

PROTECTING OUR PRODUCT

A Vision of Sustainability for the WA Harness Industry



‘The key strategic issue affecting harness racing is sustainability of income and in turn, volume and quality of racing’



RACING AND WAGERING WESTERN AUSTRALIA

PROTECTING OUR PRODUCT

A Vision of Sustainability for the WA Harness Industry

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Introduction

'Protecting our Product' is a summary of the objectives contained in the Western Australian Harness Strategic plan. It is written in the context of a rapidly changing landscape affecting racing codes across Australia. Most importantly, this Vision Paper aims to articulate the challenges facing harness racing and the resulting strategies to provide harness racing participants with a sustainable direction for the future.

The traditional stronghold that racing has held in the eyes of loyal patrons is today challenged, requiring fresh outlooks and innovative approaches to maintaining a long-term customer base. Racing offers a unique on-course experience, an unrivalled atmosphere and an exclusive level of involvement as an owner. It is these strengths we wish to build upon in order to enhance our position as a mainstream sport and entertainment experience of choice.

As the national racing industry enters a new era, it is opportune to review WA's current racing model with a view to providing certainty for the future. It is important that we recognise the decisions we make now are designed to protect, sustain and promote our industry into the future.

Background – Racing

The harness industry has been well supported in Western Australia. Total distributions to the industry have grown by 58% from \$19m in 2004/05 to \$30m in 2008/09, of which, base and feature stakes have increased from \$14m to \$22m. The number of racing opportunities has also increased by 159 races or 7% to 2430 over the same period.

A key distribution measure is the percentage of total distributions paid to participants, including owners, trainers, breeders and drivers. This ratio improved from 80% in 2004/05 to 84.2% in 2008/09 resulting in a further \$1.26m being paid directly to participants over the 5 year period.

By comparison, interstate distributions to the harness industry have under-performed the growth achieved in Western Australia

Harness owner and breeder incentives have been maintained at \$1.35m over the corresponding five year period.

By comparison, interstate distributions to the harness industry (Figure 1) particularly stake money have under-performed the growth achieved in Western Australia.

Figure 1:

| State | 2004/05 | 2008/09 | Variance \$ | Variance % |
|-------------------|---------|---------|-------------|------------|
| Western Australia | \$14.0m | \$22.1m | \$8.1m | 58% |
| Victoria | \$26.7m | \$30.0m | \$3.3m | 12% |
| New South Wales | \$21.8m | \$23.3m | \$1.5m | 7% |
| Queensland | \$11.4m | \$14.0m | \$2.6m | 23% |
| South Australia | \$3.9m | \$4.1m | \$0.2m | 20% |
| Tasmania | \$3.7m | \$5.0m | \$1.3m | 35% |

Source: HRA Annual Online State Stake money Statistics

Western Australia (+9%) and Victoria (+3%) are the two states to achieve growth in standardbred foal crops from 2004 to 2008 with all other states recording significant declines (Figure 2).

Figure 2:

| State | Total Foals** 2003/04 to 2008/09 | Percentage Growth or Decline |
|--------------------------|----------------------------------|------------------------------|
| Victoria | 2231 to 2316 | 3% Growth |
| New South Wales | 1760 to 1147 | -34% Decline |
| Queensland | 519 to 455 | -12% Decline |
| South Australia | 280 to 191 | -31% Decline |
| Western Australia | 633 to 691 | 9% Growth |

HRA Annual on-line State Registration statistics 1967 - 2009

** Total Foals- compiled from foals notified to each State Controlling Body irrespective of Sire location. Includes Imported Semen yearlings

The tri-code governance structure of RWWA has ensured support for the harness code in Western Australia at funding levels significantly above those in other major Australian states. Aside from Tasmania and New Zealand, harness racing in WA receives the highest share of funding at 28.5% due primarily to the maintenance of historically legislated distribution rates. The following table illustrates the share of distribution funding between codes in Australia and New Zealand for 2008/09.

Figure 3:

| State/Country | Thoroughbreds | Harness | Greyhounds |
|-------------------|---------------|---------|------------|
| Western Australia | 59% | 28.5% | 12.5% |
| Victoria | 73% | 18% | 9% |
| New South Wales | 72% | 15% | 13% |
| Queensland | 76% | 14.5% | 9.5% |
| South Australia | 70.1% | 14.3% | 15.6% |
| Tasmania | 51% | 31% | 18% |
| New Zealand | 56.5% | 31% | 12.5% |

Source: Interstate Racing Authorities

Whilst a comparison with interstate harness jurisdictions provides one measure of assessment, it is important to recognise the competition and interrelationship that exists between the harness and thoroughbred codes at a state level.

When considering the history of harness industry funding it is necessary to assess a number of factors including cost of animal ownership and the propensity for owners and trainers to switch between harness and thoroughbred codes based on stake money and opportunities to race.

Harness racing in Western Australia is categorised into four segments, metropolitan, provincial, country and community. WA's population of harness horses is made up of more provincial raced horses than other segments. WA's elite metropolitan segment, defined as the number of horses competing in Group 1 events is limited to 109 horses or 2.3% of the overall starter population. It is interesting to note that whilst historically few interstate or international horses have competed for WA's stake money, in 2009/10 this trend was reversed with 5 elite interstate horses competing for WA's prize money.

WA's population of harness horses is made up of more provincial raced horses than other segments

The following table (Figure 4) illustrates the segments and harness starter numbers in Western Australia for 2008/09.

Figure 4:

| Segment | Race Class | Starter Numbers | % of Total |
|--------------------------|------------|-----------------|-------------|
| Metropolitan | Group | 109 | 2.3% |
| Metropolitan | Normal | 877 | 18.3% |
| Provincial | Normal | 1894 | 39.4% |
| Country | Normal | 970 | 20.0% |
| Community | Normal | 959 | 20.0% |
| Total for 2008/09 | | 4809 | 100% |

Note: The total individual registered harness horses in WA was 2162. The above data includes duplications due to horses racing at multiple tracks and meeting classes.

