

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

Inquiry into the Viability of the Victorian Thoroughbred/Standardbred Breeding Industries

Melbourne — 1 August 2005

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Ms K. Kilgour, Group Member, Equine West.

The CHAIR — We welcome to our public hearing today Kaye Kilgour, who is a member of Equine West. Before we get started we are going to have to run through a couple of formalities. As you know, the background to this inquiry is that the Economic Development Committee of the Parliament, which is an all-party committee — it is comprised of members of three parties — has been asked to investigate and report back to the Parliament on the viability of the Victorian thoroughbred/standardbred breeding industry. We are having a whale of a time doing this; we are really enjoying it. It is a great industry. We have learnt lots, and there is lots more that we want to learn. As part of our inquiry we are collecting information informally. We are going around meeting with people and visiting their stud operations. We are also having a series of formal hearings, and this is one of them. The evidence you give will be recorded by Hansard, and out of that a transcript will be produced. We will send you a copy of that, and you will be able to correct it and send it back to us. That will help us very much in putting together our report. While you are here in this room giving evidence to us you are covered by parliamentary privilege, so anything that you say cannot be used against you directly. We do not imagine there is anything you need to talk about today that would need that protection, but nevertheless we need you to be aware of that. Normally what happens when people come along to give evidence is that we let them talk a little bit about themselves and what they have been doing — in your case, the work of Equine West. Then we will fire questions at you, if you like. Is that all right with you?

Ms KILGOUR — Yes, that is perfectly fine.

The CHAIR — Terrific. Off you go!

Ms KILGOUR — I would firstly like to thank you for having me here and for giving us the opportunity to present today. My name is Kaye Kilgour and I am the chair of AgriWest and a part of the group called Equine West. AgriWest is an initiative of the government. It is actually funded by DPI through the Victorian Agribusiness Network, through the shires of Melton and Moorabool and the Werribee City Council.

Equine West is a group of people who got together because they saw a need to develop economic outcomes in the west. There has been a lot of lobbying towards having the north-west of the state as the breeding ground for our thoroughbreds, and there is still a lot of potential in the western regions and the northern close areas of Melbourne along the growth corridors. One of the things that we have in our favour out in the north-west corridor are the green wedges, and I can see an opportunity to marry the industries and make use of land which is to all intents and purposes sometimes not sustainable as farming land even though it has been designated as a green wedge area. I am on many committees, both thoroughbred and standardbred. I race and breed both codes and have a background of over 30 years in both of those codes. We also show ponies, and my young daughter does jumping, so you might say we have a finger in every pie. I am very involved in many of the committees, such as the Standardbred Breeders and Stud Masters Association, the Welsh Pony Association, Thoroughbred Breeders Victoria — I like to think I am part of anything that is viable as a group of people whom we can learn from, and I am also on many of those committees. Equine West has a chair, who is Don Nardella. Our local MP is a wonderful help in all aspects of developing Melton and the western regions.

The CHAIR — I did say it is an all-party committee!

Ms KILGOUR — We have everybody; we do not differentiate between the thoroughbred and standardbred breeders! It goes in all directions; it is just that Don is there all the time for the people in the industry and the local regions. Regional Victoria is underpinning many of these thoroughbred and standardbred outcomes. In recent times Melton has been overlooked as a nursery and perhaps as a potential training facility for thoroughbreds because there is a very, very strong lobby group operating in the north and north-west of the state. We previously had Mike Becker, who was the president of Thoroughbred Breeders Victoria and domiciled in Melton. Since he has moved north the lobbying, you might say, has moved north, and Equine West saw a need to fill that gap. Although we are only in the embryo stages it is definitely a group that has a lot of potential. We still have one of the strongest bands of broodmares in the state being bred at Emirates Park, which is owned by His Excellency Nassar Lootah, who owns El Moxie, the sire of Silent Witness. It is a very well-kept secret. There is not a lot of publicity about that particular horse nor the stud.

