



NZTR Directions Paper

*Betting on our racing, our venues and initiatives
to improve New Zealand thoroughbred racing*

loveracing.nz/nztr

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Introduction

New Zealand Thoroughbred Racing ('NZTR') is the regulatory and governing authority for the sport of thoroughbred racing in New Zealand. We are tasked with ensuring the overall health and successful development of the sport across New Zealand, seeking to enhance its attraction to customers and its position in the sporting and cultural landscape of the country.

However, thoroughbred racing is an increasingly international sport and the strong global reputation of our racing and breeding industries is something NZTR is also committed to promoting. Additionally, it is important we enhance the appeal of our racing product to punters, both domestic punters in New Zealand as well as punters in Australia and other international markets. An improvement of our performance in this area will enable us to increase returns from wagering on our racing, the principal revenue stream that drives prize money.

As a result, we have produced this directions paper in accordance with the commitment we made under the Areas of Action document released earlier this year to provide stakeholders with:

- an overview of recent structural changes to the industry, and the roles and responsibilities of key groups, including NZTR;
- an overview of the wagering market in which we operate, who our key wagering partners are, how our predominant wagering markets are developing, and how we are progressing (in conjunction with TAB NZ) commercial relationships with wagering operators in Australia and other international markets to increase our return from wagering on our racing;

"While yet to make a final decision on the proposals for venues and the racing initiatives in this directions paper, the Board supports and has endorsed those proposals and initiatives."

- an update on the work NZTR and clubs are doing to progress regional solutions for venues, revitalising racing infrastructure and customer facilities across the country, and our current view on our venue needs for the future; and
- information on a set of initiatives intended to increase the appeal and competitiveness of our racing and, as a result, increase wagering on our racing (domestically and internationally). We believe these will, over time, increase horse numbers, ownership, and breeding numbers.

While yet to make a final decision on the proposals for venues and the racing initiatives in this directions paper, the Board supports and has endorsed those proposals and initiatives. As a result, the Board intends proceeding with the proposals as set out in this paper, subject to feedback received from stakeholders on them. Accordingly, we look forward to receiving feedback from a wide range of stakeholders to assist us in the decision-making and/or implementation process. With respect to venues, we will consult directly with affected clubs before making final decisions on the future use of venues for racing.

Yours sincerely



Bernard Saundry
Chief Executive

Stakeholders have until 30 November 2021 to provide feedback.

All questions relating to the information contained in the directions paper should be sent to: office@nztr.co.nz

Feedback can be made via an online portal [here](#), or alternatively can be sent to office@nztr.co.nz

NZTR's commitment and stakeholder outcomes

NZTR – Our commitment to what we will deliver

WHAT'S IN

consolidated venue strategy *synthetic track racing*
more consistent wagering footprint *creation of new events*
enhanced awareness of Australian wagering market
regional consolidation opportunities (Auckland, Waikato)
a future for jumps racing

WHAT'S OUT

slow or no change to our racing product *confusing Saturday strategy* *3 x meeting Saturdays (as a general rule)*
consistently poor winter offering *a focus solely on domestic wagering*

WHAT'S *for our* IN IT CUSTOMERS?

- *More attractive wagering product – the principal source of industry revenue*
- *New events to attend, engage with, and wager on*
- *More consistent product offering at our better venues*
- *Prospect of enhanced customer facilities through consolidation and investment*
- *More attractive winter racing product including a 'Finals Day' concept*
- *Increased streaming of NZ racing via Australian wagering operators*
- *Linked to the Marketing & PR module, increased awareness of our racing*

WHAT'S *for our* IN IT PARTICIPANTS?

- *Increased wagering and industry revenue = increased prizemoney*
- *More consistent product offering at our better venues*
- *More efficient use of industry resources through lower cost venue servicing*
- *Prospect of enhanced facilities through consolidation and investment*
- *Safer and more consistent training tracks in winter through synthetics*
- *Rebuild of major tracks (Ellerslie, Te Rapa and Awapuni) plus long-term prospect of material Waikato investment*

Legislative Environment and Market Context

1.

Legislative Environment

The passage of the Racing Industry Act 2020 creates clearly delineated roles for each industry body, including how revenue is collected from partner wagering operators for the provision of racing information. At a high level:

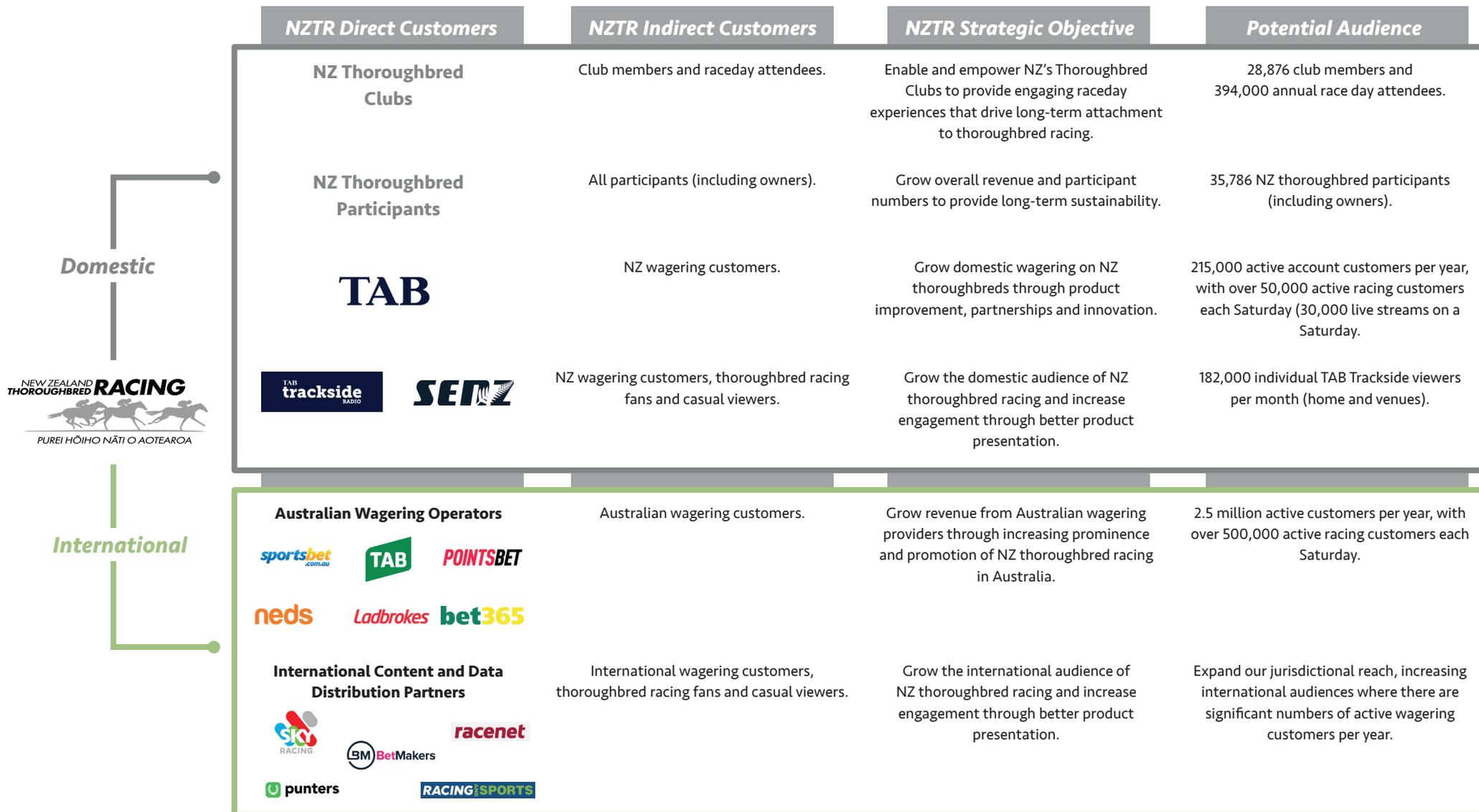
- TAB New Zealand ('TAB NZ') is the monopoly, regulated domestic wagering operator in New Zealand. In addition to its focus on wagering, TAB NZ agrees the calendar of race meetings with the racing codes ('the Codes'), provides for the vision capture and broadcast of racing, delivers an integrated wagering broadcast model via Trackside (including international racing), works with sporting bodies to maximise the returns to sport, and pays its net profit to Racing New Zealand ('Racing NZ').
- The Codes are responsible for the overall health of the sport, for the supply of product to TAB NZ and others (as below) on agreed terms, for licensing and regulating participants, for the distribution of prizemoney, and for working with clubs to deliver race meetings and the associated racing product.
- Racing NZ is a tri-Code consultative and administrative body. It administers the funding formula agreed between the Codes, and distributes revenue from TAB NZ and international wagering operators to the Codes.
- Under recent changes to legislation, international wagering operators are required to obtain permission from the Codes to use relevant racing information for betting purposes. These agreements, which may include the right to utilise our racing vision (in conjunction with TAB NZ), require operators to pay appropriate and agreed fees on commercial terms to Racing NZ for distribution to the Codes.
- There is also a long-standing set of wagering and broadcast arrangements with Tabcorp, a key commercial partner of the Codes and TAB NZ, both into Australia and as the Codes' current international distribution partner.
- Finally, there are a number of legacy agreements that were entered into with wagering operators on behalf of the Codes (i.e. between the Racing Industry Transition Authority and wagering operators such as Sportsbet, Entain Aus, etc). Racing NZ supports those agreements, and will work with TAB NZ to secure appropriate arrangements beyond their existing terms.

