



HiPoint AG Australia Snapshot

Pre-Validation Report May 2024

The Australian Equine Industry Introduction

Australia has a rich history of horse breeding and racing, which has led to over one million domestic horses in the country. Internationally, Australia has the most racecourses of any nation, and is second only to the United States in the number of horses that start in races each year. It is also ranked third, after the U.S. and Japan, in terms of the amount of prize money that is distributed annually.

Thoroughbred horse racing is a popular spectator sport in Australia, and betting on horse races is a widely enjoyed pastime. In 2009/10, a total of \$14.3 billion (AUD) was wagered on horse races through bookmakers and the Totalisator Agency Board (TAB). There are two forms of Thoroughbred horseracing in Australia: flat racing, and races over fences or hurdles in Victoria and South Australia. Thoroughbred racing is the third most attended spectator sport in Australia, with nearly two million people attending races at the 360 registered racecourses throughout the country in 2009/10. It is only surpassed by Australian rules football and rugby league in terms of attendance.



Equine Population of Australia

The equine population in Australia is not straightforward due to multiple registrars that allow for crossover between them. However, the current estimates suggest that there are between 900,000 and 1.8 million horses in the country. An excerpt from a report published by the Parliament of Australia states the following:

Australian Parliamentary National Horse Registrar Report ¹

"It is unclear how many horses are registered across multiple industry groups, breed societies, and special interest and sporting groups; however, the committee heard:

- *Equestrian NSW has 8,000 members and 22,000 registered horses (20,000 of which are microchipped);⁶*
- *Equestrian Australia reported that across the equestrian sector there are 59,097 registered horses;⁷*
- *the Australian Horse Industry Council's (AHIC) member groups account for more than 34,000 people and 340,000 registered horses;⁸ and*
- *the Australian Stud Book has 1.2 million current and historical records."*

¹https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport



Racing Industry in Australia

In Australia, the administration of equine racing is handled by the Australian Racing Board, with each state having its own Principal Racing Authority to oversee and enforce the Australian rules of racing. Horseracing is a rapidly growing industry in Australia, providing full or part-time employment for nearly 250,000 people. Public interest in horse racing is consistently on the rise, with over 100,000 spectators attending the Melbourne Cup, the Victoria Derby, and the VRC Oaks meets, all of which take place in the state of Victoria.

The Australian Racing Board's body supersedes the power of the principal clubs, which were once the sovereign body of racing in every state until government reforms introduced separate governing bodies for the industry. The board is constituted of the various principal racing bodies in each state. The board is directly responsible for establishing the rules of racing (subject to additional local rules), the establishment and maintenance of the pattern racing committees, responsible for grading races and allocating black-type status, as well as establishing a number of advisory groups to attempt to maintain uniformity in procedures between states and establish an accepted national racing calendar.

Economic Impact of the Equine Industry in Australia

The Equine industry in Australia has grown in recent years and has had a significant economic impact. The thoroughbred racing industry alone has directly added \$3.2 billion (AUD) to the economy. When the indirect impacts of this expenditure are considered, the total value added impact increases to \$9.1 billion (AUD), which is a significant contribution to the national economy.

The image on the right, shows the economic impacts of the equine industry in 2016, broken down by state. Victoria and New South Wales are the states with the most substantial economic impact, with Victoria contributing a total of \$3.18 billion (AUD) and New South Wales contributing \$3.68 billion (AUD).²



² <https://ier-study.racingaustralia.horse/economic-contribution-of-the-industry/>.



Environmental Guidelines for Horse Facilities

The Australian Water and Rivers Commission and the Department of Environmental Protection have published a document that outlines environmental guidelines for the equine industry. The document emphasizes the importance of reducing leaching and runoff by ensuring proper manure storage areas. The Department of Environmental Protection has also laid out specific terms for the application of manure and used stable bedding to agricultural lands. In particular, the guidelines provide specific instructions for the use of used wood shavings stable bedding.

