

SUMMARY OF ISSUES RAISED BY STAKEHOLDERS – MARCH 2021

Stakeholder	Outline of Issue	Board	NZTR response
<p>Whangarei Racing Club</p>	<p>Communication of future vision and benefits of industry consolidation</p>	<p>Board</p>	<p>NZTR has developed seven key reshaping actions which will form the basis of our future focus over the next 12 months – these include a future plan for the racing program, phase three of a Venue Plan, a new training and education model , an improvement plan in marketing and digital, developing the club funding model to improve sustainability and profitability. This was presented at the 2020 AGM by NZTR’s CEO, prior to being placed on the LOVERACING.NZ website. This was also covered, and a link to the presentation included in the Stakeholder report sent to all clubs and RIOs on 27 November 2020.</p> <p>The Board agrees that significant increases in prize money and in infrastructure investment are also necessary for the continued success of the industry.</p> <p>NZTR’s principal sources of revenue for the foreseeable future will be distributions from TAB NZ and payments from offshore wagering operators for wagering rights on New Zealand thoroughbred racing. To maximise those sources of revenue NZTR needs to deliver a high-quality product which drives increased turnover on New Zealand racing.</p> <p>Increases in wagering turnover related to the steps that have already been taken are encouraging and give the Board confidence that its reform agenda is directionally correct. Recognizing the uncertainties ahead, both TAB NZ and NZTR have taken a conservative approach to date with a view to ensuring that when industry distributions (and, correspondingly, stakes and infrastructure investment) do increase, those increases will be sustainable and will continue to support the cycle of rejuvenation identified by John Messara.</p> <p>Communication on the matters above will continue to be rolled out with a document on the reshaping project the first of these. Once we receive advice from the TABNZ on next year’s funding arrangements (expected to be May) the NZTR Board will consider these projections</p>

			and make an assessment on the structure and inputs for the 2021/22 budget.
Auckland Racing Club	<p>Has there been any work done on the current Funding Policy?</p> <ul style="list-style-type: none"> • Does the Funding Policy offer a good return on investment for its participants? • Does it encourage or inspire new ownership? • Is the current distribution reflective of the where the investment is currently, and is this distribution likely to encourage new levels of investment in the future? <p>What plans exist to modernise and develop a robust Funding Policy for the future of New Zealand Racing which will encourage investment (old and new)?</p>	Board	<p>A review of NZTR's Club Funding Policy is planned as part of the Clubs action of the industry reshaping project, which will test the current policy and any proposed replacement against this and other factors.</p> <p>A Draft Club Funding Model for the 2021/22 season will be distributed to clubs early May.</p>
	<p>What is the current position of the Racing Calendar Review which was taken in 2020 and what is the way forward for New Zealand Racing to both change and ultimately maximise the position of our race programming for New Zealand racing?</p>	Board	<p>The development of a Future Racing Calendar is planned as part of the Racing Product action of the industry reshaping project, which will include a review of both dates and race programming.</p> <p>The NZTR Board has agreed a process to complete this work in the second half of 2021.</p> <p>The inputs will include the Racing Calendar Review, the Pattern Review, the introduction of three synthetic tracks, Phase Three of the venue plan and understanding the future track reconstruction and renovations work that clubs are progressing over the next three years.</p>
	<p>Where are the professionals going to come from for the next decade and beyond?</p> <p>Are there any plans to be aggressive in identifying and addressing the areas which will stabilise the needs of the business?</p> <p>What level of thought has been given to exploring a training facility to upskill current stakeholders/employees and provide pathways for new entrants into the business?</p>	Board	<p>The Participants action of the industry reshaping project will address the industry's future workforce needs at all levels, including consideration of whether a specialized training facility or facilities would best meet the industry's needs.</p>