Of the 2162 individual horses that raced in 2008/09, 32 horses started only at the metropolitan track, 261 only at provincial, 13 only at country, 109 only at community with the balance of 1747 horses starting at a variety of race tracks throughout the state. This information highlights the nature of the harness industry whereby a dominant proportion of the horse population transitions between race meetings of varying class and location seeking races that their horse can win.

Each of the segments has an important role to play in fostering and developing the sport of harness racing.

ELITE metropolitan racing typically provides the greatest promotion and profile for the sport, attracting media interest around feature events and carnivals together with the highest wagering levels from state and national markets. Prime metropolitan racing occupies approximately 14% of total harness meetings and receives \$14.1m in prize money.

PROVINCIAL venues offer a competitive brand of harness racing, attracting the near metropolitan horses. These fixtures are generally supported by the code's professional and semi-professional trainers and drivers, and attract SKY vision coverage, providing a wagering return both on and off-course.

COUNTRY venues offer semi-professional and hobbyist racing opportunities, which are primarily supported by participants located within reasonable proximity to these tracks, in particular, those who base themselves within the region during a club's season. Those country classified venues closer to the metropolitan area provide a mix of SKY and non-SKY fixtures, all providing the local and surrounding region with both social and wagering opportunities.

COMMUNITY venues provide a 'picnic' style opportunity for industry participants and the general community; however conduct fewer race meetings annually than country venues. Those clubs remain focused on their on-course operations, generally catering for the hobbyist trainer. Attendance is supported by local residents, visitors vacationing in the area and traditional harness racing enthusiasts.

Harness racing is currently undertaken by 17 clubs at 15 tracks (1 metropolitan, 3 provincial, 7 country and 4 community).



Background – Wagering

RWWA faces an increasingly difficult operating environment for its wagering business due to aggressive competition from interstate wagering operators, the rapid breakdown in state gambling regulations and the adoption of new technology platforms.

The historically growth-oriented wagering business now has limited capacity to generate profits and subsequent funding to the racing industry due to:

Increasing competitive pressure on product mix and wagering margin from low cost operators

Widespread adoption of new forms of wagering technologies such as internet and mobile betting platforms

Reduced taxation levels from selected states and territories which aim to attract new wagering entrants

Requirement for increased investment in wagering assets to maintain competitive services to customers

Less favourable consumer confidence and economic conditions.

The Australian wagering market in recent years has changed from the traditional state-based totalisator to a national market with competitive price oriented operators competing for market share. Whilst the process of change informally commenced with the privatisation of the larger eastern state TAB's during the 1990s, the process gained momentum from 2006 following the entry of betting exchanges and consolidation of corporate bookmakers. Most recently the breakdown in state regulations affecting gambling licensing and advertising has meant that the wagering market is now national.

Resulting from these external market changes, RWWA's pooling partner Tabcorp took the unprecedented step mid-2009 to increase RWWA's tri-code pooling fees by 700% or \$12m per annum.

In response to a number of changing market forces threatening racing industry funding, state and territory governments around Australia have progressively introduced legislation enabling their respective racing authorities to levy a charge to wagering operators for the use of their racing product. In Western Australia, legislation was introduced in 2010 with retrospective effect from September 2008. The Western Australian racing industry is expected to receive approximately \$19m from Australian wagering operators betting on WA product each financial year. Over the same 12 month period, RWWA has been paying Australian and international racing authorities \$24m in product fees. It is clear that the introduction of product fees results in the Western Australian racing industry being worse off by \$5m per annum. A key strategy to mitigate this new cost is to position more WA racing product on SKY, making the product visible to interstate wagering customers and reducing the product fee imbalance.

The racing industry in Western Australia is all but exclusively funded by revenues generated from on and off-course wagering. Of the total wagering revenue* generated in 2008/09 from the off-course TAB, harness racing comprised 20% of this revenue. Of that 20%, wagering on WA product contributed \$13.1m or 5% while interstate and international product contributed \$37.5m or 15%.

The WA harness product has achieved revenue growth of 27% over the five year period 2004 to 2008, increasing from \$10.3m to \$13.1m. This represents an annual average growth rate of 5.4%.

The racing industry in Western Australia is all but exclusively funded by revenues generated from on and off-course wagering

*WAGERING REVENUE = Turnover less dividends to customers

WA race meetings comprise 15.8% of the overall number of harness meetings covered by RWWA. This generates 25.9% of the total \$50.6m in total off-course harness revenue. This is a similar trend across thoroughbred and greyhound codes where wagering interest is proportionally biased towards WA product on a margin-to-race basis. However, overall wagering interest remains skewed towards interstate and international product due to a higher volume of racing with 76% of wagering revenue derived from these races.

Whilst overall on-course wagering revenues remain flat, recent trends highlight that non-metropolitan venues have achieved considerable growth. Metropolitan wagering revenues have been aided significantly by the punters' club programmes initiated by the WATA.

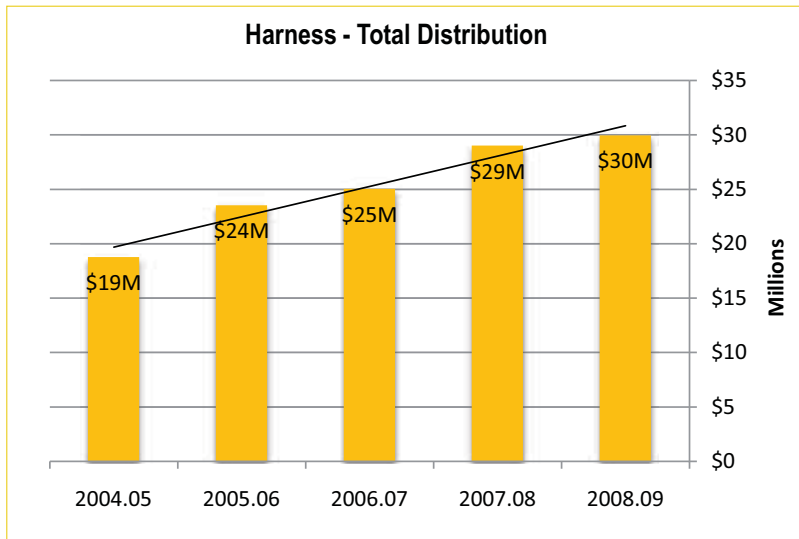
RWWA relies on the opportunity to grow wagering revenue in order to provide appropriate distributions to industry. WA tri-code racing comprises 24% of total wagering revenue and is constrained in its ability to grow product exponentially. Additional SKY coverage has, in the past, improved those opportunities at a time when WA distributions were shaping an industry of growth and expansion.

