









Race Club and Key Stakeholders Monthly Report

No. 9

October 2014



FY15 Key Performance Indicators YTD

KPI	Actual	FY14	Budget	Commentary	Status
Funded prizemoney	\$3.3m	\$3.0m	\$3.3m	For the period ending 31 August 2014. Includes Special Interest and Iconic funding.	
Average funded prizemoney	\$16,057	\$14,884	\$15,715	For the period ending 31 August 2014. Ahead of FY14 and budget.	
Race meetings conducted	51	54	51	For FY15 to 28 September 2014 vs. FY14 & Budget YTD. Budget includes allowance for abandoned meetings.	
Average field size	9.93	9.81	10.26	Average field size in NZ thoroughbred racing to 28 September 2014, against average field size FY14 and budget YTD.	
Races with less than 8 starters	74	84	81	For FY15 to 28 September 2014 vs. and FY14 and budget YTD.	
Total starts	4,139	4,132	4,238	Total starts made by thoroughbreds to 28 September 2014 compared to FY14 and budget YTD.	
Individual starters	2,019	1,992	1,940	Individual thoroughbred starters in NZ to 28 September 2014 compared to FY14 and budget YTD.	
Domestic sales (FOB and Tote)	\$58.3m	\$56.7m	\$56.5m	Total NZ thoroughbred totalisator & FOB turnover to 28 September 2014 compared to FY14 and budget YTD.	



Ahead or in line with FY15 Budget










Behind FY15 Budget, but ahead of FY14 or budget still achievable/too early to tell



Behind FY15 Budget and unlikely to meet target for full season.

FY15 Key Performance Indicators YTD (cont'd)

KPI	Actual	FY14	Budget	Commentary	Status
Domestic market share	55.68%	54.88%	54.81%	For the period ending 31 August 2014.	
NZRB distribution to NZTR	\$5.4m	\$6.1m	\$5.4m	For the period ending 31 August 2014.	
International royalties	\$42.1m	\$41.3m	\$43.7m	For FY15 to 21 September 2014 vs. and FY14 and budget YTD.	
NZTR core op ex (excl. marketing)	\$0.5m	\$0.6m	\$0.5m	For the period ending 31 August 2014.	
Females as % of individual starters	45.67%	46.13%	46.66%	For FY15 to 28 September 2014 vs. and FY14 and budget YTD.	
Races conducted at venues with 10+ mtgs p/a	89.45%	78.62%	70.0%	For FY15 to 28 September 2014 vs. and FY14 and budget YTD.	
% of starts from strategic training tracks	72.29%	70.91%	72.0%	For FY15 to 28 September 2014 vs. and FY14 and budget YTD.	



Ahead or in line with FY15 Budget



Behind FY15 Budget, but still achievable (or too early to tell)



Behind FY15 Budget and unlikely to meet target for full season.

Key Projects as at 1 October 2014

Project	Commentary
NZRB Statement of Intent	<p>The NZRB provided the Codes with its draft FY15-FY17 Statement of Intent in August.</p> <p>NZTR received a letter from the NZRB on 19 September confirming a \$1m increase to what was proposed in the revised consultation draft of the 2015 Statement of Intent . The increased funding benefit to NZTR over and above the current budget will be circa \$\$\$\$. This money will be applied to a combination of infrastructure projects and targeted prize money increases.</p>
International Agreements	<p>The International Agreements negotiating team comprising Barry Brown (NZRB Board Member) , Stewart McRobie (Acting NZRB CE) and Greg Purcell (NZTR CE) had an initial meeting with Tabcorp on Tuesday 16 September. A number of issues remain unresolved and further meetings are planned over the coming months.</p>
Future Code Funding Distribution Model	<p>The three Codes have agreed over recent months the principles of a future Code Funding Distribution Model, and a plan for agreeing and respectively ratifying a distribution model that would be introduced from 1 August 2015.</p> <p>It is intended the new model would be respectively agreed by Codes and NZRB, then ratified by CRIG in December, with a proviso that any material matters arising from subsequent Tabcorp negotiations could trigger a further round of negotiation.</p> <p>While management of the Codes have agreed principles and a large part of the mechanics of a proposed model, substantive input from NZRB executive has not yet been brought to the table. It is however understood that the NZRB executive team has a view that the model should include strong economic drivers relating to product payments and the reduction in perceived cross subsidy between certain classes of race meetings. The next meeting is set down for Tuesday 21 October.</p>
TAB APP	<p>The TAB APP was released on 9 September. This currently has ‘sport only’ functionality. NZRB aims to update the APP with Win, Place and Quinella betting prior to the Melbourne Cup, and a full range of racing bet types early in 2015. Racing Release 1 - single leg bet types for Tote and Fixed Odds (Win, Plc, E/W, FFWin, FFPlc, FFe/w) is currently in testing and the expected delivery date (with no contingency) is 7 November.</p>

