



INDUSTRY STRATEGIC PLAN 2021 - 2023

SUSTAIN

ENHANCE

INNOVATE

“HARNESS THE PASSION”

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CHAIRMAN'S MESSAGE

Dear Participant

It gives me great pleasure to convey to you the strategic direction to be taken by HRNSW and the harness racing industry in NSW for the next three years (2021 to 2023) but firstly I wish to sincerely thank those stakeholders who contributed to the outcomes of "Harness The Passion" the Harness Racing Industry Strategic Plan 2021 – 2023. Without that dedicated commitment to furthering the possibilities and potential opportunities of our industry the initiatives to be undertaken would not have evolved.

The strategic plan has three pillars - Sustain - Enhance – Innovate - which will be the focus of HRNSW for the ensuing period. Every indicator supports the position of NSW being the leading harness racing jurisdiction in Australasia and this position will be sustained.

The cornerstone of sustaining the industry must be shared prizemoney increases supported by incentives for owners and breeders as well as providing operational infrastructure.

To this end overall base prizemoney increases will be effected from 1 January 2021 with set annual increases on each of 1 January in 2022 and 1 January 2023.

These annual increases in base prizemoney will be subject to regular review and should financial resources permit may be further increased. The prizemoney increases will be shared between owners, trainers and drivers.

HRNSW will continue consultation with respect to improving the returns for all participants. The Strategic Plan will further enhance the industry through arrangements with our partners and support from our participants be they club officials, licence holders or volunteers.

The Strategic Plan will innovate the industry through the gathering of people with a positive outlook and a true passion for harness racing. I look forward to some of you joining this Innovation Group with a mind-set of realistically taking the industry forward.

The strategic plan is presented in accordance with the Harness Racing Act and I recommend to you to be part of the positive journey not only throughout the designated period but at all times for the our collective advancement of harness racing in NSW.

Yours faithfully



Ken Brown AM
Chairman HRNSW

EXECUTIVE SUMMARY

The Strategic Plan process commenced in April and through the engagement of HRNSW business strategy consultant Paul Weekes contributions have been made by individuals and Associations. The aspirations of those valued contributors and the HRNSW Board Members and Management are acknowledged in the formulation of the Strategic Plan.

The Harness Racing Industry in NSW plays an important role both in terms of its economic and social contribution.

The industry supports in the vicinity of 3,500 jobs, especially in regional NSW. The industry makes an annual economic contribution exceeding \$450 million. This economic benefit is widely spread throughout NSW, with race meetings conducted across an expansive network of clubs serving communities in all regions of NSW.


The industry is predominantly funded from wagering revenue which is derived from TAB, corporate bookmakers, Government wagering tax relief and grants. These funds are used to stage race meetings, maintain and enhance racing and training facilities, promote the industry, and pay prizemoney to owners, trainers, drivers and breeders.

In accordance with the The Act, HRNSW is required to prepare a Strategic Plan every three years. This Plan comprises the calendar years of 2021-2023.

The Plan has been prepared by management and the Board of HRNSW in consultation with the Harness Racing Industry Consultative Group (HRICG) which is comprised of the following members:

- One person nominated by the New South Wales Harness Racing Club
- One person nominated by the clubs funded by HRNSW as TAB Clubs
- One person nominated by the clubs funded by HRNSW as Non-TAB clubs
- No more than three (3) persons, each nominated by the following eligible bodies:
 - o NSW Owners Association
 - o Harness Breeders NSW
 - o United Harness Racing Association

In addition to HRICG Members, other key harness racing industry kindred bodies and stakeholders have been consulted during the preparation process. An open invitation was also made to participants calling for submissions which would assist HRNSW to formulate the aspirational strategic direction of the industry.



John Dumesny
Chief Executive HRNSW

INTRODUCTION

Under Section 12 of The Harness Racing Act 2009 ("The Act"), HRNSW is required to prepare a Strategic Plan every three years with such Strategic Plan prepared in consultation with the Harness Racing Industry Consultation Group (HRICG) and other harness racing industry stakeholders.

HRNSW Responsibilities

Harness Racing NSW (HRNSW) activities are prescribed by The Act.

- i. HRNSW has the functions conferred or imposed on it by or under this or any other Act or law.
- ii. Without limiting section (i) above, the functions of HRNSW include the following
 - a. To control, supervise and regulate harness racing in NSW.
 - b. To register harness racing clubs, harness racing horses, owners, trainers and drivers of harness racing horses, bookmakers for harness racing and other persons associated with harness racing.
 - c. To initiate, develop and implement policies considered conducive to the promotion, strategic development, and welfare of the harness racing industry in the state.
 - d. To distribute money received as a result of commercial arrangements required by the Totalizator Act 1997.
 - e. To allocate to harness racing clubs the dates on which they may conduct harness racing meetings.
- iii. HRNSW may affiliate with such organisations, whether in or out of NSW, as HRNSW considers appropriate.
- iv. The functions of HRNSW are not limited by the rules and are to be exercised independently of Harness Racing Australia or any successor.

