

FEBRUARY 2016



# INSIDE RUNNING

## MESSAGE FROM JOHN



Kia ora tātou,

We're in the thick of a busy summer racing season, with a successful Wellington Cup Carnival wrapped up and a lot of great racing on the way, culminating with Auckland Cup Week in March. From what I've seen and heard, on-course attendance is up on last year, which is a testament to the hard work of club members responsible for their meetings and events.

In early January I was pleased to be able to get along to the Interislander Summer Festival Roxburgh Trots. There were plenty of families and holiday goers from around Central Otago, all enjoying a range of entertainment on the day, from the racing and punting for the adults, activities for the kids and an exciting social atmosphere for everyone who came through the gates. Country races provide an experience that is hard to find anywhere else – well done to the Roxburgh Club for putting on a great day.

I hope you managed to find time to enjoy some of the fine weather we've had on-course and pick a few winners. On the topic of winners, I must congratulate those from our industry who were recognised in the New Year's Honours list. Brian Anderton, Victoria Carter and Kevin Hickman were made Officers of the New Zealand Order of Merit, for a range of services. Congratulations to all three and thank you from everyone at the NZRB for being such amazing ambassadors for our industry.

Congratulations also to Dexter Dunn for his Halberg Award nomination. Dexter joins illustrious company among 13 nominees for the New Zealand Sportsman of the Year award, which will be presented on 18 February.

I am looking forward to welcoming the new CEO of Greyhound Racing New Zealand, Phil Holden, who comes on board on 1 March. Phil has been at the heart of New Zealand Rugby League's success over the past decade, and was also involved in the early stages of our NZRB gaming business. Thank you to departing CEO Jim Leach, who has given extended service to both GRNZ and the wider racing industry.

The Optimise the Calendar project is approaching a key milestone of completing the development of a model which provides accurate economic modelling of the racing industry at venue, club and Code level. This has been achieved through a series of very positive information and feedback sessions with Code representatives and external consultants. The next phase of the project will see the Racing Board and the Codes working together to assess what enhancements can be made to the racing calendar to maximise additional revenue activities.

Talks continue with our Australian Tabcorp partners in regards to commingling. We are continuing to commingle Win and Place pools, and for the more exotic bet types on Australian racing, we are seeding the guaranteed and terminating pools that our customers enjoy. I will continue to update you as this develops.

Congratulations to New Zealand Bloodstock and everyone else who participated in the 90th Karaka Sales. Total sales of over \$86 million, a 28% increase on last year, shows the strength of the bloodstock industry in this country and its huge reputation overseas. As well as the headline grabbing Premier Sales, the National Yearling Sales have been delivering great value for buyers, and I was pleased to hear that last season there were 21 Group 1 winners from previous National Yearling Sales, earning over \$23 million from a total cost of just over \$3 million at sale. That is the type of return that brings back many big international investors and syndicates each year.

We are working on our interim financial statements for the first six months of the current financial year, and will be looking to publish them within the next couple of months. I'm pleased with how we are progressing, and with some great talent joining our industry and plenty of momentum behind it, I'm looking forward to a productive 2016.

Regards,

John Allen  
Chief Executive Officer



## ENTERTAINING A NEW GENERATION OF RACEGOERS

The NZRB's two event franchises - Christmas at the Races (CATR) and the Interislander Summer Festival (ISF) - have enjoyed a successful summer of entertaining new and long standing racegoers, with thousands on-course across both events over the last three months.

The various clubs, NZRB's Event Marketing and Logistics team (EML) and the Summer Event Delivery teams joined forces to create events that attract thousands of first time racegoers, with the aim of turning them into racing fans for life.

And it's no mean feat; Christmas at the Races saw over 10,000 tables laid and 1,000 marquees erected over 47 events. The Interislander Summer Festival saw over 11,000 free kids goodie bags handed out, and more than 100kg of lollies scrambled!

"The events provide an opportunity to introduce new people to racing," commented Lucy Doig, EML Franchise Marketing Specialist. "If we can make someone's first raceday experience a winner through Christmas at the Races or the Interislander Summer Festival, we can create loyalty and following for New Zealand Racing and strengthen the value of the franchise to our clubs, who get great exposure through advertising on a national scale."

With CATR in its ninth year, and ISF celebrating its 10 year milestone this season, our research shows that brand recognition among the public for these events is nearly 80%.

From grown men cuddling miniature ponies at Ellerslie on 5 December to the Great Man Pulled Sulky Race at Ascot Park on 12 December - the thrill of racing and festive cheer was experienced by the thousands of merry makers who attended Christmas at the Races this year. To engage them in racing and increase on-course turnover, the popular Christmas Cracker and Santa's Pick returned as easy betting options to encourage a punt.