Key Projects as at 1 October 2014

Project	Commentary
Head-to-Head Betting Review	<p>In light of the David Walker hearing (18 September) relating to charges of jockey betting and improper riding, NZTR sent a letter to NZRB on 5 September requesting that the Head-to-Head bet type be suspended for a period, within which time the NZRB, NZTR and the RIU would participate in a co-review of the bet type and associated Betting Rules. The NZRB has agreed to a co-review which commenced with a meeting on 19 September. The options to be considered include:</p> <ol style="list-style-type: none">1. Status Quo2. Refund unless either horse finishes in top six runners3. Discontinue4. There is also a variant of options 1 & 2: defer the opening of the bet option to 1 hour before race start, which is the practice for the Head-to-Head option on NZ Harness Racing
Trackside TV Scheduling	<p>NZTR has been working with NZRB management to develop timetables that optimise NZRB turnovers and provide customers with the best choice of product mix. There seems to be a general agreement that the two channels are not split as a New Zealand and an Australian channel (as some of the early publicity has suggested) but that they can be used flexibly to provide the best schedule mix.</p> <p>Trials of thoroughbred only periods within Wednesday and Thursday schedules on either Trackside 1 or 2 have been agreed to. In some instances, this will involve the transfer of some races at either a New Zealand greyhound or thoroughbred meeting to enable creation of a consistent timetable of four thoroughbred meetings (NZ, Victoria, NSW and either Queensland or South Australia) on one of the channels. The NZRB has also been consulting with the harness code on running 35 minute intervals on Thursday and Friday evenings to enable a consistent programme of Australian thoroughbred racing (even if on the other channel). NZ Harness has for a number of years been permitted to run 25 minute intervals on these nights and not integrate within the Sky Australia schedule as our code has been required to.</p> <p>Early results of the trials of new schedules have been promising. Turnover on the Canterbury meeting on 6 September that had its final four races transferred across to Trackside 2 was well up and was still ahead on a per starter basis. A trial of moving the last five NZ greyhound races on Wednesday 3 September was also undertaken with successful results. Even with the abandonment of the Counties RC meeting on the day, total turnover went up and the greyhound turnover on the transferred races improved on the same meeting the previous season.</p>