While the domestic situation remains largely unchanged (i.e. TAB NZ is the monopoly, regulated wagering operator), it no longer plays an over-arching role in racing industry governance and administration. The focus of TAB NZ is now squarely on growing wagering revenue for the benefit of both sport and racing. The result of the legislative changes, however, is that the ongoing engagement with international wagering operators is split between TAB NZ (principally for Tabcorp and for vision) and the Codes.

Under the Racing Industry Act, the Codes are now authorised to enter into Racing Betting Information Use Charge ('RBIUC') agreements, though this can be, and is, delegated to Racing NZ to do so on our behalf. This delegation enables Racing NZ to strike commercial deals with overseas wagering operators who wish to take bets on New Zealand racing. While the changes in legislation enable the Codes to take charge of these RBIUC arrangements, we will continue to work with TAB NZ to ensure consistency in the agreements, as well as to enable the distribution of vision – a key driver of increased wagering.

Our Customer Relationships

NZTR has a broad range of stakeholders, with each group having its own focus and opportunities. NZTR needs to tailor and align its strategic objectives to each of these 'customer groups' to ensure that it is able to maximise the potential audience in each group, in order to drive revenue growth and a sustainable industry.

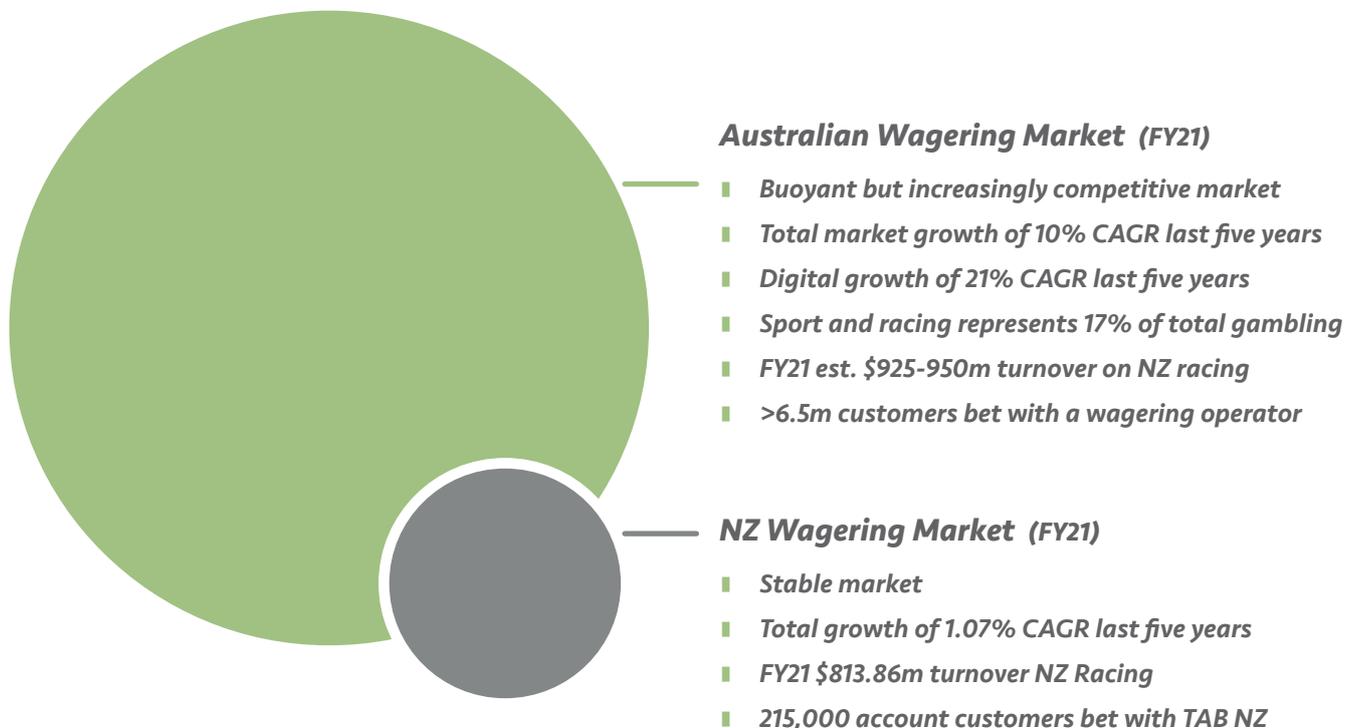


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NZTR and the Australian Wagering Market

Unlike the New Zealand wagering market, Australia allows for multiple wagering licence types. Each Australian state and territory has its own exclusive tote and retail wagering licence (with Tabcorp holding the exclusive tote and retail licence in all states and territories except Western Australia) and a number of jurisdictions providing non-exclusive online bookmaker licences; in particular, the Northern Territory where many of the major 'corporate bookmakers' (such as Sportsbet, Ladbrokes, Neds, Bet365, Betfair, etc) are licensed.

