

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

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

Nagambie — 22 June 2005

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Witness

Mr K. Kurrle, Kisimul Farm, Wangaratta.

The CHAIR — Welcome everyone, the Economic Development Committee's first witness in Nagambie this morning is Kevin Kurrle, Kisimul Farm, Wangaratta. Welcome, Kevin. Before we get started I shall give a bit of background about the committee and how the public hearings work. I stress that informality is one of the key ingredients. We are an all-party parliamentary committee of seven members, four of whom are on this subcommittee.

There is representation from The Nationals, the Liberal Party and the Labor Party and our objective — always in these things — is to try to deliver a unanimous report back to the government or back to the Parliament on the thoroughbred breeding side of things before the end of this year, then the government responds some months after that. Hopefully it will say, 'Tick, tick, tick' to all the well-thought-out recommendations.

We hear from lots of witnesses in our compiling a report. We do that via written submissions and you were kind enough to put in one — I think you were the very first person to put in one — and also through public hearings. The things that distinguish public hearings are that Hansard records the conversation and we make the transcript available to you in about two weeks. Then you can correct any errors or anything wrong. As a consequence of that, anything you say in the formal hearing is covered by parliamentary privilege. So if you need to bag someone mercilessly, they cannot sue, but it does not extend once you leave the room so be careful about that — not that you need to worry about that but we do need, as a formality, to tell you that.

Would you, by way of background, like to introduce yourself and tell us your history in the industry and what you are currently doing?

Mr KURRLE — I am a retired TAFE teacher. Back in about 1980 I was given a grant from the then State Training Board to do a training analysis — that is, the training of people — in the horse industry, which I did. Then in 1985 I developed courses for both the racing industry — there was a strapper course and also one for the breeding industry. In 1985 we started the first course at Wangaratta, and that has been very successful and is still very successful. Also I was asked then by the VRC to do a training analysis for the racing industry, which I did and the main result of that was that the jockey apprenticeship was reviewed and the curriculum rewritten by myself and colleagues at Wangaratta.

I have also had the opportunity of travelling overseas, mainly in Asia through Business Victoria, to basically look at what they are doing in those countries and also try to recruit international students from those areas. Some of the countries I visited were Malaysia, China, India, Hong Kong, Singapore — all over the place. From there I developed a training centre, again for people, at Wangaratta which was aimed at training people just for the breeding industry.

Since then I have resigned from TAFE. I now run a small agistment farm and I am a small breeder of horses. The whole time I was basically at TAFE I was breeding two mares per year. As you may gather, through this I have got a lot of contracts within the industry, a lot of our students were given work experience on farms around this area and in the Hunter Valley. I have also travelled to America where I had a look at the farms in Kentucky and the set-ups there, their courses of education and training set-ups, which were pretty ordinary actually. I was a bit disappointed in that. I have sat on various committees like the horse committee for TAFE. I could say I have a passion for this industry, and always have.

The CHAIR — With your own agistment farm, you would service hobby breeders mainly or small commercial?

Mr KURRLE — Mainly just pony-type people. I have got the farm divided into two parts where I groom my mares and then there is just mainly pony clubbers.

The CHAIR — I see you describe yourself as a hobby breeder?

Mr KURRLE — Yes.

The CHAIR — I would be interested, with your long interest and involvement in the industry, if you would give us an assessment or comment on the nature of the Victorian industry, whether it is from the brood-mare owners perspective or whether it is from the people running small commercial studs — what do you think are the things that characterise it?

Mr KURRLE — Firstly, with the studs, particularly in this area, we are lucky enough to have very good stud masters, we are lucky enough to have very good staff under them, hopefully trained by me back in the 1980s, and I believe they are as well run as anywhere I have seen on my travels. I believe that they are some of the very best stud masters in Australia. The Hunter Valley would probably disagree with that but I believe that.

As far as the breeding side goes, and I will talk mainly of the small breeders because that is where I am, they do it pretty tough and although the majority of breeders are small breeders, if you look at the figures — the majority of breeders are 1 to 3 which are the small breeders — it is very hard for the small breeder to market his product because he has not got the clout that the big farms have got. Sometimes it is very hard to get their progeny in the better sales because they have not got the clout to get their stock in and also when they do get into the sales they have not got the opportunity to be in a big draft of horses where a lot of buyers will come in and ask to see the whole draft of a particular stud, whereas unless they have got something that stands out on paper, as in the pedigree, then they find it very hard to sell that progeny.

