

WAGERING WORKING PARTY

WAGERING REPORT

OCTOBER 2014



Background

Concern over a range of wagering matters prompted Harness Racing Australia (HRA) to appoint a special committee, the Wagering Working Party, in late 2013 to examine wagering issues and make recommendations as to how turnover can be boosted, with a resultant increase in industry funding.

The members of the Working Party appointed by the HRA Executive were Ross Cooper – Chairman, Sam Nati, Harvey Kaplan and Shane Anderson, with Andrew Kelly fulfilling the secretariat position.

Terms of Reference for The Panel were:

- To determine ways to grow wagering turnover on harness racing
- To identify ways to broaden the appeal of Australian harness racing as a wagering proposition
- To examine ways of making information more readily accessible to the punting public
- To examine ways to attract and retain both new and existing customers

Once established, The Panel met regularly to plan activities to assist in the development of a breeding industry plan which can be owned by the entire industry.

The need to review and update current statistical data, along with effective industry engagement were considered priorities.

Current Wagering Position

Given that wagering is critical to fund the harness racing industry, the increase in total turnover in 2013/14 of more than \$61-million – or 2.66% – to almost \$2.4-billion was pleasing. The increasing popularity of fixed price betting and corporate bookmakers requires careful management and constant monitoring, particularly with respect to TAB fixed odds yields and the lower returns to the industry from corporate bookmakers.

Total TAB turnover (pari-mutuel and fixed odds) at almost \$1.7-billion was down marginally on the previous year but the pari-mutuel component, of \$1.29-billion, was down \$204-million or almost 14%. Fixed odds betting with the TABs was \$402-million, up a stunning 98%, the second year running it had almost doubled in turnover volume.

The growth of turnover with corporate bookmakers provided further evidence that the industry's traditional funding model, of dependence on TAB distributions, has been seriously eroded. Turnover with the corporates rose almost 14% to just over \$527.4-million.

Betting exchange operator, Betfair, had net customer winnings - the criteria used to determine commission payments to the industry - increase almost two percent on the prior year but still well down on 2011-2012 figures.

In a stark reminder of why the race fields legislation has been so critical to the industry, the statistics show the corporate bookmakers' share of total turnover rose by more than 8% and now stands at 28%.

Some jurisdictions have increased the commission paid by the corporates and it will be interesting to see the impact this has on industry funding in the years ahead.

The tables on the next page provide the detail of wagering activity on harness racing in the past three financial years.

HARNESS RACING WAGERING TURNOVER 2011/12 - 2013/14

<i>TAB Turnover</i>				
<i>TAB Turnover</i>	Financial Year 2011 / 2012	Financial Year 2012 / 2013	Financial Year 2013 / 2014	% Change 2013 to 2014
<i>Pari-Mutual On Course</i>	\$47,910,288	\$40,633,290	\$32,002,985	-21.24%
<i>Pari-Mutual Off Course</i>	\$1,594,424,308	\$1,453,227,576	\$1,258,055,123	-13.43%
<i>Total Pari- Mutual</i>	\$1,642,334,596	\$1,493,860,866	\$1,290,058,108	-13.64%
<i>TAB Fixed Odds</i>	\$103,762,538	\$203,254,338	\$402,008,644	+97.79%
<i>Total TAB</i>	\$1,746,097,134	\$1,697,115,204	\$1,692,066,752	-0.30%

<i>Bookmaker Turnover</i>				
<i>On Course Bookmakers</i>	Financial Year 2011 / 2012	Financial Year 2012 / 2013	Financial Year 2013 / 2014	% Change 2013 to 2014
Total	\$6,499,236	\$4,639,634	\$4,953,030	+6.75%

<i>Corporate Bookmaker Turnover</i>				
<i>Corporate Bookmaker Turnover</i>	Financial Year 2011/ 2012	Financial Year 2012 / 2013	Financial Year 2013 / 2014	% Change 2013 to 2014
Total	\$350,492,697	\$463,818,642	\$527,426,365	+13.71%

<i>Fixed Odds as a % of TAB Turnover</i>				
	Financial Year 2011 / 2012	Financial Year 2012 / 2013	Financial Year 2013 / 2014	% Change 2013 to 2014
<i>Percentage</i>	5.94%	11.98%	23.75%	98.2%

<i>Total Turnover (All Sources – Incl Betfair NCW)</i>				
	Financial Year 2011 / 2012	Financial Year 2012 / 2013	Financial Year 2012 / 2013	% Change 2013 to 2014
Total Combined Turnover	\$2,239,139,692	\$2,295,564,765	\$2,356,689,662	+2.66%

<i>Corporate Turnover (Incl Betfair NCW) as a Percentage of Total Turnover</i>				
	Financial Year 2011 / 2012	Financial Year 2012/ 2013	Financial Year 2013 / 2014	% Change 2013 to 2014
<i>Percentage</i>	21.73%	25.87%	27.99%	+8.20%

The Process

The Working Party determined the Terms of Reference would be best fulfilled via an industry based survey complemented by external interviews with the three TAB wagering operators and selected professional punters.

From this, a set of realistic recommendations could flow which were based on survey data, wagering experts and evidence based information.

The first step was an exhaustive survey which attracted almost 1,000 respondents. Determining why and how people bet, and what factors influence their wagering decisions, was a primary objective of the survey – and there were some interesting results.

Step two were interviews with TAB wagering operators and selected professional punters in order to stress test the veracity of survey responses, as well as gaining an insight into the industry from their own perspective and customer feedback.

The similarity between the industry survey feedback and the information gathered from the interviews gave the Working Party great confidence in the data and in turn the recommendations which could be made.

A weakness in the process was not directly hearing from the large number of casual punters who wager on harness racing - however, the Working Party took the view early in the piece that recommendations which enhanced the likelihood of investment from the most regular customers would have a positive impact on less frequent or engaged customers.

The Findings

The major body of work undertaken was a large scale on-line survey which attracted almost 1000 responses - the majority of whom described themselves as either 'Professional' or 'Frequent' Punters.

The survey was complemented by meetings and interviews with each of the three Australian TAB's and a number of professional punters which were designed to discuss how these organisations viewed harness racing as a wagering proposition as well as providing an opportunity to test the veracity of the survey results.