The legislative changes in New Zealand have made it much easier for the Codes to strike RBIUC agreements with Australian wagering operators in the future. In addition to the TAB NZ and Tabcorp arrangements, there are already established agreements (mostly struck by TAB NZ or its predecessors) with the majority of the major operators in Australia including Sportsbet, the Entain brands of Ladbrokes and Neds, Bet365, and Betfair. These agreements, many of which include the distribution of NZ racing vision, give us coverage of around 90% of the total Australian market. We continue to work with TAB NZ to establish agreements with other operators to ensure we capture all operators betting on our product. The Australian wagering market is significant, being roughly eight times the size of our domestic wagering market, so it is increasingly a significant revenue driver for the Codes and must be considered when developing our racing product.



As indicated above, the Australian legislative framework allows for multiple wagering licence types. This legislative framework has resulted in a highly competitive wagering landscape, with more than 50 brands operating in the Australian market. Australian wagering customers and racing bodies have benefited from this competitive environment, with Australian wagering operators investing in a vast range of product and customer innovations, promotions and generosity in order to drive growth and claim market share. Australian racing has been a beneficiary of this competitive landscape, with the total returns to racing growing significantly over the past decade through the increase in fees paid by wagering operators as a result of market growth.

Tier 1 Operators

>50% Market Share, >2 million active customers annually

- Australia's two predominant wagering brands, with collective turnover of over \$12 billion on thoroughbred racing in FY21.
- c.95% of Australian wagering customers would hold an account with a Tier 1 operator or bet with TAB on-course or in one of their retail venues.
- Estimated annual marketing and generosity spend of over \$300m in FY21

Tier 2 Operators

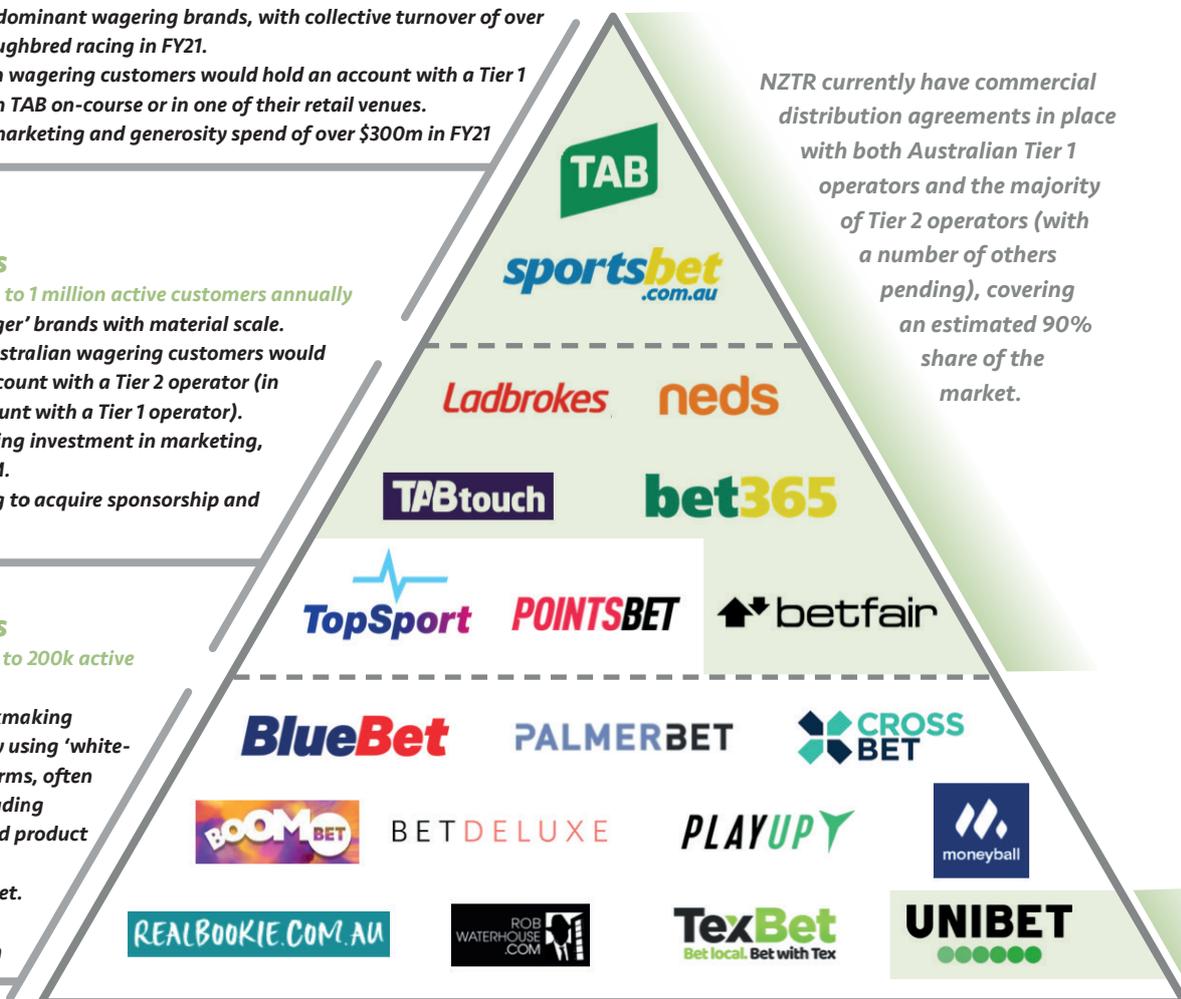
~35% Market Share, up to 1 million active customers annually

- Prominent 'challenger' brands with material scale.
- Vast majority of Australian wagering customers would hold a wagering account with a Tier 2 operator (in addition to an account with a Tier 1 operator).
- Significant, increasing investment in marketing, generosity and CRM.
- Increasingly looking to acquire sponsorship and media assets.

Tier 3 Operators

~15% Market Share, up to 200k active customers annually

- Smaller online bookmaking operators, primarily using 'white-label' digital platforms, often with outsourced trading operations, tech and product delivery.
- 30+ brands in market. Currently do not typically take vision



Our racing today

The chart below summarises key statistics of the current racing calendar.

NORTHERN

11 VENUES	122 MEETINGS	42% TOTAL TURNOVER
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41% HORSE STARTERS	42% MEETINGS	46% PRIZEMONEY
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CENTRAL

10 VENUES	95 MEETINGS	32% TOTAL TURNOVER
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31% HORSE STARTERS	31% MEETINGS	31% PRIZEMONEY
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293
MEETINGS

Note: The information in this chart reflects the current state but adjusted to reflect the impact of Covid-19 in recent seasons.

