









Race Club and Key Stakeholders Monthly Report

No. 7

August 2014



Key Performance Indicators YTD

KPI	Actual	FY13	Budget	Commentary	Status
Funded prizemoney	\$47.9m	\$47.2m	\$48.0m	For the period ending 31 July 2014. Includes Special Interest and Iconic funding.	
Average funded prizemoney	\$16,675	\$15,696	\$16,228	For the period ending 31 July 2014. Ahead of FY13 and budget.	
Race meetings conducted	345	358	364	Full season to 31 July 2014 vs. FY13 and Business Plan (BP) 14-16. 19 full meetings abandoned or relinquished.	
Average field size	10.45	10.42	10.49	Average field size in NZ thoroughbred racing full season to 31 July 2014, against average field size in BP 14-16. Improvement on FY13 but behind Budget.	
Races with less than 8 starters	454	431	410	Full season to 31 July 2014 vs. BP 14-16 and FY13. Missed both FY13 actual and FY14 Budget.	
Total starts	30,031	31,331	30,832	Total starts made by thoroughbreds full season to 31 July 2014. Decline on FY13 and missed FY14 budget, due in part to loss of meetings and races	
Individual starters	5,382	5,481	5,371	Individual thoroughbreds making starts full season to 31 July 2014, vs. Budget FY14-16 & FY13. Exceeded FY14 forecast by 11 individual starters.	
Domestic sales (FOB and Tote)	\$422.7m	\$429.4m	\$429.1m	Domestic turnover full season to 31 July 2014, against budget in BP14-16 & FY13. Turnover down on both, partly on decrease in races – per race turnover is actually up.	



Met or exceeded FY14 Business Plan KPI (or likely to)










Met or exceeded FY13 (or likely to), but did not (or unlikely to) meet FY14 Business Plan KPI



Did not meet FY13 or FY14 Business Plan KPI (or unlikely to)

Key Performance Indicators YTD (cont'd)

KPI	Actual	FY13	Budget	Commentary	Status
Domestic market share	53.03%	53.50%	53.54%	Forecast for the eleven months ending 30 June 2014. Below FY14 Budget and FY13 Actual.	
NZRB distribution to NZTR	\$68.4m	\$67.3m	\$68.4m	For the eleven months ending 30 June 2014 NZRB Distributions on budget.	
International royalties	\$7.74m	\$9.11m	\$9.13m	Full season to 31 July 2014, against budget in BP14-16 & FY13. Exchange rate impact and reduction in Sky 1 coverage has resulted in significant decline.	
NZTR core op ex (excl. marketing)	\$5.3m	\$5.2m	\$5.3m	For the eleven months ending 30 June 2014 Full Year forecast on budget.	
Females as % of individual starters	48.35%	47.86%	48.93%	Behind budget in BP14-16 for % of female individual starters full season to 31 July 2014. However, further improvement on FY13 recorded.	
Races conducted at venues with 10+ mtgs p/a	70.99%	64.70%	68.70%	Full season to 31 July 2014, % of races run at venues with 10+ meetings a year. Significant improvement on FY13 projected and ahead of BP forecast.	
% of starts from strategic training tracks	71.10%	70.56%	71.00%	Full season to 31 July 2014, a higher number of horses trained at Strategic Training Centres have started compared to FY14 budget. Improvement on FY13 has also occurred.	



Met or exceeded FY14 Business Plan KPI (or likely to)



Met or exceeded FY13 (or likely to), but did not (or unlikely to) meet FY14 Business Plan KPI



Did not meet FY13 or FY14 Business Plan KPI (or unlikely to)

Key Projects as at 1 August 2014

Project	Commentary
Key Changes for 2014-15 Season	<p>From 1 August 2014 handicapping policy changes include:</p> <ul style="list-style-type: none"> • The elimination of duel bands from all rating races. This means an increased consistency in rating point penalties for winning a ratings race. Typically horses winning a ratings race will now a +5 rating point penalty; • The introduction of a new weighting template for open handicaps conducted at "industry" race meetings which will see rating 80 horses carry the limit weight of 54 kgs; and, • All 2YO non-black type races being run with set weight and penalty conditions.
Funding Policy FY15	<p>NZTR is awaiting the draft Statement of Intent from the NZRB before submitting its Business Plan and Statement of Intent, which includes the FY15 Funding Policy.</p> <p>NZTR and Regional Programming Chairmen will meet within the next week to discuss a schedule of additional funding for Iconic, Heritage, Country Cup and proposed Special Interest events.</p> <p>The meeting will also review applications for additional races and some meeting classifications.</p> <p>NZTR funded prizemoney is expected to increase by \$1.4 million (or 2.9%) in 2014-15 with minimum prizemoney for rating 65, 2YO, 3YO and special conditions races at all feature race meetings increasing by \$2,500 per race to a minimum of \$17,500, with rating 75 increasing by \$1,000 per race to a minimum of \$18,500 and rating 85 increasing by \$2,500 per race to a minimum of \$20,000 at feature meetings.</p>

