



HARNESS RACING AUSTRALIA INC

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HARNESS RACING AUSTRALIA INC

EQUINE INFLUENZA FORUM 27 February 2008

Brief Summary of Presentations

Rod Pollock
Chief Executive

OPENING:

Geoff Want - Chairman, Harness Racing Australia Inc

- Traumatized our industry and its participants
- Thanked Speakers for their valuable contribution
- Effects of Equine Influenza are national
- HRA has appeared on Callinan Inquiry with Australian Racing Board
- This Review is important in the six months since it first occurred
- Past, current & future will be focussed on in this Forum
- Federal Government Horse Levy Bill's are inappropriate and will be opposed
- Learnt social and financial costs on our industry and its participants
- Action Points to be developed in months ahead
- Participants will outline their proposals and initiatives
- Questions, comments and recommendations will be advanced to HRA and its Members

IMPORTANT – REFER SPEAKER PRESENTATION PAPERS

SESSION 1: WHAT WE HAVE LEARNT

Chair: John Baker

CO-ORDINATION OF NATIONAL EAD RESPONSE

Dr Andy Carroll – Chief Veterinary Officer, Australian Department of Agriculture, Fisheries & Forestry

- Acknowledgement of Harness Racing Industry's Co-operation.
- Main Lesson
 - It can happen and did. Conservative EAD precaution approach however it is not zero risk.
 - Planning and preparation in working together before the Event occurred
 - Good communication with all Stakeholders
 - Biosecurity is everybody's business and "can do" approach utilised in the "control and eradication" strategy
- Horse Industry
 - Not alert to the threat
 - Not Biosecurity alert
 - Not a Party to EADRA deed
 - Not plugged in to the Government Veterinary Departments
- Planning & Preparation
 - Expertise good
 - "Plug and Play" approach adopted
 - All parties working together
 - Technical and administrators resources lacking nationally
- Work Together
 - Industry involvement with States, Working Parties & participants in industry
 - "Creative" Tension between parties
 - Networking exists and utilised successfully
- Good Communication Essential
 - Consistent messaging from all parties
 - Agreement of all parties
 - Government work with Industry undertaken

- Things Will Go Wrong
 - Interaction in all to be done. Action focus bias adopted
 - Review and refine continuously
- Biosecurity is Everyone's Business
 - Horse industry must drive the agenda through the planning process
- Can Happen Again
 - Instances provided

AFFECTED STATE – NEW SOUTH WALES (Movement Restrictions, Zones & Movement, Vaccination, Protocols (Sales))

John Coughlan – Chief Executive, Greyhound & Harness Racing Regulatory Authority

- Significant Impacts as a result of declaration of Equine Influenza
- New South Wales actions resulting from declaration were immediate.
- Learnt – Recommendations
 - Specific Emergency Response Plan through technology utilisation
 - Advice networks in State used
 - Single voice from State DPI Veterinarians used
 - Conflict of communications from DPI and External Private Practice Veterinarians
 - Employ Veterinarians for project
 - Flow of information to Harness and other participants. Strategy to overcome blockages
 - Review industry penalties for participants breaking rules/directions
 - Horse tracking is essential
 - Update of HaRVEY system to ensure records update on trainers, horses and location
 - Use of vaccination timely and effective
 - Equine Influenza Prevention Free zones for racing and other purposes
- Contemplate
 - National involvement & consensus
 - Policy decisions not made during project
 - Resolve microchip issue
 - AI is a strong benefit for the harness racing industry

Bruce Christie –Chief Veterinary Officer, New South Wales Dept of Primary Industry

- Equine Influenza Timelines dictated by disease as it was contagious and rapid spread
- Zones and movements implemented and changed
 - Development movement, racing and sales protocols to resume
- Rapid Response implemented
- Policy Changes effective
- Operational Challenges – NSW 400,000 plus horses out there
- Laboratory testing of over 100,000 done
- Communication Challenges effected
- Information Technology dimension was extensive in volume
- Innovation in dealing with Equine Influenza by DPI approach
- Lessons Learnt (Refer to presentation)
 - Keep the disease out
 - Find quickly and isolate

AFFECTED STATE – QUEENSLAND

(Movement Restrictions, Zones & Movement, Vaccination, Protocols (Sales))

