



# HARNESS RACING SA STRATEGIC PLAN 2016 - 2020



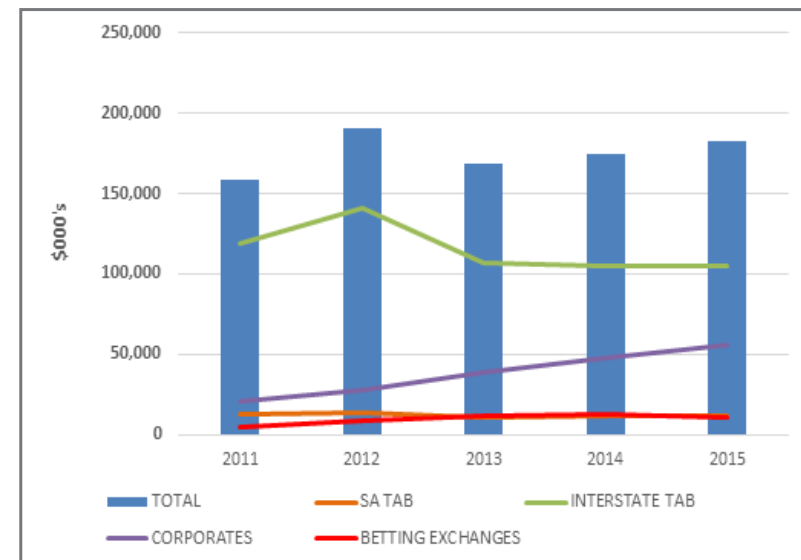
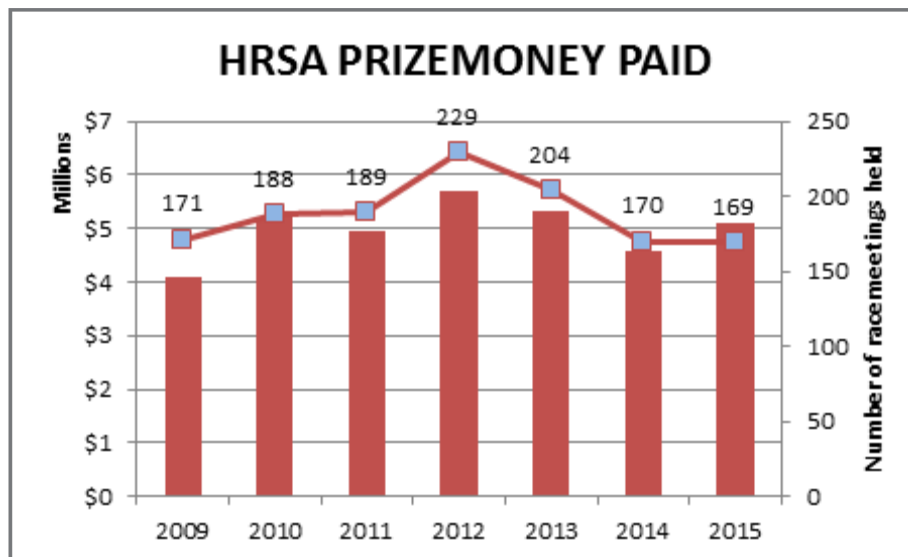
## INTRODUCTION

In February 2016, the Board of Harness Racing SA Ltd (HRSA) developed a new draft Strategic Plan for the next five years. In an era of ongoing challenges for our code, the Strategic Plan will establish a framework and clear direction for the code to grow in South Australia. Two of the key objectives for our industry include the establishment of a strong financial base to enable increased investment in areas including prize money and racing infrastructure, as well as establishing a new governance model for harness racing in South Australia that meets the needs of the industry going forward.

One of the most significant challenges for the code is to develop innovative racing and wagering products. The competition for the punting dollar is becoming increasingly crowded, particularly with the influx of sports betting. Therefore new racing and wagering initiatives are critical if we are to grow our financial revenue base, which will enable our code to invest in key areas including prize money.