SOUTHERN

13 VENUES	76 MEETINGS	26% TOTAL TURNOVER
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28% HORSE STARTERS	27% MEETINGS	23% PRIZEMONEY
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Areas for Feedback

Racing Venues

1.0 Status of Venue Plan

NZTR released its proposed Venue Plan for consultation in January 2019. Following consultation, decisions made on the Venue Plan ('Phase One') were released by NZTR in April 2019. Through 2020, as a result of the impact of COVID-19 and cost-cutting undertaken by TAB NZ impacting venue servicing, NZTR supported a second phase of changes in our venue usage, which further impacted both venues and clubs.

We are racing at 35 tracks at 34 venues in the 21/22 season, including the Cambridge and Riccarton Park synthetic tracks.

NZTR now proposes proceeding with the next phase of its Venue Plan, focusing on the period up to and including the 2025/26 season, taking into account:

- the forecast impact of racing on synthetic tracks at Cambridge, Riccarton Park and Awapuni (expected to commence racing in 2023);
- potential regional solutions for venues that are being developed and discussed between NZTR and various clubs and stakeholders around the country; and
- the impact of proposed track reconstructions and renovations over that period.

In preparing its proposed Venue Plan for consultation in January 2019, NZTR aimed to identify a key venue, along with supporting and community venues, in each region and took into account certain key guiding principles (communicated as part of consultation). NZTR remains of the view that these guiding principles are still appropriate and should, therefore, underpin the implementation of the next phase of its Venue Plan.

NZTR also remains of the view that a tiered, or hierarchical, structure for venues is appropriate and that all major Saturday and public holiday race meetings should, ordinarily, be held at six key venues throughout the country. This is discussed in more detail below.

2.0 Development of regional solutions

A key objective of the Venue Plan was to encourage clubs and stakeholders in each region to work together to develop, for consideration by NZTR, a solution for venues for training and racing in their respective regions.

Since its release, NZTR has worked with clubs in various regions to see if agreement can be reached on a plan for venues in their region. There are pockets of the country where good progress has been made by clubs and stakeholders with the support of NZTR.

Summaries of the key steps being taken in each region, and (where applicable) NZTR's current position on venues for the relevant region, are set out on the following pages.

Northland/Auckland Region

Discussions between the Auckland Racing Club and Counties Racing Club have led to those clubs amalgamating to form 'Auckland Thoroughbred Racing'.

NZTR understands that once the Ellerslie track reconstruction has been completed, Pukekohe Park will be used for industry days only. In the meantime, it will be developed as a trials and training venue.

"Whilst the Ellerslie track is undergoing reconstruction the Avondale and Pukekohe racetracks will be used as racing venues."

Whilst the Ellerslie track is undergoing reconstruction, the Avondale and Pukekohe Racecourses will be used as racing venues. Currently, the track reconstruction project at Ellerslie is scheduled to commence in April 2022. Completion of the new track is anticipated to take approximately 18 months, after which racing will gradually resume at Ellerslie so as to give the new track the best opportunity to bed in.

On that timing, NZTR currently understands and expects that the Avondale Racecourse will no longer be required as a racing venue by the 2025/26 racing season.

In the meantime, in conjunction with NZTR, the three northern clubs will liaise regarding the optimum outcome for the successful future of racing in the north. Subject to the terms of any agreed outcome, NZTR currently expects that the Ruakaka Racecourse will continue to play an important role for Saturday racing in the winter in the north.

Bay of Plenty

NZTR has met with the Racing Rotorua and Racing Tauranga and encouraged them to work together on what the future of racing will be for the Bay of Plenty region. While acknowledging the Bay of Plenty is a population growth hub, NZTR is of the view that thoroughbred racing in the region may be best sustained in the long-term if there is only one venue for racing in the region.

Waikato

NZTR remains in favour of a major development in the Waikato region for racing and training, and continues to encourage the Waikato Racing Club, Waipa Racing Club and Cambridge Jockey Club to investigate alternative options for racing and training in the Waikato, including a greenfield site. To assist the clubs, NZTR has secured funding to support the clubs in preparing a business case and roadmap on how a Waikato development could proceed over the next five, 10, 15 and 20 years.

NZTR understands the racecourse land owned by the Waipa Racing Club is set to be rezoned in the near future, at which time the club will consider future options for the land.

Taranaki

Discussions and negotiations are ongoing with the New Plymouth District Council on Taranaki Racing Inc's lease of the New Plymouth Racecourse. It is hoped that there will be a resolution prior to Christmas, however NZTR is confident with information gained to date that the New Plymouth Racecourse will remain available as a venue for racing for the foreseeable future.

Following discussions between clubs in the region other than Stratford Racing Club, it was proposed to NZTR that, contrary to the Venue Plan, Hawera Racecourse be retained as a venue for racing and training. Following consideration by the Board, NZTR supported this approach to ensure:

- the region can continue to hold the required number of meetings to sustain the industry, while ensuring that New Plymouth Racecourse is not over-used; and
- the industry and region have a suitable alternative venue close to New Plymouth in the event we can no longer conduct racing and/or training there.

Hawke's Bay

Hawke's Bay Racing Incorporated has obtained funding for, and engaged a consultant to work on developing a scoping study on the identification and potential development of a new racing and training centre in Hawke's Bay given issues with its current facility. This work includes potential funding and ownership options for the acquisition of land for the development.

The Waipukurau Jockey Club and Poverty Bay Turf Club have committed to racing at Hastings Racecourse, while NZTR has advised Wairoa Racing Club that we do not currently intend racing again at the club's traditional venue.

Manawatu/Horowhenua/Wellington

NZTR continues to pursue the development of a potential hub for racing and training in Horowhenua and encourages RACE and the Levin, Foxton and Ōtaki-Māori Racing Clubs to work together on identifying a solution for racing, trials and training across the region.

We are aware that RACE:

- has commenced discussions with the Masterton Racing Club about potentially joining RACE; and
- is investigating with the Wellington Racing Club a significant revitalisation and redevelopment of facilities at Trentham Racecourse.

NZTR supports both of these initiatives.

Venues in this region will be impacted by the construction of the Awapuni synthetic track and the reconstruction of the Awapuni course proper after the synthetic track is in use. At this stage, we anticipate that Awapuni meetings would be allocated to the Wanganui, Ōtaki, Trentham and Hastings Racecourses while the course proper is being reconstructed, which may take around 12 months.

Once the Awapuni synthetic is in full use, we anticipate that there will be slight reductions in the number of race meetings held at Wanganui, Ōtaki, Tauherenikau and Waverley Racecourses, and on the number of trial meetings held at venues in the region. The Woodville Racecourse is likely to be the most affected by the Awapuni synthetic track, as it may no longer be required for racing once the synthetic track is operational.

We encourage RACE and the Woodville-Paihiatua Racing Club to discuss future options for the Woodville Racecourse and the Woodville-Paihiatua Racing Club after the Awapuni synthetic track has been completed. Subject to the outcome of any discussions, we would consult with the Woodville-Paihiatua Racing Club before making a decision on the future of its racecourse.

NZTR currently expects that the Ōtaki and Foxton Racecourses will still be required in the medium-term at least, but their future roles will be reviewed depending on developments in the region and horse numbers.