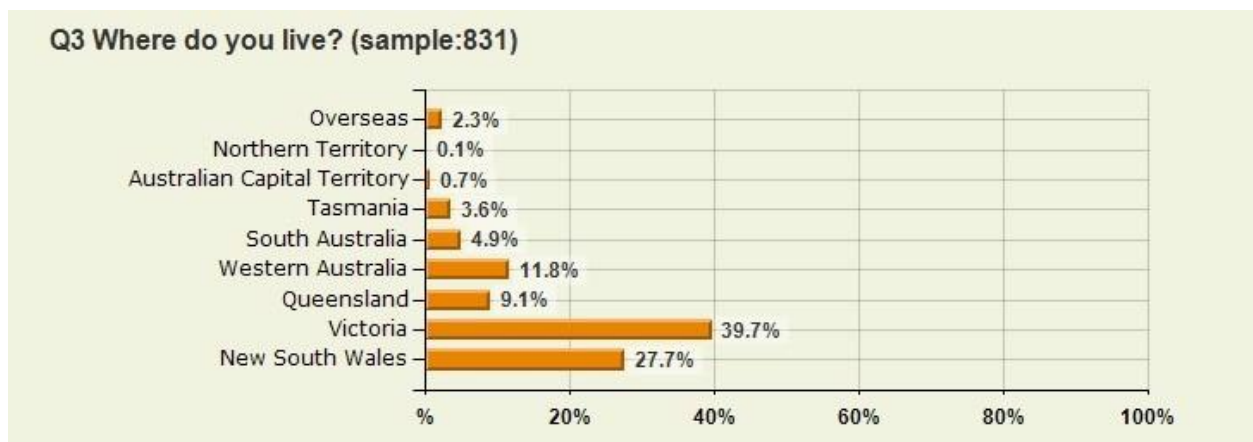
It is also important to note that the recommendations of the Wagering Working Party have been deliberately designed so as to not negatively impact or alienate any one particular harness racing wagering customer segment - which is important given there are behavioral differences between the Professional and Frequent punters which affect investment.

Complete unedited versions of the survey have been provided to all HRA Members in report form - covering not only the national responses, but also the State by State responses.

While the detail below explores some of the interesting differences between States, the Working Party dealt with the National Aggregate Report and TAB wagering operator feedback to determine recommendations.

DEMOGRAPHICS

Location



National Data

Wagering Working Panel
Wagering Report October 2014

Sex

State	Male	Female
NSW	90	10
Queensland	91	9
South Aust	95	5
Tasmania	73	27
Victoria	90	10
Western Aust	84	16
National	89	11

Age

- Less than 30% of respondents were aged <35yo
- Nationally, the highest proportion of punters were between 51-65 years of age
 - WA had the highest at 42% in this bracket, followed by Qld with 40.5%
 - NSW had the lowest, with 25%
- Qld had the oldest population, with 52.7% aged over 51 years
- NSW had the youngest population, with 30.5% in the 18 - 35yo bracket

Household Income

- More than 61% of respondents have a combined annual income of \$75,000 or more - the most being Tasmania with 74.1%
- More than 44% of respondents have a combined annual income of \$100,00 or more - the most being NSW with 48.7%

State	\$75k+	\$100k+
NSW	61.9%	48.7%
Queensland	66.2%	47.3%
South Aust	51.3%	27%
Tasmania	74.1%	22.2%
Victoria	61.8%	46.1%
Western Aust	59.8%	38.6%
National	61.7%	44.8%

Household Type

- In all States, most punter households were a couple with no children
- In all States other than Victoria, the second most usual household was a single person

- 44% of households have children living at home

Employment

- Almost half (49.1%) of the punters responding to the survey were employed full-time
 - Of these, half are in professional or middle management positions
 - 8% are executive management
 - 13% are skilled tradespersons
- Over a quarter (26.4%) are self-employed
- 11% are retired

Connection to Harness Racing

- People are passionate about harness racing:
 - In all States, the most popular answer (minimum 45% in Tas) was "I am a harness racing enthusiast"
 - The second most popular answer (minimum 22% in Queensland) was "I live for harness racing"

Involvement

- There is a strong link between ownership and wagering
 - In all States, most respondents were also owners (minimum was 51% in SA)
- 31% of respondents do not have an involvement other than wagering

WAGERING HABITS

The wagering habits of respondents were interesting. While some wagered across harness and Thoroughbreds, most were very loyal and predominately harness racing focussed.

However, even the most loyal would wager on other racing codes if they has a tip - which usually came from an acquaintance who owns a thoroughbred or greyhound.

Greyhounds was by far the least popular of the racing codes - usually with customers wagering simply to fill in time between harness races - but still well ahead of Sport.

TAB's advise that Sports is the entry level for new account holders, so strategies to educate and introduce harness racing to them is important. This is particularly true owing to the fact only 7% of money wagered by these new account holders is directed to harness racing.

The Wagering Mix itself was relatively consistent across the country.

It was also interesting that on-line gaming such as poker and other casino games hardly got a mention.

Sports Betting

- 40% have never bet on sports
- Of the 60% that have bet on sports, only 17% do so frequently or very frequently
- Qld is the State in which most harness punters are likely to bet on sports either Occasionally, Frequently or Very Frequently (86.7%)
- Victoria is the State in which most harness punters are likely to bet on sports either Frequently or Very Frequently (27%)

Harness Racing

- Over 87% of respondents bet on harness racing Occasionally (20.1%), Frequently (25.7%) or Very Frequently (41.3%)
- Tasmania (55.6%) and Victoria (54.1%) had the highest percentage of Very Frequent respondents

Thoroughbred Racing

- Of the wagering options, aside from harness racing, most respondents are also likely to bet on Thoroughbred Racing
 - This is most true in Victoria where 17.8% bet Very Frequently on Thoroughbred Racing - rising to 60.1% more than Occasionally

Greyhound Racing

- Greyhound Racing is the least popular option of the respondents, with 76.4% answering that they either Never (47.7%), or Rarely (28.7%) bet on them
- Less than 10% of respondents bet on Greyhound Racing Frequently or Very Frequently

Wagering Mix

- The wagering mix of respondents was relatively consistent across the nation:



National Data

Main Reasons for Betting on Harness Racing

Most frequent customers have a close link and familiarity with the sport - usually through a family connection or an early on-track experience or introduction by a friend.

Many have become owners as well and there was a clear passion for the sport among most respondents.