The CHAIR — Why is that? We have met a chap from Emirates — I am just trying to think of his name.

Ms KILGOUR — Eddie Alvarez.

The CHAIR — We met Eddie at the sales earlier this year. It is a well-established stud out that way, and presumably it has the resources to promote itself. I think there is another Emirates in — —

Ms KILGOUR — Yes, up in Scone. I think part of the reason is — although Eddie is on our committee; he is part of Equine West — that they do not seek publicity. His Excellency is one of the richest men in the world, and I think they keep a very private operation out there. He comes twice a year to Victoria to stay there. He comes with his six children, and you would not even know they were there. They have their own cooks; their entourage comes with them. He goes to the races in Sydney, and he will go to the races here if he has horses that are racing. I think he prefers to keep it private, but because of the success of Silent Witness, El Moxie has been very much at the fore. I entertained people from Hong Kong often last year. Because the horse was racing in Hong Kong and Singapore and doing very well we had a busload of 20 people from the marketing arm of the Hong Kong Jockey Club who came out and stayed at the Hyatt to do a documentary about the horse. It is a very, very high profile horse and a high profile stud overseas, but I do not think we market it well enough. I do not think the region has taken ownership of that opportunity yet. We have highlighted it in our submission, but it is something that the Melton Shire was virtually unaware of until this document emerged — the Equine Industries Development document, which I will hand over to the committee. They just roll along; they do not have a high profile anywhere. We have a lot of other studs there that are doing a very good job, and their yearlings are commanding high prices in that region, but virtually nothing is ever said about it. Now that Mike Becker has gone, there is no core group promoting the region.

The CHAIR — Mike was almost next door to it, was he not?

Ms KILGOUR — Yes, he was probably 8 kilometres away further down towards Bacchus Marsh, which has now reverted back to Cornwell Park. It was called the Independent Stallion Station; it is now Cornwell Park, but there is no-one there.

The CHAIR — There is a stud opposite.

Ms KILGOUR — Carbinevale Thoroughbreds.

The CHAIR — It is opposite Emirates, is it not?

Ms KILGOUR — There was Tamarin Park — Tremon Thoroughbreds is up the road in Black Hill Road, which is owned by Sue Markwell and Trevor Gluck. Down the road is Tamarin Park, which had a wonderful stallion, but Ramsay McDonald, the owner, recently died, and I do not know what will happen there. We have got Dreelburn Stud — —

The CHAIR — There is a cluster of them.

Ms KILGOUR — There is Teppo Park, the Birchwood Stud was there for years, and there is Carbinevale Thoroughbreds.

The CHAIR — I want to ask you something that has occurred to us — it reminds me of something that Mike said. I visited the Independent Stallion Station three years ago. We were in New Zealand, and we have asked people from time to time, ‘What is it that makes this particular geographic patch the best for raising horses?’, because a lot of people tell us that their particular patch is ideal for raising horses. It might have been Gary Chittick who said, ‘The thing about New Zealand is that the grass is so lush and the climate is so favourable that you can get away with more mistakes when raising horses in New Zealand than you can anywhere else’. When I was out visiting Mike it was quite instructive. It has been a very, very dry summer, a thunderstorm was coming over the hills towards Bacchus Marsh, and I said, ‘You are going to get some rain, Mike’, and he said, ‘No, the clouds always divide, and one half goes there and one half goes there’. Toolern Vale is in that rain shadow; it always misses. From what I can gather, Toolern Vale has a lousy climate for raising horses compared to other parts of the state. It just does not have year round good rainfall and all that, but it has lots of studs out there because they have always been out there. I have scratched my head and tried to figure out what is the perfect location in Victoria for raising thoroughbreds, but I do not know. The more people I ask the more confused I get. It struck me that it does not have fantastic rainfall out there, yet there are lots of studs out there.