	<p>Has there been any further progress on the topic of Venue Rationalisation on a National scale and a vision to centralise the racing product in a cost-effective manner for the Industry?</p> <p>What work has NZTR done in respect of identifying which raceday and training facilities are critical to the Industry, ensuring the standard of these facilities provide horses, trainers, and owners with a high quality of venues/tracks for day to day training, trials, and racedays?</p>	Board	<p>The Venues action of the industry reshaping project, including the development of phase three of the NZTR Venue Plan and a 3-5 year Track Investment Plan, addresses these issues.</p>
	<p>What plans are in place regarding participant welfare, including equine welfare and the planned % of stakes and trust fund?</p>	Board	<p>The following initiatives are underway or planned:</p> <ul style="list-style-type: none"> • Project Wellbeing – a tri-Code culture change initiative aimed at people employed in the racing industry; • The 1% stakes contribution to equine welfare – implementation currently underway; • Trust fund – currently considering best options for implementation, including use of existing NZTR vehicles where possible.
<p>Matamata Racing Club</p>	<p>While the MRC engages actively at Regional Programming level as well as having open lines to the NZTR racing department, the MRC respectfully submits that it and other clubs of similar scale are being denied an opportunity to have direct input to the decision-making process that is currently the domain of the NZTR Clubs Advisory Group.</p> <p>The MRC has no issue with the skills and intent that each current member brings to the Clubs Advisory Group, however it contends that an imbalance does exist whereby clubs that make a considerable contribution to the calendar and racehorse pool have no direct say in matters that affect them.</p>	Mgmt	<p>Management agrees and will establish an advisory group for clubs hosting between 3 and 15 meetings.</p>

	<p>This has been raised by clubs a number of times with senior NZTR management, who have acknowledged that a discrepancy does exist, yet no progress has been made in finding a satisfactory solution. It is in fact ironic that NZTR has taken measures to provide a defined voice to those clubs hosting three or less racedays per annum, yet other clubs that play a far greater role still find themselves in what could be described as no man's land.</p> <p>The MRC contends that clubs in its position should at the very least be included in communications throughout decision-making processes at Clubs Advisory Group level, which should also include seeking opinions and considerations from those clubs' perspective. In all respect the monthly round of NZTR-convened conference hookups, while useful for other reasons, is an inappropriate forum, mainly because they are very much "after the fact".</p>		
<p>Wanganui Jockey Club</p>	<p>The Club's main sponsor Steelform Roofing Group (also main sponsors at Waverley) have advised that they received the attached correspondence from the Taranaki Liaison of the Coalition for the Protection of Racehorses.</p> <p>Sponsorship is often difficult to obtain and this is a business risk to the industry with these organisations directly contacting sponsors especially Head Offices who may ban local branches/franchisees from sponsoring. eg – Toyota.</p> <p>The WJC just wanted to make the Council aware of this situation and potential risk and impact.</p>	<p>Board</p>	<p>The Board is aware of the attacks on racing's sponsors by the Coalition and other groups and is considering options to respond. The commentary by the Coalition is ignorant, false and in some cases defamatory. The Board is leaving all options on the table.</p> <p>NZTR has a communications plan in place and has assisted clubs to communicate with sponsor who receive such correspondence.</p> <p>Please contact Mary Burgess via email mary.burgess@nztr.co.nz who can assist clubs with these matters in the future.</p>
<p>Canterbury Jockey Club</p>	<p>To what extent has the NZTR Board been able to influence in a positive way for thoroughbred racing the composition of the new TAB Board. In particular to encourage the appointment of Alan Jackson.</p>	<p>Board</p>	<p>The Board conducted an open process to identify its nominee to the TAB NZ Board, and is satisfied that its nomination was appropriate and qualified to serve on the Board.</p> <p>In addition, the Government is seeking further nominations for these rolls and this matter is currently under consideration by the NZTR Board.</p>