Now that the industry is reaching a cycle of maturation and the nation-wide wagering landscape has fragmented with increased competition, the opportunity for domestic revenue growth is subsequently threatened.

WA tri-code racing comprises 24% of total wagering revenue and is constrained in its ability to grow product exponentially

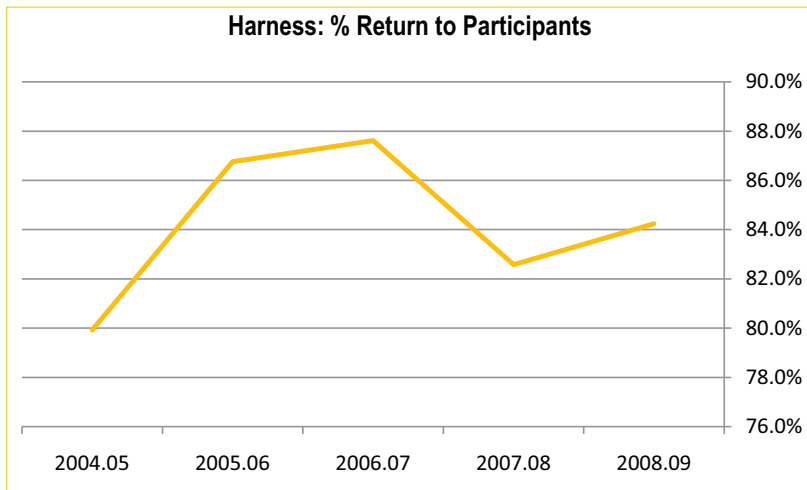


Statistics Snapshot



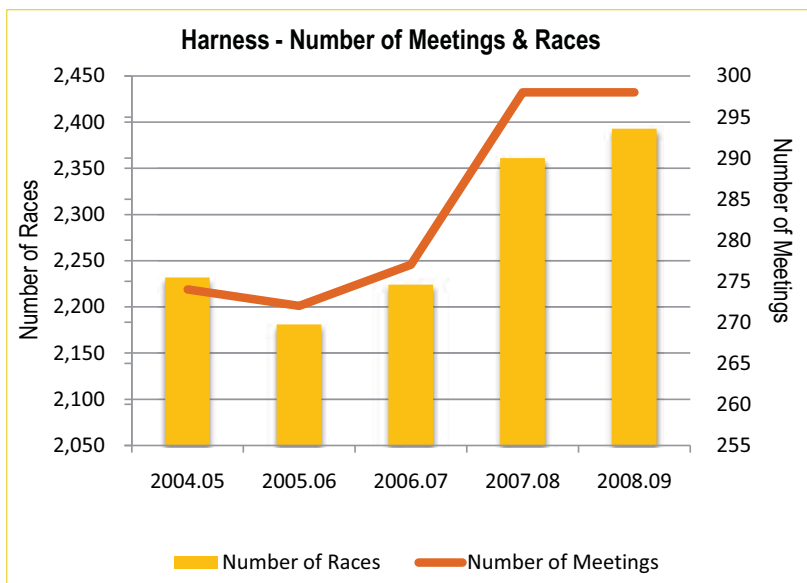
Source: RWWA

Total Distributions for Harness increased by 57% over the last five years from \$19m in 2004/05 to \$30m in 2008/09



Source: RWWA

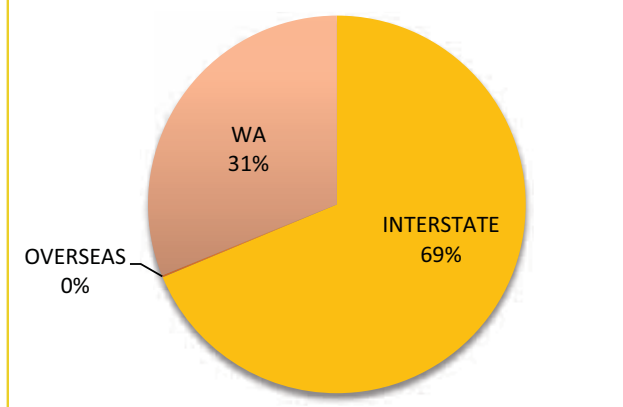
The percentage of Returns to Participants from Total Harness Distributions in 2008/09 was 84.2%, up from 82.6% in 2007/08.



Source: RWWA

The number of Harness meetings has increased by 8% over the last five years, while the number of races has increased by 7%.

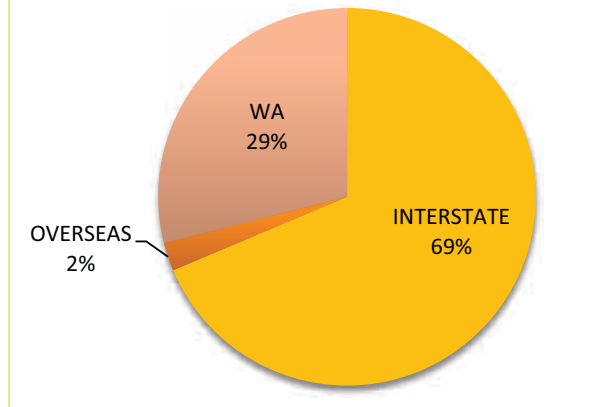
**% of Total Harness Product Wagered On:
2003/04**



Source: RWWA

In 2003/04, 69% of Harness racing product wagered on was imported from interstate. This imported product was not subject to Product Fees.

