

Racing NSW Benchmark Programming and Handicapping Policy - BPaH

Effective 1 August 2012

PURPOSE

Racing NSW is committed to providing the racing industry with a Handicapping system that is transparent, fair and consistent, whilst at the same time making racing competitive.

Similarly Racing NSW is seeking to deliver programming that is inclusive and creates racing opportunities for participants.

The purpose of this policy is to ensure that all interested parties can understand the rationale behind the changes and the process of benchmark programming and handicapping and enable them the opportunity to use the system to their advantage. This should result in programming and handicapping that industry participants understand, accept and support, and races that are more competitive.

POLICY STATEMENT

Racing NSW has responded to extensive industry consultation and on 1st October 2009 implemented a revised system of benchmark programming and handicapping. The implementation of merit based handicapping has been introduced to make the handicap races in NSW competitive and a better reflection of the underlying merits of horses' form. The handicapping system will be logical and consistent and the handicapping decision-making process transparent.

The new model brings together the best elements and resources of modern regulatory handicapping and private handicapping by form analysts working independently of Racing NSW.

Update: Racing NSW conducted a six month review of the new program after 31 March 2010 and sought industry feedback to a series of proposals designed to enhance the system. Once again extensive industry consultation followed and was responded to by Racing NSW when announcing amendments to the program which became effective on 1 November 2010.

Further update: Racing NSW conducted its second comprehensive review of the system in 2011. After considering the findings of the second review, industry feedback and consultation with trainer representatives, RICG (Racing Industry Consultative Group which includes Jockey, Race Club and Breeder representatives) and NSW Racehorse Owners Association, some enhancements to the system became effective on 1 January 2012.

August 2012 amendments: Racing NSW conducted a further review of the Benchmark Programming and Handicapping system and processes in June 2012. Amendments from this review were introduced 1 August 2012.

HANDICAPPERS' QUALIFICATIONS

There are no formal qualifications for handicappers – they learn their skills as cadet's employed by Racing NSW.

Racing NSW senior handicappers closely supervise new members of the handicapping panel to ensure the handicapping service is of a high standard. New handicapping panel members work with and under the supervision of senior handicappers to learn the basic skills they need. They then graduate to re benchmarking country races in the panel environment with senior Racing NSW handicappers supervising their work. Once these handicappers have demonstrated their competence, undertaken an accreditation process and received approval from their General Manager, they may benchmark horses in the panel environment and declare weights for race meetings.

OBJECTIVES

In introducing Benchmark Programming and Handicapping, Racing NSW set out to:

- increase the veracity and confidence in the handicapping model
- apply a combination of mathematical analysis with the oversight and adjustment of experienced handicappers to produce for the industry an objective assessment that measures the true intrinsic merit of each horse's performance
- produce handicap races in NSW that more accurately reflect the ability of horses contesting these races, making them more competitive
- create more opportunities for nominators to place their horses – reducing the number of restrictions on eligibility
- make every race a highly competitive event, creating more interest for participants to analyse each horses chances
- create increased betting interest to stimulate wagering turnover

BENCHMARK PROGRAMMING AND HANDICAPPING SYSTEM (“BPaH”)

Racing NSW has undertaken an in-depth study into the viability of implementing the Benchmark Programming and Handicapping (BPaH) system into NSW.

In analysing the merits of this system it was necessary to evaluate the potential to deliver a single number line model, which accommodated the diversified standard of racing within the State without the need for multiple number lines or templates.

A system has been designed which provides handicappers the flexibility necessary to accommodate the various racing clusters within the State, whilst at the same time

delivering Benchmarks that provide greater transparency to the handicapping process.

The BPaH system is different from that used in other Australian States, which generally operate Ratings Based handicapping models. The two significant differences are:

- i) Ratings do not include independent analyst data; Benchmark assessments incorporate the input of merit based assessments
- ii) Ratings races restrict entry by capping eligibility; Benchmark races are not restrictive at the top

i) Benchmark Handicapping (Merit Based Handicapping)

The handicaps allotted to horses are based on the benchmark figure of a horse at the time weights are declared for the race meeting that it has nominated for.

