

19 November 2013

CIRCULAR NO 1322

To: The Secretary all Totalisator Clubs and Kindred Bodies

From: Edward Rennell, Chief Executive

Subject: **BOARD NEWS – 11 NOVEMBER 2013**

Following is a summary of key matters considered at the HRNZ Board meeting on 11 November 2013.

1. DATES SUB-COMMITTEE

The Dates Sub-Committee met on 10 November to undertake a first review of dates options for the 2014/15 season. HRNZ is required to file a submission to the NZ Racing Board (NZRB) by mid-December, with it likely that the first draft calendar will be released to clubs in early 2014. It is intended that regional dates consultation meetings will be held early in the 2014 calendar year.

The Dates Sub-Committee reviewed a rollover calendar from the current season. Key issues being considered in the development of the dates for 2014/15 are as follows:

- Restructuring of premier meeting dates as proposed under the Age Group Review. Under this, the number of premier meetings will decrease from 17 to 13 but be of a higher quality. Another key principle is that these premier meeting dates will be “locked in” regardless of when holidays fall with a consistent and logical flow of these dates in the March to June period.
- Review of Tuesday meetings allocated in the current calendar. These are being reviewed as to their financial viability and whether they are required, given declining horse numbers.
- Dates at the start and end of the season and whether there needs to be some reductions, given problems with horse numbers, particularly with northern “back to back” meetings.
- Opportunities that the new Trackside broadcasting strategy might create for the code.
- Review of race numbers allocated for each meeting based on what has happened in the current season.
- The normal problems with Christmas, New Year, January and Easter holiday dates moving with the “shuffle” across the week.
- Review of the calendar on a week to week basis to consider options to maximise turnover and better use the horse population.

2. RACING PERFORMANCE – INDUSTRY KPI'S

The NZRB is reviewing with the three codes options to introduce key performance indicators (KPI's) into the inter-code funding agreement. Included within this will be possible KPI's around field sizes, starters and yield on fixed-odds. This is a possible pre-cursor to the review of the internationalisation agreement and inter-code funding agreement that is due in 2015.

Accordingly it is important that as a code, harness racing improve its performance around these racing KPI's. At the Board meeting, the Board spent considerable time reviewing a new report that has been developed around performance for the season to date. Results so far for the code are mixed. On the positive side, there have been more races run and individual starters than the previous season. Stakes are also up on the previous year by 9.4%.

The major concern however with the code's performance relates to turnover and field sizes. Total turnover for the code at the start of November is down 5%, with exported turnover down 22% (impacted by growth in exchange rate for the NZ dollar). Average field size is in line with last year but improvement is still required as this is currently sitting at 9.9. Another KPI of concern is the number of races with short favourites, with it noted that 33% of races up to 3 November had favourites paying less than \$2.00 in them. It is hoped changes to the handicapping system will improve this and make the product more attractive and improve the code's performance.

3. BETTING RULES FOR DRIVERS

Continuing its review of this area, the Board considered feedback from the Trainers & Drivers Association. It was noted that the Association was supportive (reluctantly) to the position proposed by the Board via its Working Group that changes be made to the Rules so that drivers could not bet on the races in which they were driving and could not bet in their driving apparel on race day. As a result, the Board resolved to seek to change the Rules pertaining to drivers' betting pursuant to Rule 103A, with formal wording for the Rule changes to be considered at the Board's meeting on 19 December. This will then be notified to the industry, with a view to adopting the formal Rule changes at the Board's meeting on 20 February 2014. The industry will have the opportunity to make submissions on this prior to the Board's formal consideration of this. If approved, it is likely that the changes may take effect from 1 April 2014.

4. RACING SAFETY DEVELOPMENT FUND (RSDF)

The Board reviewed a report on the first round of applications considered for the RSDF. A total of 40 applications were received for the sum of \$1m per annum set aside by the Government for this fund. The Trustees for the RSDF are Bruce Martin (Independent Chair), David Jewell (NZTR), Keith Coppins (GRNZ) and Edward Rennell (HRNZ). It was encouraging to note in the recent round a significant increase in the number of applications from harness clubs.