Canterbury

Sapere Research Group has been engaged by Racing New Zealand to carry out a tri-code review of racing and venues in the Canterbury region. The review is aimed at developing and assessing options for sustainably operating each of the codes in the region.

The implementation of any changes, including asset transfers or sales, arising out of the review is excluded from the scope of the review.

As part of its review, Sapere Research Group will undertake an appraisal of the sustainability of each club and venue in the region, future trends and drivers of animal and participant numbers, along with the implications of the same for industry structure and assets.

“NZTR will await finalisation of the Sapere Research Group report before making any further decisions regarding the venues required for racing and training in the Canterbury region.”

NZTR will await finalisation of the Sapere Research Group report before making any further decisions regarding the venues required for racing and training in the Canterbury region. The likely impact of the synthetic track at Riccarton Park is also relevant to these decisions, as (potentially) will be decisions made by Harness Racing New Zealand on its preferred venues in the region.

The venues where changes may occur are the Oamaru and Timaru Racecourses, with both venues proposed to lose meetings to the Riccarton Park synthetic track. We will, however, await the outcome of the Sapere Research Group review before making any decisions regarding the future of racing at both venues and will need to consult with both clubs at that time. We note, in this regard, that the Riccarton Park course proper is proposed for reconstruction in the next five or so years. We will need to ensure that there are sufficient venues in the Canterbury region to accommodate the meetings that would otherwise have been held at Riccarton while the course proper is being reconstructed. This may mean that we need to retain both the Timaru and Oamaru Racecourses in the medium-term.

It is currently proposed that the Ashburton Racecourse will be retained as a key supporting venue for Riccarton Park in Canterbury region, although it is proposed to lose a meeting to the Riccarton Park synthetic track.

West Coast

No changes are proposed to the remaining three venues for racing on the West Coast, being the Reefton, Omoto and Kumara Racecourses.

Otago/Southland Region

Similar to the Canterbury region, Sapere Research Group was engaged by Racing New Zealand to carry out a tri-code review of racing and venues in the Otago and Southland regions. This work has been completed and Sapere Research Group has reported to Racing New Zealand on its findings.

The principal outstanding issue in the region related to venues is the future role of Oamaru Racecourse, which is being considered as part of the Sapere Research Group review of venues and clubs in the Canterbury region.

In relation to the Southland region, the Sapere Research Group report supported (and did not recommend any changes to) the regional solution NZTR had previously proposed for racing in Southland. That is, the industry would continue to race at the Riverton, Gore and Ascot Park Racecourses.

3.0 Factors Influencing the Next Stage

Progress with Regional Solutions

As indicated earlier, progress with discussions on regional solutions will influence decisions made by NZTR as part of the next stage of its Venue Plan.

If satisfactory progress is not made in developing a solution for a particular region or the solution developed by clubs and stakeholders in a region is not supported by NZTR, then NZTR reserves the right to exercise its powers under the Racing Industry Act to bring about an acceptable outcome for venues in that region.

Synthetic tracks

The commencement of racing on the synthetic tracks at the Cambridge and Riccarton Park Racecourses and on the proposed synthetic track at the Awapuni Racecourse will have an impact on the number of venues required for racing and training in each region, and on the number of licences to be issued for each venue.

The introduction of the synthetic track at the Cambridge Racecourse:

- has meant both the Te Teko and Te Awamutu Racecourses are no longer required for racing; and
- has had an impact on the number of meetings allocated to other venues in the Northern Region.

The synthetic tracks at the Awapuni and Riccarton Park Racecourses will have a similar impact in the Central and Southern regions, with the Ōtaki-Māori, Woodville, Oamaru and Timaru Racecourses being most impacted by the establishment of these synthetic tracks and the allocation of meetings to them.

“Planned track renovations, reconstructions and upgrades in each region will also have an impact on proposals developed under the next phase of the Venue Plan.”

Impact of Track Renovations and Reconstructions

Planned track renovations, reconstructions and upgrades in each region will also have an impact on proposals developed under the next phase of the Venue Plan. As part of this work, NZTR will seek to ensure:

- there are sufficient turf track venues available in a region for racing and/or trial purposes when tracks are unavailable due to renovations, reconstructions or upgrades; and
- (to the extent possible) that track renovations, reconstructions and upgrades are planned and managed to ensure key tracks in a region are not unavailable at the same time.

The Ellerslie, Te Aroha, Awapuni, Te Rapa, Matamata and Riccarton Park Racecourses have all been identified for renovation, reconstruction or upgrade (as the case may be) over the next five seasons.

The work proposed at Ellerslie (which is likely to commence in April 2022 and result in the track being ‘out’ for around 18 months) and Te Aroha (which is likely to commence in November 2021 and result in the track being ‘out’ for at least 12 months) will create pressure on venues in the Northern Region, as they are both likely to be unavailable over the winter of 2022. At this stage, we expect that Te Aroha and Ellerslie meetings will be allocated principally to the Pukekohe, Te Rapa and Avondale Racecourses, with the Matamata, Tauranga, Rotorua and Taupō Racecourses also likely to pick up meetings, while some jumps meetings may have to be allocated to venues in the Central Region given the limited number of jumps venues that will be available in the Northern Region.

NZTR will also seek to ensure sufficient venues are retained in each region to allow our key venues to undergo proper repair and maintenance programmes each season. A priority is to manage usage and maintenance to ensure tracks do not deteriorate over time, and are able to provide reliable and consistent racing surfaces to maximise field sizes (which will drive increased wagering and revenue) and ensure the best possible outcomes for equine welfare.

Venues for Major Race Meetings

Under the Venue Plan, NZTR’s approach was to develop a core network of venues for our best race meetings, in particular Saturday racing. These venues need to provide consistent and reliable racing surfaces, and be popular with punters (domestic and international) in order to drive increased wagering and revenue for the thoroughbred industry. Hence, our approach to Saturday racing has been “best day, best racing, best venues”, as this will optimise the wagering and customer outcomes for the industry.

Once track renovations and reconstructions have been completed at the key venues referred to above, and consistent with our initial Venue Plan, we propose introducing a tiered structure for our venues under which they would be categorised as Metropolitan, Provincial or Community.

Under this proposal, six tracks would be designated as our initial Metropolitan venues and most, if not all, of our major Saturday and Public Holiday meetings would be held at those venues. In the long-term, we intend that all major Saturday and Public Holiday meetings held at the Metropolitan venues would be run with minimum stakes of \$50,000 per race and that all Group One races would be held at our Metropolitan venues.

In our view, limiting our major racing and race meetings to a small number of Metropolitan venues will result, in the long-term, in greater wagering on our racing, domestically and (especially) internationally, as punters will become more familiar with racing at those venues and be able to bet with more confidence on racing at them. This should lead to increased wagering on our racing and increased revenue for the industry as a whole to fund higher stakes and further track and infrastructure improvements.

Our Metropolitan venues would be supported by a number of Provincial venues (referred to as “supporting” venues in our initial Venue Plan). These venues would, in the main, provide the supporting Saturday meeting to the major Saturday meeting at the Metropolitan venue. Stakes for Saturday meetings at Provincial venues would generally be funded at a lower level than for major Saturday meetings at the Metropolitan venues.