HRNSW Role in the Industry

HRNSW's role and responsibilities are set out in The Act. The key section of The Act that defines these responsibilities is set out in Section 9 (2).

In discharging its duties, HRNSW undertakes a range of activities, with some of the more important duties briefly described and as set out below.

- Plan and schedule harness race meetings in NSW.
- Register and monitor compliance of active participants.
- Develop and enforce integrity policies and standards across the harness racing industry.
- Control, supervise and regulate harness race meetings, including programing and handicapping.
- Receive and allocate funding from all sources and for distributions including prizemoney and infrastructure.
- Engage and actively manage relationships with all key stakeholders in the industry, including Government.
- Promote and develop the industry.
- Run an effective and efficient organisation including all the necessary corporate functions.

HRNSW Mission and Vision

In developing the Vision and Mission, a range of characteristics were identified for differentiating harness racing as a sporting and entertainment interest to build its future success.

The Vision

Harness racing is the most accessible, equitable, safe, and competitive horse racing sport in NSW for all ages. It is a rewarding and profitable industry that provides vibrant and engaging entertainment whilst generating employment and economic activity right across the State.

The Mission

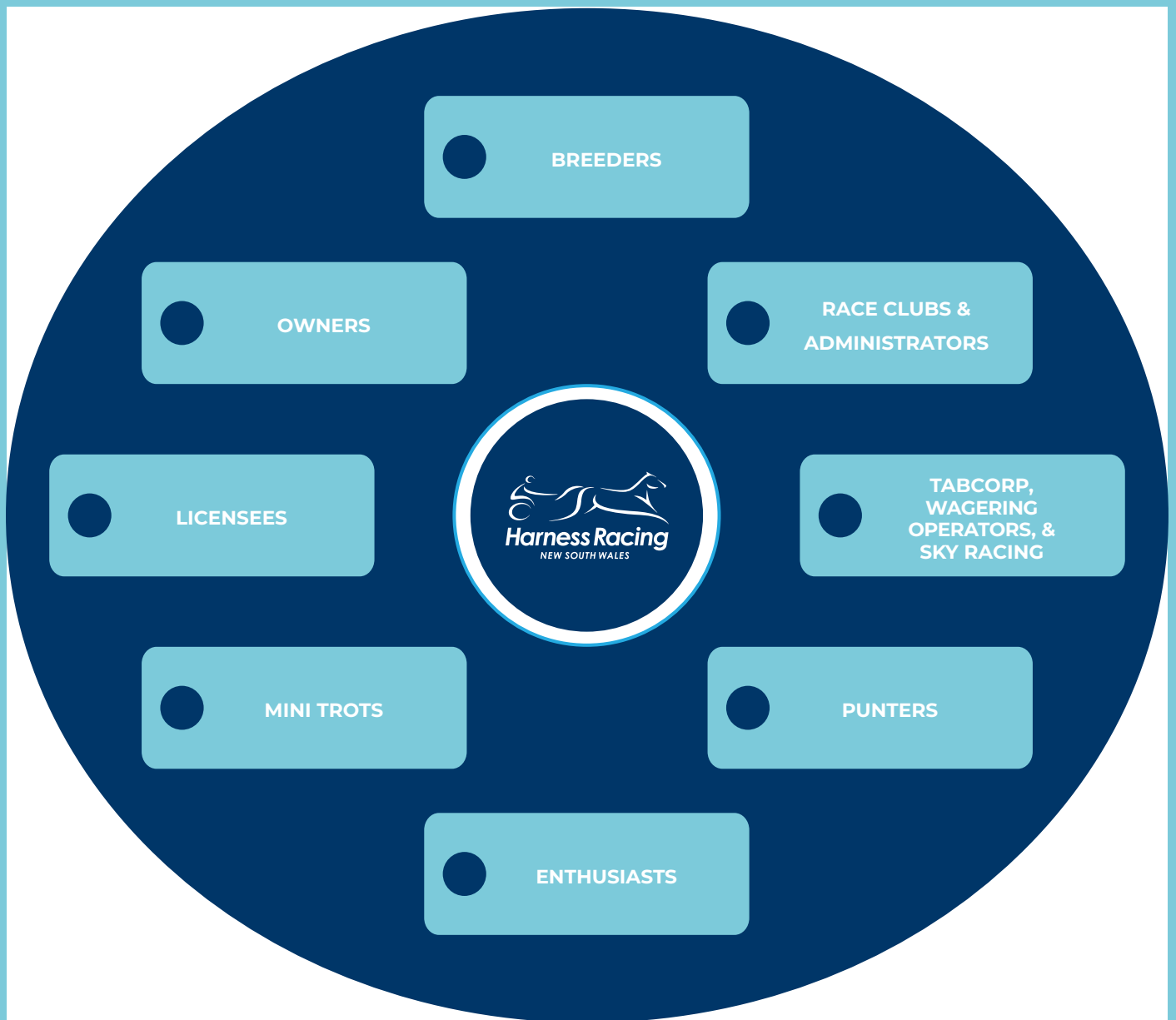
Harness racing's first priorities are the safety of participants and the welfare of all horses involved in the sport. It provides opportunities on the basis of complete equality for drivers, trainers, owners, breeders, racegoers and punters whether as professionals or hobbyists. The sport is active across the whole of NSW generating significant employment as well as investing and earning a return on infrastructure, and engaging pro-actively with local communities as a cohesive, aligned industry.

