

16 November 2016

CIRCULAR NO 1617

TO: THE SECRETARY, ALL TOTALISATOR CLUBS AND KINDRED BODIES

FROM: EDWARD RENNELL, CHIEF EXECUTIVE

SUBJECT: BOARD NEWS

Following is a summary of major matters considered at the HRNZ Board meeting on 7 November.

1. Handicapping – National Introduction of Points System

The Handicapping Sub-Committee met on 6 November to review the trial of the points based handicapping system in the North Island. The general consensus was that the points system was working effectively and most appropriate to cater to the wider racing population. On the recommendation of the Sub-Committee, the Board resolved that this system be confirmed as permanent in the North Island from 1 December.

It was also agreed that following the success of this trial, there was merit in the application of the system on a nationwide basis. Accordingly it was agreed that this system would be introduced for the South Island in early March 2017. HRNZ's Racing Department will now give priority to re-assessing the existing horse population under this new system and implementing computer changes to service this. A consultation and education programme will also be developed to explain the new system to industry participants early in the New Year.

Some minor changes and refinements were agreed to the points system Guiding Principles. These will be separately advised when full details on the new system are circulated.

2. Use Of The Whip Guidelines

The Animal Welfare Sub-Committee is continually reviewing HRNZ's animal welfare policies, with a recent focus around monitoring the use of the whip and the role it plays in the industry going forward. Following consultation with and the support of the NZ Harness Racing Trainers & Drivers Association and the Racing Integrity Unit (RIU), changes have been approved to HRNZ's Use of the Whip Guidelines.

From 1 December 2016, the whip shall not be used more than 10 times in the last 400m of a race. Any breach of this will constitute excessive use of the whip pursuant to Rule 869(2)(a) and be subject to a charge by the RIU. Details of this have been separately notified to all licensed drivers.

3. Canterbury Training Facilities

With the increasing cost of land in the Canterbury region, the entry cost for new trainers looking to establish themselves is prohibitive without some form of family support. As a result the Board has agreed to undertake a feasibility study of the merits in developing centralised

training facilities in the region, similar to that provided by Franklin Park (Pukekohe) in the Auckland region.

This study will review options and costings, along with the strategic benefits and demand for such a facility in the region. The study will review options at existing rural racecourses compared to the possible purchase and development of a private establishment, ideally south of Christchurch. While this study will be on a no commitment basis, HRNZ believes it has nothing to lose by undertaking such a review and strategically considering future options. A Board Sub-Committee has been established to oversee this review.

4. NZ Racing Board Update

John Allen (CEO) and Garry Woodham (GM Customer) attended the Board meeting to give an update on pertinent matters to the NZRB. Two key issues addressed were the International Agreement with Tabcorp and progress with the proposed Race Fields legislation.

In terms of Tabcorp, agreement in principle has been reached in the last fortnight on a basic terms sheet that will cover the period up to 28 February 2017. A long form agreement will be developed for signing off by both parties prior to that date. With the negotiations reaching conclusion, full co-mingling should be reintroduced mid-November. An overview was provided of key terms in the industry's agreement with Tabcorp, which is for three years, with a right of renewal for three years by mutual consent.

The NZRB representatives outlined satisfactory progress is being made politically with the pending Race Fields legislation, with the Minister aiming to introduce this to the House early in the 2017 calendar year for consideration. Once approved, this has the potential to deliver an estimated \$4-5m in additional funding for the harness code, which equates to around a 10% growth in funding that can be directed to stakes.

5. NZRB Optimise the Calendar Project

Over the last few months, the NZRB has been co-ordinating a review of the dates calendar with a view to trying to maximise NZRB profitability and code funding. A number of initiatives have been identified to maximise revenues and reduce NZRB costs in servicing race meetings through better placement and co-ordination of dates.

HRNZ has just received the first rollover draft calendar for 2017/18 with these principles applied. While open to suggestions that make sense from a profitability perspective, HRNZ has concerns that some of the suggestions impacting on the harness code were not logical given the makeup of the horse population and could compromise racing in certain regions. It was agreed management would meet with the NZRB to address these concerns before any draft calendar is circulated to clubs and the wider industry.

6. In Brief - Other Matters Of Note

- **HRNZ Annual Report 2015/16** – final audited version completed and to be circulated to clubs and kindred bodies.
- **HRNZ Organisation Review** – HRNZ is to engage an independent consultant to undertake a review of the organisation's structure to confirm it is "fit for purpose" given the changing landscape in industry roles and expectations. This exercise will be deferred to post implementation of the new handicapping system given the resource implications that need to be addressed with this.
- **Super Club/Regionalisation Update** – progress with clubs in the Central Districts region in reviewing and potentially pursuing a regional model based on Southern Harness.

- **Club Constitution Template** – HRNZ has engaged a lawyer to prepare an updated template for clubs looking to review/update their old constitutions. A copy of this will be separately circulated to clubs.
- **Racing Safety Development Fund** – round one applications approved for eight harness club projects totalling \$171,804. Of the \$1m annual budget for this fund, \$697,193 was approved this round, with the balance to be distributed in Round two closing 31 March.
- **HRNZ Building Review** – estimates of the cost are being sought to bring HRNZ's offices up to the amended building code requirement of 66%. A review will then be undertaken as to the long term future of the building.
- **HR Australia racing season** – the prospect of HRA switching its racing season to commence on 1 January was noted. Agreed HRNZ would keep a watching brief on developments and monitor the potential impact on feature NZ races.
- **HRA Handicapping system review** – noted that HR Australia reviewing their system on the basis it is not working to their satisfaction and are assessing the merits of introducing a points based system.
- **Breeding Regulations review** – draft amended Regulations as developed by John Mooney (NZSBA) were referred to the Rules Sub-Committee for review and confirmation. These Regulations have not been reviewed in recent times and changes are required to reflect latest practices.
- **GRNZ Funding Judicial Review** – High Court decision awaited.
- **Sectional Timing** – HRNZ and NZMTC have jointly funded the purchase of a system that will allow sectional timing of every horse in a race. This also has the potential to develop into tracking system for broadcasting purposes. This is to be introduced early in the New Year, following which it will be evaluated as to the merits of a wider application.
- **Youth Council** – HRNZ has formed a Committee of young people associated with the industry and some on the fringe, to seek ideas/initiatives on making racing more attractive to this age group. First meeting of this group is to be held late November.
- **Minimum Stakes for Group Races** – the Board clarified that the minimum specified stakes for Group races is based on programmed stakes, consistent with that for minimum stakes per race at \$6,000. It is a club's individual prerogative if they so desire to "top up" stakes over the amounts advertised per horse in the official programme due to less than a full field lowering the total to be paid.
- **Trevor Beaton (Owners' Rep on the HRNZ Board)** – appointed 1 November. Contact details: trevownersrep@gmail.com or phone 027 2333 789.
- **Statistics for the Season to date** – summary attached of statistics up to the end of October. Reasonably encouraging start for the code in turnover and participation levels.

7. Next Meetings

14 December (phone conference) and 20 January.

Regards



Edward Rennell
CHIEF EXECUTIVE