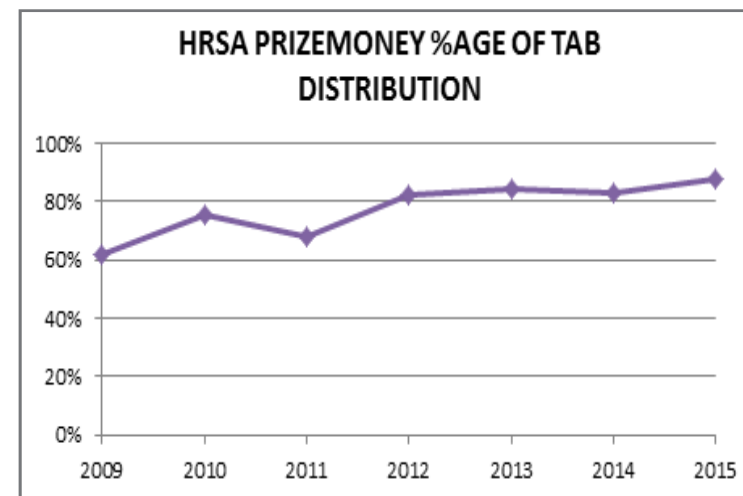
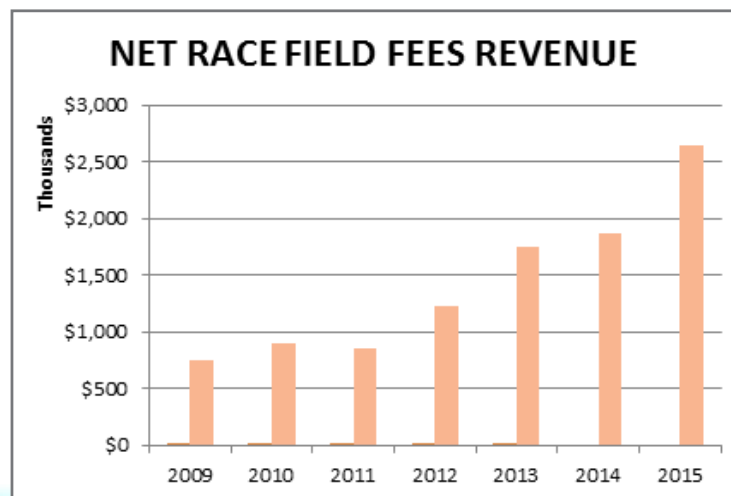
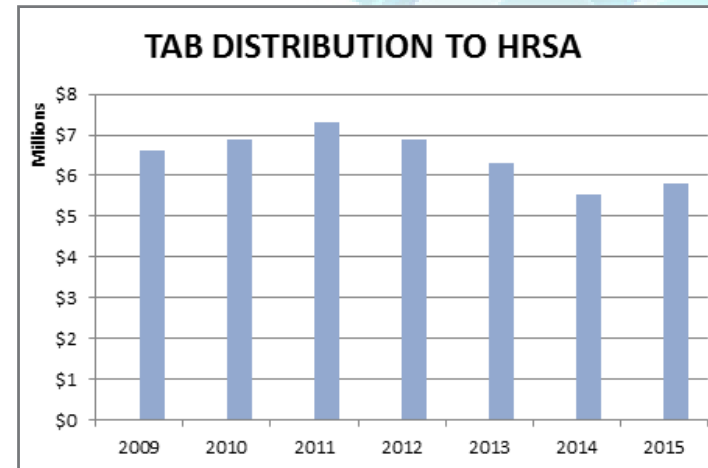
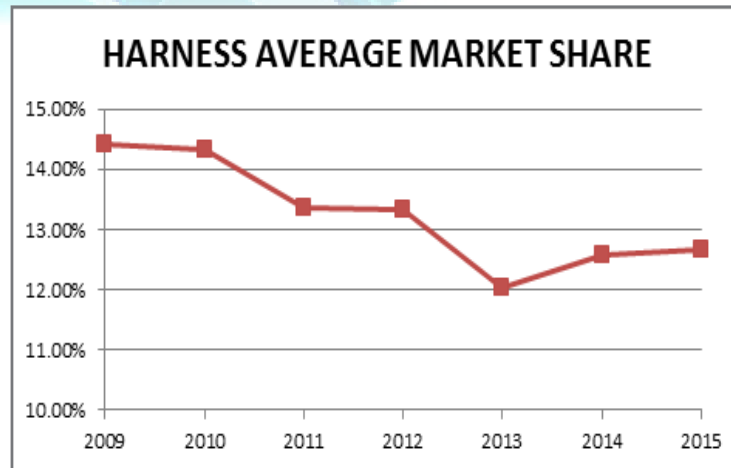