Other popular factors included consistent, reliable form and a good challenge.

The most popular/consistent responses to the open ended survey question were:

- A long involvement in the sport - familiarity*
- A deep passion - many used the term 'love'
- Consistent, reliable form*
- Consistent track bias*
- Keen form students*
- Industry knowledge
- Owner
- Enjoyment
- Exciting spectacle

* these were the major reasons provided by professional punters as well

Unappealing Elements of Harness Racing

Most of the unappealing aspects fell within the general area of Integrity.

The Working Party is well aware that Integrity issues could be an easy target - based often on perception (or even through the pocket) rather than reality.

And so it may be in some instances - however, a deeper look at what were overwhelmingly common themes finds most can be addressed quite easily as explained in the recommendations section.

While the integrity issues focused on Stablemates - Change of Tactics - Stewards interpretations of tactics - Collusion - form reversal - inconsistent penalties - Prohibited Substances, other common issues included the number of short-priced favorites (defined as being less than \$1.50), small pools, standing starts, incompetent drivers, false starts and delays, slow tempo leading to boring races, horses galloping and leader biased tracks (particularly smaller tracks).

Respondents described the elements of harness racing which made it unappealing as a wagering option as:

- Short priced favorites
- Small pools*
- Standing Starts*
- Integrity issues:
 - stablemates
 - team driving*
 - form reversal
 - drugs
 - inconsistent stewards decisions
 - driving tactics
 - collusion*
- Bad drivers*
- False starts and delays

- Slow tempo - boring races - few moves
- Horses galloping
- Small tracks - leader bias

* these were the major reasons provided by professional punters as well

Main Reasons for Betting on Sports

This was an open ended question with 705 reasons provided. The most popular responses being:

- Don't often bet
- Limited chances - only two teams/players
- An interest while watching a game - makes the game more exciting
- Lots of different betting options
- Easy, simple
- Fun
- Can watch games live on FTA TV

Main Reasons for Betting on Thoroughbred Racing

This was an open ended question with 1061 reasons provided. The most popular responses being:

- Larger pools = value and good dividends
- More value in favorites
- Media coverage and availability of information
- Tips
- Carnivals, major races
- Social activity - follow a friends horse
- Enjoyment
- Time slot
- Fun

Main Reasons for Betting on Greyhound Racing

This was an open ended question with 1061 reasons provided. The most popular responses being:

- Quick turnaround/return - fast paced
- Fill in time - relieve boredom
- Tips
- Early speed indicators
- Small fields
- Social activity - follow a friends dog
- Pick a number/box
- They're always on Sky

Punter 'type'

- 14.3% of respondents describe themselves as professional punters
 - 40% of these people live in Victoria, 20% in NSW and 18.6% in Qld
 - 52.9% live in a household with no children
 - 28.6% are single
 - 24.3% are a couple with no children
 - 35.7% of these people 'live for harness racing'
 - 45.7% own horses
 - Wagering mix is as follows:



'Professional Punter' Data

Reasons For Betting (Motivations)

As discussed earlier in this report, behaviour and motivation varies depending on customer segment.

For example, Professionals are overwhelmingly intent on winning money - at 84.1% that is unequivocal. There is no thrill for this customer segment (only 19%), it's a professional business, highlighted again by a return on investment motivation at 74%.

Frequents, however, are a little more spread in their motivation with almost 30% motivated by entertainment factors - which is almost 50% higher than for Professionals.

One thing is for sure: wagering on harness racing is not a social activity. Which is interesting in itself as TAB wagering operators all made the point that sports betting is an activity which enhances the entertainment experience.

	Professional Punter	Frequent Punter
To Win Money	84.1%	50.4%
Thrill of Winning	19.1%	50.4%
Return on Investment	73.9%	31.1%
To participate in Spirit	19.1%	21%
Intellectual Challenge	26.5%	21.2%
Entertainment	15.2%	28.9%
Challenge with Friends	5.9%	6.1%
Group Activity	6%	5.3%
Great Value	8.8%	5.3%
Easy to Pick a Winner	19.4%	7.7%

- Professional Punters are most interested in making money and returning on their investment
- Wagering is not a social activity - although almost a third of all frequents view it as entertainment
- Professional Punters believe it is almost three times as easy to pick a winner than a frequents

Where Bet

	Professional Punter	Frequent Punter
Home	94.2%	84.6%
Pub/Club	20.3%	47.6%
TAB Agency	20.3%	35.9%
Track	24.6%	67.3%
Work	15.9%	14.4%

- Professional punters are most likely to bet at home

- Frequent punters are twice as likely to bet in a Pub/Club
- Frequent punters are almost three times more likely to bet on track

Wagering Method

	Professional Punter	Frequent Punter
TAB	84.8%	94.6%
On-course Bookmaker	33.3%	39.1%
Corporate Bookmaker/Exchange	78.8%	45.6%

- Professional punters are 72% more likely to bet via a corporate bookmaker or betting exchange

TAB Transactions

State	TAB On-course	TAB Retail	TAB Pub/Club	TAB Internet	TAB App	TAB Phone
NSW	72.1%	45.6%	55.1%	67.6%	45.6%	25%
Queensland	65.1%	41.9%	58.1%	76.7%	25.6%	37.2%
South Aust	89.3%	53.6%	57.1%	67.9%	28.6%	39.3%
Tasmania	70.6%	52.9%	47.1%	64.7%	58.8%	23.5%
Victoria	75.3%	46.6%	46.6%	71.7%	50.2%	33.6%
Western Aust	79.7%	54.7%	57.8%	56.2%	37.5%	37.5%
National Professional	65.1%	41.9%	58.1%	76.7%	25.6%	37.2%
National Frequent	77.4%	51.7%	54.9%	70.9%	43.4%	31.7%

- Professional punters are most likely to bet with the TAB via the Internet
- Frequent punters are 69% more likely to use a TAB App than a professional punter

TAB Fixed Odds

State	Pari Mutuel	Fixed Odds
NSW	61.5%	38.5%
Queensland	68.5%	34.2%
South Aust	67.7%	32.3%
Tasmania	63.5%	36.5%
Victoria	62.5%	37.5%
Western Aust	70.2%	29.8%
National Professional	65.8%	34.2%
National Frequent	65.7%	34.3%