In terms of harness clubs, grants were approved for the following:

- Manawatu HRC – new track conditioner
- NZMTC – fire alarm system upgrade
- Auckland TC – horse containment fencing
- Auckland TC – safety glass replacement in grandstand
- Auckland TC – replacement of lighting in stables
- Auckland TC – sealing of float park
- Harness Racing Waikato – upgrade of existing lighting system
- Northern/Southland TC – new horse stalls and wash down facility
- Wyndham HRC – fill in open ditch in back straight
- Westport TC – replacement stalls

Once total grants for the code are confirmed, it is expected that the total allocation to harness clubs from round 1 will be in the vicinity of \$210,000 to \$220,000.

5. NEW ZEALAND HARNESS RACING TRAINERS & DRIVERS ASSOCIATION (TDA)

The Board considered correspondence from the TDA following its recent National Council meeting. Issues raised by the TDA included:

- **Anabolic steroid ban** – Some concerns raised and a recommendation that further research be undertaken on this – HRNZ position consistent with NZTR.
- **TCO2 testing** – Recommendation from TDA that the permitted level increase from 35 mmol to 36 mmol – to be considered at February HRNZ Board meeting.
- **Consistency with Australian racing season** – Recommendation that concessions for 2 and 3 year old horses be extended to 31 August – some reservations by HRNZ Board, to be referred to next Handicapping Sub-Committee meeting.
- **Trials amateur licences** – Recommendation that advanced amateur drivers should be permitted to drive at trials meetings without the impost of obtaining a separate trials licence – to be considered at December HRNZ Board meeting.
- **Junior drivers concessions** – Recommendation that programming of races in the Central Districts allow for conditions where wins by horses driven by a junior driver would be penalty free, as similarly applied in the Southland region – this was approved by the Board, Regulations to be amended.
- **Claimers** – Recommendation that every horse have a claiming price put on it – not supported by HRNZ Board.
- **Nominations** – Support that for the commencement of the 2015/16 season nominations only be allowed online or by fax – general support from HRNZ Board, with this to be considered at the next Rules Sub-Committee meeting.
- **Regional secretaries** – Support from TDA for introduction of regional racing bureaus – to be further reviewed by HRNZ in conjunction with clubs.

6. IN BRIEF AND MATTERS UNDER ACTION

The following matters were also considered at the Board meeting. Some items are noted as under action for review at subsequent Board meetings:

- **Development of Strategic Plan** – two hours was spent at the Board meeting considering industry issues for the development of a new plan. The timetable is for an updated Strategic Plan to be available for presentation at the 2014 Annual Conference.
- **Industry submissions on the Government's proposed Class 4 Gambling Reform** – a copy of HRNZ's submission is available upon request.
- **Potential club expenses that would qualify for authorised purposes for Class 4 gaming applications** – template to be separately circulated to clubs later in the month.
- **NZTR information technology plan** – presentation at Board meeting by Mr Colin Philp (NZRB Chief Information Officer) and Ms Monique Cairns (Executive GM Strategy and Transformation).
- **Age Group and Premier Racing Review** – ongoing, further report to December Board meeting.
- **Club financial analysis** – club accounts being summarised and analysed as received for the 2012/13 year to determine an overall industry financial position.
- **Joint Industry Integrity Workshop** – draft minutes received with a number of initiatives and efficiencies identified to enhance integrity processes.
- **HRNZ Annual Report** – clear audit opinion received. Report to be circulated late November.
- **NZRB approval of HRNZ Business Plan** – formal notification received.
- **China** – report from Commercial Development Manager (Mr Pete Ydgren). Agreed HRNZ would continue to foster working relationship and provide assistance where appropriate.
- **Comparison of NZ stakes to Australia for 2012/13** – noted on average NZ higher than every state in Australia.

7. NEXT MEETING

The next HRNZ Board meeting is scheduled for Thursday 19 December 2013.

The Audit & Finance Sub-Committee and Age Group Racing Review Working Group are to meet the day prior on Wednesday 18 December.

A handwritten signature in black ink, appearing to read 'Edward Rennell', with a stylized flourish at the end.

Edward Rennell
CHIEF EXECUTIVE