle.

## **WORLD TROTTING CONFERENCE**

HRA chief executive Andrew Kelly chaired a meeting of CEOs from International Trotting Association member countries in Chicago in July, at which a wide range of subjects were canvassed. A key objective was consideration of agenda items for the next World Trotting Conference, to be held in Sydney in late February 2015.

The weeklong conference will coincide with the Inter Dominion championship final at Menangle. All members of the International Trotting Association are expected to send delegations, with particularly strong representation from Europe, Scandinavia and North America.

An interesting draft programme has been compiled and there have already been commitments from some major international industry figures to speak at the conference. All ITA members face common issues which will be addressed at the conference essentially with animal welfare, integrity, growing the fan base, wagering and funding threats, breeding and attracting new owners.

The World Driving Championship will be staged in conjunction with the conference, with some of the finest reinsmen (and possibly women) in the world displaying their skills. The series will be decided over twenty races staged over eight days at Menangle, Goulburn, Penrith, Bathurst,

Wagga Wagga and Newcastle. We are grateful to Harness Racing NSW and the various clubs for their co-operation in staging and promoting the series.

It is possible some of the drivers may stay on an extra week for the Great Southern Star meeting at Tabcorp Park Melton.

Special tour packages have been designed for delegates, observers and other visitors to travel to Melbourne and other destinations before and after the conference.

### **ACKNOWLEDGEMENTS**

Chief Executive Andrew Kelly and the small team at HRA's Melbourne office do an outstanding job and are deserving of the highest praise for their endeavours, as does our legal counsel, Dean Cooper.

Special thanks also to the many people who serve on the various HRA committees and working parties, which make such a valuable contribution to our industry.

I'm especially grateful to the members of the HRA Executive Committee – deputy chairman Ken Latta, Treasurer Mark Carey, Rex Horne, Brian Speers, Matthew Benson and Warwick Stansfield.

It would be remiss of me not to pay tribute to the magnificent contribution to the Executive, and our industry, of two long serving members who retired during the year. Graeme Campbell stepped down in late 2013 after four years as deputy chairman and the NSW representative on the Executive, while Ross Cooper retired late in the season after a similar term as HRA treasurer and the WA delegate. Both represented their states with distinction but always maintained a strong national focus.

HRA works closely with Harness Racing New Zealand on a wide range of issues and our thanks go to chairman Gary Allen and chief executive Edward Rennell and their colleagues for maintaining such a positive relationship.

### **CONCLUSION**

Many facets of our industry have been reviewed in recent years, but we have largely ignored the racing product which is at the very core of our business. A focus group of leading industry

figures was held at Melton in August and engaged in some lively dialogue, prompted by a facilitator.

Further group sessions are planned in the year ahead and it is possible some positive benefits might result.

There is no doubt we have a fabulous, vibrant industry which is entrenched in the Australian sporting landscape, but we must strive to evolve and meet the challenges brought about by social, cultural and technological change if we are to continue to prosper.

Geoff Want

Chairman