Key Projects as at 1 October 2014

Project	Commentary
On-course Self Service Terminals	A total of 25 self service terminals have been installed at Ellerslie, Te Rapa, New Plymouth, Awapuni & Trentham and Riccarton. The turnover and operational performance of these will be monitored in coming months with an initial assessment report provided at the February 2015 Board meeting.
GM Broadcasting Appointment	Craig Norenbergs will join the NZRB as GM Broadcasting based in Auckland from 3 November. Craig's most recent experience has been for the past four years as Head of Sport for ABC Grandstand.
Trackside HD Proposal	<p>The NZRB consulted with the three Codes on 3 September 2014 to determine support for a proposal to spend circa \$125k to engage Outside Broadcast Ltd (OSB) to televise NZ Trotting Cup, Wellington Cup, Karaka Millions, NZ Derby & Karaka Sales in full HD.</p> <p>On the basis that this would be a non essential cost with no likely revenue benefit, NZTR's response was that we do not support this.</p>
Free-to-Air Broadcast	Prime television will broadcast the Melbourne Cup as part of the broader (up to 15 race events) free-to-air agreement which was included in the domestic SKY TV broadcast exclusivity deal.
Rider Medicals & Concussion Testing	<p>All Class A, B, D and E riders are required to complete a Rider Medical Examination prior to 31 October 2014. This will be required every two years until the age of 50, then annually thereafter. The NZTR medical adviser, Dr Phil White, is responsible for assessing the results of the examinations. The medical examination will be paid for by NZTR. Previously NZTR only required a medical examination when a rider was first licensed.</p> <p>NZTR will also require baseline concussion testing for all riders from the 2014-15 racing season. The testing will involve a baseline test followed by further testing after a fall or accident.</p> <p>The RIU will be undertaking baseline concussion testing on behalf of NZTR over the coming months. This brings New Zealand into line with most riding jurisdictions, and with most major sporting codes which have a higher incidence of head injury. This new method of assessing concussion will allow for a more individualised return to riding plan.</p>

Key Projects as at 1 October 2014

Project	Commentary
Joint Industry Meeting on Drug Testing	<p>A meeting has been held between the RIU, Codes, Racing Laboratory, Racing Veterinarian and the NZRB which included discussion on:</p> <ol style="list-style-type: none"> 1. International Screening Limit quantitative testing 2. Testing for synthetic growth hormones proteins and peptides 3. Establishment of Australasian cobalt thresholds 4. Steroid prohibition and testing <p>Relevant to NZTR, key matters and actions that arose included:</p> <ol style="list-style-type: none"> 1. Per next item, NZTR can sign up International Screening Limits for six substances initially, with more to be added as quantitative testing methods are accredited. 2. In relation to screening limits, RIU to advise the Codes on the possibility of introducing Medical Treatment Books (or 'Veterinary Passports') as a means of consistently recording therapeutic treatments administered to horses. 3. Equine Codes will need to stipulate in respective regulations that Environmental Laboratory Services is an approved laboratory for Cobalt testing. 4. RIU is reviewing swabbing and will report its findings before the end of the year.
International Screening Limits	<p>NZTR will advise the Asian Racing Federation and IFHA that NZ is a signatory to screening limits for the following substances:</p> <ol style="list-style-type: none"> 1. Diclofenac 2. Flunixin 3. Ketoprofen 4. Meloxicom 5. Naproxen 6. Phenylbutazone <p>Further substances will be progressively added to the list as quantitative methods are accredited at the laboratory.</p>

Key Projects as at 1 September 2014

Project	Commentary
<p>One farrier on Industry days</p>	<p>NZTR and the RIU are trialing one farrier on Industry days trial at the following meetings to assess its merits:</p> <ol style="list-style-type: none"> 1. Otaki Maori RC on 25 September 2014. This was a successful trial with no issues reported. 2. Taranaki TR on 30 October 2014 <p>This is in the context of improvements to shoeing/plating techniques, the quality and longevity of shoes, and records showing that over recent times loose plates occur less on racedays. Penalty records show there have been only five occasions in the past three seasons when a trainer has presented a horse in plates which were not to the requisite standard. The RIU reports the number of horses attended to by a farrier at the barrier is similarly low.</p> <p>Feedback from clubs to date has been unanimously supportive of the trials.</p> <p>The NZ Farriers' Association has been consulted and kept informed of the trials.</p>
<p>Health & Safety Project</p>	<p>Stuart Cashen (ex-GRNZ) has been engaged to lead the Equine Industry Health & Safety Project.</p> <p>A fact finding visit to Australia was undertaken (26-30 September) and a lot of valuable information has been obtained. Stuart will now collate this information together and distil it down to a preferred solution for New Zealand. This preferred solution will be presented to the Industry Steering Group on Tuesday 7 October at Ellerslie.</p>
<p>Venue Weather Station Trial</p>	<p>As a trial, NZTR will deploy a weather station at Trentham. For strategic tracks it is intended that weather stations be installed as a service to trainers and bettors. Information from the weather stations along with time lapse images from a webcam are planned to be displayed on the NZTR website. In addition to testing the connectivity and reliability of the Trentham trial station, readings will be taken and compared with nearby weather monitoring as reference sites to confirm accuracy.</p>

