

Box 38386, Wellington Mail Centre
106-110 Jackson Street, Petone
Wellington, New Zealand
Telephone +64 (0) 4 576 6240
Facsimile +64 (0) 4 568 8866
E-mail office@nzh racing.co.nz
Website www.nzh racing.co.nz

Bills Committee on Betting Duty (Amendment) Bill 2013
Legislative Council Secretariat
1 Legislative Council Road
Central
Hong Kong

Sent by email and fax: 00852 2509 9055 / pyyoong@legco.gov.hk

Submission of New Zealand Thoroughbred Racing

New Zealand Thoroughbred Racing (NZTR), the governing body of Thoroughbred racing in New Zealand, understands legislation to enable commingling has reached the stage of consideration by parliamentary committee (the Bills Committee on Betting Duty (Amendment) Bill 2013).

NZTR also understands the committee is receiving submissions on the legislation.

NZTR wishes to make the following submission in support of commingling. This is done with the benefit of commingling for several years with Australia.

NZTR supports commingling for the key reasons listed below.

New Zealand has not only exported racing to Australia for several years and, more recently, selected other countries, but also now imports regular product from Hong Kong, and Singapore, UK, France, USA, with plans for wider Asia.

There is not only greater choice of product for New Zealand customers but also now considerable appetite for New Zealand racing by global customers. Commingling has created this cross-border demand.

This has increased turnover and diminished odds volatility.

As a result of these larger betting pool sizes the growth of off-shore corporate bookmakers' wagering market share has been counter-acted in the most effective way possible – by providing better and new products for our customers.

All this increased offering has also improved the quality of our broadcasting and form information, and promoted greater movement of horses, trainers and jockeys between countries. It has focused attention and improved scheduling. And this cooperative scheduling approach has allowed more New Zealand product into Australia and more international product into New Zealand.

Increased opportunities for customers from more imported racing from other jurisdictions have also helped us retain customers, who were being attracted by other consistent international product.

In conclusion, this commingling of totalisator pools has:

1. improved our quality and consistency of racing product – race fields, runners – which, integrated with our domestic wagering service, has provided the ability to wager like a local product
2. enhanced our broadcasting service particularly in regard to consistency – timing during each day and each week
3. enriched information provided to customers and its availability and presentation
4. integrated a wide menu of products into the local betting process, e.g. electronic betting terminals
5. provided a platform for co-promotion of our local racing industry
6. leveraged available technology and fixed costs by providing racing product outside 'normal' hours, and
7. most importantly, created large pools and more stable dividends

It is NZTR's experience commingling delivers for New Zealand what our 'global customers' want and, at the same time, it gives New Zealand customers higher liquidity and stable dividends thereby increasing the viability of our industry and the opportunity to grow it.