

CORRECTED VERSION

ECONOMIC DEVELOPMENT COMMITTEE

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

Nagambie — 22 June 2005

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Mr G. Barnes, Moyola Park, Tatura.

The CHAIR — The committee welcomes Geoff Barnes of Moyola Park in Tatura. You probably heard my spiel earlier this morning about the way in which a parliamentary committee works. Anything you say today is being recorded by Hansard and you are covered by parliamentary privilege. You need to be aware of that, not that we expect there is anything you are going to say that requires that protection. We will make a copy of the transcript available to you. It will take about two weeks and you are welcome to correct any part of it that needs correction. What we hear from you today will very much assist us in putting our report together.

I should say that although we have not formally determined it, the committee is likely to produce separate reports; one to do with the thoroughbred industry and one to do with the standardbred industry. We think that might be a better step rather than combining the two, because at this stage, by weight of submissions, overwhelmingly it is focused on thoroughbreds. We want to be fair to both industries rather than squeezing the standardbred report in at the very back of a larger report. As I said, we have not formally determined that but that is our thinking at this stage. In any event we are going to deliver a report on standardbred breeding and how we might recommend things that can improve it. Your input is very valuable to us today, and we thank you for your attendance last night as well. Would you like to start perhaps by just giving us some background and then we will have questions and answers.

Mr BARNES — I have been interested in horses for over 50 years. I remember that my first introduction to a horse was sitting on the back of a Clydesdale in the grand parade at the Royal Melbourne Show, and my uncle was a groom for a member of Parliament, Tom Trewin, from Benalla way. That was my introduction to horses. Living in Ascot Vale, I was very close to the showgrounds so I have some affinity to harness racing which I started going to seriously back in the early 1960s. I bought my first farm with my family in 1982, had my first horse in 1975, and have progressed, like a lot of people do in this industry, to owning a number of mares and have bought a couple of stallions and things like that.

Like most people in harness racing, you will find there is a difference, that they wear many hats. Like John Yeomans last night said, he has been a trainer, he has been a driver, he has been a stallion person, so they do cover more areas in the industry, whereas you have more defined things in thoroughbreds, probably because of the investment and the amount of money — like the things Adam had up there today, you know, the money. If we got \$50,000 for a horse it would probably top the sale in the whole of Australia, so that is quite different. But it does not matter; a horse is a horse. They have all got four legs, a head and a tail, and they all eat the same. It does not matter whether it is the winner of the Melbourne Cup or Dolly in the back paddock, she still eats the same amount of feed.

I thought I would give that background of where I have come into this industry. I did work in a bank for 30 years — there I was back in the Bank of New South Wales — but in 1982 we bought our stud in Kilmore. I left the bank in 1991 and I have pursued the horses directly and indirectly since then. I thought I would start out with a bit of education because in 1998 the standardbred industry introduced transported semen, both frozen and chilled — and the chilled was the main one, of course; I will talk a little bit more about frozen in a few moments. In the standardbred industry, that is your stallion. It might seem strange but — —

Mr DELAHUNTY — You had better explain it.

Mr BARNES — Yes, we will. Are you the Hugh Delahunty who used to play football?

Mr DELAHUNTY — Yes.

Mr BARNES — You were probably with Essendon when I was involved with the Essendon Cricket Club.

What happens with the standardbred is — artificial insemination (AI) is approved like it is in quarter horses and so on — semen is collected in Victoria on a Monday, Wednesday and Friday and that is all, whereas the poor old thoroughbred has got a big smile on his face because he does it three or four times a day. That is the only way they can get the numbers served to make it commercial. But with the standardbreds the semen is collected and it can be split up into quantities that are sufficient, that would get a mare in foal — that is, about 500 million sperm. It is measured by instruments and it is all done very technically. When you visit a couple of studs you will see the machinery they use.

The CHAIR — That is actually done on the stud farm itself; they do not have to send it off to a lab as such?

Mr BARNES — No, it is all done. There is a spectrometer which measures how much per ml there is, and you might put in 2 mls of semen into a little bottle like that. That is what gets transported around Australia and New Zealand — we export to New Zealand — and that is collected, naturally at body temperature, and this box, simple as it is, is chilled with a small ice block. I have brought along a live one. That is non-dangerous. It can be shipped by air. It is just ice with chemicals in it. If you actually feel that it is quite cold. It has only been in there for probably an hour and a half, so it cools it down 3 or 4 degrees. So that is the biology and chemical part of it.