Robert Setter – Acting Director General, Queensland Dept of Primary Industry

- Whole of Government Issue established with industry wide Groups. Engagement process rapidly implemented
- Racing to support Non Racing Industry with this approach
- National and Queensland responses utilised is a social and economic approach with all parties of horse industry

Dr Ron Glanville – Chief Biosecurity Officer, Queensland Dept of Primary Industry

- Highlights Equine Influenza has been eradicated in Queensland.
- Biosecurity, surveillance are key pre and post EAD project events
- Relationships developed before EAD declaration are critical
- Horse liaison groups important - essential for industry engagement
- Balance of actions after the Event are important
- Vaccination Aspects outlined
- Experiences outlined

Andrew Kelly – Chief Executive, Queensland Harness Racing Board

- Communication
 - Participation and leadership with industry experts
 - Crisis Management and staff development undertaken
 - Use of varied communications mechanisms employed
 - Best Information at a point of time, then update regularly
 - Development of Relationships essential
 - Preparation of Risk Management approach on participation and licensee involvement
 - Varying types of assistance identified and distributed
 - Skills retention in all areas, now available
- Future Actions
 - Vaccination Policy and Implementation
 - Immune Status for racing in other States by participants
 - Costing Recovery
 - Managing relationships

UNAFFECTED STATE – VICTORIA

(Movement Restriction at Border & Business Risk Vaccination)

John Anderson – Chief Executive, Harness Racing Victoria

- Severe impacts on racing
- Loss of 40% of business revenues with 100% of costs
- Further expenditure - Biosecurity etc
- No government relief and future industry costs on vaccine, declining breeding numbers were impacts
- Long term impact of greyhound racing boost
- Significant future impacts on all parts of racing and equine industry
- Significant lessons and planning in place and DPI lessons learnt
- Movement restrictions and vaccination use was important
- NZ approach is "keeping it out"

Dr Tony Britt – Manager, Animal Health, Victorian Dept of Primary Industry

- Industry performance in all areas was excellent with Government
- Performance and cost focussed approach adopted

SESSION 2: COST TO THE INDUSTRY – FINANCIAL & HUMAN IMPACTS

Chair: Neil Busse

CALCULATION OF LOSS INCLUDING METHODOLOGY, APPROACH TO BE TAKEN ON CONSIDERING KEY INDUSTRY PARTICIPANTS/LICENSEES

Robert Kus – Partner, Price Waterhouse Cooper (Current Consultants to Queensland Harness Racing Board & Queensland Racing Industry)

- Financial Impacts developed with the Racing Industry in working with the Queensland Harness Racing Board
- Losses as experiences on Event
 - Firearms, speed cameras & primary industries were previous assignments
 - Are they compensated correctly?
- Compensation Drivers dependent on Quantification. Establishing full scheme including assessment for Government evaluation
- Identification of groups, consultation with groups, use of financial information and modelling together with timing of period are used in determining components of financial impacts

COSTS & FINANCIAL IMPACTS – AFFECTED STATE (New South Wales)

Max Pool – Chief Executive Harness Racing New South Wales

- Impact of Federal Government in pre-election time was an important factor in arriving at the timing of assistance
- Reliance on Thoroughbreds which harness racing levered off
 - Build Harness Racing profile at the Federal Government Level further
 - Build relationship with Thoroughbreds further

Tim Vial – Chief Financial Officer, Harness Racing New South Wales

- Quantified New South Wales Industry Dimension on financial aspects on TAB Revenues, Club and Industry revenue costs
- Participant Impacts included:
 - Opportunities to race
 - no alternatives for participants
 - winners were hobbyists in the EAD Outbreak with assistance
- Range of mitigation actions done effectively when required

COSTS & FINANCIAL IMPACTS – AFFECTED STATE (Queensland)

Tracey Harris – Finance Manager, Queensland Harness Racing Board

- Quantifies Financial Losses & Impacts done on:
 - Wagering & Tab Revenue decreased
 - Industry Participants Income decreased
 - Product availability down 40%
- Participant Impacts identified:
 - Compensated - Trainers, Owners & Controlling Body
 - Compensation Outstanding - Drivers, Breeders & Clubs

COSTS & FINANCIAL IMPACTS – UNAFFECTED STATE (Western Australia)

Ross Cooper – Board Member, Racing & Wagering Western Australia

- RWWA impacts were on vaccine, resourcing, wagering turnover, limited impacts on Clubs
- RWWA is insured for business interruption cover
- Emergency Management Plan in place & Protocols engaged