Based on the venues at which we are racing in the current season, our proposed classification of venues is set out below.

Metropolitan Venues:

Ellerslie	Te Rapa	Hastings
Awapuni	Trentham	Riccarton Park

Provincial Venues:

Ruakaka	Pukekohe	Matamata
Avondale	Cambridge – Synthetic	Te Aroha
Tauranga	Rotorua	New Plymouth
Hawera	Woodville	Wanganui
Ōtaki	Riccarton Park – Synthetic	Ashburton
Timaru	Gore	Wingatui
Riverton	Ascot Park	

Community Venues:

Taupō	Waverley	Tauherenikau
Reefton	Kumara	Omoto
Kurow	Cromwell	Oamaru

The classification of venues as Metropolitan, Provincial and Community would not impact the funding arrangements that currently exist for races that are run at a particular venue, nor would it impact on the level of funding currently provided for feature meetings held at venues that are categorised as Provincial or Community.

Proposed 2025/26

The map (right) represents the proposed NZTR Venue Plan by the 2025/26 season



KEY QUESTIONS

Racing Venues

In each case, please provide reasons for and, where appropriate, information/data supporting your view.

- 1.** *Do you support the progress to date in relation to NZTR's venue strategy and consolidation? If not, what specific steps taken do you not support and why?*
- 2.** *Do you support the current and proposed balance between Metropolitan, Provincial and Community venues in each region and sub-region appropriate, taking into account horse numbers and population? If not, what specific areas do you believe require modification or need addressing?*
- 3.** *Do you support NZTR holding a small number of feature race meetings on the synthetic tracks if wagering and participant demand is evident?*
- 4.** *Do you support NZTR exercising its statutory right to utilise surplus venues for the benefit of the entire New Zealand thoroughbred industry? If so, how do you believe this would be appropriately managed?*

Racing Initiatives

Overview

This section outlines a number of racing initiatives which have been developed by NZTR.

They include proposed new race meeting 'event' days, trialling a schedule of twilight meetings and proposed adjustments to the pattern of Group and Listed races.

The timeline for implementation of these initiatives varies from the short-term (i.e. initiatives that could be implemented in the current season) through to the long-term (i.e. initiatives that are more conceptual for implementation in future seasons).

We request feedback on the initiatives in a series of questions summarised at the end of the section.

Racing Initiatives

1. Creation of a new, major racing event

The creation of new, major racing events in Australia such as The Everest, Golden Eagle and All Star Mile, has driven an increased level of fan engagement, developed younger audiences and significantly enhanced wagering. Often referred to as 'pop-up' races, these new races, established within 'new' race days, have proven that significantly increased wagering comes not through the simple movement of races from one day to another (or one venue to another), but the creation of new events.

Within a short space of time, The Everest has established itself as virtually the equal of the Caulfield Cup (both a line ball second, though by some margin, to the Melbourne Cup) in terms of wagering, a remarkable effort within a handful of runnings.

In discussion with TAB NZ, our Australian wagering partners and advisors, we are confident there is an opportunity for NZTR to create new events of significance that build excitement and wagering in the way the highly successful Karaka Millions race day is able to do.

The next section summarises three options for feedback. We note that each option is in the initial stages of ideation and requires further development.

Concepts – options to consider

Aotearoa Champions Day

The first major initiative being considered is the proposed establishment of an Aotearoa Champions Day.

The intention is to create a raceday that would attract high wagering and interest due to the size and depth of fields and provide progressive horses with an opportunity to run for high stakes. The day would also create new customer engagement and sponsorship opportunities for the industry.

At a very high-level, it is proposed that:

- All races on the day would be run for a minimum stake of \$200,000.
- The meeting would rotate annually amongst our Metropolitan venues, providing an opportunity for the day to be showcased around the country.
- The meeting would be held in the autumn given the better weather opportunities and current dates calendar. (This may impact the programming of 2YO and 3YO races, but we believe the programming issues can be overcome.)

The nature of the races that would be programmed on the Aotearoa Champions Day and the potential impact on the pattern of Group and Listed races will also need to be considered. The potential to hold heats for certain races on the day, and to create additional interest and promotional opportunities by doing so, is also being considered.

Breeders Championship

The second major initiative being considered is the proposed establishment of a Breeders Championships which would provide our 4YOs with an opportunity to run in a \$1m race. The intention here is to create, over time, a day similar to the successful Karaka Millions race meeting that would create new customer engagement and sponsorship opportunities for the industry.

Compared to the proposed Aotearoa Champions Day, the Breeders Championship is a longer-term initiative as it will take time for the stakes and bonus pool to grow.

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At a very high-level, it is proposed that:

- Horses would be enrolled by breeders (with an initial payment) at birth, with subsequent payments being made for enrolled horses as yearlings and through the registration process.
- We would create, over time, a total pool of \$2.6m in stakes and bonuses, including a \$1m race for enrolled horses as 4YOs over 2000m that would complement the Karaka Millions 2YO and 3YO Millions races.
- There would be a series of ‘lead-up’ races for a minimum stake of \$50k each and ‘consolation’ races on the day for enrolled horses.
- The raceday (including the \$1m race for 4YOs) would rotate around our Metropolitan venues each season.
- The \$1m race would be for New Zealand-bred horses, allowing horses in other jurisdictions to come back for the race.

- The race would be held in the autumn given the better weather opportunities and current dates calendar.

If the Breeders Championship is introduced, we will need to consider the impact on, and future of, the Pearl Series.

Celebration Day

Finally, NZTR proposes establishing a Celebration Day to recognise and thank industry participants (including trainers, trackwork riders and stablehands) and owners.

We would schedule a Celebration Day race meeting in the North and South Islands on the same day and partner with a charity.

All licence holders and owners would be invited to attend the meeting in 'their' island, with a function being held at each meeting for all invitees. The day could be aligned with stud and stable award presentations and recognise past trainers and jockeys and their families. It is proposed the race days would be feature Saturday race days so as not to impact the pattern and existing race programmes.

The focus of the day would, therefore, be to recognise industry participants by running a race meeting to thank them for their efforts. The intention would be to develop the Celebration Day as an annual event, with awards ceremonies from each meeting being broadcast at the other meeting so that there is a wider, national recognition of the contributions made by the recipients of the awards.

The day may not necessarily drive greater wagering but should provide additional interest and promotional opportunities, as well as providing sponsorship and entertainment opportunities to the industry's support businesses.

2. Twilight Racing

As set out above, the Australian wagering market is materially larger than the size of the New Zealand domestic market and is increasingly driving substantial revenues for the New Zealand thoroughbred industry. As a result, NZTR has worked with TAB NZ and our Australian broadcast partner, SKY Racing, to identify opportunities for enhancing our wagering footprint.

We are consistently focused on the need to drive greater wagering on our racing from both domestic customers through TAB NZ and from Australia, our major international wagering market delivering more than 95% of all international revenues. The increase in revenues from Australia helps to provide participants with greater returns and fund improvements in our tracks.