## INDUSTRY PROFILE

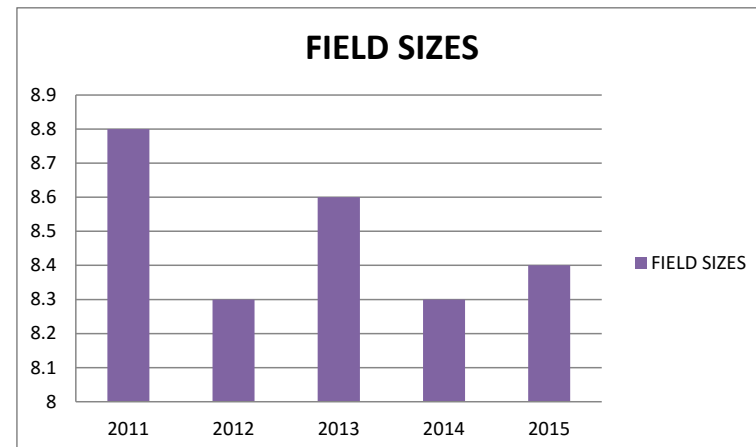
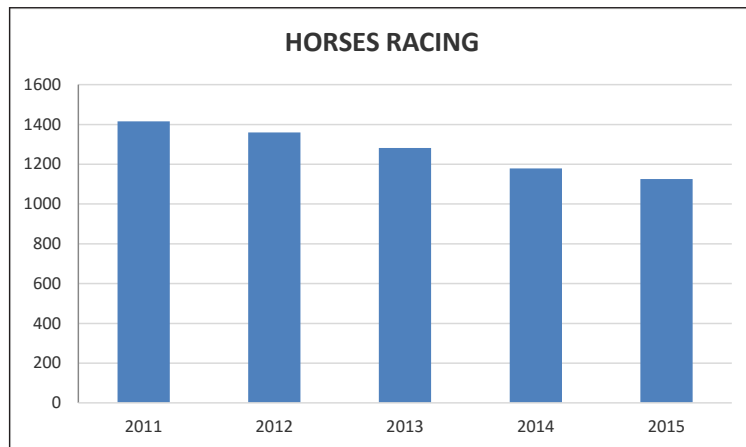
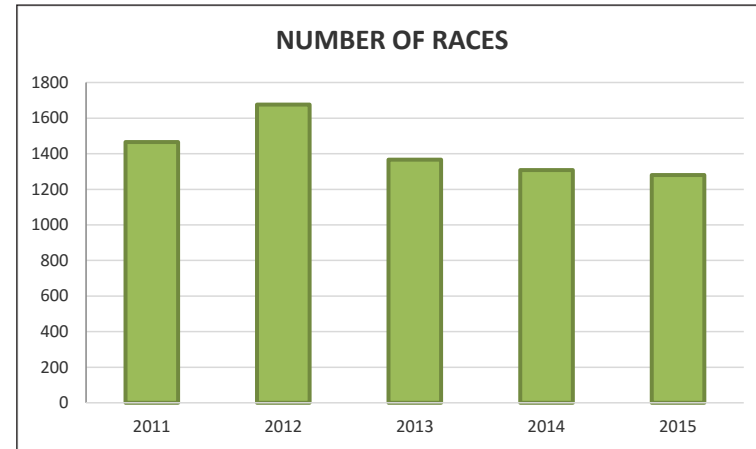
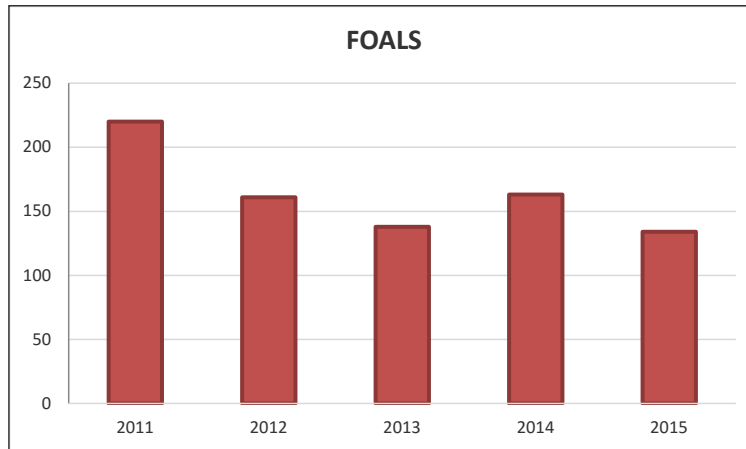


