



NEW ZEALAND THOROUGHBRED RACING

STATEMENT OF INTENT AND
BUSINESS PLAN 2025-27

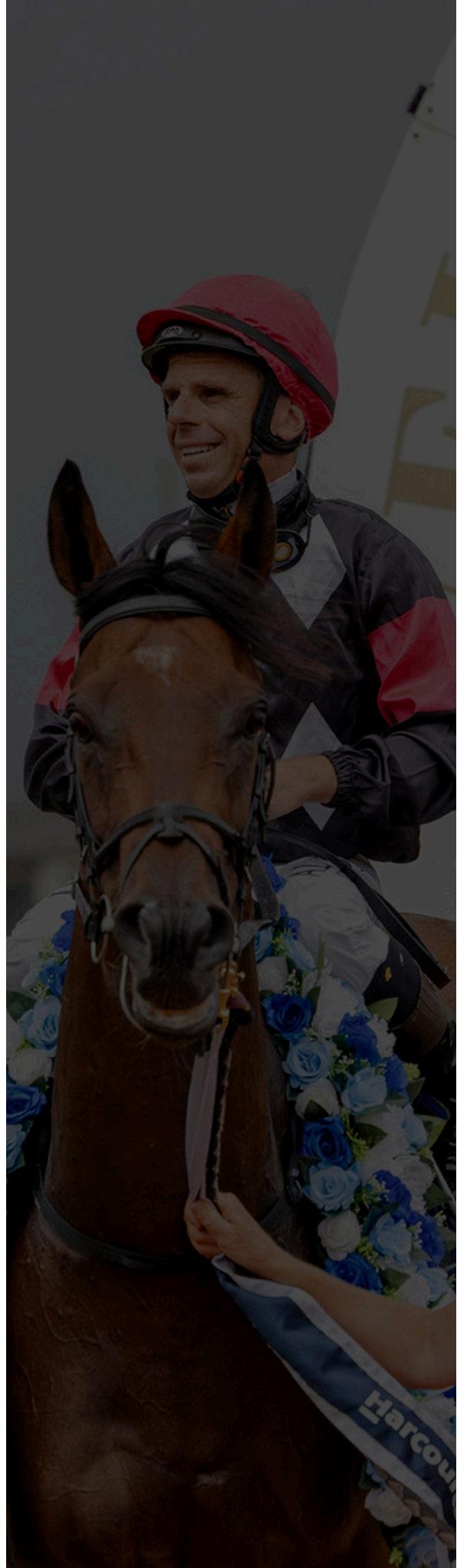
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NEW ZEALAND
THOROUGHBRED **RACING**

PUREI HŌIHO NĀTI O AOTEAROA

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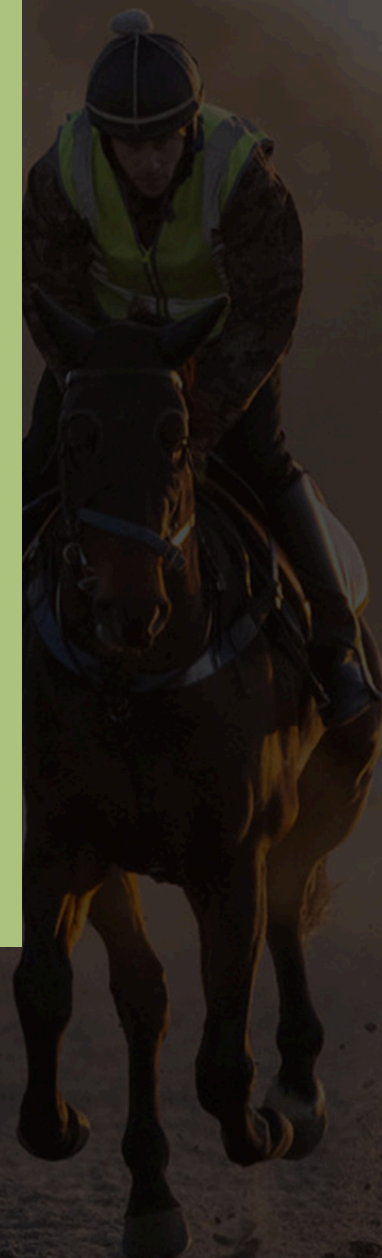


INTRODUCTION & SUMMARY

Welcome to NZTR's Statement of Intent & Business Plan for the next three racing seasons. These documents have been prepared in accordance with the requirements of the Racing Industry Act 2020.

