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## **PRESS RELEASE**

### **Racing through the Global COVID-19 Pandemic**

#### **Session 3: Strategies for Effective Government Engagement**

The third in a series of Webinars, convened by the Asian Racing Federation (ARF), which examined strategies for effective government engagement during the COVID-19 pandemic, was hosted on 16 November by ARF Secretary-General Andrew Harding.

The Webinar featured an instructive panel discussion - moderated by BBC Chief Presenter David Eades. Mr Harding was joined by industry leaders - Victoria Carter ONZM, then-Deputy Chair, New Zealand Thoroughbred Racing; Vee Moodley, Chief Executive, National Horseracing Authority of Southern Africa; Raymond Tam, Executive Director, Corporate Affairs, The Hong Kong Jockey Club and Dr Farrokh Wadia, President, National Horse Breeding Society of India.

Mr Harding's introduction highlighted the importance of demonstrating the economic and social impacts of racing across ARF member jurisdictions, particularly during the pandemic.

“Identifying the impact of racing – from taxation revenue, employment, support to community organisations and charities and much more – has been absolutely fundamental to effective government engagement through the pandemic.” Mr Harding said.

Mr Harding also outlined the role that the ARF can play in assisting its members to engage with their stakeholders and governments, particularly as they emerge from the pandemic and seek to build an even more resilient and sustainable industry.

Referring to a landmark report due to be released by the ARF next month, Mr Harding outlined the size and scope of the economic and social impact of ARF member jurisdictions through 2018-2019.

Mr Harding shared that in 2018-19 “the thoroughbred racing industry generated US\$26.9 billion in positive economic impact and contributed US\$6.9 billion to taxation revenue. Our sport boasted 279,000 racing participants and more broadly sustained in excess of half a million jobs.” He added that the report will show how many racing organisations make significant voluntary contributions, serving as key partners of government on projects

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designed to return money back to their societies. “In 2018-19 alone, ARF members delivered charitable contributions in excess of US\$819m,” Mr Harding said.

During the panel discussion, Ms Carter addressed most of the key issues against the unusual backdrop of her country having a change in its long time Racing Minister, Winston Peters, at this year’s October elections.

“New Zealand was very fortunate that we had a Minister for Racing who understood the challenges and the economic importance of racing. He has now lost his seat and we are going through significant change which is a reminder to all that continuous stakeholder engagements need to be done.”

“While New Zealand has not been as badly affected as many other countries by the pandemic, racing was closed down earlier in the year. We accepted the government’s decisions on lockdown and worked closely with government to reassure them we had the necessary protocols in place to resume racing. We built trust and confidence,” she said.

Ms Carter stressed that racing must advocate for more than just its economic input. “Racing has a strong role in society from the many community groups who use our facilities to the many ancillary jobs it creates.

“We must also be mindful of our social responsibility and social license. We are judged by how we are seen from the outside. There are some minority groups with strong views on racing and we would be unwise to ignore them,” she said.

In terms of future strategies, Ms Carter said the role of the Asian Racing Federation was critical.

“Every country has an opportunity to shape our industry and the ARF has a vital role here, showing that we are a united body. The value of the ARF during COVID was illustrated through our global network. We regularly met via Zoom and heard how each country was coping and exchanged ideas to tailor to our situations.

“There is a great opportunity also to use this international body (ARF) in government advocacy to highlight the strong connections and relationships between countries. It's another very important form of soft diplomacy,” she said.

Mr Moodley outlined the difficulties South Africa has faced, noting governments around the world have had multiple and often competing priorities during the global pandemic and that, in his country, horse racing straddles several ministries while the indirect supply chain crosses over many other portfolios.

“Therefore, it was important for us to first establish the sector that was impacted the most and would have severe consequences should the resumption of racing not take place. We identified Agriculture as key because we operate based on a certificate issued by the

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Government's Department of Agriculture.