**% of Total Harness Product Wagered On:
2008/09**



Source: RWWA

In 2008/09, 71% of Harness racing product wagered on was imported from overseas and interstate. This imported product is subject to Product Fees.





Key Challenges

Whilst there are many challenges confronting the wider racing industry, the two key challenges are financial sustainability and infrastructure funding. These issues strike to the heart of interest in the sport through participant investment in animal ownership, individuals selecting full to part-time careers in harness racing, together with the general community's attendance at race meetings and customers betting on the product.

If not addressed satisfactorily, the direct impact will be reduced participation and investment in the sport which creates a negative cycle affecting wagering revenues and product fees.

Whilst there are many challenges confronting the wider racing industry, the two key challenges are financial sustainability and infrastructure funding

Financial

Whilst racing can evidence it plays an important role in the State's leisure and entertainment industry, the key strategic issue affecting harness racing is sustainability of income and in turn, volume and quality of racing.

For example, this season 2009/10 a total of \$10.1m in net revenues* is forecast to be generated from all segments of harness racing in Western Australia. This includes on-course and off-course wagering revenue and domestic export and international export product fees. RWWA's cost to provide racing, training and stewarding services incurs approximately \$8.3m** in direct and allocated costs. The resulting net income derived from harness racing is \$1.8m. RWWA distributions paid to the harness industry for the same period will be \$28.8m resulting in a net shortfall in funding of \$27m or a net income to distribution ratio of 6.25%.

RWWA manages to fund harness and other codes (Thoroughbreds net income to distributions ratio of 35% and Greyhounds 16%) through wagering on sports and racing events from interstate and international jurisdictions.

The challenge facing the industry is the need to generate a higher net income to distribution ratio in order to make racing more sustainable

As can be seen from the aforementioned example, racing as a whole in Western Australia is significantly dependant on income from other sources. The challenge facing the industry is the need to generate a higher net income to distribution ratio in order to make racing more sustainable.

The strategies outlined later in this paper aim to move towards this goal by addressing income limiting factors and cost inefficiencies within the industry.

* NET REVENUE = Margin less tax, gst and direct wagering costs

**Data from RWWA Racing Industry Profitability Study 2009

Infrastructure

RWWA in consultation with the Western Australian harness industry, has developed a vision for the optimal capital investment programme that is required to bring harness racing and training facilities to a level that achieves the following objectives:

Addresses occupational health and safety standards

Extends metropolitan and provincial racing surfaces to a preferred 960 metre circumference with 18 metre width and cambers that meet modern standards for competitive racing

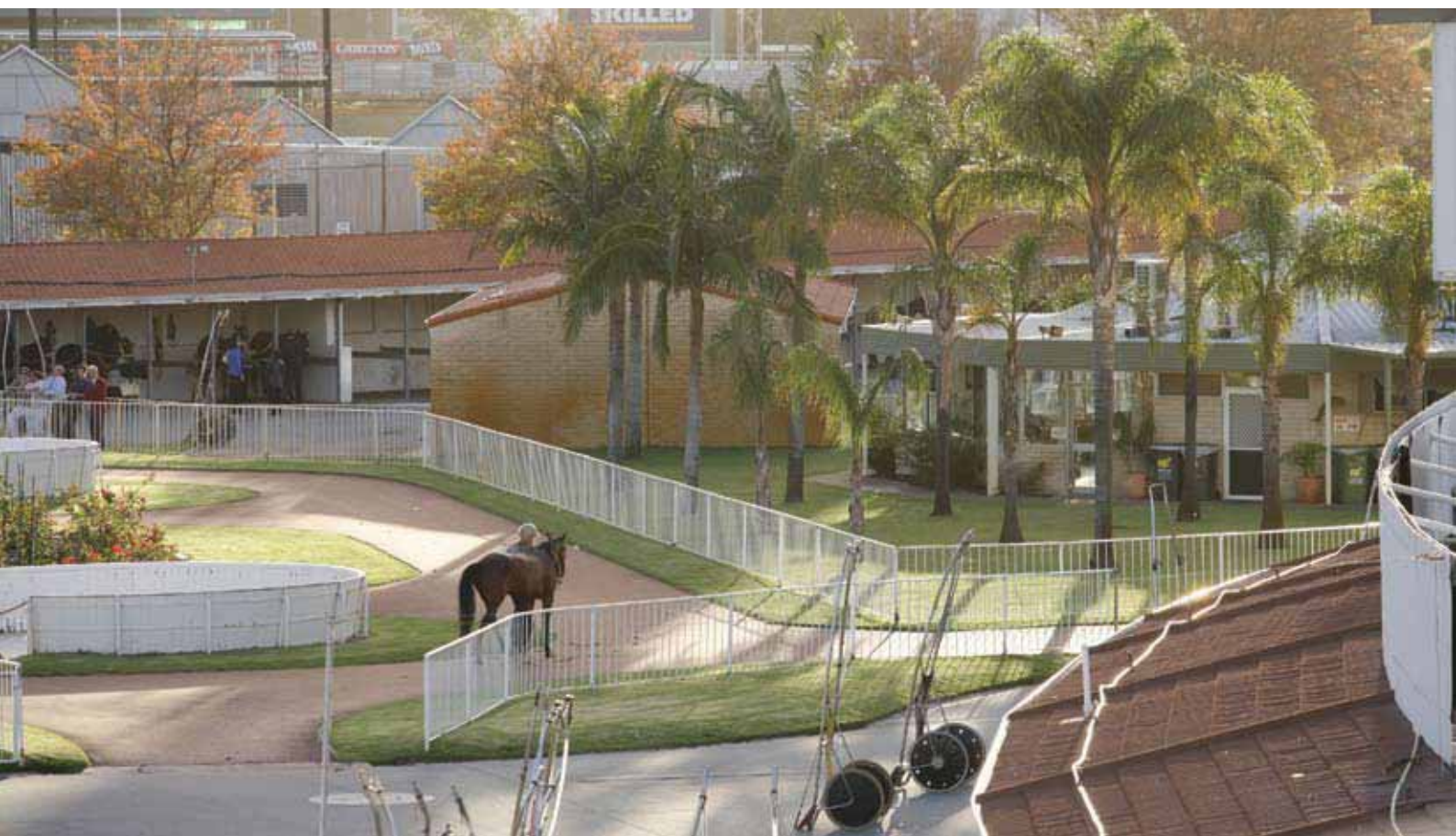
Provides suitable protective stall facilities for horses whilst on-course