There is a little plate there so that direct cooling is not on it. The ice block goes in, the lid goes on and that is shipped around all over Australia and New Zealand in that box, just like that. It goes from the stud farm in Victoria off to wherever. It could be in Bathurst, it could be in Toowoomba or Perth. In fact, my wife started a business for transporting semen in the year 2000. In those days there was probably 1000 mares served; now there is something like 6000 mares served in Australia by this method of transported semen.

Mr PULLEN — Out of how many, Geoff?

Mr BARNES — Yes, I have got all that here.

Mr DELAHUNTY — In relation to that, that is chilled semen?

Mr BARNES — Yes, that is chilled semen.

Mr DELAHUNTY — How many days do you have to have that?

Mr BARNES — It varies from stallion to stallion, just like humans. One person is more fertile than another and it is the same with the cattle industry. That is frozen, of course, but 24 hours is the general thing, but some stallions will live up to 72 hours, three days. We imported some chilled eventing horse semen from San Diego, and that used to get here in about 24 hours, but that semen was good for 72 hours. The biggest problem you have got with breeding horses is not necessarily having the semen as having the mare ready to ovulate. That is the critical thing.

The CHAIR — And you can use lights — stable lights — and all that sort of thing?

Mr BARNES — No.

The CHAIR — That does not help much?

Mr BARNES — Yes, I am sure it does, but with the advent of drugs these days, prostaglandins and injections and various things that you can get to get mares to ovulate, they all cycle every 21 days and can be tracked by ultrasound scanning rectally. They scan the ovaries of the mares and pick up the follicles. They grow about half a centimetre a day and when the mare comes into season she might be a 2 centimetre follicle and may ovulate on anything from 3.5 to 5 or more.

The CHAIR — In the thoroughbred industry are they allowed to use drugs to help breeding?

Mr BARNES — Yes.

The CHAIR — There is no problem with that?

Mr BARNES — No.

The CHAIR — To the extent that we have talked about it, most stud owners have said it is about getting some sun on their backs and getting them out in the paddock.

Mr BARNES — Yes, it all relates to the pituitary gland which affects the cycle. It is all quite technical. But I relate it a little bit to working in the bank and counting money. We used to say it was dirty, filthy money, and that is what it was to the people counting the money. It is the same with horses. It is a product that you use to make an income.

The extension to this is the development of and in the last couple of years the use of frozen semen where various companies are importing frozen semen from America and a little bit of semen from Europe — but that is purely the trotters because that is all they have in Europe. America is deemed to be the ant's pants of breeding as far as our

industry is concerned. They do have what are perceived to be the best stallions in the world, and they stand over there for anything up to US\$20,000. With the development over the last few years we have been able to get them to stand those horses in Australia at reduced fees, and especially in Australian currency. So the best pacing stallion in America in recent years, a horse called Art's Place, stood over there for US\$20,000, and we were able to stand him here for A\$20,000, which when the exchange rate was 50 or 60 cents in the dollar was pretty good.

The CHAIR — So that one little vial, or streak — would you call that a straw?

Mr BARNES — Frozen is straws, yes.

The CHAIR — That is worth \$20,000 from a top stallion?

Mr BARNES — Yes. There is a stand in New Zealand called Christian Cullen who is the hottest sire in Australia or New Zealand at the moment, and he will be standing this year at a fee of NZ\$15,000. I think it is about A\$14,000 a dose of his semen if it gets a mare in foal.

The CHAIR — The return benefits to a stallion owner of AI, if you multiply it out, is potentially about 10 times more effective than mating in the old-fashioned way?

Mr BARNES — Well, the stud that I worked for, Nevele R Stud, had a horse called Live or Die and he served 492 mares in one season. Let us say that he got 400 of those in foal. That \$3000 is \$1.2 million for a very nice horse. It is all a numbers game. If you suddenly get 400 foal on the ground, there is a very good chance that you are going to get one or two nice ones just by weight of numbers. That stallion, you can collect today and you can serve 25 mares with one collection, now the poor old thoroughbred he serves three, four a day — do not be kidded they do use artificial insemination, but they will not admit it.

Mr PULLEN — If the chilled semen went straight into the fridge, how long could it last?