Environmental Management Guidelines for Horse Facilities and Activities: 3.5.3 Stable Bedding³

“Careful consideration should be given to the type of bedding used in stables and associated compounds. Manure containing a large amount of wood shavings or sawdust is often not suitable to be spread as a soil improver. Repeated applications of this material onto land could result in a temporary reduction of available nitrogen, which may reduce crop productivity.”

Racing Industry in the State of Victoria

Victoria is renowned for being the hub of racing in Australia, hosting prestigious international races such as the Melbourne Cup and Cox Plate. Racing Victoria Limited is the governing body responsible for overseeing racing activities in the state. The Victoria Racing Club, which races at Flemington, is the principal club in the state, while the Melbourne Racing Club, which races at Caulfield and Sandown, and the Moonee Valley Racing Club, home of the Cox Plate, are the other two metropolitan clubs. Additionally, Victoria has many top-class provincial and country racecourses, including Pakenham, Cranbourne, Mornington, Geelong, Ballarat, Bendigo, Mildura, Stony Creek, Wangaratta, Warrnambool, Moe and Tatura. The state has a total of 69 thoroughbred racing clubs operating across different regions.

In the 2022-23 financial year (FY23), Victoria hosted 4,230 races across 524 meetings. A total of 41,439 horses participated in these races, with 9,128 horses starting the races, and the average field size for races at TAB meetings was 9.8 starters. For the 166 races conducted at premier meetings, the field size rose to 11.6 starters, and for the 41 races held at the four super premier meetings, the field size averaged 10.5 starters.⁴

Victoria ⁴

KEY STATISTICS

69 Racing Clubs

METRO 3
REGIONAL 66

67 Race Tracks

METRO 3
REGIONAL 64

551 Race Meetings

METRO 70
REGIONAL 481

4,431 Races

METRO 605
REGIONAL 3,826

1,339,240 Attendances

METRO 753,985
REGIONAL 585,255

³ <https://www.wa.gov.au/system/files/2022-04/WQPG-13-Environmental-guideline-for-horse-facilities-and-activities.pdf>

⁴ <https://ier-study.racingaustralia.horse/state-and-territory-impacts/victoria/>



Economic Impact of the Equine Industry in Victoria

Victoria state is home to more than 66,000 racehorse owners, providing employment to around 25,700 people on a full-time basis. The state's economy is heavily reliant on the equine industry, with Victoria being the hub of horse racing in Australia. The industry has an annual economic impact of \$3.4 billion (AUD) as of 2023, with an annual regional economic uplift of \$1.8 billion (AUD) and a total of \$314 million (AUD) in prize money.⁵

Racing Industry in New South Wales

New South Wales has a rich history with the Equine Industry and a deep love for the sport of horse racing. Racing NSW is the principal governing body that regulates the state's 112 race tracks and 115 Racing Clubs. The Australian Turf Club is the state's major racing club, with race meetings held at Randwick, Warwick Farm, Rosehill Gardens, and Canterbury Park. The state's significant provincial tracks are Newcastle and Kembla Grange, which alternate their meetings every second Saturday. Other notable tracks include Hawkesbury, Gosford, and Grafton, which hosts the largest race carnival in Australia outside of a capital city. In 2016, there were 742 race meetings held at the 112 race tracks across New South Wales, with a total of 5,423 races attracting a staggering 1,233,786 attendees.⁶

Economic Impact of the Equine Industry in New South Wales

The thoroughbred racing industry in New South Wales (NSW) generates an incredible \$3.58 billion (AUD), which is equivalent to 39.1% of the total impact generated by thoroughbred racing in Australia. This massive economy is responsible for creating a total of 27,601 full-time equivalent jobs in the region, bringing in more than \$1.9 billion in household incomes for those employed by the sector.⁷