They set out NZTR's strategies and plans for the future, with a focus on the 2024/25 racing season, and set out the verifiable measures against which Clubs and participants can measure NZTR's performance.

Importantly, through the requirement to consult with racing Clubs on the Statement of Intent, the industry has had input into both NZTR's strategies and NZTR's performance measures.



STATEMENT FROM CHAIR & CEO

New Zealand Thoroughbred Racing (NZTR) Board and management is pleased to present its 2025-27 Statement of Intent and Business Plan, outlining our key strategic priorities to be addressed to grow and improve the Thoroughbred racing industry.

The benefits of the TAB NZ and Entain Strategic Partnership arrangement is evident, and NZTR Board and management are determined to deliver outcomes to our stakeholders that align with the priorities in this SOI, over the guaranteed funding period though to 2028.

This document outlines NZTR's key strategic priorities to be the main focus over the next 12-36 months. The key areas of focus will be based on our Pillars of Success and are as follows:

- Growing Revenue
- Supporting the welfare of horse and human
- Enhancing infrastructure
- Engaging communities

Considerable progress has been made over the last 12 months, however time is of the essence to continue this momentum.

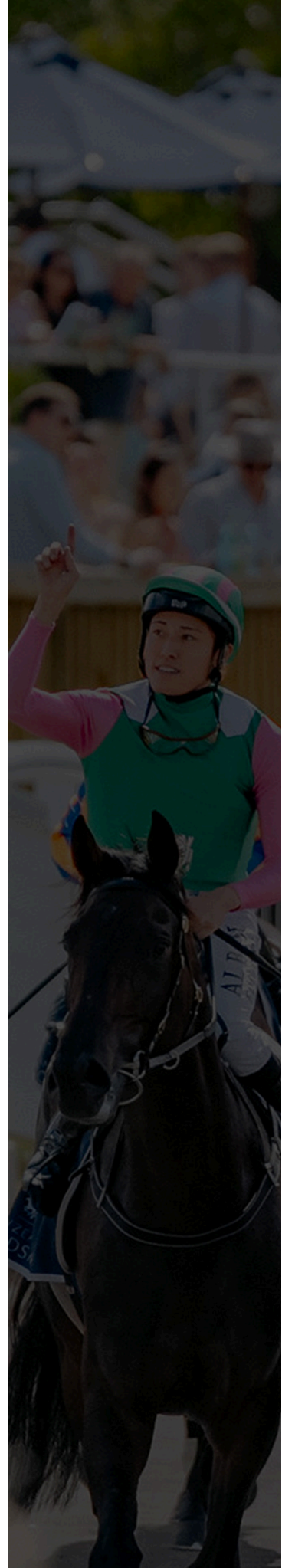
We are keen to work with participants to deliver on the legacy they wish to develop for future generations of an industry that we are all passionate about.



Russell Warwick
NZTR Chair



Bruce Sharrock
NZTR CEO





STATEMENT OF INTENT AND BUSINESS PLAN OUTLINE

The contents of NZTR's Statement of Intent and Business Plan are prescribed by the legislation including Racing Industry Act 2020, as follows:

- NZTR's Constitution, as required by section 6 of the Incorporated Societies Act 1908;
- NZTR's objectives;
- The nature and scope of the activities to be undertaken by the code;
- A statement of NZTR's policy for distributing funds received from TAB NZ to racing Clubs registered with the code (the Stakes, Clubs and Race Meetings Funding Policy);
- The performance targets and other measures by which NZTR's performance may be judged in relation to its activities; and
- A statement of NZTR's accounting policies.

VISION VALUES PURPOSE

VISION

A sustainable and successful thoroughbred racing industry in New Zealand

VALUES

Respect, integrity, innovation, collaboration, and excellence

PURPOSE

To lead, advance and elevate the New Zealand Thoroughbred Racing industry



CORPORATE DOCUMENTS

This section of the Statement of Intent & Business Plan includes the documents required by the Racing Industry Act – NZTR’s Constitution, NZTR’s objectives and a statement of NZTR’s accounting policy.



CORPORATE DOCUMENTS

NZTR's Constitution

NZTR's current Constitution is available on [NZTR's website](#).