The benchmark figure assigned to each horse is based on a single line scale with each benchmark point equating to 0.5kg in handicap weight.

The Merit based handicapping incorporated into the BPaH system differs from traditional public handicapping that is largely based on the finishing positions of runners in previous starts.

The merit based assessment process begins with a mathematical (computer-based) calculation from proprietary software developed by Racing & Sports Pty Ltd under contract to RNSW. The computation takes into account an exhaustive list of relevant factors such as population averages over multiple years, race quality, recent and historical individual performances, age and sex allowances, head-to-head comparisons, form cycle, track grading and race conditions.

The computer ranking is then internally reviewed by experienced form analysts who then provide RNSW a merit value within 48 hours of each horse running.

Finally the RNSW Handicapping Panel reviews the background to the recommendation, the race film and other race data then determines and publishes the updated benchmark figure for each horse.

It is important to note that merit based handicapping is distinct to 'handicapping on potential'. Merit based handicapping reviews the quality of race performances and assigns a benchmark figure, it does not anticipate improvement in performance.

A significant step in the process to manage the change in NSW was that each horse was re-assessed before 1 October 2009 using the merit based system. This process may have positioned it higher or lower on the scale than its previous ratings assessment. The realignment was necessary to launch the BENCHMARK system, by allocating a benchmark figure to all horses that accurately reflect the true merit of each horse relative to the entire NSW horse population.

Following each NSW race start the handicapping panel shall carefully consider to what extent (if any) a horse shall have its benchmark figure changed. The movement of a horse's published benchmark thereafter openly shows owners and trainers (and all interested parties) the handicapper's impression of the merits or otherwise of a horse's performance from one race start to another.

The major benefit of BPaH is that it provides a reference guide to owners and trainers prior to nominating. The actual weight the horse might be finally allotted in a race is subject to rules that govern the minimum top weight in a race and any discretionary final assessment applied by the Handicapping panel.

ii) **Benchmark Programming**

Ratings races were replaced on 1 October 2009 by BENCHMARK races. The Benchmark Level published in the race programme denotes the point at which a (mature male) horse with the same benchmark figure will carry 59kg in that race.

The weight to be carried by other horses depends on their benchmark figure relative to the benchmark level of the race with each 1 point variance equaling 0.5kg.

Where horses have benchmark figures lower than the benchmark level of the race, they will be allotted a 0.5kg less than 59kg for each point their benchmark figure is below 59kg (down to the limit weight applying for the race).

Example - consider a BENCHMARK 70 race attracts the nomination of a 5yo gelding with a benchmark figure of 65. This horse will be allotted 56.5kg (= 59kg - 2.5kg, being five points below the benchmark figure of the race).

Where horses have benchmark figures higher than the benchmark level of the race, they will be allotted 0.5kg more than 59kg for each point their benchmark figure is above 59kg.

Example - consider a BENCHMARK 70 race attracts the nomination of a 5yo gelding with a benchmark figure of 75. This horse will be allotted 61.5kg (= 59kg + 2.5kg, being five points above the benchmark figure of the race).

In all mixed sex races, fillies and mares shall receive a weight reduction of 2kg against the weight aligned to their benchmark figure.

Example - consider a BENCHMARK 70 race attracts the nomination of a 5yo mare with a benchmark figure of 67. This horse will be allotted 55.5kg (= 59kg - 1.5kg - 2kg, being three points below the benchmark figure of the race and less 2kg for being a mare).

In races where 2 and 3-Y-O horses race against older (4YO+) horses they are eligible to receive a weight allowance from their Benchmark figures depending on the time of year and distance of the race.