"There is no doubt in my mind that both CATR and ISF provide significant benefits to our Christmas and summer holiday events," said Tauranga Racecourse Business Development Manager, Don Paterson. "The CATR franchise has consistently attracted substantial hospitality package sales on dates that would not do so had they been 'stand-alone' events, and the infrastructure provided at affordable rates makes these packages value for money in the minds of the market. The support provided by the EML team ensures the theming, set up and pack down is done efficiently and to a high standard."

Paterson reinforces the incredible brand recognition of the franchise. "ISF is the most recognised of all Thoroughbred Racing Industry event brands, having been kept consistent for quite a few years, ensuring 'cut through' retention and recall by the market. This was proven when our event (traditionally on 2 January) was moved to a new date (16 January) due to poor weather. While the crowd was not as large, it was still considerably more than we would have achieved without the ISF brand involved. ISF has the ability to take a non-performing date and raise it to a much more productive event."

With the last festive event on the 22 December and Interislander Summer Festival kicking off on Boxing Day, it was a tight turn around to change out the gear in each of the six event delivery vans. The swapping of thousands of Christmas trees, table runners and organza poofs, for hoola hoops, hobby horses, bunting and horse mascots meant it was a big week for the team, but one that went flawlessly.

To ensure we are always giving guests a great day on-course the franchise's need to be continually evolving. "Being my first season, it was great to experience the electric atmosphere and thank you to all clubs involved in CATR and ISF this year. The experience along with club and customer feedback leaves us in an exciting position to make developments for next season" states Doig.

For more information on the assistance the Event Marketing and Logistics team can provide, feel free to contact [TheRaces@nzracingboard.co.nz](mailto:TheRaces@nzracingboard.co.nz)



### NEW INDUSTRY LIAISON ON BOARD

Peter Benstead has recently joined the NZRB as Head of Industry and Relationships. He will be working closely with many of you to maintain and strengthen our existing relationships and grow new connections within the wider racing industry.

He has over 30 years' experience in the areas of business and partnership development, relationship management and sales and channel management. Originally from St Helens, England -he is a passionate rugby league and football supporter (St Helens and Manchester United) and since coming to New Zealand has expanded his sporting interests into racehorse ownership.

Please welcome Peter to the team and don't hesitate to get in touch with him at [peter.benstead@nzracingboard.co.nz](mailto:peter.benstead@nzracingboard.co.nz)



## WORKING AT HEIGHTS NOW SAFER

Central region racegoers and club members may have noticed a certain glow around some of the TAB Trackside crew over the past month. That's because camera operators working from the large towers at those racecourses are now wearing shiny new safety harnesses. It's part of a drive towards improved on-course health and safety for NZRB employees.

Among six areas identified for focus, working at heights has been a development area for the NZRB's Health and Safety Manager, starting with a pilot at central region racecourses in 2015.

To get the best shots of the racing action, camera operators work out of towers that are of varying construction and design, and access to these can be difficult as they can be over stiles and across fields. Birds often access the huts when they are not in use. To help our camera operators deal with some of these challenges, new processes around working at heights are being implemented, which include the use of safety harnesses.

To date, some minor building works on towers and other areas have also been led by the NZRB, in collaboration with the Central area clubs, to further increase tower safety.

Site specific risk registers for every tower and Mobile Elevated Work Platform are being developed, with associated action plans being created and regularly reviewed. Phase two of implementing the working at heights processes has commenced in Otago and Southland, with 15 racecourses undergoing initial assessments. Canterbury will follow shortly thereafter, with a phased roll out throughout New Zealand. The coming months will see further health and safety initiatives being developed and these will continue to be reported to you.



## NEW RACING MULTI PROVING POPULAR

The new racing Multi page that was previewed in the last edition of Inside Running has now had a full month of operation under its belt.

Having already released a new Sports Multi in October, the team were able to focus solely on Racing ahead of its December release, on a proven Multi platform. With more complex features and functions, we're very pleased that the Racing Multi had a smooth launch, plenty of betting activity and most importantly great feedback from our customers through the TAB Grandstand. After using it, 68% of respondents said they will bet more often because of the new Racing Multi page.

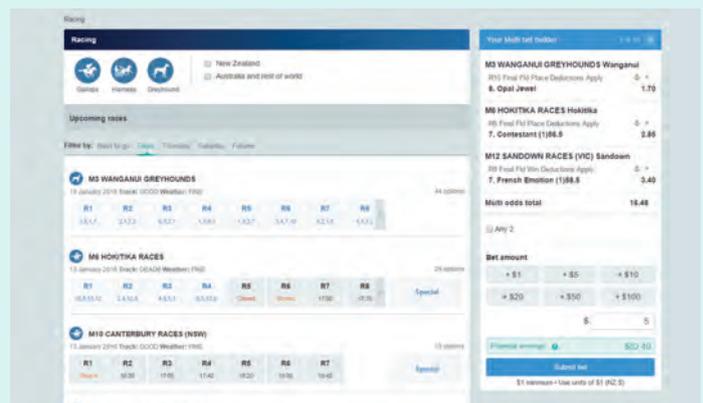
Since the launch of the new Racing Multi page, 373,000 Multis have been sold online, with 109,000 of those on the new Racing Multi page. We're slightly ahead of our Multi revenue increase targets, of 4% for racing and 8% for sports. Although small, there has also been a slight increase in the percentage of Multis that have both Racing and Sports options, since the launch of the new Racing Multi page. Selling racing product to traditional sports fans is something we will continue to work on.