The CHAIR — Is this why a lot of the people appoint a lot of the bigger operators as agents at sales so that they get whacked in with that draft and then hopefully towed along with the support?

Mr KURRLE — Yes. The other thing is the taxation for small breeders. I am lucky enough because I run agistment and the breeding, I do get the tax benefits, but most of the small breeders do not qualify for that. Also, I would say that a lot of the small breeders do not make money. They either lose money or they are happy to break square. I think the big thing is marketing but also their cash flow. They probably cannot afford the better-breed mares, and they probably cannot afford to go to the better stallions on offer.

The CHAIR — We have come to understand that one of the real determinants of how well you will do at sale is the pedigree of what you are offering? That seems to be the threshold question. You can occasionally add something that might be unfashionably bred, but the chances are that you will find it harder to just get into the market in those particular sales?

Mr KURRLE — That is right. Most of the trainers get the catalogue, read it and pick out on paper what they want to look at, and that is all they will inspect.

The CHAIR — Thinking this through, what are the sorts of things we could contemplate in marketing assistance for small breeders? Given that a lot of them will still want to go to sales, and that is the choice they make, and as a Victorian-based industry — whether it is the government alone or the government and the industry working together — how do we put in place some marketing support for people in this situation?

Mr KURRLE — Good question. The best way I think — and I have probably got a bit of a thing on this — is to try to get them together as a cooperative so that you get a pool of breeders together under the one management, and then they sell as a group under the one banner. The example I will give in racing is the Aquanita model, where they manage for several trainers. I could see that this would work for the small breeders, if they had a management group and all belonged to a cooperative and basically helped each other to market their product. I am a great believer in marketing. It does not matter what industry you are in; if you do not market it, you struggle.

The CHAIR — I will open it up to Noel and Hugh after this question. Is it a case that a lot of the small breeders need not only the marketing support but also the advice in that support that says, 'In order to do as well as you possibly can you really need to aim for a different sale because in this sort of pedigree and this sort of sale you are always going to be at the bottom end; you are better off choosing to go into the Adelaide sale or waiting for another sale'? Is that part of the deal as well?

Mr KURRLE — I think so. The understanding with horse breeders is that they think they have got the best, they think they have got whatever. Unless they are getting good advice, they are going nowhere. And the advice is there. Inglis will give advice and the stud masters will give advice. But unfortunately with a lot of small breeders, even if they are businessmen, the business principles go out the window and it then becomes a passion thing. It is the old story that you can tell someone what is wrong with his wife and kids, but do not tell him what is wrong with his horses.

The CHAIR — I won't try that one at home!

Mr DELAHUNTY — I will just stand a few yards away; it will be safer! Kevin, thank you for your input today. Do you breed to race or to sell?

Mr KURRLE — I do it to sell. When I was with the college, to support the students with horses we bought in-foal mares and took them back to the college farm, foaled them down, prepared them for the weanling sale — which is next week — and sold them at the weanling sale. With what I am doing now is I either buy mares in foal, or I have one particular mare that I breed with, and I aim for this weanling sale — mainly because of the advice of Peter Heagney, who said when we were at the college, ‘You are competing against too much to make an impact in, say, the premier sale. We are better off at the weanling sale, when we prepare them so they look very good and they stand out and people come and inspect them, whereas in a bigger sale we would be lost’. I follow that advice through and I aim for the weanling sale, which, as I said, is next week.

Mr PULLEN — Where is it, Kevin?

Mr KURRLE — At Oaklands Junction. I have got one weanling in on Monday; I hope he sells all right.

The CHAIR — Good luck.

Mr KURRLE — I may need it. That is another thing you need in this industry — a bit of luck.

Mr DELAHUNTY — You were talking about advice to the breeders. Is there any concern with you about the ownership thing? Because we have to grow the market and we are seeing that, particularly in Victoria with syndication and those types of things, do you think we need to provide any more encouragement, advice or anything like that for prospective owners?

Mr KURRLE — Owners of brood mares, not in racing?

Mr DELAHUNTY — No, for racing. It could be for both, though.

Mr KURRLE — With the racing I think you try to do a pretty good job. That is their main advice, I suppose. With the breeding side I have put in my proposal about a skills centre, which I have called a centre of excellence. I believe that even though the TAFE colleges are probably doing a pretty good job, the model this breeding industry should follow is the Harness Racing Training Centre, where it is run by the industry. They control it.