Mr BARNES — As I said, two or three days would be a maximum; some stallions would not last 24 hours.

Mr PULLEN — Even if it is in the fridge?

Mr BARNES — Yes.

Mr PULLEN — But the frozen would virtually last forever.

Mr BARNES — Right. It is in a liquid nitrogen container and that is there for 10 to 20 years.

The CHAIR — How does that impact on the integrity of racing?

Mr BARNES — It is all DNA. All progeny of all standardbreds are DNA tested by hair follicle.

The CHAIR — I understand that, but if the stallion died today, you could still be producing that stallion's progeny in seven or eight years time.

Mr BARNES — It is a bit like ladies fashion; this year green is fashionable, next year it is black, and the next year it is white. It does change and we all know — —

Mr DELAHUNTY — It is the same with stallions.

Mr BARNES — It is the same with stallions. Genetics do improve over years and that does count them out a bit.

Mr PULLEN — I have got to ask you this, Geoff, because I have been getting it from the thoroughbred people: the horse's ability, how much comes out of the mare? I am fascinated by it.

Mr BARNES — The owner of the mare will tell you 80 per cent is the mare and the stallion owner will probably tell you it is 50 per cent. Let us face it, you only have to look at pedigrees. I saw somebody had a catalogue before and if you look at the black type in a catalogue, it is nice to say, 'Yes, he is one of the leading sires', but if the mare has that black type, that is what serves them.

The CHAIR — Geoff, I imagine AI extends the life of a stallion by not having to get up on their legs; it is much easier.

Mr BARNES — Yes, definitely.

The CHAIR — Would you estimate that it extends the life by two, three or four years?

Mr BARNES — I had a stallion at Kilmore and he died at the age of 32. He was probably an exception.

The CHAIR — He was still producing semen?

Mr BARNES — Yes. I have one at home now; he is 24 years old, though I am not using him commercially. It certainly must be because if you are collecting a horse three times a week and you are asking a stallion to serve a mare 21 times a week, how often can they go to the mountain?

The CHAIR — You collect the semen all year round?

Mr BARNES — No.

The CHAIR — Even if you were sending it to the States?

Mr BARNES — There is virtually nil semen that goes from here to America because — how can I explain it — America is like racing at Flemington or Moonee Valley and racing at Broken Hill. I have been to America a few times and that is how they are. If you are not racing in the grand circuit in America and if you are not an American stand, they do not accept you. We export lots of mares to America.

The CHAIR — You have to virtually give the semen away; they would not value it.

Mr BARNES — Yes. One of the best trotting mares ever, which was pacing bred but was a trotter — was a mare called Scotch Notch — went to America, was bred to the best American stand, but produced something that was not much good and would never have rated a dollar in the sales in America. They just do not accept it.

The CHAIR — The market is big enough there and insular enough.

Mr BARNES — If it is not pure American-bred or very top of the crust from Europe, they do not want to know.

The CHAIR — Tell us more, Geoff, because we have distracted you there showing our lack of knowledge of the industry.

Mr BARNES — No, it is important that you know the main difference between our industries. I would like to see some part of your report — the initial report — because I am sure that there are some economic things that are important to both, because they are horses.

I am sure that if your committee is going to be able to do something to help either case, it will help them both. Getting into marketing. and things like that is just something completely different. I will go on and try to quickly cover the agenda that you have set out.

Regarding the strength of Victorian thoroughbreds and standardbred breeding — the thoroughbred industry in Victoria is very strong in its breeding. I think you were saying something about 80 per cent but the real figures over the last three or four years have been that we had about 40 per cent of the national market. This is confused a little bit with statistical information now because so much of this transported semen goes out of Victoria and the foals might be recorded in New South Wales, Western Australia or New Zealand but they are not on these national statistics.

I have a couple of papers here which I will give you from the Australian Harness Racing Council web site which will give you a break-up of the last three years of statistics for Australia, and also a graph that goes over ten years which will give you a bit of an idea. There has not been a great deal of change — a little bit of a downward turn but not a great deal of difference over the years. Victoria is in a strong position. That does not mean that it cannot be helped of course.