Provides modern on-course public amenities (stands, food and beverage, betting facilities and toilets) to maximise on-course patronage and income

Ensures compliance with environmental standards both current and emerging

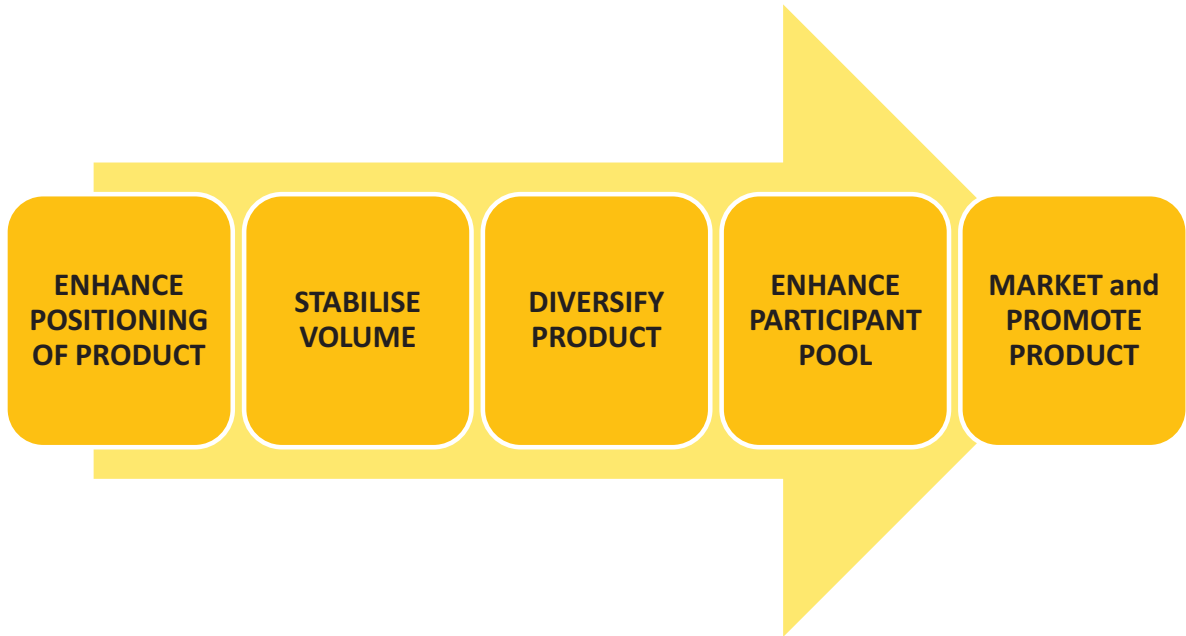
Maintains adequate access to raw material supplies including water for racing and training surfaces

The overall capital expenditure programme for harness racing in Western Australia requires \$14.1m over 5 years. Whilst RWWA's current income generating capabilities do not enable funding of this capital programme, it will continue to work with key stakeholders to address the infrastructure needs of racing.



Key Strategic Objectives

It is recognised that change within racing is difficult and should be measured and considered. Having said this, the requirement to embark on a process of sustainability is crucial to the long term benefit of harness racing in this state. The following key strategic objectives highlight the necessary pathway to long-term certainty and sustainability:



1. Enhance Positioning of the Harness Product

Harness racing in Western Australia has been successfully positioned by various clubs as a family friendly sport. This has assisted clubs in generating new income and providing an opportunity to be less reliant on RWWA for funding, particularly through meeting fee subsidies. This eventual outcome also complements RWWA's objective of directing a higher proportion of funds to participants in preference to subsidising club operations.

Harness racing in Western Australia has been successfully positioned by various clubs as a family friendly sport

Such positioning however, requires a different emphasis on allocation of resources. As discussed previously, harness is not as high a demand vision product as other codes. This is in part due to the time events are raced, distances and duration of races and historical issues with lack of full vision coverage. The subsequent negative impact to wagering performance by local and interstate operators is apparent when comparing codes that are advantaged by these factors. However, the reality is that the national racing programme is mature and the positioning of harness is well understood by wagering customers. Therefore, the positioning strategy for harness in all segments other than elite metropolitan is as summarised:

Harness stakes and participant payments to be 'needs-based' relative to factors such as cost of animal acquisition, ownership, racing life and travelling costs to attend race meetings rather than formal benchmarking of stakes to the thoroughbred code

Greater resource allocation over time is to be directed to promote attendance on-course through upgrading of public facilities thereby positioning harness segments as an 'on-course' experience in addition to maximising off-course wagering revenue opportunities via vision coverage

Country and Community segments to receive current levels of funding. Country and Community racing currently consumes between 5-8% of RWWA's overall distributions which is considered appropriate. The wider issue for these and the other harness segments is RWWA's inability to fund infrastructure investment.

RWWA is negotiating with SKY Channel to ensure part vision race meetings receive full coverage effective April 2010.

In addition to these changes, RWWA proposes to offer incentives to clubs such as Albany, Wagin and Central Wheatbelt to race a proportion of their allocated meetings at DVN vision venues on selected days to receive SKY coverage. The incentives would be a shared benefit from the incremental wagering.