The new features like real-time updates, countdown timers for the next two races, automatic odds updates and related outcomes notifications have been well received. The bet builder is also earning praise for its ease of use and simplicity, where the customer can easily add and subtract options to craft their perfect big winner. Two areas that we have had feedback on will be updated in the next release on 3 February.

The first is that the anchor will be made clearer when it is selected. The second is that the Bet Builder will empty once the bet confirmation window is closed. Currently the selections remain in the Bet Builder after the confirmation window has closed, leading to confusion around whether the Multi has been placed or not.

These updates will come in phase three of our Multi release plan. The key feature of this release is the inclusion of a single bet builder. The single bet builder will now allow customers to place up to 10 single bets in one transaction, making the Multi page the easiest place to place single Fixed Odds bets.

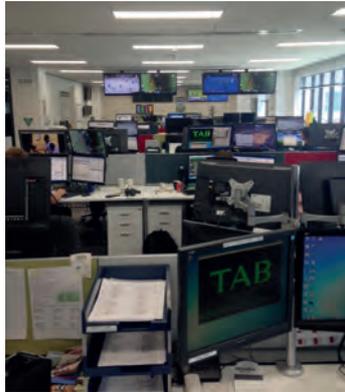
Other new features in this release will be the introduction of a star icon to indicate that there is a special available on a specific code, and banners to promote big events and promotions. The single bet builder will be available from 10 February.





## BEHIND THE SCENES WITH THE TAB BOOKIES & RACEDAY

It's just after 8:00am on a Saturday morning, and there's already a buzz around the third floor at the New Zealand Racing Board's head office in Petone, Wellington.



A \$4,000 bet has just come in on a runner for that afternoon's Ellerslie gallops, and a couple of bookies are discussing whether it needs to shorten. Early morning

European football is live trading a couple of desks away, and several members of Raceday Control are updating the day's racing information, taking over from staff who have covered the wee hours of the morning.

It's a world that many of us engage with every day, through betting activity. However, what goes on behind the scenes is less known. Who puts up the options on tab.co.nz? How are prices calculated? We spent a day with the TAB Bookmakers (bookies) and Raceday Control to find the answers to these questions.

Betting with the TAB starts and ends with Raceday Control. Before the bookies price runners and manage markets, a huge amount of information about each meeting needs to be put into the betting system, called Jetbet. Raceday work with the New Zealand Codes as well as international Codes and clubs such as Singapore Turf Club and Tabcorp, to gather information such as fields, race times, scratchings, weights, trainers, silks, jockeys and drivers. On average, Raceday handle 40 meetings a day with 7-10 races per meeting, with the information for every race needing to be loaded into Jetbet.

Then it's onto the Betting team. There are three different groups within the team – Content, Risk and Trading. Content organise the allocation of option numbers for our Fixed Odds options, and perform a role that is similar to Raceday Control, but for Fixed Odds, by inputting a variety of information that the Sports bookies need. Risk are responsible for pricing the markets, and Trading do the live trading and movement of prices once they are open.

The Content team plan the week's Fixed Odds for Sports and Racing, and allocate option numbers. For example, a full round of EPL soccer has 10 matches, with each match needing at least 10 standard options, including Head to Head, Halftime/Fulltime Double, Goal Start etc. Some matches may feature 30 or more options, and with night matches in the UK shown live in New Zealand, special live betting options have to be planned for well in advance. Each option must be created in Jetbet with opening, closing and payout times included. The Content team are also responsi-

ble for making sure all of the sports options are paid out correctly and on-time.

Once option numbers have been assigned, then it's time for the book makers in the Risk team to work their magic. It starts with getting multiple prices. For Racing, the lead bookie for the market will get prices from two other bookies, working completely independently. The lead bookie will then compare the three prices, and come up with a final quote.

In coming up with their prices, racing bookies will look at breeding, track conditions, jockeys, distances, barrier draw and weights, among a wide range of information. The lead bookie will sometimes go a bit deeper, consulting speed maps and more detailed track reports. The attitude of the bookies is that they're not there to pick winners or losers; they're there to sell runners a price that represents its theoretical chance of winning.