Following discussions with SKY and other Australian wagering partners, we have identified an opportunity in the SKY Racing schedule for broadcasting New Zealand thoroughbred races at a time when they will attract increased wagering interest. At this stage, the opportunity available is via a specific period of twilight racing early in the year.

We have obtained advice from TAB NZ on the potential wagering uplift, domestically, of different scenarios and have also obtained advice from Australian wagering partners and independent expert wagering advice on the specific twilight opportunity. In summary, TAB NZ estimates the uplift in domestic turnover of \$2 million, while our Australian wagering partners estimate the uplift in turnover on the meetings to be in the order of around 15%.

Based on this advice, NZTR propose trialling a series of 12 Wednesday twilight meetings through the late summer and early autumn. We considered running the twilight meetings on Fridays, however there were constraints with the SKY Racing broadcast schedule and domestically this would have required significant change to the dates calendar, led to potential conflict with harness and greyhound meetings, and resulted in potential servicing issues for TAB NZ.

The trial is proposed to commence on Wednesday 11 January 2022 and conclude on Wednesday 29 March 2022. We considered running the trial through the pre-Christmas period, but due to the number of existing twilight meetings (on different days of the week) in that period, it was problematic.

As a result, the schedule for the proposed twilight series is:

1.	12 January	Matamata
2.	19 January	Te Rapa
3.	26 January	Hastings (Note: requires a date change through TAB NZ)
4.	2 February	Te Rapa
5.	9 February	Matamata
6.	16 February	Tauranga
7.	23 February	Pukekohe
8.	2 March	Hastings
9.	9 March	Ōtaki
10.	16 March	Matamata
11.	23 March	Pukekohe
12.	30 March	Matamata

For the purposes of the trial, it is intended the meetings will commence at 3pm. There may be a requirement for meetings later in the trial to start slightly earlier due to the current requirement for the last race be held no later than 45 minutes before sunset. In addition, we may need to commence some meetings closer to 2pm to ensure the best outcome from an Australian wagering perspective.

NZTR recognises the trial of twilight meetings will impact participants, particularly trainers with staff and horses having to travel back from meetings finishing after 7pm. We have, therefore, looked at a period where meetings are, in the main, held close to key training centres to minimise the impact to participants. For the purposes of the trial, there are no twilight meetings scheduled for the South Island,

“ NZTR will seek to fully understand the mistakes of the past but also recognises the opportunities for night racing and broader distribution of our racing internationally, have completely changed the market.”

however this is simply a function of where meetings are already scheduled on Wednesdays under the existing dates calendar.

While the primary focus of the twilight series is to drive greater wagering, both domestically and internationally, clubs may also see the trial as an opportunity to create an on-course experience for customers, drive attendance and additional direct revenue.

Night Racing

In conjunction with the twilight racing trial, NZTR intends on investigating the opportunity for night racing in New Zealand.

While recognising the industry’s initial attempt at Avondale was unsuccessful and came at a significant cost to the club and the industry, the wagering environment for night racing is very different now than it was over 30 years ago. NZTR will seek to fully understand the mistakes of the past but also recognises the opportunities for night racing and broader distribution of our racing internationally, which have completely changed the market.

Night racing is common in many jurisdictions, whether it be Happy Valley in Hong Kong, Moonee Valley and Pakenham in Victoria, Canterbury in Sydney or a number of tracks in Britain. All of these are designed to, and have been successful at, driving positive wagering outcomes, while some have created new entertainment and promotional opportunities for the industry.

As noted above, there is now more money wagered on New Zealand racing through Australian wagering operators than through TAB NZ. NZTR is focused on developing opportunities that can grow domestic wagering on our racing, while also enabling us to increase international wagering.

We believe there may be an opportunity to establish night racing on a day and at a time that can attract significant wagering interest, both domestically and internationally. Accordingly, we propose investigating this opportunity further.

3. Synthetic Track Racing – Development of Regional and National Finals

As summarised in the Racing Venues section, synthetic track racing is planned to become a key part of our winter racing period.

To create greater participant and wagering interest in racing on the three synthetic tracks, we have commenced discussions with the Cambridge Jockey Club, RACE and Canterbury Jockey Club regarding the development of regional (at each venue) and a rotating-venue national finals day (similar to the ‘finals’ day that the Cambridge Jockey Club held in July). The national finals day concept would be for horses that have raced on the synthetic tracks throughout the season, potentially similar in format to the successful All-Weather Championships Finals Day, making it one of the richest race days in the UK.

At a very high-level, we are looking at developing a model for national finals day that incorporates the following:

- Holding the national finals day across the three synthetic tracks, that is, rotating the day around each venue.
- The development of a series of races throughout the season to culminate in high prizemoney finals. It is envisaged there would be a series of finals races, spread across Sprint, Mile, Middle Distance, Stayer and 3YO races.
- To be eligible for the finals, horses would need to have raced at a synthetic track during the season.
- Balloting conditions would be developed, potentially incorporating performance in a qualifying heat or by winning one of a limited number of 'win and you're in' races which guarantee a start in a specific finals race.
- A points-based system to recognise the best-performing trainers, jockeys, apprentice jockeys and owners throughout the synthetic track season.

In developing this proposal, NZTR will work closely with the Regional Programming Committees in finalising the details and types of races run throughout the season and as finals.

4. Pattern/Heritage Racing

Pattern Changes

As clubs and other industry participants will be aware, our pattern (i.e. black-type) races are under international scrutiny and pressure, both due to the comparatively high percentage of black-type races that we run in New Zealand and because of proposed changes to the Asian Pattern Committee rules (which are binding on us) for assessing the ratings performance of pattern races.

“As clubs and other industry participants will be aware, our pattern (i.e. black-type) races are under international scrutiny and pressure...”

Following discussions about the pressure that the 1600m G1 Levin Classic is under from a race-ratings perspective given its place in the calendar, agreement has been reached for the race to be moved from Wellington Cup week in January to NZ Oaks Day in March in order to create an Autumn G1 target for our top 3YOs that are not Oaks or Derby horses and for the 1400m G2 Wellington Guineas to be moved to Wellington Cup week in its place. As a consequence of this move, the distance of the Mufhasa Stakes at Ellerslie will be increased from 1300m to 1400m to provide a more suitable lead-in race to the Levin Classic.

In addition to this change, the Pattern Committee has proposed some further changes to the 2YO and 3YO pattern races with a view to improving the overall performance of our age-group pattern races.

The proposed changes are:

3YO Pattern

1. Swapping the distances of the Trevor Eagle Memorial (1500m on the last Saturday of November) and Bonecrusher Stakes (1400m on the first Saturday of December), with the distance of the Bonecrusher potentially being extended to 1600m.