Harness racing in NSW is genuinely competitive and delivers the highest prize money in Australia whilst operating with the utmost integrity, which is enforced fairly, consistently, and transparently.

The industry has positive relationships with all key external stakeholders including wagering operators, government, and the media. Through this, harness racing continues to evolve so it remains attractive and relevant within the crowded leisure sector and progressively raises the profile and overall revenue base of the sport in NSW.

HRNSW Strategic Objectives

- 1 To provide a **sustainable** environment for the benefit of all participants within the NSW Harness Racing Industry.
- 3 To **enhance** the harness racing industry in NSW and to increase awareness and participation in harness racing by both customers and other industry stakeholders.
- 3 To provide **innovation** to the harness racing industry and to ensure growth through consultation with all industry stakeholders.



Throughout the consultation process the many challenges faced by stakeholders within the harness racing industry have been identified, as has the resilience of the participants to these challenges.

To ensure the prosperity of the industry and effectively meet these challenges, a proactive and visionary approach is needed so that harness racing remains viable and relevant in the broader sporting and cultural landscape.

The harness racing industry needs to utilise the best commercial practices, appropriate structures, and effectively engage customers and participants, whilst at the same time ensuring that the highest standards of integrity of the industry are maintained. This Strategic Plan outlines the way HRNSW will address these challenges to ensure the ongoing well-being and positive image of harness racing in NSW.

HRNSW will seek to ***harness the passion*** of its many and varied participants to confront these challenges and to ensure that the harness racing industry in NSW can move forward over the next 3 years and beyond with optimism and vitality.

OBJECTIVE - SUSTAIN THE INDUSTRY

To provide a **sustainable** environment for the benefit of all participants within the NSW Harness Racing Industry.

Initiative – Increase Prizemoney and Returns for Owners and Trainers/Drivers

Over the duration of the strategic plan period (2021-2023) HRNSW will inject an additional **\$8.5 million** into base prizemoney.

HRNSW recognised that base prizemoney levels need to provide adequate returns and incentives to owners and other industry participants.

The most important measure of the viability and sustainability of the NSW harness racing industry is the extent to which returns to participants compare with the costs incurred to have their horses compete.

Reducing the gap between returns and costs is a significant goal of this Strategic Plan, underpinning the investment in the NSW harness racing industry by owners. Primary to achieve this goal is maintaining and increasing wagering revenue and utilising the Future Fund reserves.

Base prizemoney levels provide a vital platform for industry sustainably. Increasing base prizemoney levels, will permit a broader spread of returns to a greater number of participants (owners, trainers, drivers, and breeders alike).

The table below summarises targeted base prizemoney levels over the next three calendar years.

Overview of base prizemoney increases

Meeting Type	2020	2021	2022	2023
Category A	6,630	8,000	8,400	8,800
Category B	6,120	5,999	5,999	5,999

In 2021 there are **1,894 A Category** races and **1,400 B Category** races scheduled.

HRNSW surveyed industry participants on two occasions with regard to prizemoney differentials between A and B Category Meetings. Resoundingly 73.4% of respondents endorsed a differential. Prizemoney at B Category Meetings is capped at \$5,999 (102%) to take full advantage of the points handicapping system.

Trainers Commissions

In addition to proposed increases to prizemoney HRNSW recognises the important contribution made by trainers to the harness racing ecosystem. Following lengthy consultation with industry stakeholders HRNSW will increase from **1 January 2021** trainers commissions on standard races from 7.5% to **10% (first to fifth)**.

Initiative – Increase incentives for Owners and Breeders

HRNSW will continue to consult with both owners and breeders in relation to enhancing existing incentive schemes by convening a specific Breeders and Owners Forum in February each year. Currently in NSW owners and breeders share equally with owners in the NSW Breeders Challenge bonuses, a significant benefit that is unique to NSW participants.