Sports bookies work on a similar method – consulting all information available, getting multiple prices and then coming up with a final quote for the customers. International market prices will also influence the odds that the bookies put up.

An area of growth for the Betting team is Live Betting, or trading throughout a match. Trading bookies manage the acceptance of bets and movement of odds once they have been set by the Risk team. A much smaller amount of options are traded live, but they require constant price adjustment and sometimes suspension as the match plays out.

Improvements by the technology team have allowed Jetbet to handle 3,999 options, up from just 1,000 in the mid-2000's. Approximately 1,800 are able to be open for betting at any one time. As we look to grow the number of options we can have open, we'll be looking at automating more of our betting systems. This will allow us to open more options for our customers as well as offer more live betting.

To ensure the stability of our systems, further upgrades and new software is being looked at by the technology and betting teams, to better compete with overseas corporate bookmakers.



## SUMMER SELECTIONS HELPING KIWI FAMILIES

A collaboration between the New Zealand Racing Board and Ronald McDonald House Charities (RMHC) has raised over \$13,000 for sick kiwi kids and their families this summer, while encouraging new racegoers to have a punt at Interislander Summer Festival events across the country. At each of the Interislander Summer Festival events held this season, a TAB Racing Tipster has selected a runner as the TAB Summer Selection. If the Summer Selection finishes in first place, the TAB will donate \$75 to RMHC.

If the Summer Selection comes second or third, the TAB will donate \$50. Similar to Santa's Pick, which last year encouraged 75% of new racegoers to take a bet, the Summer Selections have returned a 15% profit to punters since Boxing Day, proving to be a winner for both new racegoers and those in need of Ronald McDonald House's help.



"We can't thank the New Zealand Racing Board, Racing Clubs and everyone behind the Interislander Summer festival enough for helping us to bring our message to New Zealand and helping us keep over 3,600 families a year together and strong," commented Wayne Howett, Ronald McDonald House Charities CEO. Families from all across New Zealand have used a Ronald McDonald House at times of illness, including the Meads family.

With a house full of bustling boys and another one on the way, the Meads happy family life was sent into a tail spin when Jarod and Tracey's youngest, Frank, was diagnosed with AML Leukaemia. At 18 months old, the couple's beautiful little boy was sent to the National Children's Hospital. After five months of treatment, Frank was in remission and sent home just in time for the birth of his new baby brother.

However a mere six weeks later, Frank relapsed and the family were back in a Ronald McDonald House for round two. It'd been a big year for the Meads family and the most important thing for them was being able to stay together. "Frank thrived when he saw his brothers. When he had ward leave and he was able to come to the house and be with his brothers, he was himself again" said Tracey. The TAB Summer Selection is easily identified during the race - in Gallops, the selection stands out from the field with its bright red saddle cloth. In Harness, the drivers will be wearing red pants.

Thank you to the clubs and sponsors for allowing the use of the red cloths and to the drivers for wearing the red pants, without your assistance the promotion wouldn't have been possible. The industry support has been incredible - from the Codes, Clubs, drivers, jockeys, stipendiaries, stewards, on-course TAB Operators and more, it's been a huge effort that is much appreciated by both our customers, Ronald McDonald House and the NZRB. There's only two more weeks left of Summer Selections, before the final event on 13 February, so if you're in need of a tip then check out the Summer Selections on [tab.co.nz](http://tab.co.nz), or simply ask the operator on-course for one.

## PROTEST PAYOUT, POOLS & PICK-THE-SCORE ENDING

Effective from Monday 1 February 2016, the TAB will be ending its Protest Payout trial, and will not be offering Pools and Pick-the-Score from the start of the Rugby and Rugby League seasons. The Protest Payout trial saw the TAB pay out Final Field Win bets on horses that were first past the post in NZ races but subsequently relegated. This has been running for a number of months and was actioned for the final time at Addington on Friday night when Buster Brady was relegated to second behind Classie Brigade.

Pools and Pick-the-Score are not being continued due to the sheer popularity of Multi and live betting on Sport. Pools challenged bettors to pick the Winning Team and Margin in ten specific games of Rugby and League, however Multi gives customers the freedom to choose the matches that they want and is proving to be much more popular. Interest in Pick-the-Score has also been affected by live betting on Rugby and League matches, as bets can be placed up to the 70th minute of play and sometimes even beyond that.

### INSIDE RUNNING DISTRIBUTION

Inside Running is emailed to Codes, Clubs, and other recognised industry bodies, along with other industry partners. This may be freely circulated to respective committees, members or other interested persons.

A copy will also be placed on the NZ Racing Board website ([www.nzracingboard.co.nz](http://www.nzracingboard.co.nz)).

If you wish to be added to the initial circulation list, please provide your email address to [insiderunning@nzracingboard.co.nz](mailto:insiderunning@nzracingboard.co.nz)

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