EADRA AGREEMENT, COSTS INCURRED/SHAREABLE UNDER DEED, RE-CATEGORISATION, COST RECOVERY FROM INDUSTRY

Dr Mike Bond – Director Programs, Animal Health Australia

- Defined the Emergency Animal Disease processes with all Governments
- Identified the cost sharing approach and agreement, particularly on shareable expenses
- Defined the Ausvetplan and its procedures

SURVEY ON HUMAN IMPACTS

Dr Melanie Taylor – Senior Research Fellow, University of Western Sydney

- Built on the presentation provided
- Human Impacts
 - Chain of events for participants throughout the equine industry
- Internet Survey (Hard to ascertain harness racing as an industry)
 - 131 harness racing persons from 2058 in Survey
 - 66% in harness racing are from male response samples to questionnaire
 - Concern on disease, will it be permanent? Serious? Are you vulnerable?
 - Participants define financial situation, daily/normal routines, social, emotional state, sporting and business success in responses
 - Where to get health advice and support from range of sources

SESSION 3: BREEDING

Chair: John Bagshaw

AUSTRALIAN PERSPECTIVE

Rob Nalder – New South Wales Standardbred Breeders Association & Board Member, Harness Racing New South Wales

- Decline of foals last year 1540 to 1102 to be branded less wastage. Major studs advise further decline. New South Wales 60% down. Drought & Equine Influenza Impacts are causes
- Non Sales Breeders \$500 incentive has resulted in an extra 200 foals. This breeding season instances of stallions and commercial studs were outlined. Limited commercial studs now exist
- New initiatives
 - New South Wales Breeders Challenge – Breed & race with progeny from their mares
 - Equine Influenza has had a major impact

Ian Kitchin – Secretary, Victorian Standardbred Breeders & Studmasters Association

- Focus on Victoria with a future optimism approach. Drought, feed and rewards are key issues. The alarm bells should be ringing for administrators. Figures are down this year
- Racing programs in the future require foals as the above has a dramatic “knock on” effect
- Breeders Component in the VicBred scheme is important
- APG have made significant gains in working with Breeding Industry
- Broodmare Registry with HRV in place
- Aim for Primary Industry status and taxation relief in conjunction with HRV being pursued
- Racing administrators must encourage more races, stakemoney, breeding incentives, and taxation incentives by creating an environment to incent breeders and owners
- We all need to be positive

Dr Anne Jacobson – HRA Veterinary Consultant, Board Member, Harness Racing Victoria & Studmaster

- Impressions as a whole on the Equine Influenza outbreak. Breeders were greatly concerned. When the Equine Influenza Outbreak was announced the demand for breeding information requests to Studmasters decreased
- Drought has also slowed down demand. The use of AI and transported semen was able to be held. Note the concerns of industry participants that Equine Influenza could be transmitted with transported semen, this is incorrect
- Movement restrictions and administrative aspects employed through the processes of the Outbreak. Lack of ability to breed estimated as down by 30% in Victoria. Many broodmare owners changed their breeding decisions and left their mares at home.

BREEDING INCENTIVE SCHEMES – RACING & SALES SCHEMES

John Anderson – Chief Executive, Harness Racing Victoria

- Incentives from Victoria amount to \$5.2m
- VicBred Components
 - VicBred Super Series, VicBred Win Bonuses, Other VicBred Races & VicBred Breeders Bonus. Types of Breeders incentives identified.
 - Increase National Pool of Horses must be a priority
 - Regular review and increases for nominated VicBred races
- Australasian Breeders Crown
 - Emphasis on increasing certain segments 4YO's in 2009, with open age Free For All's to be introduced in 2008.
 - Series will have ten Group 1 Finals by 2011.
 - \$2.1m Series encourages breeding and purchase of young Australasian Breeders Crown stock
 - Emphasis on this as an Australasian event

Peter Bourke – Chairman Australian Pacing Gold & Board Member, Harness Racing Victoria

- APG Sales cover 600 yearlings. Yearlings sold by APG eligible for rich \$1.6m Futurity Series for 2YO's and 3YO's.
- Initiatives include increasing sales prices, full time general manager appointed, enhanced marketing, inaugural Premium Gold Sale in 2009.
- To stimulate breeding need to
 - Increase the demand for young racing stock
 - Increase profitability of breeding and returns to breeders
 - Breed more stock
 - Encourage & link breeders/owners
 - Culture change required
- Maximize conception rates technically