Getting onto the role of the overseas breeding industry, this is the difference between the thoroughbreds and the standardbreds because whilst we do also have shuttle stallions, we have this increase and it is probably 500 or 600 mares — probably 500 bred by frozen semen now. That means that the leading stallions in America are still in their box all winter and they do not take the plane out to sunny Australia but because of the worth of the stallions, there is a great deal of advantage in their doing it.

Probably about 25 per cent of that income from the frozen semen stays in Australia. A lot of people talk against this, but in actual fact people cannot afford to buy semen from America of the top echelon of horses. Some of them can shuttle but you will never see the majority — the top five — here, only in a frozen container. It is all a matter of economics. You can buy a pound of meat in the supermarket for \$10 a kilo; it's the same thing if you are buying something from America — if it is not economical to bring it out here, you do not bring it out, so that is why for some of them now it is a viable option, but 25 per cent of that income stays in Australia. That's a good thing.

Yes, there is a lot more money going to New Zealand perhaps or to America, but it is a matter of economics; people cannot afford to buy the stallion to stand but they can afford to get the frozen or the chilled semen. It gets down to economics.

To the extent the Victorian industry is being integrated at a national and international level, the standardbred industry is very well situated in that because we are a market leader as far as the number of mares served and things like that, and with the stallions that are available here and compared to other states we are very well placed. That is not an issue. We are well accepted.

With international practice: because of artificial insemination and lots of things that are associated with the standardbred industry we were the first to identify our horses with freeze branding back in the early 1980s. The next thing will be microchips in their necks and things like that, and there is something being developed that is going to be probably used on the thoroughbreds, too. But we have been market leaders in that.

As to employment and investment opportunities, I am told that the horse breeding industry is about the third largest employer in Australasia. As far as governments are concerned that has to be an important thing, and if there is anything you can do to help the industries develop a bit more, it would be good.

In respect of the development of skills, we are fairly well placed in that the industry has two TAFE colleges — one at Warragul and one at Bendigo. Whilst they have mainly developed the training and driving facilities, the breeders association is trying to introduce some modules on breeding itself.

There is a yearly course at Glenormiston for artificial insemination and you must attend that to be registered to do that sort of work in Australia — you must have done the course. In some states the agriculture departments have other restrictions that veterinarians must be present or there must be supervision for so many mares until they are deemed to be good enough to do the job.

You should have received a copy of the breeders association submission. I would like to read a couple of paragraphs of what they said because I think it is as they say.

There are many external factors influencing the long-term viability of harness racing generally and harness racing breeding in Victoria. Three major factors worthy of specific mention are:

harness racing has to secure a share of the dividends from the TAB beyond 2012 that will enable it to grow and not just continue;

I will talk about that a little bit when I have finished —

all three racing codes face competition from lotteries, gaming and the ever-widening choice for the spending of the leisure dollar, particularly for the younger generation of potential participants and punters;

stable and positive economic conditions are important factors for an industry like harness racing and the breeding that is dependent on the level of disposable income within the community.

That really sums up where we are coming from. For us all to survive, whether it be the thoroughbred, the harness or the dog racing community, we have to continue getting together, exchanging ideas and trying to get everybody to work towards one aim, and that is to maximise the return for all the parties.

I have been to a number of joint committees, both within the industry and with others, and we can only benefit if we do keep going that way. That is a role that the government can play. It can continually foster them getting

together and not be backbiting — like the problem at the moment with the thoroughbreds. It is doing nobody any good and it needs somebody to kick somebody in the pants and say, 'Get out there'. If you were in private enterprise and you were doing that you would not have a job. It is important that the government perhaps leads that area to a resolution because the figures are just dramatic. That covers most of the points on your terms of reference.

One matter I brought up last night is very important. I come to these sorts of meetings and say, 'What can you do for us?' You say, 'What can you tell us?' Something that I think would dramatically help both thoroughbreds and harness racing is the inclusion of our farming situation in the federal primary producing angle. This would help us with drought relief, interest subsidies and things like that, and any general sorts of grants that may be available to help both industries prosper. I call it one industry, I am not one of those people who say 'them' and 'us'. I was brought up on the fact that pilots do not have rear-view mirrors, so you can only look forward.

I was interested to hear Adam Sangster talk about VOBIS, and he touched on the importance of it. The Vicbred industry has been going since 1979 and I was fortunate enough to be very involved in that from the early 1980s. Would you believe that of 2000 foals born in Victoria, 1800 people paid up for their 2-year-olds to be in the Vicbred scheme. Vicbred distributes \$3.5 million every year to eligible horses and that has proved to be a very good system of people, in a way, racing for their own money but with the authority putting in money to make up and they are now helping breeders.