Example - consider a BENCHMARK 70 1200m race in the provincial area attracts the nomination of a 3yo colt with a benchmark figure of 69. Assume the race is held in December where 3yos receive a 1.5kg weight allowance. This horse will be allotted 57kg (= 59kg - 0.5kg - 1.5kg, being one point below the benchmark figure of the race and less 1.5kg for being a 3yo).

The key distinction between benchmark programming and ratings band races is that restrictions are removed from the top of races. By programming BENCHMARK races there are no restrictions on which horse can nominate (except where age and sex limits apply). Horses that are rated above the BENCHMARK number of the race are still eligible to compete, albeit with a higher weight, rather than be pushed to a higher grade as happens with the former ratings races.

It is expected that common sense and prizemoney differentials will ensure that well performed horses do not nominate for races with benchmark levels significantly below their own benchmark figure.

BENCHMARK races have the following benefits, especially compared to rating band races.

- Increased number of races for which horses are eligible;
- Greater number of racing opportunities and choice of races to contest;
- Allows trainers to better plan racing campaigns without the risk of becoming ineligible for races;
- Allows trainers to avoid 'head to head' clashes with their horses that they view as being unfavorable;
- Potentially greater spread of weights in races;
- Enable race programming to better match the horse population; and
- A reduced need to country trained horses to travel long distances to contest a suitable race

The ballot order for BENCHMARK races is the order of the acceptors benchmark figures from the top down. The published order of entry has all horses treated equally, not requiring an adjustment to the benchmark figure for age or sex in determining the ballot order. This method of establishing the ballot order is consistent with producing the best quality races.

INFORMATION STREAM

Assessments leading to changes in benchmark figures of horses after a race are carried out with the standard of a horse's performance being assessed against a number of factors

and taking into account all the relative deliberations and considerations of the Analyst program and the handicappers.

A Benchmark system is more efficient and less likely to suffer human error. The handicapping panel determines a horse's final Benchmark after assessing the analyst's report and recommended Benchmarking number. Owners and trainers will be able to access their horse's new benchmark figure within an average 2 working days of the result of a race, apart from in exceptional circumstances (For example, when a horse performs well above its grade).

Whilst BPaH offers many advantages to stakeholders and other interested parties there will be times when BENCHMARK adjustments out of a race might well **not have** every runner finishing behind another being measured exactly against all other runners in the race – in other words, the traditional 'head to head' assessments that one horse should meet another better at the weights for finishing behind it in a race doesn't *necessarily* apply. Moreover, the benchmark figure will be measured including many factors outside that one head to head comparison such as:

- True Merit Of Performance
- Race Quality And Strength
- Sectional & Race Times
- Beaten Margin & Weight Carried*
- Track Grading And Race Conditions
- Recent/Historical Performances - i.e. Form Cycle
- Assess Against Entire NSW Horse Population
- Review race film and Steward's reports

Example - Horses that are obviously suited over more ground cannot expect to have their benchmark figures lowered following a sprint performance. Also horses that have a history of performing well within the provincial and country areas and are not competitive at metropolitan level cannot expect to necessarily have their benchmark figure reduced following a performance at a higher level.

The system has been designed to be more accurate against all standards. In most instances a penalty for a performance at a higher level of race will result in a higher penalty in the lower level. Conversely a higher penalty in a lower standard of race could be smaller (or possibly nil) at the higher standard.

In order to overcome unforeseen circumstances, such as clarification of form, and to maintain flexibility when necessary, it is imperative that the benchmark figure of a horse is an *indicative* figure and subject to a final handicapper's review.

*For clarification, the handicapper does not factor in an apprentice's claim when setting weights or assessing previous performances. The allowance afforded to the apprentice under the Australian Rules of Racing is to compensate for inexperience and is not a

consideration in the handicapper's assessment. This applies to all sections of the Racing NSW Policy.

