



## **INTERNATIONALISATION – FAQ’s**

### **What does the agreement with Tabcorp mean for the New Zealand racing industry?**

The agreement with Tabcorp and Sky Channel Australia covers the following key areas:

- A. Commingling** – the combining of New Zealand totalisator pools with Tabcorp’s Victorian Pool and the Australian Capital Territories, Western Australian and Tasmanian pools (The SuperTAB pools.)
- B. Expansion of New Zealand and Australian wagering schedules**
- C. International Marketing Agreement** - Sky Channel Australia is to act as the New Zealand Racing Board’s agent for international broadcasting.

### **A. COMMINGLING**

#### **1. What is commingling?**

Commingling of pools is the process where one totalisator organisation combines its wagering pool with another. It is commonplace in many wagering organisations around the world, with commingling being done both intra-country and between countries. In the United States, commingled pools represent over 80% of the amount wagered on horse racing. Many countries now commingle pools – examples include UK, France, Norway, Ireland, South Africa and Italy.

#### **2. What does commingling mean for the New Zealand and Australian racing industries?**

Commingling will see the New Zealand totalisator pool combined with Tabcorp Australia’s Victorian pool and the Western Australian (WA), Australian Capital Territories (ACT) and Tasmanian totalisator pools.

For commingled races customers from New Zealand, Victoria, ACT, WA and Tasmania will bet into the Victorian SuperTAB pool for WIN, PLACE and QUINELLA bets.

There may be opportunities in the future for New South Wales to join the commingled pools.

#### **3. How will commingling benefit New Zealand punters?**

New Zealand punters should see some major benefits. Pooling of bets on both sides of the Tasman will create an “Australasian Price.” It will bring bigger pools for punters in New Zealand and that means an end to the

wild fluctuations in dividends, particularly for smaller and night race meetings.

Customers betting into commingled pools can bet with more confidence as bigger pools will lower price volatility and will provide better opportunities for Kiwi punters to support New Zealand horses running in Australia.

For example:

Take the Mirkola Lass dividend from Saturday May 12 in Brisbane. If commingling had been in place Kiwi punters would have had a significantly different price than they got. In New Zealand the price was \$4.70 for a place while the Victorian SuperTab paid \$11.40 for a place. In a combined pool Kiwi punters would have received \$8.60 for a place. This would have reflected the combining of the two pools.

#### **4. What currency are commingled races priced and paid out in?**

All the pricing displayed in New Zealand by the TAB is in New Zealand dollars. The customer does not need to consider exchange rates at all. New Zealand punters will receive the same price as Australian punters for commingled races, but each in their own currency.

#### **5. How will commingled pools be phased in?**

Stage one involves the pooling of New Zealand Racing Board bets on Australian races with Tabcorp, commencing early June. The first full day of commingled races is scheduled for Monday June 11.

Stage two is the pooling of Tabcorp bets on our races with the New Zealand Racing Board. That is scheduled to start later in the year.

#### **6. Will commingling occur on all three racing codes?**

Yes. If we are broadcasting a race from Australia, whether it be Greyhound, Harness or Thoroughbred it will be commingled.

#### **7. Are all bet types being commingled?**

No, only WIN, PLACE and QUINELLA bets will be commingled at this stage. It is anticipated that other products will be included in the future.

#### **8. Have the rules on betting changed?**

Yes they have. Because the bets are combined into the Victorian SuperTAB pool a number of rules changed for the sake of consistency. Most significantly the cancellation rule has been changed from Monday 4 June 2007. When the customer is making WIN, PLACE, EACH-WAY and

QUINELLA bets within 30 minutes of the jump the customer will now have two minutes in which to cancel their bet.

#### **9. How will customers identify commingled races?**

Commingled races will be identified in the following way on each of the channels listed below:

- **Trackside** – the ticker at the bottom left of the screen will say ‘Commingled’ and the pool totals will be much bigger.
- **Retail** – race lists will have the letter ‘S’ after the race name.
- **Teletext** - the letter ‘S’ will be displayed in front of Win, Place and Quinella pool totals
- **Internet** – will have an ‘S’ before the bet type
- **Raceform in Paper** – headlines in the banners at the top of the pages will highlight commingled races.
- **On-course teletext display** – the letter ‘S’ will be displayed in front of Win, Place and Quinella pool totals

The letter ‘K’ will be used to represent every \$1000 in the pool total

#### **10. How will commingling benefit the New Zealand Racing industry?**

The first year should generate the \$12 million the Racing Board has already guaranteed the industry. In addition, the new strategy is expected to bring in even greater benefits in the following two seasons – potentially \$17 million and \$22 million respectively.

These projected earnings will flow through to the industry in the form of increased race stakes, which in turn means higher fees for successful trainers, jockeys and drivers.

### **B. EXPANSION OF NEW ZEALAND AND AUSTRALIAN WAGERING SCHEDULES**

#### **11. How will this impact the Australian wagering schedule?**

The window of opportunity for the expansion of New Zealand races into the Australian wagering schedule is in the morning timeslot from 10am Australian eastern standard time. This means the first New Zealand race meeting of the day will start just after midday.

Under the commingling agreement Tabcorp will take Monday to Saturday broadcasts from New Zealand.

**12. How will this impact the New Zealand racing schedule?**

Racing in New Zealand will become a seven day a week activity.

The New Zealand Racing Board has worked with the codes to supply a seamless racing calendar of betting opportunities beginning with Greyhound racing on Monday's, Harness and Greyhound racing on Tuesday's and a combination of Greyhound, Harness and Thoroughbred racing for the remainder of the week.

The availability of racing stock has been carefully considered to make the seven day a week New Zealand racing calendar work.

For example, we have moved some Thoroughbred race meetings to Friday's and have reduced race cards from ten races to eight races to ensure we deliver consistent racing product throughout the week.

**13. How will the changes to racing schedules benefit Kiwi punters?**

The expansion in race schedules will mean New Zealanders will have more local and Australian racing product to bet on. There will be more Australian races within our wagering schedule which will provide greater consistency for New Zealand punters.

The new agreement with Tabcorp specifies a minimum number of races and meetings to be taken on certain days. A particular emphasis will be given to more thoroughbred races. There will be gallops meetings from Sydney and Melbourne every Saturday. When there are only two New Zealand meetings on Saturdays a third meeting from Australia will be broadcast on television and radio.

New Zealand customers following Australian racing will no longer be forced to bet off-shore as there will be better opportunities to follow jockeys, drivers and trainers throughout their campaigns.

**14. How will changes to race schedules affect New Zealand racing clubs?**

Under commingling we have developed an 'Australasian Race Time Schedule'. As a result of the changes New Zealand racing clubs will need to be even more vigilant in managing race times as flexibility around race times will increasingly disappear.



Trackside viewers can expect to see full market pages displaying relevant information for the next race, a countdown to race start and the latest odds.

Split screens will be employed to show live vision and betting information from the next two venues. Contrasting colours and clocks will help viewers differentiate between the meetings. The highlighted odds for the next race will not detract from race coverage, and will provide punters with relevant information so they can prepare for the next race.

There will be occasions where delays in the schedule mean some races cannot be shown live.

## **C. International Marketing Agreement**

### **17. What does the International Marketing Agreement involve?**

The International Marketing Agreement with Tabcorp enables the international arm of Sky Channel Australia to negotiate new markets overseas for the New Zealand racing product.

This will help ensure New Zealand's place in the global community by providing greater opportunities to showcase New Zealand bred horses around the world.