**HARNESS WAGERING TURNOVER ON SA PRODUCT BY OPERATOR**

# HARNESS RACING SA STRATEGIC PLAN 2016 - 2020



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## OUTCOMES

The HRSA Strategic Plan identified seven (7) guiding principles that the board and management will focus on to ensure the long-term success and viability of the code. The guiding principles are as follows:

1. Racing Product
2. Wagering
3. Horse Population
4. Integrity & Animal Welfare
5. Financial Sustainability
6. Participation
7. Communication & Consultation

In developing the strategic intent of these key guiding principles, it was determined and agreed that each principle would be developed against three specific metrics, namely; Challenge, Objective and Strategies.



## RACING PRODUCT

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### CHALLENGE

Recent independent market research indicates harness racing is viewed as not engaging or exciting compared to other forms of racing and other wagering products including sports betting. This is having a significant impact on wagering and revenue for the code. There is also a view that the code's brand, image and identity needs updating including the need to innovate to attract a younger audience.

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### OBJECTIVE

To present a vibrant, innovative and engaging racing product to existing and new customers. To enhance brand awareness and appeal of the harness racing product.

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### STRATEGIES

- Investigate options to encourage faster and more exciting racing product – “Hotshots”.
  - Promotion of industry ‘Heroes’ including increased profiling of leading drivers, trainers and owners.
  - Review racing operations including handicapping, programming and standing starts.
  - Work with vision provider to improve broadcast appeal.
  - Tailored marketing campaigns aimed at new and existing customers.
  - Re-introduce the term “The Trots” to all marketing and communication material.
  - Work with HRA to seek efficiencies in racing administration.
  - Establishment of a Statewide Country Cups Carnival to recognise the importance of Country Cups.
  - Reduce the number of short priced favourites (less than \$1.50) by 50% by December 2017 (currently 15%).
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## WAGERING

### CHALLENGE

The wagering industry has undergone significant change including a departure from the dominance of a single tote provider with traditional wagering offerings, to a large number of new wagering companies with innovative wagering products. Additionally competition for the wagering dollar is increasing both within racing and from other sports.

### OBJECTIVE

Grow wagering revenue by presenting a professional, attractive and exciting racing product in South Australia.

### STRATEGIES

- Enhance current HRSA wagering initiatives.
- Work with wagering companies to develop new wagering products and incentives.
- Establish closer working relationships with wagering companies senior executives and staff.
- Conduct punter consultation forums.
- Explore the international export of the local racing product.
- Growth of wagering income of 30% by 2020 (from \$10m to \$13m) - this is growth in both product fee and race field fees.