SESSION 4: MARKETING CHALLENGES – POST EQUINE INFLUENZA

Chair: Ray Sharman

CHALLENGES THAT THE STATES HAVE FACED PARTICULARLY ON RACING IMPACTS UTILISING ALSO THE GRAND CIRCUIT & FEATURE RACE PROGRAM INCLUDING THE WATPAC ID08 SERIES

Richard Smith – Business Development Manager, Harness Racing Australia Inc

- Observations
 - General information on Equine Influenza associated with Outbreak with focus on thoroughbred industry, the Melbourne Cup Carnival and that the media concentrated on the immediacy of the disease.
 - Engagement with the Media using the seven rules of engagement on information channelling, its sourcing and how we communicate with media.
 - What did we learn through the effects of the outbreak?
 - Identified a range of major revenue impacts using a Tasmanian example
 - Posed a range of future questions for administrators, Club and the peak industry body.
 - Marketing questions advanced on change of basic product, attendance, young people involvement, promotion of horse ownership, use of new media opportunities and do we utilise same venues and times. Look towards 2023 as a target.
 - Recruit, train, empower, trust young people to become tomorrow's harness racing industry

MARKETING & CHALLENGES FACED POST EQUINE INFLUENZA FROM A STATE PERSPECTIVE

Andrew Kelly – Chief Executive, Queensland Harness Racing Board

- Customers changed because of equine influenza, sought alternatives
- Implications of the impacts on our customers.
- Development of a plan focussing on objectives
 - Return to Racing
 - Relevant Theme Celebration/Born to Survive
 - Engagement of Industry
 - Thanks to industry & Rewards become the recent aims
- Feature Event focus with Racing Fiesta, deferred program. Campaign detail of a desired project image to be promoted with key product profile involving entertainment etc. High impact marketing campaign with business as usual approach
- Identification of Challenges with a focussed range of issues which are not necessarily new

INNOVATIVE & CREATIVITY – WHAT NEW SOUTH WALES LEARNT AND HOW ARE THEY GOING ABOUT IT

Lauren Sykes – Sponsorship & Marketing Manager, Harness Racing New South Wales

- Significant media coverage through New South Wales media channels and outlets, with survey on coverage undertaken

- Selected specific media focus on human interest stories with an emotive response
- Harness Racing was identified in the public's perception and received public sympathy. HRNSW then aimed its marketing at leveraging greater public awareness into growth
- Objectives targeted were public awareness and emotional attachment to promote ongoing participation. Focus developed on broader community awareness
- Different channel approach adopted for campaign strategy
- Sympathy & Awareness x Proactive Marketing equals Greater Engagement

THE EQUINE INFLUENZA OUTBREAK AND THE FUTURE FROM A WAGERING PERSPECTIVE

Trevor Parkes – Retail In-Market Manager, Tabcorp Wagering Marketing Group

- Wagering Loss of Revenue
 - Meetings rescheduled with Greyhound segment growing
 - Programming changes on Sky and Radio with 353 meetings lost and 207 new meetings programmed
 - Retail outlets open with compensation packages to business partners
 - Revised form guides and marketing spend to focus on available meetings
- Positives
 - Growth on alternate international racing product with additional races from WA and NZ, plus new greyhound product
 - Rescheduling of meeting times
 - Industry relationships enhanced operationally and financially, racing is a resilient industry
 - Government awareness
- Negatives
 - Wagering did a minimisation strategy with a loss of export revenue in New Zealand and lack of other international harness content to substitute for lost meetings
- Implications
 - It could happen again and we will be better prepared
 - Contingency planning should be in place
- Opportunities & Challenges
 - Positioning and revitalising of showpiece events
 - Favourites win with other product changes such as innovative presentation focussing on Pub outlets and home viewers. Programming features to be also added such as timing, field size, no non-TAB meetings and shorter racing
 - Racing worked together with TAB's to help and resource each other to impact on wagering turnover

NOTE: THIS BRIEF SUMMARY DOES NOT INCLUDE DETAILS OF EACH SESSION'S SCENE SETTING REMARKS BY THE CHAIR OF THE PANEL DISCUSSIONS.