



MEDIA RELEASE

27 August 2010

Clubs require Class IV Gaming Audit for 2011/12 Betting Licence

Integrity key to turning around negative perceptions of racing

In the interests of improving integrity in the racing industry, the NZ Racing Board has implemented a Class IV Gaming Audit as a condition of racing Clubs' receipt of a Betting Licence.

Clubs are required to advise the NZ Racing Board of the outcome of an independent audit of their accounts by 1 December 2010 in order to receive a Betting Licence for the 11/12 season. Without a Betting Licence a Club can host races but wagering cannot be taken on those races through the TAB.

The move comes on the back of a perception research study undertaken by Nielsen, which found that only 16% of New Zealanders have a positive impression of racing and wagering.

"As long as there are poor perceptions of integrity in racing, people will not engage as punters, spectators or owners," says Michael Stiasny, Chairman of the NZ Racing Board.

"Integrity and participation are inextricably linked. To ensure racing's future prosperity, the NZ Racing Board will do everything in its power to improve integrity and therefore, help increase participation rates."

Racing has been involved in a number of embarrassing cases in recent years involving Class IV gaming funds. As part of the Class IV Gaming Audit, Clubs with gaming machines at their venue, that have investments in businesses that host gaming machines, or that receive grants from gaming trusts will be required to provide more details of these interests.

Clubs that refuse to provide Audit results to the NZ Racing Board will not be granted a Betting Licence for the 2011/12 season. Similarly, if Clubs have an issue but do not resolve this, the NZ Racing Board may withhold a Betting Licence for 2011/12.

“It is critical that New Zealanders have confidence in the integrity of racing. Racing Clubs should see this as an opportunity to identify and deal with any issues and put an end to the industry’s reputation being tarred by the unethical behaviour of a few,” Stiasny says.

The Nielsen research, which canvassed the views of more than 1,000 New Zealanders, showed that racing rates worse than any other sport on measures of perceived integrity (see notes). As a result 47% of New Zealanders have a negative impression of racing and wagering, 37% have no impression, and only 16% have a positive impression.

The research confirms the need to address integrity issues to improve perceptions of racing; a move which is wholly supported by the Minister for Racing. “We have the complete support of the Minister for Racing, John Carter, in our drive to improve perceptions of racing. He has made it clear that he will support initiatives designed to put an end to any and all corrupt practices,” says Stiasny.

In addition to the Class IV Gaming Audits, the NZ Racing Board is working with the three Code bodies on the establishment of an independent tri-code integrity unit.

The Racing Integrity Unit (RIU) will have responsibility for policing the Rules of Racing, effectively separating racing’s rule makers and judiciary from the ‘police’. This removes all potential conflicts of interest between making the rules and enforcing them. The Racing Integrity Unit is expected to be fully operational before the end of the 2010/11 season.

“The racing industry needs to ensure it is beyond reproach in every way. The way races are conducted, the behaviour of the participants, betting systems, and all funding sources must be able to withstand scrutiny.

“The racing industry has been the subject of bad publicity for many years on all of these counts. It’s time to deal with these issues once-and-for-all,” says Stiasny.

ENDS

Michael Stiasny welcomes interviews on this subject.

For further information, or to arrange an interview, please contact Jessica Venning-Bryan, Head of Communications, on 027 294 0736 or jessica.venning-bryan@nzracingboard.co.nz