Ms KILGOUR — Traditionally we have raised wonderful horses there. Despite what they might say about the rainfall, there are plusses because of the warmer climate. The foals do well, the weanlings grow well —

you do not have to feed them as much, and you can get away with more mistakes with that as well — and there is water available. A lot of the area is serviced by town water, and now, of course, we have got recycled water, which is another jewel in the crown. The recycled water pipeline is stretching its tentacles all over the place now. That has not been there all the time, but we do have a basalt plain that runs down over the road from the Blackhill Road area and encompasses a lot of that Toolern Vale ridge area. So there are geological reasons for some of these wonderful horses coming out of this region. There has been Mahal and Torto back to the old days of the Dreelburn Stud when Good Brandy stood there. There has been a history of that region growing wonderful horses. Before it was Emirates Park it was the home of Showdown and Tontonan and all of those great sprinting horses and Star Kingdom line horses at Stockwell Stud. So despite the fact that there is a lack of water, it does not seem to have hampered the number of champions that have come out of the region. I do not really understand why the stud is set up there other than by going back to history. Melton is the home of the Australian Stud Book. W. C. Yule founded the Stud Book; there is a lot of history there.

The CHAIR — It is now stuck up in Sydney.

Ms KILGOUR — That is right. There is a lot of wonderful tradition there that this document uncovered that also goes unheralded. There is potential for Tourism Victoria and all sorts of other ways to capitalise on some of the things that are out there. The proximity to Melbourne is a great plus. We have international visitors who come in — for example, from Asia. The markets are now opening up all over the world. It is such a small place. We have Hong Kong buyers, the Singaporeans come all the time, as do people from Kuala Lumpur, Macao and everywhere else. They want to buy our mares. Sue Turner-Walshe from Carbinevale Thoroughbreds enjoys a wonderful relationship with the Asians and they come all the time to buy her horses. Until recently the chairman of the Hong Kong Jockey Club owned half of Dreelburn Stud, and that was another well-kept secret. He sold out of that property quite recently. Globally there are still very many links into that region and I do not think that will change. I forgot to mention Birchwood Stud, which is on the Calder Highway near Sunbury and which is still breeding very good horses. Many big interstate stud owners are looking for properties there, but cannot find one. We have one who sold out of probably the second biggest stud in Australia — Lakewood Stud. He is looking for properties in Melton, Bacchus Marsh or that area, but we cannot find one for him.

The CHAIR — You have convinced me that it is a good area for raising horses. Now, let us move on. Just give us a couple more minutes and we will then start throwing some questions at you.

Ms KILGOUR — Okay. Something that I think has been overlooked is the demographic of the younger community. Traditionally the north-western region has been a big gambling area and the racecourses have gravitated out that way. The younger people growing up in that region are all potential participants in both these industries. We have 2000 registered standardbreds there, and I was instrumental in getting the track. I was persistent to the point of nausea for some people, but the harness racing track will eventually happen.

The CHAIR — When will it happen? It was being talked about 15 years ago.

Ms KILGOUR — I can totally relate to that. I was on the originating committee. It originated in Gisborne in 1984. The council said, 'No', and then it went down to Melton. A grant was auspiced by AgriWest to look at it again after it fell over with political issues with the commissioners and the shire and everything else; but it was hit on the head. Harness Racing Victoria was given land to do the job. It had a lot of reasons why it did not want to do the job. It is the same old story. If you want to do something you find a way. If you do not want to do it you find a reason not to.

The CHAIR — So Harness Racing Victoria owns land out at Melton?

Ms KILGOUR — It was given land by the Shire which it chose not to utilise, and gave it back. Now it has decided that it is a goer. For whatever reason I think it was hammered and hammered but it then realised that this was the only way to go. It now has to buy it back.

The CHAIR — Same land?

Ms KILGOUR — Same land; bad economic choices and bad decisions. Now it has decided that it is going to work. It had potential partners in private industry; now it is trying to do it on its own. It will be very successful. The whole concept is wonderful — hotel, convention area — —

The CHAIR — So this will be the main racing centre for Melbourne?