- Very little difference between types of punters on a national basis

- NSW punters (38.5%) are the highest users of TAB fixed odds, but by only 1% over Victoria (37.5%)

Betting Account Companies (%)

State	Bet 365	Bet fair	Bet star	Centre bet	IAS	Lux bet	Sport ingbet	Sports bet	Tom 'house
NSW	25.8	58.1	8.1	16.1	24.2	21	48.4	32.3	17.7
Queensland	37.9	55.2	10.3	34.5	24.1	27.6	44.8	34.5	24.1
South Aust	33.3	60	0	26.7	33.3	20	40	46.7	13.3
Tasmania	11.1	66.7	22.2	33.3	22.2	22.2	33.3	55.6	11.1
Victoria	28.2	54.4	22.3	19.4	23.3	34	39.8	51.5	21.4
Western Aust	30.4	60.9	34.8	21.7	8.7	39.1	39.1	39.1	4.3
National Professional	46.2	88.5	30.8	32.7	30.8	42.3	51.9	48.1	25
National Frequent	26.9	49.1	15.6	19.2	19.2	27.5	43.7	41.9	18

- Professional punters are 80% more likely to have a Betfair account
- Sportingbet is the most popular Corporate Bookmaker after Betfair in all States

Betting Bans

- 76.9% of Professional punters have been prohibited from betting with a Corporate Bookmaker
- 35.3% of frequent punters have been prohibited from betting with a Corporate Bookmaker
- 76.9% of Professional punters have had trouble placing large bets with a Corporate Bookmaker
- 35.5% of frequent punters have had trouble placing large bets with a Corporate Bookmaker
- 36.5% of Professional punters know there are limits, but are not aware what they are
- 50.6% of frequent punters know there are limits, but are not aware what they are

Most Used Betting Method

	Professional Punter	Frequent Punter	National Combined
Exchange	24.6%	7.2%	8.8%
Corporate Bookmaker	32.3%	18.6%	19%
On-course Bookmaker	0	2.2%	2.2%

TAB Phone Account	1.5%	5.5%	4.9%
TAB App	9.2%	17.2%	16.3%
TAB Internet	29.2%	27.7%	26.9%
TAB Retail	3.1%	11.1%	10.3%
ETB	0	2.2%	2%
TAB On-course	0	6.9%	8.6%

- The most popular betting method for Professional punters is Corporate Bookmakers (32.3%), followed by TAB Internet (29.2%)
- Frequent is the other way around with TAB Internet (27.7%) followed by Corporate Bookmakers (18.6%)
- Regardless - the most popular betting method of harness punters who responded to the survey is TAB Internet

Importance of the Internet

- 71.8% of industry punters use the internet to place bets with Corporate Bookmakers (26.2% Apps and 2% Phones)
- This increases to 81.2% for Betting Exchanges (18.8% Apps)

Wagering Method Mix for Harness Racing

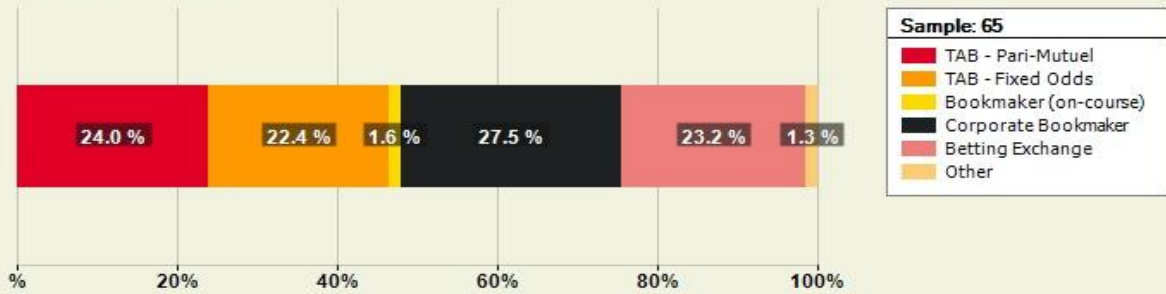
The different wagering method mix between Professional Punters and Frequent is evident via the charts below.

Almost 53% of professional customers wagering on harness racing is via a fixed odds option.

The influence of Betfair cannot be underestimated at 8.1% of high value harness customers wagering method.

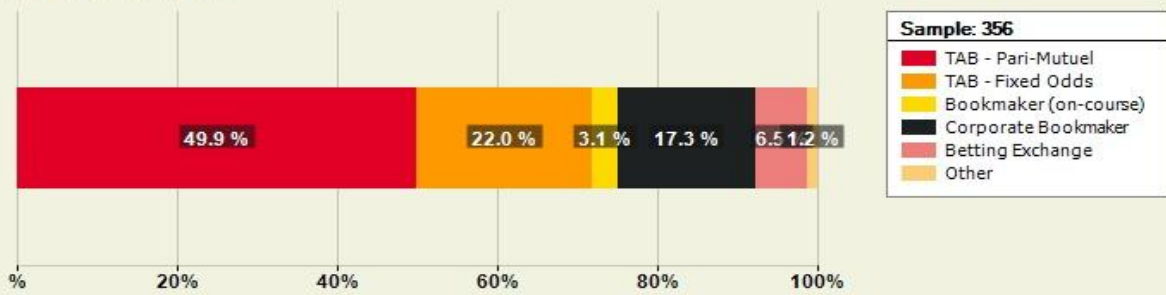
The popularity of fixed odds and exchange betting is also seen in year on year full national wagering statistics where TAB fixed odds have doubled each of the last two years to now be 24% of TAB wagering turnover, while corporate bookmakers (including Betfair) are 28% of total harness racing wagering.