Some basic principles that apply to BENCHMARKING

Weight adjustments: penalties or reductions - once a horse has an established form profile, generally movement in benchmark figures will be capped as follows (unless exceptional circumstances apply):

- Wins penalty cap - up 6 points / 3kg
- Drop in weight cap - 4 points / 2kg

- **Ballot** conditions remain - Age and Sex allowances apply so as to be treated equally in the ballot– fillies and mares with the same benchmark figure as a male horse are allowed 2 kilos throughout the year, 3yo and 2yo horses allowed weight according to the established scale of handicap allowances used in NSW. Like-for-Like ballot exemption policy remains unchanged. From 1 November 2010, an extra 1kg allowance for 2yo and 3yo horses will be applied for races 1800m+.

- From 1 January 2012, the publishing of benchmarks for maiden horses was discontinued.

- An underlying assumption of BENCHMARKING is that connections are placing their horse to win at its first start. Handicappers begin to arrive at a BENCHMARK score for a horse based on how it performs at its 1st start, and then adjust the BENCHMARK up or down based on the true merit of the run e.g. – a 3yo having its first start in a Saturday Metropolitan 3yo race begins its BENCHMARK from the quality assessment of that race.

- As a general *guide* first starters will be allotted the following weights in maidens, with the approximate benchmarks shown in (brackets):
 - 58kg on a 54kg minimum in a Provincial Maiden Handicap (Benchmark 57);
 - 58kg on a 54kg minimum in a Country Maiden Handicap (Benchmark 48); and
 - 57.5kg on a 54kg minimum in a Metropolitan Maiden Handicap (Benchmark 61).

Note: the usual Fillies & Mares and Age allowances apply in maiden races.

- At the release of weights, Maiden Handicaps will be weighted using a combination of the first starters weight allocation model summarised above and the merit based handicapping system. This combination of the two methodologies during the transition stage from Ratings to Benchmarking (commencing 1

October 2009) creates the platform to determine a horse's true benchmark which becomes clearer as the horse's racing career progresses, but particularly after winning a race.

- **Maiden winners progressing to their next start:** From 1 August 2012 when assessing the performances of maiden winners, the weight allocated by handicappers will be over a tighter spread than at present.

Raising or Lowering the Benchmark at the Release of Weights

- The Racing NSW handicappers have final decision as to the Benchmark Level of each race at the time weights are declared. In the majority of cases, the published Benchmark Level will remain.
- Example— if a BENCHMARK 70 race has a Benchmark 70 horse nominated, it will usually be declared as a Benchmark 70 and released with the **59kg** allotted to the Benchmark 70 horse and other horses weighted above or below accordingly.
- In the event that a BENCHMARK race attracts nominations where the top benchmarked horse has a benchmark figure below the programmed level, the race will have its benchmark level adjusted downward to the benchmark figure of that horse so that it carries the minimum top weight allowed under the Rules of Racing AR103 - 59kg.
- Example- consider a BENCHMARK 70 race that attracts nominations that have the top benchmarked horse having a benchmark figure of 68. In a BENCHMARK 70 race, this horse would normally be allotted **58kg**. However in this instance, as the horse with a benchmark figure of 68 is the highest benchmarked runner, the race is adjusted downwards to be a BENCHMARK 68 race and this horse is allotted 59kg for the race (as required by AR103).

Racing NSW began programming Class 3 races in the Country area from 1 November 2010

- Class 2, Class 3 and other non BENCHMARK races will be scaled by the handicappers according to the strength of nomination, to ensure spread of weights to reflect the optimum competitive racing objective of the Benchmark system i.e. a minimum topweight of 59kg and a minimum weight of 54kg.

Spreading or Raising of weights at acceptance time

- The provisions of AR103(2) state that: Notwithstanding the provisions of subrule (1), if at the declaration of acceptances for a handicap flat race the weight allocated to the highest-weighted acceptor (including any extra weight by way of re-handicap or penalty) is less than **58** kilograms, then allocated weights for the

race must be increased until the highest-weighted acceptor is weighted at **58** kilograms.