Ms KILGOUR — Yes.

The CHAIR — It will replace Moonee Valley one day?

Ms KILGOUR — Yes. The future at Moonee Valley is limited. They can tip all the money that they like into it; I do not see it as a viable harness racing home. You could fire three cannons there at any meeting and you will not hit anybody except the trainers and maybe a few straggly owners. If you go out to the regional areas of Victoria, country racing is booming. I think that is part of the community spirit that develops around these regions. I think that a harness racing track or anything in Melton will be well supported like they are in most regional areas.

The CHAIR — We would not argue with you because we have to front up to Don at some stage!

Ms KILGOUR — Right.

The CHAIR — In the Melton area standardbreds would be a bigger industry than thoroughbreds?

Ms KILGOUR — Most definitely. I will make it quite clear that until two years ago when Mike left, nearly 1000 mares were being mated in any one season there. We only mate 4000 thoroughbred mares a year and a quarter of them were being served in Melton. But they are virtually walk-in and walk-outs; they do not live on the properties. They come and get served and then leave again. Mike has scaled down his operation to a large extent, but a lot of mares are still being bred there. The breeding industry in standardbreds in the Melton region is very small. However, the training is huge — 2000 horses registered and something like 300 trainers in that small patch. You could throw a net over Melton for 15 or 20 kilometres and you would just about catch every harness racing trainer in the state. The other thing that is very interesting that is never ever looked at — —

The CHAIR — So where do they train? They all have private — —

Ms KILGOUR — They all have their own private facilities, which is a huge burden on the trainers because they fund their own. The thoroughbred trainers are a different story. They have a huge juggernaut of money tipped into them and have all their private facilities paid for by their governing body, Racing Victoria; so it is an inequitable equation. The harness racing industry races for very poor stakes, although it recently had a carrot thrown to it because of political issues in the industry, but they race around the country for \$4500 and then they have to fund their own properties.

The CHAIR — Mind you, I think in New Zealand they said that if you were an owner there is a return on your investment both in the length of time that you will get some enjoyment out of it, and just the dollars. You would pick standardbreds every time ahead of thoroughbreds. It is a lot cheaper to get into, your horse will run for a lot longer and chances are it will more regularly receive some prize money than it would if it was a thoroughbred.

Ms KILGOUR — I think that would be right; I would agree with that. The standardbred industry in New Zealand is huge as well.

The CHAIR — It is bigger than here.

Ms KILGOUR — But our export market is growing in standardbreds. We have very strong exporting of horses out of this region, which is growing all the time. The Americans love our horses because they are durable, they are strong, they are well bred. Through our breeding programs we have been able to evolve a tough, durable horse that is a racing proposition.

The CHAIR — They do not suffer injuries the way thoroughbreds do. You can race a trotter until they are 12 or 13 years.

Ms KILGOUR — That is right, and they will still be winning. Part of the reason is about need because some trainers race for such low money. They have to keep those horses going, and they are very savvy in terms of their horsemanship. They can walk out of practically any stable here and go and work overseas. That is why it is very hard to keep good trainers here. There is a very high skills shortage in all of the codes. But thoroughbred trainers can walk out of here and make \$200 000 a year managing a set-up over there.

Mr BOWDEN — Just one quick question. There is a comment in your submission that the horse industry is the third largest employer in Australia and is a \$78.4 billion industry in Australia. Could you confirm whether that should read 'billion' or 'million'.

Ms KILGOUR — I think it probably should have been \$7.4 billion.

Mr BOWDEN — Seventy four billion sounds a little high.

Ms KILGOUR — It is a lot of billions — taking over from BHP!

Mr BOWDEN — Having flown many times in and out of Melbourne, on occasions the aeroplanes go over those regions. Is the expanded air traffic into and out of Tullamarine an influence? Do you have a feel for the impact or otherwise of the airport?