As I said, this centre of excellence would be also available for people who are coming into the breeding industry and who are seeking advice. I have seen the centre being run by people who are very good at breeding horses and very good at communicating and giving advice. That would be a focal point where people could go and get the advice that should help them on their way. I see it as training people for the industry and also perhaps it being opened up for international students.

One of my biggest let-downs was at TAFE. I had organised for some Japanese students to be trained in this area. I was offered a three-year contract for the college of \$1 million per year to train these Japanese students, and the college knocked it back. I do not know why. But there is a market there, I think, for that sort of thing. If we can get exchanges and that sort of thing going, that is when young people going through will get to see all the different places overseas and then come back to Australia and bring all the skills back with them.

As I was travelling around there were a lot of places, especially Kentucky in America, where some of our ex-students were working. There are some working in New Zealand and there are some working in Ireland; they tend to travel around. They get to see different skills and different ideas, or even just prove that what they are doing is right.

Mr DELAHUNTY — You have talked about the TAFE sector; was most of your training on campus? You said you had good placements, but did you go off campus to do a bit of the training at some of the sites?

Mr KURRLE — Basically the training was done on campus, apart from 16 weeks over the two-year course, where they were placement.

Mr DELAHUNTY — And there was no problem getting placements?

Mr KURRLE — Initially yes, but now they ring me up and ask for them. It was just a thing of proving that they had skills. Also it gave the farms a chance to try out these students and offer them jobs at the end of it. Most of our students were offered jobs on placement.

Mr PULLEN — I will just go back to the centre of excellence, Kevin. I have two questions. Who offered the \$1 million over three years?

Mr KURRLE — There was an agent from Japan who I was introduced to by a friend of mine who was actually teaching at a TAFE college at the time. He now works for one of the big studs over in Japan. Actually it was being run in Queensland, and they were having problems with it up there. Through this person they contacted me and said, 'Would you be interested in training these Japanese students?'. They did a report on it, did the whole lot; it was only a matter of the college saying yes and we would have had it.

Mr PULLEN — This was facility-wise and stuff like that?

Mr KURRLE — I think it is good. I mean, if they had said yes then we would certainly have been looking at the government to help us because it would have been too big a project for the college to handle but it certainly would have been great for the town and this district.

Mr PULLEN — You mentioned the Harness Racing Training Centre. Who financed that originally?

Mr KURRLE — Actually I did the curriculum work on that one as well. It was financed by the government through the harness racing board.

Mr PULLEN — What year was that, roughly?

Mr KURRLE — Around 1990 or a bit before maybe. They were given a grant of, I think, about \$250,000 to develop it at Bendigo. I think it has been very successful, again because the colleges do not understand the culture of this industry, they do not understand how it works. They stick it under agriculture and horticulture, and to me it should be tied more to racing than to agriculture-type things. I think it should be controlled and run by industry. I do not know how many times I have threatened that the place will be closed down because it got too expensive. We seem to always be fighting to keep it going.

Mr PULLEN — I was interested in your research here where you say:

... the fertility rate of thoroughbred mares is around 60 per cent, which means about 40 per cent bred do not conceive, which means the industry is losing millions of dollars every year.

New techniques and modern breeding methods need to be developed and/or improved.

Would that be the sort of thing you could get at the centre for excellence?

Mr KURRLE — Exactly.

Mr PULLEN — Is that worldwide figures?

Mr KURRLE — That is Australia. I think someone might correct me on that but I think that is about right. If you look at how the breeding has improved, back when Star Kingdom was there, he had a stud book full — about 40. In costs alone you are looking at over 200 mares last year — that is to improve breeding methods, of course.

Mr PULLEN — You also mentioned the equine veterinary hospital.

Mr KURRLE — That would be included in it as well. There is a clinic up at Scone which concentrates mainly on foals, they bring them in there, then they look after them in intensive care. Again it is a way of saving money in the end because it keeps the foals alive. But it is not only foals; I think they do other veterinary work as well. That could be set up by a vet company that is already in practice

Ms DELAHUNTY — Can I ask a question in relation to how long you were running the course there at Wangaratta and what were the student numbers? Is it a growing demand?