HRNSW will continue to enhance the established two-year-old guaranteed calendar in all Regions respecting the racing season change in 2021 to a calendar year and established feature races and series.

HRNSW will develop a calendar of weekly guaranteed fillies and mares races in all Regions.

HRNSW will continue to financially support Group One Marquee events and Carnivals in each Regions.

Initiative - Infrastructure improvements on properties owned and/or controlled by the harness racing industry including racetracks and training centres

It is imperative that all NSW harness racing tracks are conducive to competitive and safe racing. In addition, HRNSW training facilities must be fit for purpose and provide an adequate and safe environment. Improvements to racing surfaces and training facilities will both enhance and prolong racing careers of horses and, in the case of better racing surfaces, stimulate wagering and equine health.

Having fit for purpose training tracks is vital to ensuring that trainers/drivers have the best opportunity to prepare horses for racing. Ensuring that race tracks have high level maintenance programs and improving the maintenance of both racing and training tracks is a key focus underpinning other elements of the Strategic Plan.

The importance of owned or controlled facilities was evident during the initial stages of the COVID-19 pandemic, as harness racing was able to continue at these tracks virtually unimpeded at a time when non-controlled facilities across the state were at times unable to be accessed and/or used.

The table below summarises the amounts that have been notionally allocated as part of this initiative, towards the funding of race track and training infrastructure and improvements. Commencing from January 2021 through to the end of the 2022/23 financial year.

Club	Project	FY2021	FY2022	FY2023	Total
Hunter Project*	Relocation and Redevelopment of Newcastle International Paceway			\$25M	\$25M
Gold Crown Paceway Bathurst	Training Centre		\$2.7M		\$2.7M
Paceway Tamworth	Training Centre		\$700K		\$700K
Riverina Paceway Wagga	Training Centre			\$3M	\$3M
Maitland Paceway	Training Centre	\$150K	\$150K	\$150K	\$450K

*Subject to NSW State Government Funding assistance.

Initiative – Asset Replacement Scheme across all racetracks and training centres

HRNSW will commit to the introduction of an Asset Replacement Scheme whereby it will commit \$500,000 per year from the Racecourse Development Fund towards the purchase of industry assets needed to ensure that racetracks and training centres have adequate machinery to conduct their operations. This machinery will include

- Water Trucks
- Tractors
- Track Conditioners
- Mobile Barriers
- Other essential equipment

In accordance with this scheme new machinery acquisitions will be made available to Category A clubs. If the existing machinery at those clubs is still in a workable condition, that machinery will be refurbished and passed on to B and C Category clubs for their use.

This scheme aims to ensure that high quality machinery is available to all clubs whilst at the same time extending the working life of vital industry assets.

OBJECTIVE - ENHANCE THE INDUSTRY

To **enhance** the harness racing industry in NSW and to increase awareness and participation in harness racing by both customers and other industry stakeholders.

Initiative – Expand Marketing and Media – Digital

It is essential that younger generations are encouraged to engage with and participate in harness racing and this is a key strategic issue for HRNSW. HRNSW will focus on implementing strategies to engage with new customers, particularly those in younger demographics. These strategies will involve new ways of disseminating information and engagement that is better suited to a digitally focused future customer. HRNSW will continue to build the brand of harness racing and reinforce its relevance in the sporting landscape. As part of this strategy the focus will be directed towards:

- o Live Streaming of races from
 - Tabcorp Park Menangle
 - Newcastle International Paceway
 - Gold Crown Paceway Bathurst
 - Riverina Paceway, Wagga
 - Any other suitably equipped tracks
- o Developing a broader and more appealing social media presence including:
 - Greater use of participants
 - ▶ Drivers
 - ▶ Trainers
 - ▶ Mini-Trot participants
 - Providing more guidance and to encourage/stimulate an industry wide social media campaign
 - Greater promotion of the equality and opportunities for both female and male participation in harness racing
- o Expanding the use of social media to stimulate wagering
 - Weekly podcasts
 - ▶ Pre- and post-race analysis
 - ▶ Trainer/Driver interviews
- o Expand and improve iForm / speedmaps etc.
 - Creation of racing tips, previews, and commentary to provide easy access to racing information for customers who may not be interested in or have the time to study the form in depth. This information is disseminated via social media and emails to service younger customers to racing in particular those accessing via their digital platforms.
- o Greater use and utilisation of technology

Initiative – Improve Communication and Administration at all levels within the harness racing industry

HRNSW will develop and implement initiatives to improve communication channels within the industry and enhance the experience of all participants.