			NZTR has not been asked to comment publicly or have input into the appointment of the other members of the Board, and until the appointments are made it is not appropriate to comment further.
	How is the NZTR Board actively encouraging the adoption of recommendation 7 of the Messara Report?	Both	Once the new TABNZ Board is appointed, NZTR will request a review of all options on the future commercial model for the wagering business in NZ.
	What, if any, role are outside contractors or appointments playing in managing the thoroughbred code and why, if there are, have they and their roles not been circulated to Clubs?	Board	NZTR has two contractors at this point in time. Mark Freeman has been retained to support clubs and the industry in the development of all contractual obligations including the Provincial Growth fund, engineers, and suppliers. In addition, Paul Bittar has been retained to work with the Board and management on the Reshaping Project.
New Zealand Trainers Association	<p>Paying back to 14th:</p> <ul style="list-style-type: none"> • The NZTA are not supportive of paying back to 14th. • It is appreciated the policy was introduced due to the post-Covid lockdown situation; however this is no longer deemed as relevant. • It is the strong view of the Executive that paying back to 14th is rewarding mediocrity. • Horses who are performing well in races are not being rewarded accordingly in comparison to non placegetters - particularly 2nd-4th. • The maximum number that horses should receive a stake return is 8th. • Free racing is more of an incentive and should continue. • Consideration should be given to paying the jockeys' fees as opposed to paying a stake for those unplaced in the race - particularly on industry days. This would reduce administrative costs - both for NZTR and for the racing managers, particularly where there is fractional ownership. 	Board	These views are noted. NZTR has already committed to a review of the current stakes payment policy before the end of this racing year. The payment of a percentage of prizemoney back to 14 th currently covers the jockey's fee for those horses and means that nearly all owners will not incur costs for their horses to participate in a race. The 1% horse welfare levy would equate to \$100 taken from a \$10,000 race, or \$54 from the winning prize money, \$2 from the 5 th to 14 th prize money.

	<ul style="list-style-type: none"> With the proposed introduction of a 1% levy from stakes to go towards horse welfare, this will further exacerbate the reduction in stakes for owners of horses who are performing. 		
	<p>Further analysis on races over \$15,000 since 1st August, since conducted is attached and shows an accumulated unpaid amount of stakes of \$1,226,547 to end of February.</p> <p>Whilst it is appreciated that some stakes have been redirected into split races and there is "Free Racing" - we require clarification as to where the money has been applied.</p>	Board	<p>These funds have been applied to:</p> <ul style="list-style-type: none"> Splitting races and programming additional races; Increasing stakes for specified races and meetings; and Maintaining NZTR's cash position so that borrowing has not been required (which would otherwise be needed due to a misalignment between the stakes profile and TAB NZ distributions to NZTR). Of the money accumulated NZTR has distributed \$600K to the additional races and race meetings
New Zealand Thoroughbred Owners Federation	<p>Since post COVID lockdown the TAB NZ have reported increased profits which it says has been distributed to the codes. With other increased revenue streams how is NZTR releasing this additional funding to the industry especially 'OWNERS' who are getting nothing. 1% to Welfare and Jockey fee increases have not gone down well. If NZTR doesn't address ownership returns by stake increases to owners soon then it's at its peril that the industry will side backwards and any enthesis that has been gained through change of legislation will be lost.</p>	Board	<p>These views are noted. NZTR has already committed to a review of the current stakes payment policy before the end of this racing year. While an increase in funding from TAB NZ has been welcomed, NZTR must ensure that any increase in funding paid is sustainable for longer than just the current season. There are some factors currently in effect, such as an increased level of domestic spend, that might be serving to inflate turnover and returns. A revised Code Funding Distribution agreement also has yet to be agreed upon and this may affect the current income steams to NZTR.</p>
	<p>Payment back 14th place a good initiative when racing got back on the take, but fields have decreased and this initiative needs to be reviewed 'now'. All sector groups are wanting change and the Board must listen. The whole stakes payment policy requires reviewing and input from the stake sector groups is paramount.</p>	Board	<p>These views are noted. NZTR has already committed to a review of the current stakes payment policy before the end of this racing year.</p>