Q20 Thinking about all of your wagering activity on harness racing, what proportion of your betting is: -



Professional Mix Data

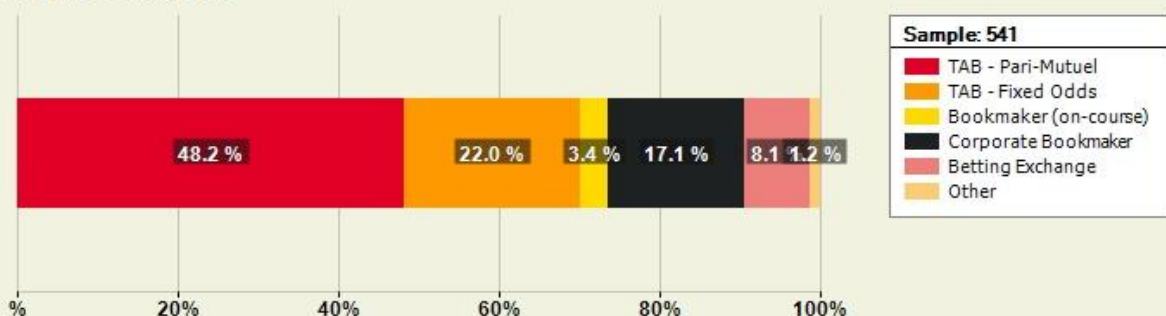
Q20 Thinking about all of your wagering activity on harness racing, what proportion of your betting is: -



Frequent Mix Data

- Professionals bet far less into pari-mutuel pools (24%) as opposed to Frequents (49.9%)
- With the percentage mix TAB Fixed Odds between the two groups almost equal (22.4% and 22% respectively), Professional Punters utilise Corporate Bookers (27.5% versus 17.3%) and Betting Exchanges (23.2% versus 6.5%) far more than Frequents
- This is important to bear in mind when considering the national combined data below:

Q20 Thinking about all of your wagering activity on harness racing, what proportion of your betting is: -



National Data

Bet Sizes

- Large Bets
 - A large bet for a Professional Punter is >\$200 (90.85%) and averages \$3116.48
 - A large bet for Frequent Punter is also >\$200 (46.4%) but a lower average at \$518.39
 - Frequent's second most popular definition of a large bet was \$1 to \$15 (23.5%)
- Average Bets
 - An average bet for a Professional Punter is also >\$200 (44.6%) and averages \$420.39
 - An average bet for Frequent Punter is between \$1 and \$50 (76.5%) and averages \$56.89
- Small Bets
 - A small bet for a Professional Punter is between \$1 and \$50 (87.3%) and averages \$43.78
 - A small bet for Frequent Punter is between \$1 and \$50 (93.2%) and averages \$9.49

Bet Types

- The three most enjoyable bet types for Professional Punters are:
 - Win
 - Quadrella
 - Trifecta
- The three most enjoyable bet types for Frequent Punters are:
 - Win
 - Each Way
 - Trifecta
- However, Professional Punters more regularly bet Place Only than Trifecta

Jackpots

- Jackpots are most likely to influence Professional Punters, with 43.1% stating that it influences them to increase wagering activity

- The same can be said for Frequenters - albeit a lower percentage at 34.6%

International Racing

- Frequent Punters (34.1%) bet more on International races than Professionals (29.2%)
- Across both sectors, most of this wagering activity is on Thoroughbred Racing

Favorites Price

Both punting sectors say that there are numerous factors which determine if they will chase a particular price for a favorite in a race. However, of those who answered, \$1.80 was a cut off point for many, while many still chased odds to the \$1.50 price.

First Involvement in Harness Racing

- 43.3% of respondents first became involved after attending the races
- 29.8% of respondents first became involved due to family interests

Factors Affecting Investment

Influence	Professional Punter	Frequent Punter	National Combined
Field Sizes	None	Large	Large
Starting Method	None	Extreme	None
Horse Gait	None/Extreme	Extreme	Extreme
Race Distance	None	None	None
Barrier Draw	Extreme	Large	Extreme
Sprint Lanes	None	None	None
Television Coverage	Extreme	Extreme	Extreme
Track Size	None	Large	Large
Stablemates	Extreme	Moderate	None
Lead-in Time	None	None	None

Field Sizes

Respondents were asked at what field size they would not bet:

- Professionals (no influence) = generally less than 8 runners
- Frequenters (large influence) = generally less than 8
- There were quite a few respondents who mentioned more than 10

Ideal Field Size:

- Professionals = most popular answer was 10

- Frequents = most popular answer was 10

Starting Method

Respondents were asked if they had a preferred starting method:

- Professionals (no influence)
 - 60.5% prefer mobile starts
 - 25.6% will not bet on Standing Starts
- Frequents (extreme influence)
 - 59.5% prefer mobile starts
 - 18.2% will not bet on Standing Starts

Horse Gait

Respondents were asked if they had a preference for Pacers or Trotters:

- Professionals (equally no influence and extreme influence):
 - 60.5% prefer betting on Pacers but will still bet on Trotters
 - 27.9% prefer betting on Pacers but will not bet on Trotters
 - 2.3% prefer betting on Trotters but will still bet on Pacers
- Frequents (extreme influence):
 - 55.3% prefer betting on Pacers but will still bet on Trotters
 - 24.6% prefer betting on Pacers but will not bet on Trotters
 - 6.8% prefer betting on Trotters but will still bet on Pacers
- In Victoria (no influence):
 - 54.2% prefer betting on Pacers but will still bet on Trotters
 - 18.1% prefer betting on Pacers but will not bet on Trotters
 - 11.8% prefer betting on Trotters but will still bet on Pacers

Race Distance

Respondents were asked if they had a preference for Race Distance:

- Professionals (no influence) - when pushed 50% said a mile
- Frequents (no influence) - when pushed most said 2200m

Barrier Draw

Respondents were asked how the barrier draw influenced their betting activity:

- Professionals (extreme influence):
 - "influences leader, so vital"
 - "most important factor after ability of horse"
 - "less likely to bet if favorite draws well"
- Frequents (large influence):
 - "big advantage on small tracks"
 - "dictates who leads"
 - "rarely back poorly drawn horses"
 - "better the draw, the more I bet"
 - "gate speed vital"
 - "wide barriers and second lines makes it hard to win"
 - "determined speed maps and field position"

Television Coverage

All respondents rated it 'extreme'. If they can't watch, they don't bet.

Sprint Lanes

Respondents were asked if Sprint Lanes influenced their betting:

- Professionals (no influence):
 - 46.2% said it depends on the race
 - 35.9% said generally more likely
 - 15.4% said generally less likely
- Frequents (no influence):
 - 36% said it depends on the race
 - 39.9% said generally more likely
 - 17% said generally less likely

While there was no standout position, it was more accepted that sprint lanes are no great influence on betting.