Ms KILGOUR — No. It is of no interest. It does not seem to worry the horses at all. In fact, another standardbred stud is setting up close to the airport. I grew up in Essendon; we do not even hear the planes.

Mr BOWDEN — They are up there, and you are down here.

Ms KILGOUR — That is right!

Mr BOWDEN — My last question is about the influence of the local council. Is it a force for good? Is there something more that councils should do but are not doing? Are they great? Would you care to comment about the council environment and how it affects the industry?

Ms KILGOUR — Very interesting question. The council is extremely supportive of the harness racing industry. As one of the original project officers on this project, I felt very hamstrung by some of the council officers. There are two sides to the council: there are the doers and there are the ones who have a vested interest in things not being done.

Mr BOWDEN — They would rather tell you what you cannot do.

Ms KILGOUR — Exactly, and they want to take control of projects. They want you there as a token committee but they really want to direct you and get an outcome that suits them in their 9.00 a.m. to 5.00 p.m. jobs. I find that extremely challenging. I will give you one example which is frightening. I do not work from 9.00 a.m. to 5.00 p.m.; I just work when I need to because that is how you get the job done. I drove out from town with an opportunity for the biggest stud in the world, which serves 4000 standardbred mares all over the world and wanted to buy 50 acres of land wherever the recycled water was and did not care where that was. I presented that opportunity to the council's economic development committee. The guy was ready to go, hot-to-trot; he wanted the land. The response I got from the council was, 'We have a golf game at 5 o'clock and I do not work past then'. It was about 44 degrees — the hottest day of the year. I have a very young daughter who had to be picked up from school. I ran around like a hairy goat to find a way to accommodate her so that I could get this deal done, and someone was going to a golf game. I was just flabbergasted. Now that is the sort of thing —

The CHAIR — He was going directly to the 19th hole; he was not going to play golf!

Ms KILGOUR — That is right. That is the sort of thing that you have to deal with when you are trying to get a job done. People are either not big enough for the job, or the job is too big for them.

Mr BOWDEN — So the council's policy is supportive, but sometimes the managers are not so helpful?

Ms KILGOUR — The gatekeepers try to keep things in a little box because if it gets too big they are responsible and basically I do not think they can manage major projects.

Mr BOWDEN — Thank you for that.

Mr PULLEN — I thought your presentation was excellent.

Ms KILGOUR — Thank you.

Mr PULLEN — There are a couple of comments in your submission. You say that there is strong need for a high-profile sale, an estates-based sale linked to something like the Magic Millions. You also say that the Victorian sales are run by a New South Wales company. I cannot understand why there has not been more competition in the industry — perhaps because the big players have got it sewn up, and they obviously do it pretty well. Has your organisation given any thought to how that could be better developed in Victoria — for example, a racing carnival around the time of the sales, or a better racing carnival or a company that could possibly carry out sales?

Ms KILGOUR — The point is very valid, and there have been a couple of goes which we flagged in our document. Very successful Magic Millions are run because you have the right people and the right project behind it. Some of these things are just driven by passion — and money, of course. The Inglis sale people do a very good job. They are very territorial about other people coming on their patch, and rightly so because it is their income. Mike Becker had a couple of goes doing Magic Millions sales at the Stallion Station, which worked quite well with weanling sales, et cetera, but it needed a lot of funds to promote it and that held it back a little. I think there is definitely room for a big sale here — in the standardbred industry in particular. The ready-to-run sales work very well overseas and I am going to try and get a ready-to-run sale going with stud masters to try to promote that industry because it works very well. But if we could have a big sale here which had the same attraction and aura, everybody would come. It is a ‘build it and they will come’ sort of thing. It is about having the right people promoting these things. It is very important for the economic development of our industries to have somewhere where these people can go and see a benefit. We have very good sales-based programs for standardbreds and thoroughbreds and we could have a sales-linked stakes futurity race linked to a sale like that. That is very worthwhile pursuing at some level. Once again there will be a lot of opposition from the Heagneys. I interviewed Peter Heagney and some of the Inglis people in relation to this document. Nobody wants to talk about it unless they are potential partners, and that was not my role. Partnerships work very well with the right people and potentially that is the way to go. If you have the right people in a partnership, it is pretty much a no-brainer.