- From 1 August 2012, all Class 1 Handicap races (Country and Provincial) have been excluded from the policy to spread weights and returned to the practice of raising weights to meet the 58kg top weight required at acceptance time (AR103) (2).
- Summary of races excluded from the policy to spread weights from 1 August 2012:
 - Maiden Handicaps
 - 2yo Handicaps
 - Class 1 Handicaps
 - Group and Listed Handicaps
- **Group and Listed Races-** To ensure the Racing NSW handicapping policy is aligned with the objectives of Racing NSW and is sensitive to our black-type racing schedule, exceptions may apply in assessments of group and listed handicap races.
- It is in the best interests of racing that handicappers have the discretion to take into account all the considerations and deliberations that are necessary to frame weights in all races. With the increased volume of Interstate participation within these races the objective will always be to ensure the best possible fields without compromising the principles of handicapping. Benchmark figures will still provide the foundation for these races and offer a guide to nominators.

Effective 1 November 2010

Discretionary allowance for Country performed horses racing in the Metropolitan area

Statistics revealed that Country performed horses are winning in the City at a better strike rate than before benchmarking commenced, however there is still a shortfall against their expected win rate. The Racing NSW handicapping Panel will apply a discretionary allowance of 0-3kg for country performed horses nominated for races in the metropolitan area.

Effective 1 August 2012

Discretionary handicapping has been extended to all races when warranted on a trial basis

Post-race Benchmark ratings may be subject to a final review and alteration by the Racing NSW Handicapping Panel when the horse is next nominated and handicapped in a race.

It is important to note that there are instances where the quality of the field can affect scales used in the handicapping of races. This more often applies in feature handicap races, where the Racing NSW Handicapping Panel has the discretion to be flexible as a consequence of a very strong nomination or alternatively one not so strong. However, this flexibility may be applied equally to standard class races, especially when a horse may have raced 'above' its current grade at its previous start and proves to be competitive, or where horses from the different sectors meet in a race.

This flexibility allows proper attention to all the considerations and deliberations that are necessary to frame weights in our races.

In order to accommodate these changeable circumstances and to maintain a practical approach to handicapping, it is necessary that a post-race Benchmark rating of a horse may be an indicative figure only and may be amended or varied later for competitive reasons, particularly when a horse has competed at a higher level than ever before and performed well.

The indicative Benchmark figure will be subject to a final review and alteration by the Racing NSW Handicapping Panel when the horse is next handicapped in a race. In many cases the benchmark will collate directly to the weight allotted and no variance will occur, but there will be instances where slight movement is applied by the handicapping panel.

Review of a Horse's Benchmark

Discretionary Handicapping may also include the re-assessment of a horse. For example, a horse resumes from an extended spell, has 3 or 4 runs and is clearly not performing – the horse may be 're-handicapped' lower, rather than just dropped a few points for its most recent run.

The same approach may be applied to a multiple win horse that has left the Metropolitan area and been sold/transferred to the Country region. After a few country starts, the handicap figure may be re-assessed if the horse is not performing.

MANAGEMENT OF BPaH

Racing NSW is committed to an accreditation process for the BPaH system. Quarterly reviews and ongoing industry consultation will form the basis for the maintenance of the BPaH model. Continued measurement of horses across the entire NSW horse population will be a key factor to ensure cluster handicapping does not occur – eg horses weighted against their immediate pool in isolation from the wider State group.

Racing NSW will publish findings from these reviews and make adjustments to the BPaH model or realignment of horse BENCHMARKS to ensure the objectives of the program are achieved.

A Racing Liaison Officer has been appointed to take care of enquiries so handicappers can properly apply their time to the assessment process.

The first of these reviews was completed in August 2010. Some changes to the system were agreed to and are effective from 1 November 2010.

The second of these reviews was completed in November 2011. More changes to the system were agreed to and are effective from 1 January 2012.

The third of these reviews was completed in June 2012. More changes to the system were agreed to and are effective 1 August 2012.