HRNSW is committed to the development and implementation of the RISE platform for the use and benefit of all harness racing industry participants and stakeholders. RISE was acquired by the Harness Racing Industry in 2020 with HRNSW holding 29% ownership as well as holding a seat/position on the Development Steering Committee.

The Steering Committee is developing a strategy blueprint for the future improvement of the system which will incorporate enhanced features for all participants and external users (including punters) to utilise.

The development strategy is expected to be completed by the end of the first half of 2021 with work to commence on implementing the strategy to begin prior to the close of 2021 once current projects have been completed.

It is expected that once implemented the RISE platform will provide the following benefits to industry participants and stakeholders:

- Messaging to owners, trainers, drivers, breeders, club officials and administrators.
- Improved wagering information to punters and stakeholders.
- Marketing tools for all industry Clubs, Associations and participants.
- Improved online access to forms and documents for participants:
 - o Licence renewals;
 - o Registrations;
 - o Management of bank details; and
 - o Management of GST obligations.
- New registration modules:
 - o Online horse registration and management;
 - o Stable traceability; and
 - o Horse traceability.
- Improved racing administration:
 - o Central administration;
 - o Centralised communications; and
 - o Improved Customer Relationship Management (CRM)
- Upgraded traceability in terms of:
 - o Horse welfare; and
 - o Integrity.
- Provide a single platform for the industry database, web sites and harness.org.
- Introduction of an enhanced steward's portal for more efficient operations at race tracks with links to third party integrity software.
- New and improved payments gateways.
- Race programing and selection.

Initiative – Expand wagering relationships and collation of data

HRNSW will seek to grow its relationships with all wagering operators, to both stimulate wagering revenues and promote greater integrity.

- o Use of social media to stimulate wagering
 - Weekly podcasts:
 - ▶ Pre- and post-race analysis;
 - ▶ Trainer/Driver interviews; and
 - ▶ New products.

HRNSW will prioritize and encourage greater interaction with all wagering operators including analysis and use of data/data exchange with wagering partners.

The collation of data and effective analysis of that data is an increasingly important component of effectively

reaching target markets. HRNSW will seek to expand its databases which can be achieved by partnering and collaborating with wagering operators and other racing bodies.

The exploitation of databases will be undertaken by using communications, particularly social media, tailored to the characteristics of the target customer, including age and other demographic characteristics.

Initiative – Improve the image of harness racing (Integrity & Welfare)

HRNSW recognises the importance of improving and reinvigorating the image of harness racing, particularly within the mainstream media and sporting landscape. This challenge needs to be embraced by all participants at all levels with the primary focus directed towards both integrity and welfare. The social licence of harness racing will be protected.

Integrity

The integrity of harness racing flows across various aspects of the industry and is vital to providing an environment in which people have the confidence to participate within the industry and wager on racing.

It is essential that the highest levels of integrity are maintained to ensure that mainstream engagement and commercial returns from wagering through confidence in the sport. That the harness racing industry in NSW is both operated with integrity and perceived to be operated with integrity, is fundamental to the success and image of the industry.

YEAR	SPEND*
2017	1,505,640
2018	1,503,981
2019	1,461,420
2020	1,805,315

*Excludes wages, salaries and on-costs.

HRNSW will continue to ensure that adequate funding and resources allocated to ensure that integrity is maintained by:

- Increased transparency where possible.
- Greater scrutiny of races/betting.
- Ensuring that all available technology is utilised by both Stewards and in forensic laboratory testing.
- Focus on improving public / punter perceptions and confidence.
- Continued development of surveillance and investigative capabilities.

Linked to the integrity of racing is the issue of welfare which is a key part of the continued existence of harness racing. The industry must ensure that the welfare and safety of participants and horses is aligned to prevailing community expectations.

Welfare – Equine

HRNSW is committed to the continued expansion of its equine welfare program to ensure that all harness racing horses, regardless of ability, should find a suitable home at the conclusion of their racing careers.

Whilst the vast majority of harness racing participants are compliant with industry and community expectations HRNSW will ensure that these expectations are upheld with all healthy retired horses being afforded the opportunity for rehabilitation and rehoming.

In addressing this HRNSW will:

- i. Continue to provide a sustainable contribution towards welfare and rehoming;
- ii. Develop and enforce a more viable welfare and re-homing policy; and
- iii. Ensure that there is greater public awareness of welfare program and policies.

HRNSW in conjunction with kindred associations has established an entity, The NSW Harness Racing Industry Standardbred Rehoming Company Limited, focused solely on re-homing retired horses with the major objectives being:

- a. To promote and advance the re-homing of standardbred horses.
- b. To establish strategies that allow for sustainable, yet affordable practices for the re-homing of Standardbred horses that are no longer suitable for racing or breeding.
- c. To provide pathways for owners who do not have the means to re-home, or to keep and look after horses in their registered ownership.
- d. To establish or otherwise obtain farms, paddocks, grounds, and areas where these activities can be undertaken.
- e. To provide a pathway for re-homing of horses and a register that provides a one-point reference for all retired Standardbreds in NSW.
- f. To conduct or commission research and development for improvements in methods of re-homing.
- g. To encourage and promote community awareness of Standardbred re-homing activities and practices.