Key Projects as at 1 September 2014

Project	Commentary
Jumps Forum	<p>NZ Jumps Inc held a forum at Ellerslie on 5 September 2014 which was attended by a broad cross section of interested parties. As a general summary, participants of the meeting were of the opinion that the season was improved on last season and that they were pleased with the results so far. Requests arising from the meeting included:</p> <ol style="list-style-type: none"> 1. NZTR to investigate the possibility of programming highweight races on jumping days to give jockeys an extra racing opportunity 2. NZTR to consider applying next available increment of stakes for jumping to Grand National and Great Northern meetings 3. NZTR to conduct another handicapping review and simplify policy 4. The start of Central Region season to be reviewed 5. Plastic wings for the jumps to be developed by NZTR and clubs to be encouraged to utilise them
Members' Council Nominations	<p>This year four Regional Members' seats on the Members' Council are vacant. Two nominees have been re-appointed - John Wheeler (Central Region) and Bill Cotton (Southern Region). The other two vacancies have been filled by Paul Humphries (Central Region) and Paul Kenny (Northern Region).</p> <p>The three Sector Members also retire by rotation and have all been re-appointed by their respective sector organisations – David Haworth (Trainers and Jockeys), John Fokerd (Breeders) and Neil Oldfield (Owners).</p> <p>The following continue on the Members' Council: Karyn Fenton-Ellis and Danny Moss (Northern Region), Wayne Guppy (Central Region), Murray Acklin and Howard Clarke (Southern Region).</p>
Racing Club Partnership Programme	<p>The key areas of focus are:</p> <ol style="list-style-type: none"> 1. Providing clubs with the results of the Stakeholder Surveys that have been undertaken and gathering information from clubs for the next round of surveys to be undertaken. 2. Janice Hills Team (EML) are continuing to work closely with a number of clubs around developing their key racedays as well as CATR and Summer Festival events. 3. Dennis Quirke is currently collating FY14 results from clubs and once that is done we will be initiating meetings with clubs to discuss their financial performance and work with each club to identify areas of improvement.

Key Projects as at 1 October 2014

Project	Commentary
2014 NZTR Performance Report Available Online	<p>The 2014 NZTR Performance Report, which records NZTR's performance against the 44 Key Performance Indicators (KPIs) in the 2014-2016 NZTR Business Plan, is available on the NZTR website (together with the 2012 and 2013 Performance Reports) at http://www.nzracing.co.nz/NZTR/Resources/NZTR-Publications.aspx</p> <p>NZTR's Business Plan 2015-17, which sets out key improvement strategies for New Zealand thoroughbred racing over the next three years focusing on the 2014-15 season will be published shortly. This is required to be approved by the NZ Racing Board before publication.</p>
2014 NZTR Racing Club Conference and NZTR AGM	<p>The annual Racing Club Conference at Shed 6 on the waterfront in Wellington will begin at 10.30am on 6 November.</p> <p>A programme will be provided nearer the time.</p>

Key Projects as at 1 October 2014

<i>Total Licences (as at 15 September of each year)</i>					
Licence Type	2010-11	2011-12	2012-13	2013-14	2014-15
Public Trainer	357	348	342	341	337
Permit To Train	371	368	364	357	342
Owner-Trainer	400	377	357	343	311
Total	1128	1093	1063	1041	990
Jockey	94	93	89	95	95
Apprentice Jockey	39	46	55	57	59
Amateur Rider	41	44	40	56	46
Total	174	183	184	208	200