Mr DELAHUNTY — How is that funded?

Mr BARNES — It is funded by the studs, by the breeders, by the owners.

Mr DELAHUNTY — That is the only money?

Mr BARNES — Yes. The government used to put in \$500,000 a year. I think it used to put \$750,000 into VOBIS but that has all dramatically changed.

As I said before, it is mainly people racing for their own money, but it does work the model. It would take quite a while to go through it and explain it to you, but it basically gets down to something like \$20 per mare served, a registration fee of X hundreds of dollars for each of the stallions and the breeder kicks in another \$25 and when the horse is a 2-year-old the owner kicks in \$200–\$300 and they race it as 2, 3 and 4-year-olds and there are specified races for them.

Mr PULLEN — And all those things have got to have taken place in Victoria? That is where the Vicbred comes in?

Mr BARNES — Yes. You can, unlike how VOBIS works, if the semen out of Victoria goes to any state in Australia or New Zealand, the progeny of that mare can be included for a fee. It works particularly well.

The CHAIR — Is there any scheme interstate that works better than it or are we miles ahead?

Mr BARNES — No. There is nothing comparable, purely by the number of races, the amount of money distributed, there is nothing. New South Wales are trying to resurrect their breeding industry, but I think they are probably too late.

The CHAIR — Just going back to the strength and the relative breeding industry, is it fair to say that AI ensures that the states that have got an advantage to begin with will really consolidate that? If you tend to stand the lesser performing stallions, AI will perhaps wipe those out?

Mr BARNES — There are three main points with AI that people talk about. They talk about the genetic pool; they talk about financial. Initially we had what was called limited books in Australia, we could only serve 125 mares per stallion and then they opened the books up and now — I gave you an example of a horse in New Zealand that served 492 mares. People would probably be horrified at that sort of number but the horses are still about and some people might make a horrible mistake by joining that — and it does not help when you go to the yearling sales if there are another 90 horses by that stallion in the sale, but this all seems to be very well accepted by people.

I wanted to make a special point about that Vicbred scheme and I will also give you these statistics so that it gives you the number of foals particularly for the year of how many people paid up for 2-year-olds, 3-year-olds and 4-year-olds.

And now a payment system has been introduced that the board is funding itself of 7.5 per cent of stake money for certain races that the breeder gets regardless of whether they owned it or have sold it. So that is another way that our industry is helping the breeder by giving them a bonus basically for the life of the horse. In five years' time they will get 7.5 per cent of that as stake money but it is not coming out of the stake money; it is coming out of the board's funds to help the breeders.

The CHAIR — Is that based on any system in standardbred racing anywhere in the world?

Mr BARNES — I am pretty sure that the French do something similar to that.

The CHAIR — We understood that in France they have a system similar to that with thoroughbreds, except that the percentage is around 20 per cent.

Mr BARNES — That is a state-run system. The breeding industry is owned — and certainly the standardbred industry is owned — by the government; the stud is owned by the government. It is quite a different sort of set up.

I welcome any questions. The only thing that I would like to say is that it is great to hear standardbreds mentioned in the same breath as the thoroughbreds. I am sure that we can both learn a lot from each other and probably help each other.

Mr DELAHUNTY — Given you came from the financial industry before, do you believe that there is adequate understanding of the standardbred breeding industry from the financial sector today?

Mr BARNES — I do not think you are ever going to change the way that the banks think of security. If it is not black or white, they just about do not want to know. Just recently I have purchased a property at Tatura and the rigmarole that I had to go into — I will not go into that; it is just plain crazy. Just thinking laterally, a stallion could be as good security as land because you can insure the stallion at what the market says it is worth, so therefore you are covered if it dies, and you can cover infertility. So those are the two main problems that you have in using it as security.

If I was setting out a case to buy a stallion and trying to borrow money, they are not going to listen to me unless my property is worth \$1 million. All they will lend you is \$500,000 — 50 per cent on rural property. That is a real problem.

The CHAIR — In your experience is that the same all around the world? We were told on Monday that banks in Ireland and America will lend up to 50 per cent of the value of the horse.