HRNSW will continue to ensure that adequate funding is allocated to equine welfare and rehoming during the course of the Strategic Plan.

In FY2021 HRNSW contributed \$250,000 in cash and in-kind funding to enable the company's operations to commence. In future years, the Board of HRNSW will consider additional finding including the allocation of 1% of total prizemoney.

Welfare – Participants

The welfare of harness racing participants is also paramount and HRNSW acknowledges the many and varied challenges faced by industry participants.

In addressing this HRNSW will:

- Continue to provide a sustainable contribution towards participant welfare;

- Ensure the well-being of participants through the mates4harness program;
- Ensure the well-being of participants involved in accidents through continual contact with both participants and insurers.
- Continue to fund and expand the DASP Program which provides participants access at no fee and in absolute confidentiality to psychological services.
- Continue to support and promote the harness racing Chaplaincy initiative of Father Colin Watts.

As part of this process HRNSW will promote the creation of human-interest content to tell the story of racing and its participants. The harness racing industry has an abundance of characters, both human and equine that have captivating stories and in communicating these stories, HRNSW has an opportunity to provide information and engage with potential new customers. This content provides an opportunity to detail the positive equine welfare initiatives being undertaken.

Initiative - Development of pathways for Participants

HRNSW is committed to the formulation of education programs to create pathways into and within the harness racing industry. Specifically, the focus of these programs will be directed and designed towards the education and ultimately careers in the areas of:

- Stewards and Integrity
- Administrators
- Media and Marketing

With this in mind the following components will be continued as part of the promotion of pathways for participation in the harness racing industry:

- i. The creation of work experience programs particularly in regional areas which may lead to eventual full-time or part time work, tying in the work experience component with other youth achievement programs or partnering with other youth programs.
- ii. Utilising suitable and existing participants as part of the promotion of careers in the harness racing industry at vocational/career days
- iii. The development of exchange programs with interstate and overseas harness racing jurisdictions for young participants.
- iv. Expanding opportunities, development, and pathways within the existing mini-trot program.

OBJECTIVE - INNOVATE THE INDUSTRY

To provide **innovation** to the harness racing industry and to ensure growth through extensive consultation with key industry stakeholders.

Initiative – The Innovation Group

HRNSW will oversee the formulation and regular meetings of a positive group of stakeholders and others to suggest and develop achievable initiatives for the harness racing industry in NSW.

The proposed Innovation Group will convene in an open forum to consider new ideas and initiatives and to liaise with and make recommendations to HRNSW as to the benefits of such ideas and initiatives. Examples of the nature of issues for consideration may include but are not limited to:

- Explore opportunities to facilitate and encourage syndication through racing clubs and associations concepts and encourage fractional or micro-ownership in horses; and
- Develop methods which assist and encourage the affordable breeding of horses;
- Consider options to utilise in-fields (at owned venues) to generate non-racing revenues;
- Progress the relevance of harness racing as a sport and main-stream activity;
- Consider new ideas to stimulate wagering:
 - o New bet types;
 - o Punters Hub concept; and
 - o Enhanced vision and broadcast.
- Enhance wagering through field sizes, race distances, starting methods which will be more appealing to all stakeholders, participants and punters alike.

HARNES RACING IN NSW

Industry Revenues

Historically, harness racing in NSW is very reliant on wagering as the predominant source of its income. Traditionally, wagering revenue through the NSW TAB has been a strong source of revenue accompanied by reasonable levels of growth. However, wagering revenue on the NSW TAB has declined in real terms over the past decade and in particular over the past three years.

	FY2018	FY2019	FY2020
Revenue			
Wagering-TAB	36,636,826	34,774,688	32,490,008
Wagering-Race Fields Fees	11,292,259	11,588,829	13,167,549
Tax Parity	6,052,216	7,117,983	7,836,002
Point of Consumption Tax	-	2,673,842	5,570,133
Other	5,185,837	3,542,357	3,363,065
Total Revenue	59,167,138	59,697,699	62,426,757

The wagering landscape continues to evolve and the migration from TAB revenue (particularly in the past 2 years) has been in the main offset by increased revenue from Corporate wagering operators and the reduction in Government retained wagering tax as well as Government grants.

Whilst the wagering landscape is difficult to predict, it is anticipated that revenue derived from product fees will continue to grow, albeit at a smaller rate in forthcoming years.