As part of the renegotiation of the SKY Channel 'whole of State' wagering agreement, RWWA will receive one free DVN installation. It is proposed to apply this service to Narrogin where there are currently 14 harness and 5 thoroughbred meetings. In addition, it is proposed to install one DVN line at Harvey to support the 14 meetings which are currently serviced by SNG vision uplink.

2. Stabilise Volume

Rather than increasing races and meetings (putting further pressure on the already challenged horse population) RWWA recommends the protection of healthy stakes via a slight reduction in meetings and consequently races. Currently too many tracks host a broad spectrum of racing opportunities which is unsustainable. Over time there is a need to better utilise optimal tracks which will be the subject of ongoing investment given they are prime wagering revenue optimisers. Overall, this is a minor reduction in racing opportunities which will simultaneously stem the threat of a declining horse population and ensure stakes remain competitive in Western Australia.

The harness code must embrace the future as a united entity in order to remain viable and sustainable in Western Australia

RWWA recommends a minor reduction in the number of operating harness venues in Western Australia in order to better protect its ability to adequately fund a lesser number of tracks to a higher standard. This will ensure participants can train and race at fewer better quality venues, rather than racing and training at a range of poor quality venues (should funding continue to challenge RWWA's ability to upgrade and develop surfaces and infrastructure). No longer can a Club-bias nor metropolitan versus country argument be presented. The harness code must embrace the future as a united entity in order to remain viable and sustainable in Western Australia. Whatever has to be done must be done in the context of maintaining a healthy racing product going forward.

It is recommended to reduce the volume of harness racing in Western Australia by 8 meetings from 293 in 2009/10 to 285 in 2010/11. This reduction is still 6 meetings higher than the 2008/09 figure of 279 meetings. The reduction of meetings will occur at Geraldton which will result in Geraldton not receiving any race dates. This decision is supported by the following data:

The number of local Geraldton harness starters amounted to 11% of total starters, requiring 89% of starters to travel from the Wheatbelt, Goldfields and South West regions of the State.

There are 10 trainers in Geraldton of which 6 are currently licensed.

Training Starters Produced has declined from 335 in 2005/06 to 139 in 2008/09.

Geraldton is allocated 3% of total WA harness meetings, generating 0.5% of total harness off-course turnover and 0.6% of total harness turnover.

Geraldton is a TAB non-SKY venue; its wagering performance is on par with other TAB non-SKY venues such as Williams, Albany and Collie. Average margin per meeting is \$8,900. RWWA's direct costs for stewarding, travel and racing administration, base and feature stakes total \$24,800 per meeting (excluding allocated costs).

The club and participant distributions not utilised at Geraldton will be re-allocated to the harness code in areas, other than new meetings.

Of all three codes in the state of WA, harness is the only code to maintain two metropolitan clubs who race at one venue - Gloucester Park. While the historical significance of both clubs is independently appreciated, the true benefits of a merger have yet to be realised. RWWA will support efforts to merge the two Club entities bringing greater benefits to both cohorts of members. An amalgamation of two key Clubs with a broader member base will ensure a higher level of return for members is sustained and ensure long-term investment in their metropolitan venue.

3. Diversification of Product

RWWA recommends the retention of trotter racing in Western Australia with the allocation of between 50 - 80 races per annum representing approximately 3% of the total. Harness racing, like thoroughbreds, has a long term issue of static horse population. The registered harness horse population over the past five years has declined by 27%, or 1531 horses since 2004/05.*

There are currently 36 trotters in Western Australia competing in 52 races for \$430,000 in prize money. Wagering on trotters' races when compared on a like-for-like basis with pacing, is similar in generation of wagering revenue. The retention of trotters' racing will, to a modest extent, maintain the WA harness horse population and diversity of product for wagering interest. RWWA's racing department together with industry will identify the optimal programming to ensure ongoing support for the breed.

Given the national indicators on declining horse populations into the next decade, it is also necessary to acknowledge the fact that approximately 50% of foals born are fillies, yet sex-specific racing opportunities with concessional handicapping or conditions are minimal. With a better use of existing resources (ie. fillies and mares), WA is in a position to not only reduce costs borne by owners and breeders, but improve the competitive opportunity for fillies and mares via handicapping concessions.

Harness racing, like thoroughbreds, has a long term issue of static horse population

Another level of diversity will be afforded with the continuation of Mobile and Standing Starts. While it is recommended that over time and on demand, standing starts are phased out of the WA racing programme, there is currently no poignant wagering benefit distinguishing the two modes.



*HRA Annual Report 2008/09

4. *Enhance Participant Pool*

Employment within the Western Australian harness racing industry sustains a myriad of vital roles including training, driving, breeding, stablehands, track maintenance, racing administration and raceday operations.

The challenge of attracting people to the industry as a 'career of choice' is a significant one, particularly given the unique lifestyle afforded by the racing industry. The associated training, education and ongoing development of current and new participants is a significant focus for RWWA as it continues to invest in the high standard of professionalism required to maintain integrity and safety on-track.

In identifying the need to maintain current participants in the industry, yet remain attractive to new participants, the Plan seeks to address the employment requirements of the industry long-term. Currently RWWA supports the 'Careers in Racing' initiative via its Racing Industry Training commitments. It is upon these current initiatives that RWWA will further develop and support the retainment and appeal of participants to the industry into the future.

Specific to the harness racing industry will be the following key focus areas of commitment long-term:

Supportive transition from Pony Trots to Young Driver (enhance Pony Trot programme)

Cadetship programme specific to Young Drivers

Ensuring senior, experienced participants are recognised for their role in mentoring and advising younger participants

Addressing the need for change in the workplace (encouraging fair, equitable and self-respecting environments on track- training, raceday etc)

Identifying and supporting 'Young WA Ambassadors' from within to champion the industry they work in

RWWA recognises the distinct need to better balance the two interest sectors more prevalent in the WA harness racing industry:

1] Professionals – who have a commercial stake in the sport via racing and/or breeding and demand return for performance. These industry investors are generally those that focus their racing interests at Metropolitan (Gloucester Park) or Primary Provincial tracks (Northam, Bunbury, Pinjarra).