Track Size

Respondents were asked which size tracks they prefer to bet on:

- Professionals (no influence):

- 59.6% said 900m - 1200m
- 19.1% said no preference
- Frequents (no influence):
 - 54.4% said 900m - 1200m
 - 27.4% said no preference

Stablemates

Respondents were asked how having stablemates in the same race influenced their betting activity:

- Professionals (extreme influence):
 - "tactics should be announced in advance"
 - "team driving - real or perceived, is a worry"
- Frequents (moderate influence):
 - "they may assist each other"
 - "usually back the horse with stable driver"
 - "team driving is evident"
 - "tactics seem to change too much"
 - "it really worries me when betting - suspicious"
 - "depends on stable involved"
 - "more problematic on small tracks"
 - "hate it"
 - "generally don't bet"

Lead-in Times

Although rated as no influence - most respondents commented about the importance of lead-in times for a range of reasons:

- "horse manners"
- "delays"
- "rushing form"
- "sometimes miss the race altogether"

Other Factors Affecting Investment

Regularly Betting on a particular:

Factor	Professional Punter	Frequent Punter	National Combined
Trainer	Never	Sometimes	Sometimes
Horse	Equally - Never & Sometimes	Often	Often
Driver	Never	Often	Often
Expert Selections	Never (69.8%)	Rarely	Never

What is true of you:

Factor	Professional Punter	Frequent Punter	National Combined
Feel comfortable in TAB's	Moderately	Very	Very
Generally only bet on major races	Not at all	Not at all	Not at all
Aiming for ROI	Completely (74.6%)	Very (38.3%)	Very
I do form before the races	Completely (81%)	Very (42.4%)	Completely
I bet with a group of friends	Not at all	Not at all	Not at all
Betting enjoyment is as much about picking the winner as making money	Not at all	Very	Very
I take my betting on harness racing quite serious	Completely	Very	Completely

INTEGRITY

Views on Integrity

Respondents were asked how they feel about integrity in the harness racing industry generally:

- Professionals:
 - 47.6% said the industry had average integrity procedures
 - 38.1% said the industry had poor integrity procedures
 - 14.3 said the industry had good integrity procedures
- Frequents:
 - 39.9% said the industry had average integrity procedures
 - 35.1% said the industry had poor integrity procedures
 - 21.7 said the industry had good integrity procedures

Areas of concern:

- Professionals:

- "Change of Tactics Rule"
- "Lack of understanding of form"
- "Drug detection"
- "Inconsistent driving tactics"
- "Inconsistent policing and penalties"
- "Stablemates"
- "Form reversals"
- Frequents:
 - "Lack of understanding of form"
 - "Drug detection and swabbing numbers"
 - "Inconsistent driving tactics"
 - "Inconsistent policing and penalties"
 - "Stablemates - team driving"
 - "Form reversals"
 - "Collusion"

Ranking of concerns:

- Professionals:
 1. Consistency in interpretation of acceptable driving tactics
 2. Stables with multiple runners
 3. The 'change of tactics rule'
 4. Prohibited substance use
 5. Stewards querying unexpected poor performances from fancied runners
 6. Stewards querying unexpected improved performances
 7. The operation of betting providers
 8. Swabbing procedures and results
 9. Use of the whip
 10. Sulky type
- Frequents:
 1. Stables with multiple runners
 2. Consistency in interpretation of acceptable driving tactics

3. Prohibited substance use
 4. Stewards querying unexpected improved performances
 5. The 'change of tactics rule'
 6. Stewards querying unexpected poor performances from fancied runners
 7. Swabbing procedures and results
 8. Use of the whip
 9. The operation of betting providers
 10. Sulky type
- Combined:
 1. Stables with multiple runners
 2. Consistency in interpretation of acceptable driving tactics
 3. Prohibited substance use
 4. The 'change of tactics rule'
 5. Stewards querying unexpected improved performances
 6. Stewards querying unexpected poor performances from fancied runners
 7. Swabbing procedures and results
 8. Use of the whip
 9. The operation of betting providers
 10. Sulky type

Stables with Multiple Runners

Respondents were asked to what extent stables with multiple runners impacted their decision to bet:

- Professionals (#2 ranked integrity issue):
 - 34% said to an extremely large extent
 - 31.9% said to a large extent
 - 19.1% said to a moderate extent
 - 12.8% said to a slight extent
 - 2.1% said not at all
- Frequenters (#1 ranked integrity issue):

- 24.1% said to an extremely large extent
- 27.8% said to a large extent
- 31.1% said to a moderate extent
- 13.2% said to a slight extent
- 3.8% said not at all

'Change of Tactics' Rule

Respondents were asked to what extent the 'change of tactics rule impacted their decision to bet:

- Professionals (#3 ranked integrity issue):
 - 24.4% said to an extremely large extent
 - 34.1% said to a large extent
 - 24.4% said to a moderate extent
 - 9.8% said to a slight extent
 - 7.3% said not at all
- Frequents (#5 ranked integrity issue):
 - 12.5% said to an extremely large extent
 - 31.2% said to a large extent
 - 38.2% said to a moderate extent
 - 16% said to a slight extent
 - 2.1% said not at all

Change of Tactics Timing

Respondents were asked how long before a race should punters be informed of a change of tactics:

- Professionals:
 - 42.9% said 6 hours
 - 20.6% said 1 hour
 - 11.1% said 12 hours
 - 11.1% said 24 hours

- Frequenters:
 - 28.1% said 1 hour
 - 15.6% said 24 hours
 - 13.8% said 6 hours
 - 13.5% said 30 minutes

- All punters overwhelmingly believe change of tactics should be made public (90.5% and 81.2% respectively)

Acceptable Driving Tactics

Respondents were asked to what extent concerns about the consistency of interpretation of acceptable driving tactics impacted their decision to bet:

- Professionals (#1 ranked integrity issue):
 - 22.9% said to an extremely large extent
 - 20.8% said to a large extent
 - 29.2% said to a moderate extent
 - 20.8% said to a slight extent
 - 6.2% said not at all

- Frequenters (#2 ranked integrity issue):
 - 20.4% said to an extremely large extent
 - 29.6% said to a large extent
 - 33.1% said to a moderate extent
 - 13.4% said to a slight extent
 - 3.5% said not at all

Query Unexpected Improved Performance

Respondents were asked to what extent stewards querying unexpected improved performances impacted their decision to bet:

- Professionals (#6 ranked integrity issue):
 - 31% said to an extremely large extent
 - 17.2% said to a large extent
 - 24.1% said to a moderate extent