Revenue from Tax Parity is based on the NSW Government reducing its share of the tax on TAB wagering only and is paid to HRNSW in accordance with the Racing Distribution Agreement (i.e. 12.7% to the NSW Harness Racing Industry)

The final and fifth year reduction in tax rate will come to full effect in FY2021 following which it is anticipated that there will be a plateauing of this revenue stream in future years.

Since legislated in 2015 revenue from this source has continued to grow and has become a vital income stream for the harness racing industry in NSW.

Point of Consumption Tax legislation came into effect in 2018 and is a tax imposed on Corporate Bookmakers based on all bets placed by punters domicile in NSW. FY2020 was the first full year of revenue (with FY2019 only comprising 2 quarters since legislation). These revenues are provided to the racing industry as grants.

The increases in revenue received from both Tax Parity and the Point of Consumption Tax has been used to subsidise essential race meeting operational costs which were previously paid for by Clubs. This was done to ensure the viability of race clubs and to ensure that industry funds are allocated in an efficient and effective basis.

Subsidies to Clubs - 2019 to 2020

During the period covered these costs are fully subsidised by HRNSW to assist Clubs with direct expenses which therefore are carried over to HRNSW administrative costs.

	FY2019	FY2020	FY2021*
Expense			
Ambulance	678,591	679,361	717,338
Mobile Starter	146,880	162,745	153,264
Photo Finish	88,800	88,800	92,256
Stewards Fees	480,495	737,352	1,025,324
Electricity Subsidy	292,250	297,000	317,000
Total	1,687,016	1,965,258	2,305,182

*Projected

Industry Financials – 2018 to 2020

During the period covered by the previous Strategic Plan (i.e. 2018 to 2020) financial outcomes are summarised as follows:

	FY2018	FY2019	FY2020
Revenue			
Wagering-TAB	36,636,826	34,774,688	32,490,008
Wagering-Race Fields Fees	11,292,259	11,588,829	13,167,549
Tax Parity	6,052,216	7,117,983	7,836,002
Point of Consumption Tax		2,673,842	5,570,133
Fees Charged to Clubs (e.g. Stewards)	1,101,873	668,756	374,392
Investment	2,444,081	1,193,645	509,767
Other	1,639,883	1,679,956	2,478,906
Total Revenue	59,167,138	59,697,699	62,426,757

Expenditure			
Club Distributions & TAB Monies	17,321,996	16,374,528	15,624,798
Prizemoney	20,063,204	22,117,294	20,694,902
RDF & Industry Funds	3,283,647	10,545,075	3,865,315
Integrity	1,503,981	1,461,420	1,805,315
Media & Marketing (Refer Note Below)			
Broadcast & Production	1,889,422	1,877,193	1,857,383
Administration	7,463,889	9,318,681	11,259,499
Tax Parity Disbursements	3,785,417	4,015,476	7,354,072
Total Expenditure	55,311,556	65,709,669	62,461,284
Surplus/(Deficiency)	3,855,582	(6,011,969)	(34,527)

Media and Marketing

Whilst not specifically identified in the above financial data HRNSW, directly or indirectly, contributes significant financial resources towards industry marketing. The total spend across the various areas within the two entities is summarised below.

Year	Spend
FY2018	2,748,852
FY2019	2,930,904
FY2020	2,372,140

Although the spend in FY2020 was lower than FY2019, part of the reduction relates to the renegotiation of contracts that provided a cost reduction to the industry as well as additional content.

Industry Future Fund

The Harness Racing Industry Future Fund was established by HRNSW from race fields monies remaining after loans from other industry funds had been repaid. These loans maintained prizemoney levels, club administration funding and the broadcast of races from FY2009 to FY2012. The Fund has since been topped up with monies received from Tax Parity during FY2016 and surplus funds from FY2017 and other subsequent years.

The Future Fund's objectives, which is overseen by an Investment Committee, are to produce capital growth and income to increase the real value of the Fund over the longer term, plus provide financial sustainability, so that HRNSW is better resourced to achieve its mission.

Specifically, the Future Fund provides financial sustainability for now and into the future with the objective being to provide a buffer for the industry against future shocks or to contribute to future growth initiatives. In addition, the Fund enables HRNSW to even out the revenue cycle and to contribute to recurrent income for the industry.

In terms of the initiatives outlined within this Strategic Plan, expenditure sourced from the Future Fund will underpin the Strategic Plan for the period 2021 to 2023.

HRNSW Infrastructure Developments

In 2010 the NSW Harness Racing Club following the sale of the Harold Park property repaid \$26.5M to HRNSW. These monies and the repayment of loans following the favourable Racefields High Court decision were deposited with the Racecourse Development Fund. This allowed HRNSW to embark on and complete vital infrastructure developments and projects which have assisted the sustainability of the harness racing industry amounting to \$51M to 2020.