2] Hobbyists – harness racing is primarily an enjoyable pursuit undertaken by a part-time hobbyist with strong historical foundations (ie. family interest; Club involvement). These industry investors are generally those that focus their racing interests at country and community tracks.

This will be achieved via providing competitive stakes at the commercial end of the scale and fair stakes at the hobbyist end of the scale – satisfying the requirements of an acceptable return to owners at all levels of the participant pool. A reduction in stakes is not a remedial option in this current wagering climate as owners are already subject to inflation and thus, increased costs. While preservation of racing opportunities is a prioritised objective, it is stakes that are crucial to ongoing investment and further enhancement of WA's product.

5. *Market and Promote Product*

Harness racing has largely remained unchanged in its presentation to on and off-course patrons and wagering customers. The issue of recreating harness racing is seen at a national level as a significant issue. The subject has been on the Harness Racing Australia (HRA) agenda for some years but little progress has been made in part due to the industry's inability to embrace change collectively.

The opportunity to market harness racing to overseas markets appears limited to New Zealand and to a lesser extent South Africa. The heavily populated markets of Singapore, Malaysia and Hong Kong by comparison are interested in Western Australian and Australian thoroughbred product only.

The issue of reinvigorating interest in the harness code remains an outstanding issue. Recent efforts to promote mile racing under a slightly different format demonstrates innovation which RWWA is actively supporting.

Recently, Harness Racing Australia (HRA) released its '*Strategic road map for future growth of our industry*', providing a national directive to arresting declining participation trends.

Five key priorities were identified to ensure long-term growth:

1] Capitalise on existing participants : utilise industry champions; simplify the form guide; optimise SKY slots; support public syndication; develop social media strategy; identify key ambassadors

2] Innovate the product : develop national training and accreditation programme; support visual enhancements

3] Actively promote harness racing : consider National Harness Racing Carnival; enhance on-course promotions; Industry Expo

4] Improve the distribution : explore mobile technology; consider racecourse segmentation; promo staff on-course; strengthen relationship with TAB

5] Deliver a stronger brand : create an atmosphere; change image and perception; national branding; entertainment focus

WA's owners and breeders, punters and participants are industry 'customers' and product 'creators' – it is important that marketing and promotion begins at home.

With respect to owners, there is a recognised need to acknowledge, reward and retain the long-term investment in industry. While stakes provide a baseline incentive to race, not all owners win stakes, not all horses successfully place in races, hence the need to support a targeted Ownership Strategy.

Through working closely with the respective code ownership associations and WA racing clubs, RWWA believes an Owners' Strategy will provide the necessary recognition to maintain and encourage ownership levels in Western Australia. An opportunity presents itself for cross-code promotion; Club membership parallels, VIP owner benefits and effective communication to this important stakeholder group.

A proposed tri-code racing marketing campaign encapsulating the essence of participation at its peak would provide a platform for promoting the raceday and ownership experience to potential customers (eg. 'WA racing- be in it to win it'; 'WA racing- share in the moment').

While individual clubs effectively market their specific race meetings or Carnival/Cup features, RWWA maintains an active responsibility in promoting and marketing the 'full package' of tri-code racing and wagering in WA. Via effective marketing campaigns, RWWA will continue to endorse and promote industry attributes.

WA's owners and breeders, punters and participants are all industry 'customers' and product 'creators' – it is important that marketing and promotion begins at home

Young Ambassadors will also be appointed, promoting the champions of tomorrow and ensuring credible spokespersons within industry.

Operational Outcomes

In order to transform the current operating model to provide sustainable benefits to stakeholders and the wider racing community, the Strategic Plan has adopted and will implement the following operational outcomes:

OPTIMISE THE RACING PROGRAMME

- Reduction of race meetings overall
- Transition to DVN where commercially possible
- Full SKY Coverage
- Enhancements to Racing programme based on new concept initiatives (eg. Pinjarra Super 9 meeting)
- Streamline Club classifications transparently

MAINTAIN INTEGRITY

- Maintain Swab levels
- Non-raceday surveillance
- Improved wagering and compliance
- Promotion of best practice initiatives via regular communication

MAINTAIN ANIMAL WELFARE

- Media and Communications support
- Veterinary sector relationship building
- Embrace technological advancements relating to animal welfare
- Protect and maintain reputable breeding standards
- Continued support of animal welfare research

PROTECT ASSETS AND RESOURCES

- Environmental audit of tracks followed by introduction of WA environmental policy
- Best practice water and chemical usage reduction initiatives
- Capital Infrastructure developments
- Improved training assistance
- *Royalties for Regions* and Local Government liaison strategy
- Track curatorship support

ENHANCE INDUSTRY COMMUNICATION

- Customer Relationship Management (CRM) programme extended to racing stakeholders
- Regional Outreach Consultation Programme
- Stakeholder representation framework review

ASSIST WITH CLUB PROFITABILITY, GOVERNANCE AND ADMINISTRATION

- Club delivery benchmarks established and agreed
- Training workshops, skill-set development assistance
- Racedate calendar cycle lock-in
- One Metropolitan racing club

PROMOTE TRAINING AND EDUCATION ADVANCEMENT

- Pony Trots pathway programme
- Young Ambassador programme
- Career pathways and Recruitment Outreach campaign
- Young Driver Cadetship programme

PROTECT QUALITY OF PRODUCT

- Economic Review of WA equine breeding industry to ascertain true size and scope of WA sector (employment, investment in industry, value to industry)
- Trotter programme development
- Mare and Filly opportunity expansion
- Breeder Recognition opportunities
- Ongoing development of Westbred scheme