"We conveyed that breeding was a labour-intensive, high employer including a lot of previously disadvantaged females; that it was based in the traditional and peripherals of the urban areas which are priority areas to the Government and there were favourable projections in the export market for horses," Moodley said.

He also pointed to the importance of the industry's peak bodies. "We argued that racing presented a low transmission risk and we aligned our strategy to international standards via our relationships with the International Federation of Horseracing Authorities, the Asian Racing Federation and the International Stud Book Committee," he said.

Mr Moodley said the NHA's engagement with government was centred on: effective communication with the racing jargon translated into more easily understood language; relationships fostered by a constant flow of communication; and identification of governments' key strategic areas.

Dr Wadia outlined the complexities with government engagement during the pandemic in India. These included a lack of appreciation of the link between the racing and breeding industries, the absence of a centralised racing authority and challenging progress in introducing on-line wagering.

"Thoroughbred racing and breeding are inextricably linked the world over and considered to be two parts of a unity. India is no exception, although this relationship – readily understood by Governments internationally – is unfortunately not fully appreciated by our authorities yet.

Dr Wadia said India's racing industry faced a "herculean task" dealing with six individual state governments who were immersed in dealing with COVID-19.

"Racing was already under threat financially before the pandemic and we now face further challenges. Betting on racing was entirely a State subject, but the picture will change drastically with a GST on turnover proposed by the national government.

"Worse, the GST rate proposed is 28%. Indian GST has five slabs and racing falls in the highest slab. Online betting is also new to India and now restricted to local totalizators only.

"Unlike other countries, the Indian betting system was not equipped for online betting although several entities were trying to get it going, with the long-term vision of a National Tote Board. The lockdown as well as the perceptions (of racing) led to prolonged delays before online betting permission was obtained by four out of the seven centres from their State governments, and one – Mysore Race Club – had already started racing and was able to do online betting on the first day. There are also legal challenges developing to on-line betting," Dr Wadia said.

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Mr Tam outlined The Hong Kong Jockey Club's approach to engagement with two governments - that of the Hong Kong Special Administrative Region and that of Mainland China, and shared how those engagements evolved during the pandemic. Securing government support and permission for races was critical, according to Mr Tam.

"While many economic activities have been disrupted during the pandemic, we have been able to maintain our racing operations which has enabled us to continue to contribute to the community through major tax contributions and donations, as well as continuing the provision of employment and "stay at home" entertainment.

Racing continued by adhering to two guiding principles - no activity shall create any public health risk, and no activity shall put employee and customer health and safety at risk.

"We promptly created and carefully maintained a "Racing Bubble" with all trainers, jockeys and key racecourse staff placed inside, which has become a best example for racing all around the world," said Mr Tam who added that similar protocols had been proposed to government to allow international competitors in Hong Kong in December.

It was through ongoing discussions with the relevant government officials in Hong Kong that the HKJC was able to identify ways to address government concerns on public health and provide assurance to government officials that each and every government regulation would be fully complied with.

Mr Tam concluded the panel discussion by sharing his learnings since the pandemic. First, "our governance or decision-making structure and process really needs to be highly effective, efficient, agile and responsive to the ever-changing situation".

Second, the importance of online wagering. Whilst more than 80% of the HKJC's frequent customers already have their betting accounts online, the HKJC continues to assist other customers to fully transition into online wagering."

Third, Mr Tam emphasised the importance of having the right team which truly understands the legislative requirements, political structure, administrative procedures and mentality of both the HKSAR and Mainland Governments.

On behalf of the Asian Racing Federation, Mr Harding closed the session, and noted that it concluded the ARF's Racing through the Global COVID-19 Pandemic Webinar series for this year.

**The Asian Racing Federation (ARF) is a regional federation comprising 28 national racing authorities and racing-related organisations. Amongst other things, the ARF seeks to foster goodwill and mutual understanding between members and other key stakeholders, to promote the sport of horse racing, to promote and protect the integrity of horse racing, and to facilitate the open exchange of ideas and information.**

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