	<p>Please provide what funding has been received over and above its agreed funding formula from TAB NZ and other funds and give breakdown where's it's been dispersed or accounted for?</p>	Mgmt	<p>NZTR has received an additional \$3.2m in payments from TAB NZ which are primarily because of actual receipts for race field fees from offshore wagering operators with whom TAB NZ has reached agreements on NZTR's behalf.</p> <p>These funds will assist NZTR's future financial standing and provide a foundation for it to exist in a post COVID-19 world as well as to fulfil its widened responsibilities under the Racing Industry Act 2020. While an increase in funding from TAB NZ has been welcomed, NZTR must ensure that any increase in funding paid is sustainable for longer than just the current season. There are some factors currently in effect, such as an increased level of domestic and overseas wagering spend, that might be serving to inflate turnover and returns. A revised Code Funding Distribution agreement also has yet to be agreed upon and this may affect the current income streams to NZTR.</p>
	<p>Of immediate concern is the leakage of advertised race stakes not being paid out in full (as advertised) when the field sizes are less than the advertised pay out figures.</p> <p>Example, the group 1 mile at Otaki on sat advertised a stake of 200k but the NZTR payment will not reach this amount due to the field size.</p> <p>I believe there is a @20 k + leakage of prize money in this instance.</p> <p>As an owner I believe these funds must be paid out and would strongly suggest any balance of funds should be added to the winner's percentages of the individual races.</p> <p>It also raises the question as to where these funds are being used!</p>	Board	<p>These views are noted. NZTR has committed to a review of the current stakes payment policy before the end of this racing year.</p> <p>These funds have been applied to:</p> <ul style="list-style-type: none"> • Splitting races and programming additional races; • Increasing stakes for specified races and meetings; and • Maintaining NZTR's cash position so that borrowing has not been required (which would otherwise be needed due to a misalignment between the stakes profile and TAB NZ distributions to NZTR). • Of the money accumulated by NZTR has distributed \$600K to the additional races and race meetings and will continue to distribute these funds when need throughout the rest of this financial year.
	<p>I would also like to table the early nomination fees for a number of the so-called feature races that the owners are subjected to.</p>	Board	<p>These views are noted. NZTR has committed to a review of the current stakes payment policy before the end of this racing year. The nomination and acceptance income received for Group and Listed races is paid directly to the clubs that put these races on. While we</p>

	<p>I believe these are out of proportion to the stakes that are being offered for a number of these races and is a further expense that ownership is subjected to unfairly.</p> <p>Unless clubs are putting up substantial stakes for feature racing this practise is out of proportion to stakes offered.</p> <p>As a suggestion any feature race that does not carry a purse of \$500k min should be subject to normal nomination & acceptance timeframes.</p> <p>Having raced a number of horses in Aust as well as NZ this is the normal practice proportionate to the NZ scale.</p>		<p>would favour a model where these charges are added to the prize money for the same races, in some instances, this income has to be retained by the clubs to cover their costs relating to running the venue and race meetings. If this income was required to be added to stake money, it may have to be replaced by an increase in funding to these same clubs, which ultimately would reduce funding available to pay to owners.</p>
	<p>I would also like to table my concerns on the disclosure of the NZTR performance figures updates.</p> <p>There has been regular performance updates about the improved figures and how well the industry is progressing this year which has been well received.</p> <p>However there hasn't been the same disclosure about how well NZTR has been performing in respect the costs side of the equation which ultimately effects returns to the industry.</p> <p>This is probably the most important information our industry requires so NZTR can return confidence to the ownership groups that what has been tabled and budgeted for is on track.</p> <p>It will also disclose how well NZTR are doing on both sides of the balance sheets.</p>	<p>Mgmt</p>	<p>NZTR provides a monthly update to clubs and stakeholders on its administrative costs as part of the stakeholder report.</p>