New South Wales ⁶

KEY STATISTICS

115 Racing Clubs

METRO 3
REGIONAL 112

112 Race Tracks

METRO 8
REGIONAL 104

742 Race Meetings

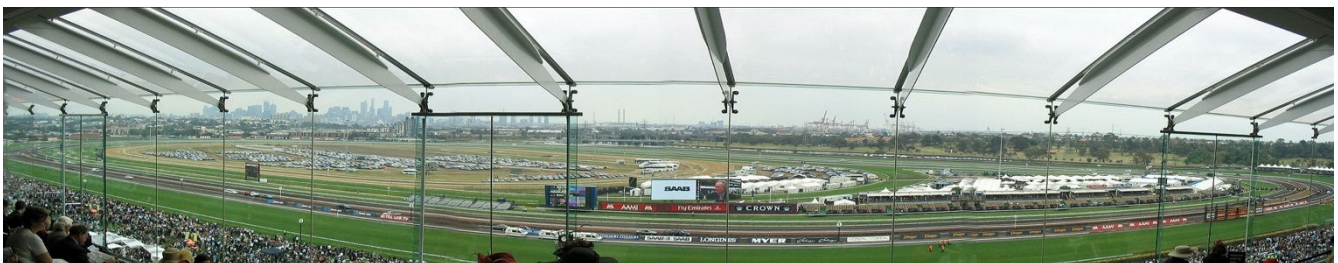
METRO 109
REGIONAL 633

5,423 Races

METRO 893
REGIONAL 4,530

1,233,786 Attendances

METRO 291,858
REGIONAL 941,928



⁵ <https://cdn.racing.com/-/media/rv/2023-rv/about-us/rv-annual-report-2023-final>

⁶ <https://ier-study.racingaustralia.horse/state-and-territory-impacts/new-south-wales/>

⁷ https://www.racingnsw.com.au/wp-content/uploads/RNSW-Annual-Report_2023-FINAL.pdf



About HiPoint AG Environmental

Passion:

HiPoint seeks to address the most significant problem within the equine industry: the global build-up of waste and its polluting effects caused by the sheer volume of stall waste and the diminishing options to dispose of wood and manure, which has led to illegal and inadequate dumping thus creating multiple environmental hazards, including, water pollution through the formation of algae blooms, phosphorus overloading & nutrient leaching, air pollution via methane off-gassing greenhouse gasses (GHG's), and deforestation of the lands, all having profound environmental implications.

The horse industry creates over 100 million tons of manure waste, outputting 1.2 million tons of CH₄ Methane off-gassing and leaching every year (10% of all animal methane), negatively impacting climate change. The global build-up of waste and its polluting effects caused by the sheer volume of stall waste and the diminishing options to dispose of wood and manure has led to illegal and inadequate dumping thus creating multiple environmental hazards, including, water pollution through the formation of algae blooms, phosphorus overloading & nutrient leaching, air pollution via methane off-gassing greenhouse gasses (GHG's), and deforestation of the lands, all having profound environmental implications.

Solution:

With so much waste being inadequately spread on fields or disposed of across our Country, the solution is to take this vast undesirable waste stream and create a new sustainable agricultural business standard in the market. We can change the way equine bedding is handled by implementing an advanced technology process that will become an integral part of modern standards and horse farm. In this way, you can start to see the value in creating a Hypoallergenic dust-free recycled bedding that is better than standard wood shavings in horse stalls today, and biofertilizers to reduce the need for chemicals on our land, improving the equestrian lifestyle and economy while disrupting the current retail supply chain by providing premium sustainable bedding products at highly competitive prices. HiPoint AG can improve equestrian op-costs while reducing waste, leaching, and deforestation.

Closed Loop Biomass Recycling Facilities

HiPoint AG is focused on constructing self-sustaining facilities of excellence in biomass recycling for the Equestrian Lifestyle. Our main goal is to produce the healthiest and most sustainable Recycled Wood Shaving Bedding and Organic Matter Biofertilizers, while our R&D division concentrates on developing high-grade pure syngas for a low-carbon economy. Our vision is to minimize deforestation, leaching and methane off-gassing from stall residual waste and other agricultural biomass waste streams to protect and preserve our planet.



MISSION

Our mission is clear: to produce the healthiest and most sustainable recycled agricultural products while reducing deforestation, leaching, & methane off-gassing to preserve and protect our planet.

VISION

Our vision is to build self-sustaining centers of excellence to educate, administer, and grow a healthy planet. HiPoint transforms agricultural biomass waste into recycled products.