- 13.8% said to a slight extent
- 13.8% said not at all
- Frequents (#4 ranked integrity issue):
 - 14.2% said to an extremely large extent
 - 29% said to a large extent
 - 34.4% said to a moderate extent
 - 18.6% said to a slight extent
 - 3.8% said not at all

Query Unexpected Poor Performance

Respondents were asked to what extent stewards querying unexpected poor performances from fancied runners impacted their decision to bet:

- Professionals (#5 ranked integrity issue):
 - 33.3% said to an extremely large extent
 - 20% said to a large extent
 - 23.3% said to a moderate extent
 - 10% said to a slight extent
 - 13.3% said not at all
- Frequents (#6 ranked integrity issue):
 - 39% said to an extremely large extent
 - 23.7% said to a large extent
 - 22.9% said to a moderate extent
 - 12.7% said to a slight extent
 - 1.7% said not at all

Prohibited Substance Use

Respondents were asked to what extent prohibited substance use impacted their decision to bet:

- Professionals (#4 ranked integrity issue):
 - 27.8% said to an extremely large extent
 - 16.7% said to a large extent

- 33.3% said to a moderate extent
- 8.3% said to a slight extent
- 13.9% said not at all
- Frequents (#3 ranked integrity issue):
 - 35.8% said to an extremely large extent
 - 26.3% said to a large extent
 - 21.8% said to a moderate extent
 - 13.4% said to a slight extent
 - 2.8% said not at all

ACCESSING FORM

Respondents were asked how they access form. The following rankings reflect the popularity of each option:

- Professionals:
 1. Websites
 2. Sky racing coverage
 3. Twitter and Newspapers (equal)
 4. TAB Agency or Pub/Club
 5. Blogs and Wagering Apps (equal)
- Frequents:
 1. Websites
 2. Newspapers
 3. Sky racing coverage
 4. TAB Agency or Pub/Club
 5. Twitter
 6. Wagering Apps
 7. Blogs
- Combined:
 1. Websites
 2. Newspapers

3. Sky racing coverage
4. TAB Agency or Pub/Club
5. Twitter
6. Wagering Apps
7. Blogs

Blogs

Respondents were which Blogs they follow to access information:

- Professionals:
 - iForm - 66.7%
 - Goodform - 50%
- Frequenters:
 - iForm - 47.4%
 - Goodform - 63.2%

VIEWING HABITS

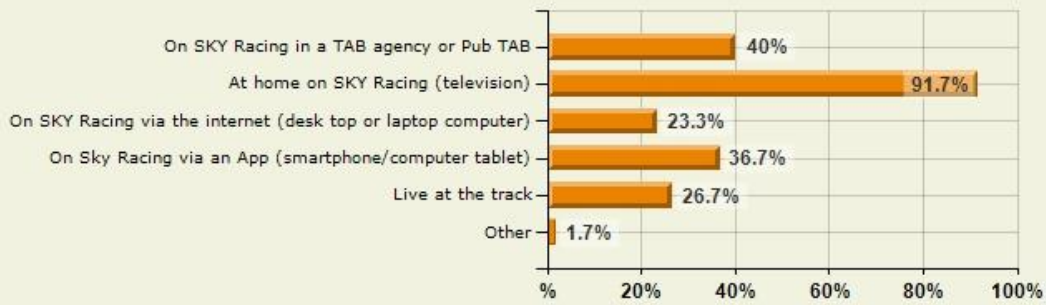
Consumption Method

Method	Professional Punter	Frequent Punter	National Combined
Watch	Very Frequently (77.4%)	Very Frequently (63.7%)	Very Frequently (62.9%)
Listen	Occasionally (29.8%)	Very Frequently (30.5%)	Very Frequently (28%)

Watching the Races

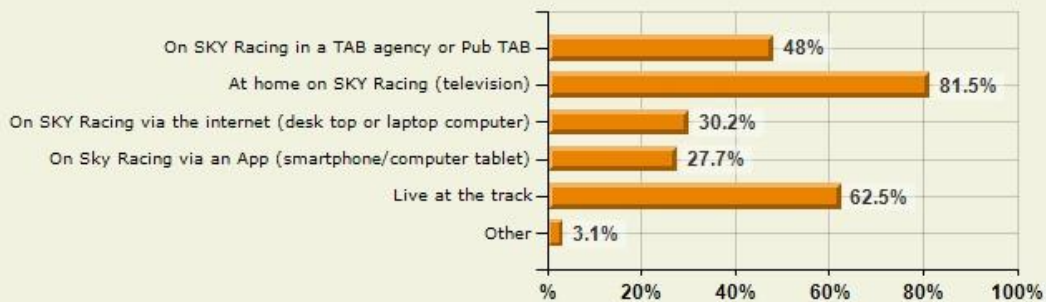
The overwhelming majority of respondents watch harness racing at home as seen from the following tables:

**Q38a In which of the following environments do you watch harness racing?
(sample:60)**



Professional Data

**Q38a In which of the following environments do you watch harness racing?
(sample:325)**



Frequent

Not surprisingly, there is a greater chance of the Frequent watching live racing.

Sky Racing 2

Respondents were asked if they had Sky Racing 2 at home:

- Professionals - 87.3%
- Frequents - 74.1%

Sky Presenters

Respondents were asked which Sky racing presenters they found most valuable:

- Professionals ranked the following:
 1. Greg Hayes
 2. Gareth Hall
 3. Wes Cameron
 4. Michael Polster and Jason Bonnington (equal)
 5. Andrew Bensley

6. John Tapp

- Frequents ranked the following:

1. John Tapp

2. Greg Hayes

3. Gareth Hall

4. Wes Cameron

5. Jason Bonnington

6. Andrew Bensley

7. Michael Polster

*note Adam Hamilton was excluded from the rankings

WAGERING VERSUS GAMING

Rarely, if ever, do any of the respondents to this survey play on-line poker or other casino games - be they on-line or at an actual casino.

Recommendations

In all, the Wagering Working party has made 30 recommendations – supported by a further 25 sub-recommendations.

These fall within six general headings:

- Integrity
- Drivers
- Racing Presentation
- Wagering Operators
- Promotion of Ownership
- Access to wagering Information

The Working Party found that in many instances, the recommendations addressed multiple Terms of Reference.