Mr BARNES — They probably would. Those industries are huge and there is a large amount of tainted money involved, certainly in the American market. It is frightening to be around. There is a saying that when you drive into an American stud farm, and drive up a mile-long driveway you see a beautiful house on the horizon, but when you get up there it is the stables. So you can relate to that.

Mr DELAHUNTY — Are there many bad debts in the industry?

Mr BARNES — I heard that question raised last night. I think in many ways bad debts are a result of commercially ill-run business, and that comes from my banking background. It's a case of getting on and doing what you have got to do. If you have a bad debt, why do you have it? You did not do your homework initially, or somebody has come upon hard times. Having worked in banking, I now that if you can keep in contact with people, you will get your money anyway.

The CHAIR — On that, one of the suggestions that was made to us a few days ago was that with regard to trainers, and I imagine it is the same in standardbreds as it is in thoroughbreds, we could get a much better payment performance by owners to trainers if the racing body acted as the collection point for training fees.

Instead of the trainer sending out the fees, the RBL or the HRB or somebody like that could do that on commission, and then if someone wants to muck around and not pay, the racing body has a record of how bad they are and can line them up and say, 'If you want to continue this, then horses registered in your name will not be allowed to enter, or you will not allowed to own horses'. I know that does not necessarily help the breeders as such, but do you think that would have some merit as a system?

Mr BARNES — Not really. The standardbred was introduced under Ian McEwan who devised a system about 14 years ago which has now been adopted by the thoroughbreds, having the industry acting as a banker to a degree and paying the money out of a fortnight, and collecting it similarly by direct debit, and things like that. That worked all right, but I hate racing authorities acting as God, selecting fields or whatever. I think if you can't have a bit of free enterprise, we don't want that bloke sitting on our shoulder all the time.

You have to be able to do a few things yourself. This is only a personal thing. I can see some merit in it, but the authorities — and they have the powers under the rules of racing, both codes — can stand on their digs and say, 'Right, you have not paid. You do not race or you do not breed again until you pay'.

The CHAIR — It does not seem to be a power that they use very often, knowing they can.

Mr BARNES — No.

The CHAIR — Just knowing they can.

Mr BARNES — Yes

The CHAIR — Do we need them to start thinking about doing this more often?

Mr BARNES — For sure, because I know lots of studs that have got debts, and I have probably got some myself that relate way back, and the horses have even raced and won races, and you say, 'That bloody thing has won, and I have not even been paid'. What can you say?

The CHAIR — I wanted to ask you about two things. One was the skills and the training. A couple of people have referred to the TAFE set-up in Bendigo and how the industry actually owns that TAFE college; is that right?

Mr BARNES — It is run in a way by the industry. There are a couple of trainers. John Randles is the principal there, and he came from a teaching background and set it all up. There were some very substantial government grants, both federal and state, and it will pay for you to have a look at that because it is more intense than Wangaratta or Warragul, and it is a dedicated thing on the track where you have a classroom and they actually train some horses under an official trainer's name.

The CHAIR — It is the place you would go to learn to be a trainer?

Mr BARNES — Trainer or driver.

The CHAIR — I am thinking of the equivalent on the rider side of things, you have a very formal jockey system of training?

Mr BARNES — That is an apprenticeship system, yes.

The CHAIR — And that does not apply so much on the driving side?

Mr BARNES — Yes. They have a concession system in the standard bred. At my age I could go and get a driver's licence, a race licence, and I would get a concession for five years for so many winners. In our industry we cannot alter the weight of what horses are pulling, but a horse that is deemed to be off 10 metres by the handicapping system comes up and hogs the front, so the handicapping is done that way as a concession to encourage the apprentice, or what we call concession drivers.

The CHAIR — From the trainer's perspective, can you become a registered standardbred trainer without having done that course?

Mr BARNES — Yes.

The CHAIR — You still can, like with thoroughbreds?

Mr BARNES — You have to have a recommendation from a licensed trainer and you have to apply; you get interviewed by stewards. They ask you a range of questions on feeding and if you work for Graeme Lang on weekends or something like that. It is very much a hands-on thing and, as they said last night, most of our industry is supported by family institutions, and that is how people have really got their start, but there are opportunities out there.

The CHAIR — Thanks for that. The final question I wanted to ask you goes back again to AI. We spoke this morning and we have spoken previously about the number of mares that are covered in the thoroughbred industry and the number of live births. I think the figure in Victoria is 60 per cent.