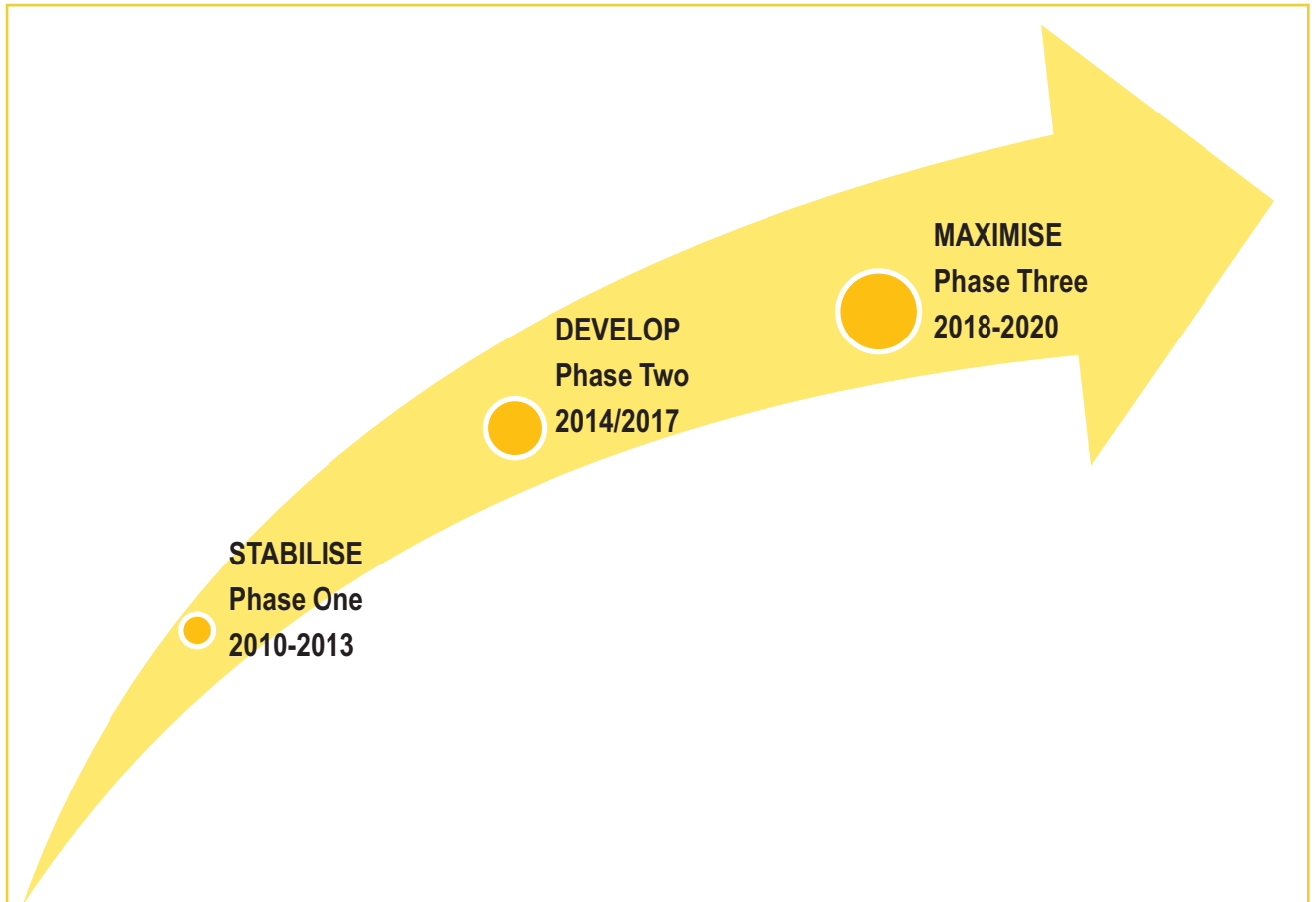
ENHANCE MARKETING AND PROMOTION

- Ownership Strategy
- Country Racing marketing campaign
- Uptake of Harness Racing Australia Strategic Road Map initiatives
- TAB new customer strategies

Timeframe

The Strategic Plan encapsulates a 10 year period. The three segments of sustainability are explained in greater detail in the Plan and will be elaborated upon at the presentations. Essentially the industry will be stabilised, ensuring quality over quantity; it will then move into a period of development and investment, by which time the final period will see the harness product maximised.

RWWA envisages a positive future for WA harness racing, not without initial challenges in achieving a fair and viable platform for ongoing investment. With some early and preventative stabilisation, harness racing in WA can maintain a healthy outlook and a sustainable future. RWWA looks forward to that journey.



Feedback

We welcome your feedback on this Vision Paper and invite you to attend one of the presentation sessions to be held on the following dates:

- **GLOUCESTER PARK**
Golden Nugget Room, WATA, 10.30am - 12.00pm, Wednesday 7th April 2010
- **NORTHAM**
Northam Harness Racing Club, 1.00pm - 2.30pm, Thursday 8th April 2010
- **PINJARRA**
Pinjarra Harness Racing Club, 1.00pm - 2.30pm, Friday 16th April 2010
- **ALBANY**
Motel LeGrand, 479 Albany Hwy, Albany, 5.00pm - 6.30pm, Wednesday 21st of April 2010
- **NARROGIN**
Narrogin Race & Pace Club, 11.00am - 12.30pm, Wednesday 28th April 2010
- **KALGOORLIE**
Blue Spec Room, Kalgoorlie-Boulder Racing Club*, 2.30pm - 4.00pm, Thursday 29th April 2010
- **BUNBURY**
Members Lounge, Bunbury Trotting Club, 1.30pm - 3.00pm, Monday 3rd May 2010

Please register to attend these sessions by calling Charlotte Mills, Manager Racing Strategy, RWWA on (08) 9445 5200 or email Charlotte.Mills@rwwa.com.au

Submissions responding to the Vision Paper must be received by COB Wednesday 12th May 2010 and can be sent, faxed or emailed (required in writing) to the following:

Charlotte Mills
Manager Racing Strategy
Racing and Wagering Western Australia
14 Hasler Road
Osborne Park WA 6017
Fax: (08) 9244 5914
email: Charlotte.Mills@rwwa.com.au

* Please note Thoroughbred venue

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RACING AND WAGERING WESTERN AUSTRALIA