Who is representing NZTR on Racing NZ?	Mgmt	The NZTR Board has appointed Jason Fleming.
The current chair should stand down for the betterment of racing in NZ and say in Australia and look after his main concern "Rugby League" NZTR and the Racing Industry cannot afford a 'claytons chair'.	Board	The Board has reflected on this feedback and is comfortable with the Chair retaining his position.
Appointing two Deputy Chairs is not good business and should never have been adopted.	Board	The Board has reflected on this feedback and is comfortable with the position that it has reached.
When a horse is nominated for two races at a meeting looking to find the most opportune draw and field the Bureau often put the horse at the bottom of the ballot list in one of the races thereby negating the exercise. The view is that horses should be ranked only by their rating for any race. It is appreciated that the Bureau is trying to maximise the number of horses getting a start but it does make it difficult for the owner to make the best choice for their horse.	Mgmt	The basic premise has not changed which is that no horse can be in two races at once if that would deprive another horse of a run. The exception is for a black type race, in which case the horse will hold its position. Maximising field sizes and opportunities is a recipe for increased turnover.
Also related - currently it is often difficult to get a start in a R65 or Maiden race. Can NZTR advise how many horses are being denied a start by being balloted out or eliminated and how many additional races have been run when the number of runners have resulted in a race being split?	Mgmt	Not every horse can have an opportunity to start at every meeting. If the number of entrants warrant it then races (usually r65 or maidens) are divided. 139 races have been divided this season already. A handful have been divided three ways. Races have also been added at programming time to give consistency. 37 races have been deleted at nomination time due to a lack of nominations.
Radio coverage – this is still a bone of contention. Are there any moves to improve the situation?	Mgmt	TABNZ has entered into a commercial agreement with Sport Entertainment Network (SENZ) to run the Trackside radio frequencies. The platform both radio and digital will launch in June and focus on promoting and developing racing and sport in NZ.
Turnover details – prior to the COVID lockdown NZTR were supplying turnover details each week. Will this be reinstated?	Mgmt	Yes, although not until the last year comparisons become meaningful. Turnovers in the first half of the season were inflated by horse numbers and the increase in domestic spend. Turnovers from late

			March onwards will have no meeting to directly compare to, given the COVID-19 lockdown and after-effects.
	Whip Rules – it seems that the whip rules are forever changing, perhaps as a reaction to public comment. Can NZTR set a policy, perhaps in association with Australia or even internationally, and then stick to it. If it is envisaged that whips cannot be used except when safety is an issue, then can a timetable be set for its implementation?	Mgmt	<p>A review of the whip policy has been underway for some time, on which feedback was sought from clubs and sector groups. This was communicated to industry via the NZTR website (20 November and 1 February) and in the Stakeholder report sent to all clubs and RIOs on 29 November 2020 and 29 January 2021.</p> <p>We expect that we will reach a final position within the next two months.</p>
NZTBA	The NZTBA would like an understanding of the process that was undertaken when considering applications to the NZTR board. Feedback is that applicants received no acknowledgement of their application or if they were unsuccessful.	Mgmt	<p>Correspondence around the Board appointment process has been reviewed. All applicants whose applications were received ahead of the closing date were advised if their application had been unsuccessful.</p> <p>A late application was not acknowledged, and this error is regretted.</p>
	Prizemoney distribution and payback to 14 th , unpaid stake money as in the figures supplied by the NZ Trainers Association.	Board	<p>These views are noted. NZTR has committed to a review of the current stakes payment policy before the end of this racing year.</p> <p>These unpaid stakes have been applied to:</p> <ul style="list-style-type: none"> • Splitting races and programming additional races; • Increasing stakes for specified races and meetings; and • Maintaining NZTR’s cash position so that borrowing has not been required (which would otherwise be needed due to a misalignment between the stakes profile and TAB NZ distributions to NZTR). • Of the money accumulated, NZTR has distributed \$600K to the additional races and race meetings and will continue to distribute these funds when need throughout the rest of this financial year.

	<p>Communication around the roll out of the Racing Australian system, we are aware that a working group has been established that we are included in but progress reporting to stakeholders would be appreciated</p>	<p>Mgmt</p>	<p>NZTR has appointed an industry working group. The group comprises: Veronica Algar (RIU); John Oatham (RIU); Lauren Selvakumaran (RIU); Lena Jones (Racing stable admin); Roydon Bergerson (Trainer); Robert Wellwood (Trainer); Louise Dean (Racing Club); Darin Balcombe (Racing Club); Jim Langan (Racing Club); Sam Collett (jockey); Adrian Clark (syndicator); Joan Egan (owner); Shannon Taylor (Stud/Breeder); TBC (Clerk of Scales).</p> <p>This group will provide updates and will play a key roll later in the year once we start training and education programs before going live with the new technology.</p>
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