Summary of all HRNSW infrastructure and development projects from 2010 to 2020.

Project	Cost
Bathurst – Track	7,473,608
Bathurst – Training Centre	140,566
Bathurst – Purchase of Gold Crown Paceway Property*	0
Menangle – Training Centre	10,640,544
Menangle – Retention Barns	302,000
Wagga - Track	13,244,207
Burgmanns Lane	1,457,912
Tamworth – Track and Training Centre	6,353,487
Newcastle - Track	439,219
Penrith – Track	1,659,197
Goulburn	749,006
Hawkesbury – Training track	276,273
Meredith Street	1,269,602
NSW Government Election Grant	1,335,868
All Tracks – Training Centre Funding	4,519,768
Grants – Other	718,652
RISE Acquisition	490,141
Total	51,070,049

*HRNSW will secure for the benefit of the industry the Gold Crown Paceway property in FY2021 at a cost of circa \$925K.

Prizemoney Structure

Whilst it is constructive to compare prizemoney over the decade there will be anomalies with precise comparisons.

	2010	2021	
A Category	\$5,500	\$8,000	
B Category	\$3,000	\$5,999	
Menangle Midweek	\$5,500	\$9,000	
Menangle Metropolitan	\$84,500	\$151,260	Standard Meeting
Miracle Mile	\$500,000	\$1 million	
Derby & Oaks	\$100,000	\$200,000	
Chariots of Fire	\$200,000	\$200,000	
Ladyship Mile	\$100,000	\$200,000	

Racing Statistics

	FY2018	FY2019	FY2020
Clubs	33	33	30
Meetings	469	471	463
TAB Races	3,755	3,768	3,806
Non-TAB Races	101	102	30
Total Races	3,856	3,870	3,836
Individual Starters	3,654	3,578	3,473
Total Starters	36,909	35,312	35,424
Starters per race	9.6	9.1	9.2
Prizemoney	33,202,765	36,175,252	34,426,564
Starts per starter	10.1	9.9	10.2
Prizemoney on offer per starter	9,087	10,110	9,913
Average Prizemoney per race	8,611	9,348	8,975

*Prizemoney does not include club contributions.

Wagering

NSW TAB Turnover	143,889,553	138,385,804	119,282,880
Interstate TAB Turnover	206,853,125	187,501,324	159,656,913
Corporate Wagering Operators Turnover	344,616,124	373,501,926	463,483,261
Total Turnover	695,358,802	699,389,054	742,423,054
Average Turnover NSW TAB per race	38,319	36,727	31,341
Average Turnover Interstate TAB per race	55,087	49,761	41,949
Average Turnover Corporate bookmaker per race	91,775	99,125	121,777
Average Turnover per race	185,182	185,613	195,066

Breeding Statistics

	FY2018	FY2019	FY2020
Total Services	1,670	1,436	1,380
Mares Serviced in NSW	1,566	1,372	1,288
Foals Born in NSW	1,119	1,048	917
Stallions Registered in NSW	45	49	51
Colonial Stallion Services	462	352	678
Colonial Stallion Live Foals	286	243	N/K
NSWBC Eligible Horses	1,137	1,079	974
NSWBC Bonus Certificates / Cash	442	458	530

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Mark Croatto	HRICG Chairman
Robert Marshall	Club Menangle Chairman & HRICG
Michael Brown	Owners Association President & HRICG
Flora Robson	Breeders Association President & HRICG
Wally Mann	Licensees' Association Secretary & HRICG
Bruce Christison	Clubs Committee President & Club Menangle Chief Executive
Graeme Campbell	Owner & Harness Racing Australia Chairman
Helen Turner	Coolamon Harness Racing Club
Daryll Jackson	Mini Trots Secretary
Kyle Maher	Marketing (ex HRNSW)
Michael Migliore	Form Analyst (ex HRNSW)
Danny Dwyer	Bathurst Harness Racing Club Chief Executive
Wayne Smith	Newcastle Harness Racing Club General Manager
Sue van de Ven	Harness Racing Clubs Committee Acting President
Jackie Gibson	Breeder
Rod Woodhouse	Breeder
Kerry-Ann Morris	Driver/Trainer
Bernie Hewitt	Driver/Trainer
Bernadette McLoughlan	Tabcorp
Dean Shannon	Corporate Bookmaker
Mark Johnston	Oncourse Bookmaker
HRNSW Board Members and Management	



2021 - 2023 STRATEGIC PLAN

—
SUSTAIN
—

ENHANCE
—

INNOVATE
—

“HARNESS THE PASSION”

THANK YOU



Harness Racing

NEW SOUTH WALES