Mr KURRELE — When I started running it in 1985 I had 12 students, a syllabus, and that was all. There was no facility, no teachers, nothing. I think we used to have a starting intake of a maximum of 20; we preferred 16 because if you get too many people around horses, then there are those who miss out. It is an OH&S thing. So we used to play with about 16 or 18 but we would take up to 20. Sometimes we would interview up to 40 or 50 people for those places. It would fluctuate a bit but we have always managed to keep up our quota. But again it gets back to marketing and how much the colleges are prepared to spend on marketing a course.

Ms DELAHUNTY — We have got other colleges, I think — Glenormiston.

Mr KURRELE — Glenormiston runs a diploma course.

Ms DELAHUNTY — And Marcus Oldham.

Mr KURRELE — And Marcus Oldham, both very good courses. That Northern Metropolitan College of TAFE runs a course out at Epping.

Mr DELAHUNTY — From an educational point of view with the changes going on at Melbourne University and the like, if you were king for a day and could get a coordinated approach to this, what would you do in relation to the education and training of our equine practitioners particularly at the TAFE level across Victoria?

Mr KURRELE — The centre would be the centrepiece to it. But I think I would do more, sending more out on farm to get the skills out there. I would make sure first that they had certain skills, perhaps at least from a safety point of view before they could go out there. So I would be sending more out on farm, though I would give them their initial skills at the centre. If you look at the Irish national stud, their course is six months. That is another thing — we have got a scholarship to send students over there too. That is what I would say.

I am wondering — you brought up the closing of the agriculture colleges — what is going to happen to Dookie?

The CHAIR — Wait! You are not allowed to ask us questions!

Ms DELAHUNTY — We wish we knew.

Mr KURRELE — Because that would be like what I am talking about here.

Ms DELAHUNTY — Melbourne University wants to keep it.

Mr KURRELE — I'll bet they do.

The CHAIR — Thank you. One of the things that interests me is that talking to people just this week, there is a lot of knowledge around about who offers exchanges and scholarships but it is all informally retained. I do not know that any one person in the room or in this state could say definitively these are the exchange programs that are offered for people in the industry, either those who were formerly students and doing it via formal scholarship or these are the informal exchange mechanisms.

I really believe that is something we could do a lot better on, either by just aggregating that knowledge and making people aware the opportunities are there but also doing a bit more to stimulate that and perhaps have some formal partnerships with the national stud. It is a real mishmash at the moment.

Mr KURRELE — I may have mentioned that in my submission. Back about 10 years ago we approached the Irish national stud to send a student over there for its year. There are only two places I am aware of in Australia that have got that. One is Wangaratta and the other is the Hunter Valley group. We have sent a student over, paid for the airfare and whatever, his keep over there. It has been very successful. I think they went to the Irish national stud.

They have got a thing there — a gold, silver and bronze medal for the top three students. The national stud take about half from Ireland and the other half comes from all of the world. It is fairly competitive. We have won the gold medal once, it was one of our students, and I think two of them have won silver medals. The worst of them finish, I think, about fifth in the world. They have got a lot of time and a lot of praise for the students that we send over there. Though they are selected very carefully, at the moment there is a panel I think of colleagues who administer it. They select the person that goes for that scholarship.

As I said, I think we should strengthen that with the Irish national stud and have a two-way thing where they can send students over to us and we send students over to them. The English national stud has also offered the same job but for some reason we have never really followed it up. I would say Ireland and England would be the only two. The course at Kentucky is very ad hoc.

The CHAIR — That surprises me. I have never been to Kentucky but I would have assumed that pretty much everything they do over there would be best in the world. But this is not the case in training in your observation?

Mr KURRLE — When I was over there we visited all the main studs. I had arranged to meet with the group — KEMI, I think it was called, for 'Kentucky something or other'. I actually had dinner with the coordinator who was running it with some students. From what I gathered it was not very well run and the students were not all that motivated. The style over there of course is that — I do not know whether this is quite true — that the studs are loathe to employ Americans. The most they employ over there, they told me, are either Irish or Australians. They say the Americans are too lazy, but I would not say that.

The CHAIR — We might dig into it a bit later with some of our other witnesses. It is interesting.

Thank you very much for your time. Is there anything anyone wanted to ask? Thank you very much, Kevin, we have learned a bit this morning.

Mr KURRLE — I hope I have been of some help. I would like to congratulate you on doing this.

The CHAIR — We are enjoying ourselves a lot. It is not often we get an inquiry like this. You are welcome to stay in the room and listen to the next witnesses. But thank you again, Kevin. We will send you a copy of the transcript in the next couple of weeks and you can correct it.

Witness withdrew.