Mr JENKINS — I want to pursue the need for a high-profile sale in the Victorian thoroughbred breeding industry. I think you said that if you hold it they will come. To what extent can you do that? What sort of investment does the industry have to make to see that happen?

Ms KILGOUR — Any of these initiatives have to be industry driven. The people in the industry are passionate, but you need people who have the time to do these things. So I guess there has to be some money put in to create something. An example of one of the very successful sales held was at the Listons. Peter and Pauline Liston have sold out of Lakewood Stud. They had a private sale at the property and spent \$10 000 on a marquee. Everybody had a big party which is really what these industries are based on. They are based on everybody having a good time. It is very social.

The CHAIR — As long as you are enjoying it!

Ms KILGOUR — It is all fun. I am getting off the track a bit, but it is an outlet for a lot of the people, especially businessmen. They want to have fun. They have a lot of things going on in their head. Everybody does not want to play golf. They want to have a party, they want to have fun; it is about social interaction. The Listons had a great party on their property and sold millions and millions of dollars worth of bloodstock and they are now setting up here. That is what Magic Millions is now; it is a big party. Really that is all it is. Everybody goes there, has a big party and the horse prices are inflated. A bit of argy-bargy goes on there, but that is a story for another day. The figures are all there and people come from all over the country. The economic value is that you attract internationals. The sales give you a global market which is what we need. We need to showcase our horses overseas because that is where the big money is.

Mr JENKINS — But we do not have a high profile sale?

Ms KILGOUR — We have the same old, same old.

Mr JENKINS — And if it was to be left to the industry, you would assume that it may not happen?

Ms KILGOUR — It probably could happen in the right manner if it was flagged in the right way. I do not know. It definitely can be done, and it probably will be done. It is just a matter of how and when. It works. They all work. It is a matter of getting it off the ground. There is a very successful ready-to-run sale. The horses are being bought at the autumn sale. The yearlings were at the lower end of the market and the horses were all getting ready

for the ready-to-run sale which increased the value of the bloodstock being turned over, probably tenfold. They run at Moonee Valley one day, and they are sold the next day at Inglis's. Again, it is about potential partnership. So you have all of those positive energy forces working with the industry. It is everybody working together to get a successful outcome.

Mr JENKINS — So you do not see a role for government?

Ms KILGOUR — I see a role for government in everything.

Mr JENKINS — So do I!

Ms KILGOUR — I think it would be a very good outcome if something like that could be flagged. The outcomes would be incredibly strong.

Mr JENKINS — Just one more question: would you say that Don Nardella is a standardbred or a thoroughbred?

Ms KILGOUR — I think he is anything that is of benefit to the state. He did an enormous amount of work for the standardbred industry and he is very knowledgeable in both areas.

The CHAIR — Let me ask you a serious question, Kaye, about artificial insemination. This inquiry is looking at both standardbreds and thoroughbreds. Standardbreds have embraced AI and a number of people to whom we have spoken have highlighted the advantage they have taken of AI as an example of how they have embraced technology, and they are at the forefront of anywhere in the world. It is the opposite with thoroughbreds where much as these technological advances could be used, but the international agreement is that they will not be. Do you think that can be sustained in the longer run?

Ms KILGOUR — I think that despite what they say, some of the biggest purchasers of AI equipment are thoroughbred studs.

Mr ATKINSON — What are they doing with it?

Ms KILGOUR — Despite what they might say, I am sure that a lot of the stallions cannot service the number of mares without AI. One of the theories about why they have not embraced it is that because of the transportation of mares around the place the whole industry would be affected. They have created an industry that is underpinned by a lot of other industries. The transporting of mares is something that would suffer.