Key Projects as at 1 August 2014

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<p>Authorised Syndication Workshop</p>	<p>NZTR held a workshop to discuss Authorised Syndication in the Thoroughbred Racing Industry at Te Rapa on 8 July 2014.</p> <p>Under the Securities Act (Bloodstock) Exemption Notice 2012 NZTR administers the Bloodstock Syndication Code of Practice.</p> <p>The purpose of this workshop was to consult with Authorised Syndicators about how the current Code of Practice works for them, to discuss ways to simplify the process and encourage a greater uptake of Authorised Syndication from syndicators and trainers.</p> <p>This review of the current process falls into place with NZTR's plan to complete an ownership review that will benefit everyone in the industry.</p> <p>The Financial Markets Authority is in the process of reviewing how the syndication of thoroughbreds sits with the new Financial Markets Conduct Act 2013. The Financial Market Conduct Act 2013 replaces the Securities Act 1978 under which the Bloodstock Exemption Notice sits.</p> <p>NZTR sees this as the ideal time to review the Code of Practice and submit any changes to the FMA that may be out of date.</p>
<p>Social Racing</p>	<p>Social Racing is being re-launched from 1 August 2014 as a paid participation offer. Brent Cooper has been contracted for twelve months to manage the project.</p> <p>A limited partnership of two hundred members has been established at an annual cost of \$199 per year. 114 of the 200 shares have currently been subscribed.</p> <p>The limited partnership will lease a 50% share in three horses, namely Aoetarower, Sisterhood and an unnamed Towkay/Silk Spur filly. The prospects of all three horses are currently believed to be very good.</p>

Key Projects as at 1 August 2014

Project	Commentary								
Members' Council Nominations & Elections (if required)	<p>This year four Regional Members' seats on the Members' Council become vacant:</p> <ul style="list-style-type: none"> • Victoria Carter's vacant seat (Northern Region) • John Wheeler (Central Region) • Bill Cotton (Southern Region) • Bruce Perry (Central Region) who was appointed by the Council to fill the vacancy left by Charles Whyte's resignation and is entitled to serve the balance of his term or until the next AGM whichever occurs first <p>The three Sector Members also retire by rotation:</p> <ul style="list-style-type: none"> • John Fokerd (Breeders) • David Haworth (Trainers and Jockeys) • Neil Oldfield (Owners) <p>The dates for nominating Members' Councillors (and elections, if required) are as follows:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 30%; vertical-align: top;">5 August 2014</td> <td>CE calls for nominations 3 months before AGM (cl.10.2 a). Nominations Forms will be attached with the Notice.</td> </tr> <tr> <td style="vertical-align: top;">5 September 2014</td> <td>Deadline for receipt of nominations for Regional Seats is 2 months before AGM (cl.10.2 c ii). If an election is required for any Regional seats, voting papers will be distributed immediately.</td> </tr> <tr> <td></td> <td>Sector Members are appointed by their respective sectors.</td> </tr> <tr> <td style="vertical-align: top;">6 October 2014</td> <td>Deadline for receipt of voting papers 1 month before AGM (cl.10.3 a i), votes counted and election results announced.</td> </tr> </table>	5 August 2014	CE calls for nominations 3 months before AGM (cl.10.2 a). Nominations Forms will be attached with the Notice.	5 September 2014	Deadline for receipt of nominations for Regional Seats is 2 months before AGM (cl.10.2 c ii). If an election is required for any Regional seats, voting papers will be distributed immediately.		Sector Members are appointed by their respective sectors.	6 October 2014	Deadline for receipt of voting papers 1 month before AGM (cl.10.3 a i), votes counted and election results announced.
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Key Projects as at 1 August 2014

Project	Commentary
NZTR Finances	<p>NZTR is currently forecasting a \$1.1 million surplus for the FY14 season.</p> <p>NZTR has now received all information from the NZRB required to finalise our budget including proposed industry cost expenditure (RIU, JCA, etc) and venue service charges. These amounts have been taken up in our proposed FY15 budget.</p> <p>The only issue requiring confirmation relates to gaming receipts, which NZTR has budgeted for \$9.2 million as previously indicated by NZRB.</p>
Self-Service Terminals (SST)	<p>The SSTs are in the process of being deployed at Ellerslie, Riccarton Park, Awapuni, Te Rapa, Trentham and Pukekura Park.</p> <p>NZRB is currently preparing SST operating manuals for clubs and confirming settlement procedures between clubs, the NZRB finance team and NZTR.</p> <p>SSTs will be operational at Riccarton during Grand National week and other venues during August and September.</p>
NZTA	<p>NZTR has held three Regional Meetings with Trainers in June / July to discuss a range of issues and the Chief Executive met with the NZTA Executive Officer on Friday 18 July 2014 to discuss a proposed draft plan from NZTR in response to Regional Meetings.</p>
NZJA	<p>Base line concussion tests and the role-out of bi-annual medicals for all Riders will be implemented by 1 October 2014.</p> <p>The table on the following page details the new fees for jockeys from 1 August 2014 based upon the 1.6% CPI increase for the period 1-Jul-13 to 30-Jun-14, the same period used for the FY13 and FY14.</p> <p>As the Rider Engagement Fee is pegged at 50% of the Race Flat fee this has also increased by 1.5%.</p> <p>No adjustment has been made to the Minimum Rider Allowance for FY15.</p>

Riding Fees from 1 August 2014

Type of Fee	Current Fee (exc GST)	CPI % Increase from 1 August 2014	Fee from 1 August 2014 (exc GST)	Fee from 1 August 2014 (inc GST)
Race Flat - Jockey & Apprentice Jockey	\$127.15	1.6%	\$129.18	\$148.56
Trials Flat - Jockey	\$55.00	0.0%	\$55.00	\$63.25
Trials Flat - Apprentice Jockey	\$35.00	0.0%	\$35.00	\$40.25
Race Jumps - Jockey and Apprentice Jockey	\$175.97	1.6%	\$178.79	\$205.60
Trials Jumps - Jockey and Apprentice Jockey	\$57.20	0.0%	\$57.20	\$65.78
Rider Engagement Fee	\$63.58	1.6%	\$64.59	\$74.28
Minimum Rider Allowance	\$50.00	0.0%	\$50.00	\$57.50