## HORSE POPULATION

### CHALLENGE

There has been a continual decline in the horse population in South Australia and nationally. The local breeding industry has also been in decline, and ultimately this has had a significant impact on the supply of horses for race fields, which then impacts on wagering and revenue for the code. Additionally horse ownership has been in decline over several years due to a range of factors including the absence of a simple pathway to horse ownership.

### OBJECTIVE

To invest and promote breeding incentives and horse ownership as key stimulants to growing the harness racing industry.

### STRATEGIES

- Engage new resources dedicated to the promotion of ownership, including syndication.
- Continue to enhance the South Australian offering through a dedicated breeding program.
- Increase total foal numbers - trend lines to be increasing by July 2018.
- Increase total number of horses racing - trend line to be increasing by July 2018.
- Increase opportunities for lower priced stallions.
- Support trainers in attracting and servicing owners including dedicated websites.

## INTEGRITY AND ANIMAL WELFARE

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### CHALLENGE

There is a stronger community focus on animal welfare. Some of the key challenges for the code include the use of whips in races and ensuring the strictly policing of prohibited substances and integrity measures in the racing industry.

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### OBJECTIVE

To be recognised as a national leader in animal welfare and integrity measures.

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### STRATEGIES

- Implement a communication strategy to impart knowledge of the integrity processes and the conduct of racing.
  - Maintain and enhance HRSA integrity career path.
  - Increased resources including use of technology in the integrity department of HRSA.
  - Continue to facilitate and enhance horse 'life after racing' programs (with an effective communication plan).
  - Develop a horse welfare code of practice establishing acceptable standards based on ethical treatment of horses
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## FINANCIAL STABILITY

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### CHALLENGE

Whilst the financial performance of Harness Racing South Australia has improved in recent years, the issues of wagering revenue and participation levels represent a threat to the long-term financial sustainability of the code in South Australia.

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### OBJECTIVE

To increase financial returns through an elevated revenue generation and cost control model that will enable increased stake money, debt reduction and investment in infrastructure.

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### STRATEGIES

- Investigate the optimum governance structure for SA harness racing by December 2016
  - Present a professional, attractive and exciting racing product in South Australia.
  - Enhance current HRSA wagering initiatives.
  - Work with wagering companies to develop new wagering products and incentives.
  - Utilise technology to improve efficiency and reduce costs.
  - Expand the range of shared services provided by HRSA to improve financial management, governance and efficiency of Clubs.
  - Achieve revenue levels of \$13m per annum by 2020 (currently \$10m)
  - Establish cash reserves of \$1m by 2020
  - Ongoing review of all harness racing facilities with a particular focus on GDP and Gawler
  - Negotiate with Racing SA, other codes and SA Government to protect and enhance HRSA's position under the new licensing arrangements that take effect from January 2017
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## PARTICIPATION

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### CHALLENGE

There has been a gradual decline in participation levels within harness racing including ownership, breeding, training, driving, volunteers and public attendances at race meetings.

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### OBJECTIVE

To increase participation levels in South Australia including reducing the barriers to entry across all levels of the industry.

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### STRATEGIES

- Enhance the racing calendar to create popular industry events and grow attendances.
  - Improve licensing arrangements and industry accreditation.
  - Support and enhance club administrative skills, professionalism and knowledge.
  - Provide support for new and younger participants in the industry including consideration of an expansion of pony trots as a targeted initiative.
  - Establish syndication programs for new owners.
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## COMMUNICATION & CONSULTATION

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### CHALLENGE

The level of communication, consultation and engagement with the industry needs to be improved so that industry participants are fully informed and can participate more productively in the code.

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### OBJECTIVE

To ensure industry participants are fully engaged and consulted including a shared understanding and ownership of the HRSA Strategic Plan.

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### STRATEGIES

- Improve current channels of communication to the code including industry forums and specific meetings with participant groups.
  - Review the role and composition of the Industry Advisory Committee.
  - Investigate and implement new communication strategies including the Implementation of digital technology communication platforms.
  - Improve communications with key partners including Government, Sky Racing, Racing SA and HRA
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