2YO Pattern

1. Moving the 1200m G2 Wakefield Challenge Stakes (which is struggling to meet the required ratings performance for a G2 race in its current place in the calendar) from early December at Trentham to Manawatu Cup day at Awapuni (i.e. two weeks later). Although this change brings the race closer to the 1200m G2 Eclipse Stakes at Ellerslie on New Year's Day, the Pattern Committee was of the view that moving it north to Awapuni could result in more Waikato horses running in the race, given the lesser amount of travel involved.
2. Moving the 1100m Listed Star Way 1000-Wentwood Stakes to Ellerslie on Easter Handicap Day, the 1400m Listed Great Northern Foal Stakes to Te Rapa (to take the place of the Star Way 1000-Wentwood Stakes) and the 1600m Listed Great Northern Champagne Stakes to May to take the place of Great Northern Foal Stakes.

Heritage Racing

In addition to the proposed changes to the pattern, the Pattern Committee has also proposed that a new category of races (i.e. Heritage Handicap races) be introduced to ensure that Group and Listed races that are downgraded (whether by virtue of the application of the Asian Pattern Committee rules or to reduce the number of races in our pattern), continue to be funded by NZTR at current levels. This proposal will allow races that play an important role in the industry, whether from a racing and/or wagering perspective, and have local or historic significance to continue to be appropriately funded.

For example, the Auckland Cup (which has been downgraded from G1 to G2) would, under this proposal, continue to be funded by NZTR at its current level, with the result that the race should still be run for its current stake of \$500,000 even though it has been downgraded.

This proposal would also allow traditional handicap races that have had their conditions changed to weight-for-age or set weights and penalties in an attempt to maintain their pattern status, to revert back to handicap races and become more attractive wagering propositions and potentially attract greater overall public interest, if they remain funded at the same level as they were funded when they were G1 and G2 races, for example.

A similar approach would be taken for pattern races with regional or historic significance that may be downgraded from Listed to unlisted, to ensure that they retain strong public and wagering support even though they may no longer have Group or Listed status.

The value of the 'Heritage Handicap' brand could be built up over time by a marketing and promotion strategy which focuses on the traditional and historic significance of the relevant race to New Zealand racing.

5. Jumps racing

Jumps racing has been an important part of the social fabric of racing and supports our desire to connect racing to different communities around the country. While there are challenges with the sustainability of jumps racing, the Board of NZTR continues to support jumps racing and in this context, has worked with stakeholders in developing a set of initiatives designed to improve its sustainability.

"Jumps racing has been an important part of the social fabric of racing and supports our desire to connect racing to different communities around the country."

Despite stakes increases and enhancements to the jumps racing programme, this part of the industry continues to struggle through:

- reduced participant numbers;
- reduced horse numbers (particularly in certain parts of the country);
- being dependent (to a large degree) on support from key stables in the Central Region; and
- a lower level of wagering interest, which translates into reduced revenue returns.

Following discussions with Auckland Thoroughbred Racing, representatives of the National Jumps Racing Committee and other key stakeholders about the future of jumps racing, NZTR has formulated a set of focused proposals to better enable the sustainability of jumps racing. They are:

- Except for the Grand National Festival of Racing at Riccarton Park in early August, there will be no jumps racing in the South Island.
- There will be no more than 90 jumps races each season (depending on horse numbers and programming requirements). This represents a reduction in race numbers roughly equal to the number of South Island jumps races no longer held once jumps racing in the South Island is limited to the Grand National Carnival.
- NZTR to target total stakes of \$2.83m (up from \$2.25m), with the following stakes structure:
 - Maiden races increasing to \$20,000;
 - Restricted Open races increasing to \$30,000;
 - Prestige races set at \$60,000;
 - All races that currently have stakes of above \$60,000 to remain at current levels other than the Great Northern Steeplechase and Hurdle, which will both increase from \$125,000 to \$150,000.

- Removal of nomination and acceptance fees for feature jumps races.
- Te Aroha will become the Northern Region's key jumps venue once Ellerslie has been reconstructed. Accordingly, jumps races currently held at Ellerslie (including the KS Browne Hurdle, McGregor Grant Steeplechase, Great Northern Hurdle and Steeplechase, Pakuranga Hunt Cup) will all be held Te Aroha.

NZTR acknowledges the significant contribution that Auckland Thoroughbred Racing has made in relation to these initiatives to support jumps racing.

6. Stakes Innovation Fund and Other Initiatives

The initiatives discussed in this section are in addition to the proposals that NZTR has received from clubs for increased stakes funding under the contestable Stakes Innovation Fund that was announced by NZTR in July. We are not consulting on these initiatives and are not, therefore, requesting or seeking submissions on them.

NZTR is investigating the creation of a Champion Stayers Series for a prize pool of \$500,000 to be held over the New Zealand, Wellington and Auckland Cups. Under this proposal, points would be awarded to the first 10 placegetters in each race, with the highest points scorer being crowned New Zealand's Champion Stayer and winning a \$350,000 bonus and the 2nd and 3rd highest points scorers winning bonuses of \$100,000 and \$50,000 each.

We are also working with key clubs on the establishment of a Country Cups Series and Final, which would be run for a stake of at least \$100,000. Under this proposal, the winners of designated country cups would qualify for the final, with the balance of the field determined on the basis of points earned by running in the qualifying country cups.

NZTR expects to be able to make further announcements regarding the Champion Stayers Series and the Country Cups Series and Final later this year.

KEY QUESTIONS

Racing Initiatives

In each case, please provide reasons for and, where appropriate, information/data supporting your view.

Creation of new events

- 1.** *Do you support NZTR funding the creation of new, higher prizemoney events, to drive significantly improved wagering and customer engagement outcomes?*
- 2.** *Do you support the establishment of an Aotearoa Champions Day meeting? If not, what specifically do you not support? If yes, do you support the rotation around proposed Metropolitan venues? Alternatively, do you believe there are specific benefits to holding the meeting at the same venue each year?*
- 3.** *Do you support the establishment of a Celebration Day race meeting on the same day in the North and South Islands?*

Twilights

- 4.** *While the currently identified trial opportunity is in the late summer/early autumn, do you believe there are other twilight alternatives NZTR should consider in the future?*
- 5.** *Ideally, NZTR would trial twilight meetings in all regions of the country, including the South Island, however the current racing calendar schedule precluded it. Do you believe the twilight series trial meetings should be more broadly spread (including in the South Island)? If so, do you have any specific suggestions for this?*
- 6.** *If the twilight series trial proves to be successful from a wagering and revenue perspective (i.e. an uplift in wagering and revenue of 10% or more), would you support further changes to the racing calendar if the changes could increase industry revenue and prizemoney?*

KEY QUESTIONS *continued*

Our Racing Initiatives

In each case, please provide reasons for and, where appropriate, information/data supporting your view.

Synthetic Racing – National Series

- 7.** *Do you support introducing a culmination to the synthetic racing season by establishing a national synthetic finals day?*
- 8.** *Are there other specific opportunities you think NZTR could or should consider to support the role of synthetic racing?*

Pattern/Heritage

- 9.** *Do you support the establishment of a Heritage Handicaps category of races?*
- 10.** *Do you agree Group and Listed races that are downgraded should continue to be funded at current levels if they are categorised as a Heritage Handicap?*
- 11.** *Should races such as the Telegraph and Thorndon Mile revert to handicap status (even though that may affect their future as Group 1 races) provided they would still be funded at current levels if they are subsequently downgraded from Group 1 status?*