Mr BARNES — I think you will find that figure universal nearly throughout the world. Lots of our studs like to advertise that they have got 91 per cent in foals or something like that, but at the end of the day when we look at the figures, perhaps 62 or 66 per cent of the mares that have been covered have had foals.

The CHAIR — If we were to identify that, and prospectively we will in this report, as a source of economic loss — that is, you cover a mare and she does not produce or you do not get a live foal out of it — is that something that applying some of the advances in AI to that particular side, would that improve that rate?

Mr BARNES — No, I think it is just the horse itself. There are so many factors that affect a mare's fertility or ability to carry foal, how she is looked after or nourished or whatever — all of these things. I think probably the industries themselves could better educate people but I have seen so many things affect whether a mare has a foal.

In the olden days mares used to be in foal with twins. Unfortunately it would try to push a set of twins out, but it is different from humans and that probably just about wrecks a mare for the rest of her life. It tears her cervix about or does some damage but now with the scanning of mares the vast majority are picked up at 14 days when they first scan the mare. And they squeeze one and all sorts of wonderful things are done now. Because of the drugs that are being used to get the mares to ovulate, they might ovulate two follicles and things like that — that is why they get twins. I have seen one mare with triplets.

The CHAIR — It did not breed again?

Mr BARNES — Yes.

Ms DELAHUNTY — Are they all good?

Mr BARNES — They probably killed the wrong one. But the vet taps them on the head with a scanner or gives them a pinch or in some cases if they are not picked up early enough they have got to actually abort the mare. It gets a little bit harder to get the mare in foal that season, generally speaking. But for all these things, getting you people to understand the variable things that happen gives you a better understanding.

The CHAIR — A final question before I forget it: on the thoroughbred side of things we picked up that the industry is organised in such a way in Australia that we do not necessarily have a constant presence in international breeding forums. It is often a case people will go over if they can afford to go over one way or another, and that seems to put us at a disadvantage with breeders internationally who have formal support structures and they are always present. Is it the same with the standardbreed side?

Mr BARNES — Yes, it is. I have been to a couple of forums in America. You pay your own way over there and you basically do it for education, just to hear what they are doing. But I suppose with the artificial insemination, the use of frozen semen, that technology has had to be a little bit more updated and kept abreast of the best fields in the world. France is very high in the frozen semen area; their technology is very good.

Yes, we are well up with it but we still have to use our own resources and it is like, say, the Australian Horse Council and Victorian Horse Racing Council. Even for the thoroughbreds with their might and contacts it is very hard to get them representing our industry on those bodies. As an industry the Australian breeders association was able to have somebody just sitting on that, not as a representative but they are there to observe. Those things could be opened up a bit more. Economically, if you have been to America, they have these green belt areas which they

protect rigorously. They want this green belt land. In Australia they do not care much, do they? The greenies make noises but — —

The CHAIR — Push it further out.

Mr BARNES — I think it should be protected. It comes back to the government supporting all agricultural interests. How many acres of stud farms are there in Australia? Nobody would know. Somebody should know because they are looking after our agricultural lands and earning an income off that and paying taxes which is doing this and that. Everybody seems to want to bury their head in the sand over the issue. As I said yesterday, the most important thing that your government or the Australian government could do is to bring that in line or help them in some way — come halfway or something.

The CHAIR — The point is made.

Mr BARNES — Why should the bloke that is growing a few acres of wheat up near Hugh's place get a subsidy of 2 per cent on his interest rate? I have got 300 acres at Tatura, but it's a case of, 'Good luck'.

The CHAIR — That is a fair point you make, Geoff. We are all out of questions, so thank you very much for your time. We have learnt a lot this morning and we will stay in touch with you.

Mr BARNES — I was going to offer, if at any stage you want an independent idea about horses, contact me.

The CHAIR — We will be coming up at a date yet to be fixed and spending some time around Shepparton and Echuca, to concentrate more directly on the standardbred. I imagine we will probably get together a forum up that way.

Mr BARNES — We are moving into our property shortly, so you will be able to see a very broad dairy farm that has been transposed into a horse farm.

The CHAIR — Okay. Thanks again, Geoff. We will send a transcript to you in a couple of weeks.

Committee adjourned.