NOTES TO EDITORS

Nielsen, Perceptions of Racing and Wagering in New Zealand

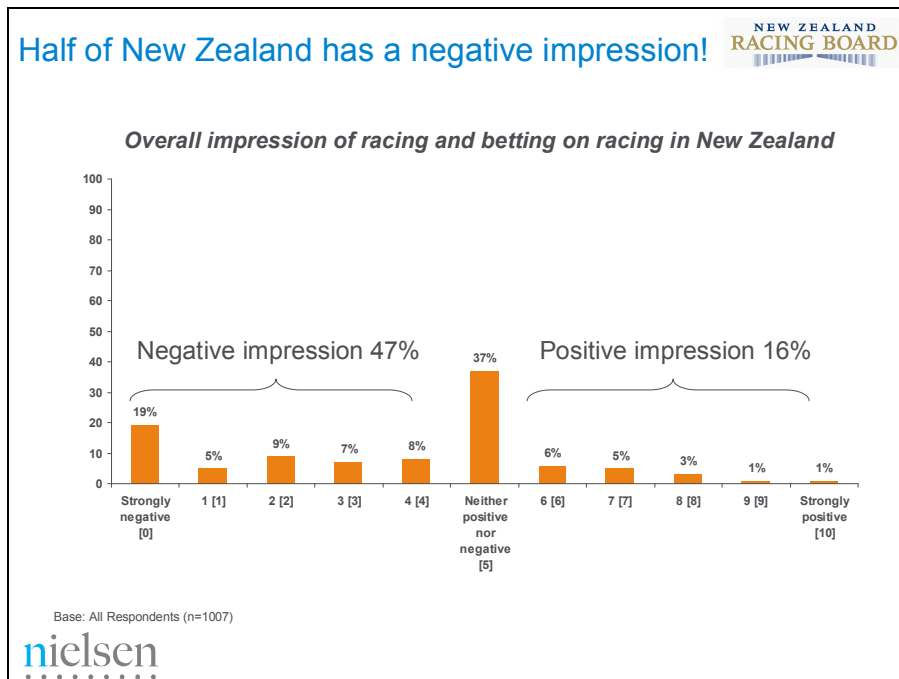
- 1,007 people surveyed over two weeks in March/April 2010
- Results compiled and presented to the NZ Racing Board in May 2010.

Overall impression of racing and wagering by New Zealanders

- 16% of New Zealanders have a positive impression of racing and wagering
- 37% have no impression
- 47% have a negative impression.

Attributes of Racing

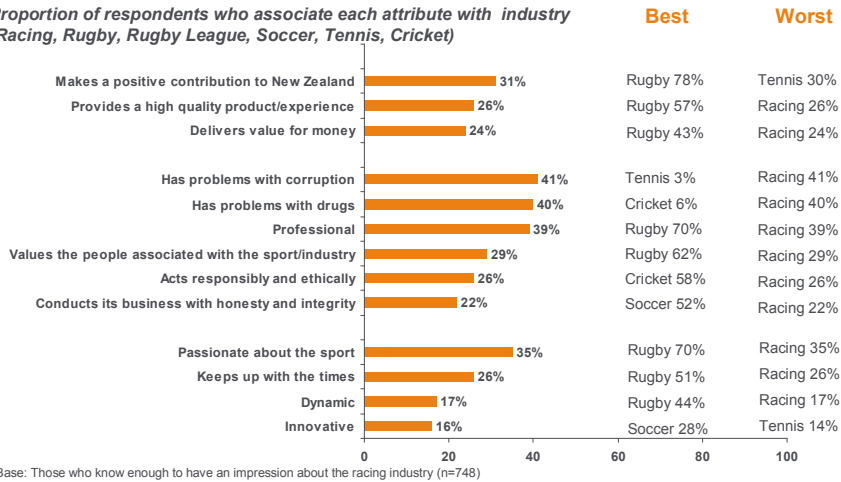
- Perceptions of Racing were studied in relation to 13 attributes (see chart below)
- Of the 13 attributes studied, Racing scored the worst on 11 of these compared to Rugby, Rugby League, Soccer, Tennis and Cricket
- Racing scored worse than these sports on all six measures related to integrity—Corruption, Drugs, Professionalism, People Value, Ethics and Honesty.



Compared with other sporting industries, the racing industry's profile is weak



Proportion of respondents who associate each attribute with industry (Racing, Rugby, Rugby League, Soccer, Tennis, Cricket)



Base: Those who know enough to have an impression about the racing industry (n=748)