The CHAIR — Surely that is the same with standardbreds?

Ms KILGOUR — A lot of them live on the studs forever and they do the transportation themselves, whereas the thoroughbred people do not. That is one of the reasons I have heard. There would be much lobbying if they tried to stop it. Also, I do not know whether AI for standardbreds is a good thing because you have the big fish eating the little fish scenario. You have one stallion serving maybe 400 mares, and that has happened. Some of the other stallions may be as good, but because of deals and everything else they will only get 50 mares. But again it is about market forces, and I think the market will always sort everything out eventually. Some of the stud masters would never want to see it, but the ones with the good horses would. That is a research and development project on its own.

The CHAIR — So what is your view?

Ms KILGOUR — I think it should be allowed because market forces will sort it out. If I had a stallion and, say, 300 mares that wanted to come to him and I had him shuttled for only two years, then I would be losing out on an opportunity to use that stallion before he went back to the USA or wherever he came from. That is one scenario. But then once again you have the big fish eating the little fish scenario.

The CHAIR — It surprises me. It is the only area of livestock in which AI is not permitted. In human biosciences we are doing all sorts of things. Why would thoroughbreds be the exception?

Ms KILGOUR — The evolution of the running of the thoroughbred industry in Australia is still in its embryonic stage. I will be very frank. We had an old boys club running the show for a long time. They ruled the

roost and were controlled by breeders. They have not been gone for long. The new kids on the block have been there for a short time, if that makes sense. In time it will evolve because of a different hierarchy. The hierarchical system is changing at the top of the tree in the thoroughbred industry. Everything is different now. Over the last seven or eight years there has been a great change in how the industry is run. Some things are good; some things are not so good. Can I just add one more thing, which was not in the submission?

The CHAIR — Certainly, Kaye.

Ms KILGOUR — Meadowlands in the USA — they built a racetrack there. It is called the Meadowlands; it was in New Jersey. It was in a big, agricultural green-belt region — virtually a green wedge. They built the track there. The whole of the state is now all about harness racing. I have a tape of the creation of the Meadowlands. Amazing scenarios have taken place in that state because of the Meadowlands development. When I say, ‘Build it and they will come’; that is how it worked.

The CHAIR — Was there any harness racing before that in New Jersey?

Ms KILGOUR — Dribs and drabs, but not to the extent that it is now. It is just amazing now. If you are really serious, you go there. I can envisage that happening in Melton.

Mr PULLEN — I refer to Recommendation 6, which refers to assistance to local studs to implement a similar scheme to New South Wales whereby stud fees are not payable until a foal is sold at a sale. Could you explain that a bit more, Kaye, because we have heard a lot about bad debts, and I do not think anyone would ever be paying it.

Ms KILGOUR — A lot of deals go on. In New South Wales they are very good at doing deals and they have given a lot of incentives to get the horses over the border. Whereas they do not have to pay for their foal, sometimes, until it is born or — —

Mr PULLEN — This is mainly from the big overseas places like Darley and Coolmore?

Ms KILGOUR — Yes, that is the sort of thing; Darley, because it wants numbers on the ground — to make a horse successful it has to have the numbers. I do not know whether it is appropriate to assist the studs, but we thought it was worthwhile flagging it as a comment so that all the cards are on the table and everybody knows how the game is played. You cannot be in the game if you do not know what is going on. But there are ways, I think, that we could boost our industry — with a stakes-based race or more incentives in that breeding sort of area, à la the standardbreds. The standardbreds have had, over time, some wonderful initiatives that have helped the breeders.

The CHAIR — Thank you very much for your time. We will make sure a copy of the transcript comes to you in the next couple of weeks. You are welcome to correct that and send it back to us. We will make sure a copy of our report, which will probably be delivered around the end of the year, goes out to you.

Witness withdrew.