Accordingly, each of the terms was given a number (as below) which was in turn assigned to each of the recommendations which, when cross-referenced, denotes which Term or Terms that particular recommendation is designed to address.

1. To determine ways to grow wagering turnover on harness racing
2. To identify ways to broaden the appeal of Australian harness racing as a wagering proposition
3. To examine ways of making information more readily accessible to the punting public
4. To examine ways to attract and retain both new and existing customers

1. INTEGRITY RECOMMENDATIONS

- Change of Tactics:
 - A change of tactics refers to the usual starting and racing pattern of a horse in the first 400m of a race, having taken into account its last six starts
 - A trainer contemplating a change of tactics must inform the Stewards at least 90-minutes prior to the race to explain the racing tactics and driving instructions which will be given for the race (1 & 4)
 - A change of tactics may be disallowed by the Stewards if considered not to give the horse the best chance of finishing the race in the best possible position (1)
 - If deemed a change of tactics, then Stewards will advise and update the public via Sky Racing, Radio, Racecaller, Twitter and Website at least 60-minutes prior to the race (1, 2, 3 & 4)
 - Investigations should be made to circulate this information visually via Sky Racing (in a similar fashion to Late Mail) (1, 2, 3 & 4)
- Stablemates:
 - A trainer with stablemates in the same race must inform the Stewards at least 90-minutes prior to the race to explain the racing tactics of each horse and driving instructions which will be given for the race (1, 3 & 4)
 - Stewards will make information public 60-minutes prior to the race if considered a change of tactics based on previous racing pattern of the stablemates (1, 3 & 4)
 - Regardless - the conversation will be noted in Stewards Report (3 & 4)
- Stewards should be proactive in asking questions of drivers and trainers as to the reasons certain tactics were or were not employed during a race - with comments noted in Stewards Reports (1, 3 & 4)
- A Form Analyst should be employed by each State Controlling Body - with part of their job to provide expert opinion to Stewards Panels on the pre and post race tactics, tempo and horse performances (1 & 4)
- Penalty Guidelines should be developed in order to establish a consistent link between racing incidents and other rule breaches to specific penalties (1, 2, 3 & 4)

- Establish a uniform Stewards Report template (1 & 3)

2. **DRIVERS**

- Introduce a Platinum Licence criteria in order that only the best performed and competent drivers can compete in Listed and Group Races (1 & 4)
 - Suggested considerations:
 - must be equivalent across all States
 - must set clear requirements and expectations
 - must be reviewed annually, taking into account performance, success, presentation, driving record
- Tough and uniform penalties for bad drives – including poor judgment/decisions (1 & 4)
- Balance driver suspensions or fines in accord with regularity of competition, experience and age (1, 2 & 4)
- Introduce an annual national Drivers Series/Championship to showcase skills and profile (1, 2, 3 & 4)

3. **RACING PRESENTATION**

- Abolish standing starts for pacing races and gradually reduce their use in trotting races (1, 2 & 4)
- Investigate options to minimise unnecessary delays at the start of races - including a no gear adjustment policy within 2-minutes of the advertised start time (1, 2 & 4)
- Identify ways to declare all-clear quicker (1, 2 & 4)
- Live streaming of races via digital platforms (1, 2, 3 & 4)
- Negotiate 5-minute lead-in space for major races on both Sky1 & Sky2 (1, 2, 3 & 4)
- Live streaming of races via digital platforms (1, 2, 3 & 4)
- Race as punctually as possible within the context of the Sky Racing schedule and unforeseen delays at other venues (1, 3 & 4)
- Identify ways to declare 'all clear' quicker (1 & 2)
- Uniform color coding of barrier via saddlecloths or plates (1, 2 & 3)

4. WAGERING OPERATORS

- Mandate a minimum liability amount that all licensed wagering operators are required to accept. The suggested amount to lose is \$1000 (1, 2 & 4)
- Advocate a single domestic wagering pool for harness racing (1, 2 & 4)
- Increase seeded (minimum) pools & jackpots (1, 2 & 4)
- Develop regular fixed odds multi-bets which combine harness racing and sports products (1, 2, 3 & 4)
- Introduce head-to-head Driver Challenge betting (including with interstate Drivers) (1, 2 & 4)
- Evaluate the relationship and responsibilities between the harness racing industry and major wagering partners with regards to the marketing and promotion of wagering products and wagering information - is the balance right? is everyone aware of their responsibilities within the relationship? (1, 2, 3 & 4)

5. OWNERSHIP

- As with sport, engagement and participation develops familiarity which leads to wagering to enhance entertainment, hence there needs to be greater promotion of Ownership and Syndication - emphasising fun and value (1, 2, 3 & 4)
- Establish an on-track familiarisation program offering patrons: (1, 2, 3 & 4)
 - Double seater sulky rides
 - Mobile barrier rides
 - Explanation of gear and jargon
 - Autograph sessions with trainers and drivers
- Ownership information packs available on-track and featured prominently in industry websites (1, 2, 3 & 4)

6. ACCESS TO INFORMATION

- Important wagering and racing information needs to be consolidated into a single hub, utilising all available digital media platforms for the distribution of: (1, 2, 3 & 4)

- Simple Form
- Scratchings
- Previews
- Expert Selections
- Change of Tactics
- Trainer and Driver performance statistics
- News bites
- Direct links to wagering operator websites
- Promote and share content from Sky Racing: (1, 2, 3 & 4)
 - *In The Gig* - edited highlights packages
 - *Pacing & Chasing* - edited highlights packages
 - On-line access to existing and commissioned interviews and profiles of industry hero's (color pieces and profiles)
 - Weekly preview program dedicated to major national meeting
 - Accessibility of all media to wider public
- Enhance the www.harness.org.au website to include pop-ups of simple information such as selections, scratchings and links to wagering operators based on internet activity (1 & 3)

APPENDIX A - NATIONAL AGGREGATE REPORT

Attached.

APPENDIX B - ACKNOWLEDGEMENTS

The Wagering Working Party extends sincere thanks and gratitude to the following people and organisations:

1. Each and every person who took the time to provide responses to the industry on-line survey.
2. Tabcorp, TattsBet and WATAB Executives and Staff who provided valuable information and statistics during the interview phase.
3. The professional punters who agreed to interviews on the proviso of anonymity.
4. Members of HRA who provided valuable feedback and advice during the draft stages of Working Party's work.