The NZTR Constitution was most recently amended by the members at NZTR's 2023 Annual General Meeting to allow NZTR to appoint track managers to be responsible for the maintenance of a Club's racecourse. The track manager would be responsible for presenting a safe, consistent, and reliable racecourse for racing and trialing.

NZTR's Objectives

NZTR's statutory objectives are set out in section 14 of the Act and are "to develop and promote racing conducted by the code". NZTR's constitutional objectives are:

- Promoting and advancing Thoroughbred racing in all its forms in New Zealand; and
- Maintaining and striving to further improve conditions that support positive welfare outcomes for Thoroughbreds in New Zealand; and
- Considering and dealing with all matters submitted to Thoroughbred racing in accordance with this Constitution and the Rules

Statement of Accounting Policies

NZTR's financial statements are prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP").

They comply with Tier 1 Public Benefit Entity Standards (PBE IPSAS), which are the New Zealand equivalents of the International Public Sector Accounting Standards (IPSAS) and other financial reporting standards as applicable for Tier 1 not-for-profit entities.

INDUSTRY SNAPSHOT

NEW ZEALAND THOROUGHBRED RACING STAKEHOLDERS 2022-23



14,469

OWNERS



842

TRAINERS



3,082

FOALS



4,365

INDIVIDUAL STARTERS



1,207

BREEDERS



48

CLUBS



192

JOCKEYS



2,332

STABLEHANDS &
TRACKWORKERS



34

TRACKS USED



2,404

RACES



\$73.6M

TOTAL PRIZE MONEY

NZTR'S CORE FUNCTIONS

This section of the Statement of Intent & Business Plan sets the nature and scope of NZTR's core functions that we will undertake over the 2025-27 racing seasons.



NZTR'S CORE FUNCTIONS

During the reporting period, NZTR will pursue its statutory objectives under the Racing Industry Act 2020 of developing and promoting Thoroughbred racing by conducting its various core functions under the Act, including but not limited to

- Governing and regulating Thoroughbred racing in New Zealand by continuing to revise and review the New Zealand Rules of Racing, licensing industry participants, and administering the New Zealand Stud Book
- Programming race meetings, administering the New Zealand Pattern, setting minimum stake levels, and distributing funding received from TAB NZ and other sources to the industry as stakes and Club funding
- Promoting New Zealand Thoroughbred racing internationally and securing appropriate commercial returns for international racing rights; and
- Working collaboratively and constructively with TAB NZ, Entain, the Racing Integrity Board, and the other Codes on industry strategy as provided for in the Act
- Promoting and developing best practice programmes in Equine Welfare
- Increasing the capability and capacity of the racing and breeding workforce by improving training, education, and participant well-being programmes
- Lifting performance around Health & Safety by undertaking a review and update of resources available for Clubs when preparing documentation as part of their Funding Policy compliance
- Embarking on an industry-wide wellness programme to introduce a People & Culture framework which ensures our industry provides an environment which encourages positive wellbeing

The above items are a high-level summary of the various 'business-as-usual' functions NZTR is required to conduct under the Act.

STRATEGIC PILLARS OF SUCCESS

The following pages outline the four pillars of success that NZTR will pursue in 2024/25:

1. Growing Revenue - optimise the financial return to the industry.
2. Supporting welfare of horse and human - collaborating to ensure the well-being of our horses and people
3. Enhancing infrastructure - targeted investment to deliver on quality, innovation and efficiency.
4. Engaging Communities - connecting thoroughbred racing with New Zealanders.



GROWING REVENUE

The importance of this strategic pillar:

Optimising the financial return to the industry remains of critical importance to NZTR as the governing body of the sport.

While the strategic partnership between Entain and TAB NZ has enabled rapid investment into the industry and has provided funding assurance for the next four years, NZTR's role is to ensure there is focus on establishing and executing strategic initiatives that drive sustainable revenue growth.

Additionally, we must ensure the financial health and resilience of the industry by creating a platform for ongoing investment in the future of Thoroughbred racing in New Zealand.

What does success look like?

- The industry is structured and positioned as financially sustainable into the future. This is achieved by ensuring our industry assets are maximising returns for the long-term benefit of the industry.
- It also means looking at our revenue streams, with a particular focus on wagering activities, to maximise returns for industry stakeholders.



SUPPORTING WELFARE OF HORSE AND HUMAN

The importance of this strategic pillar:

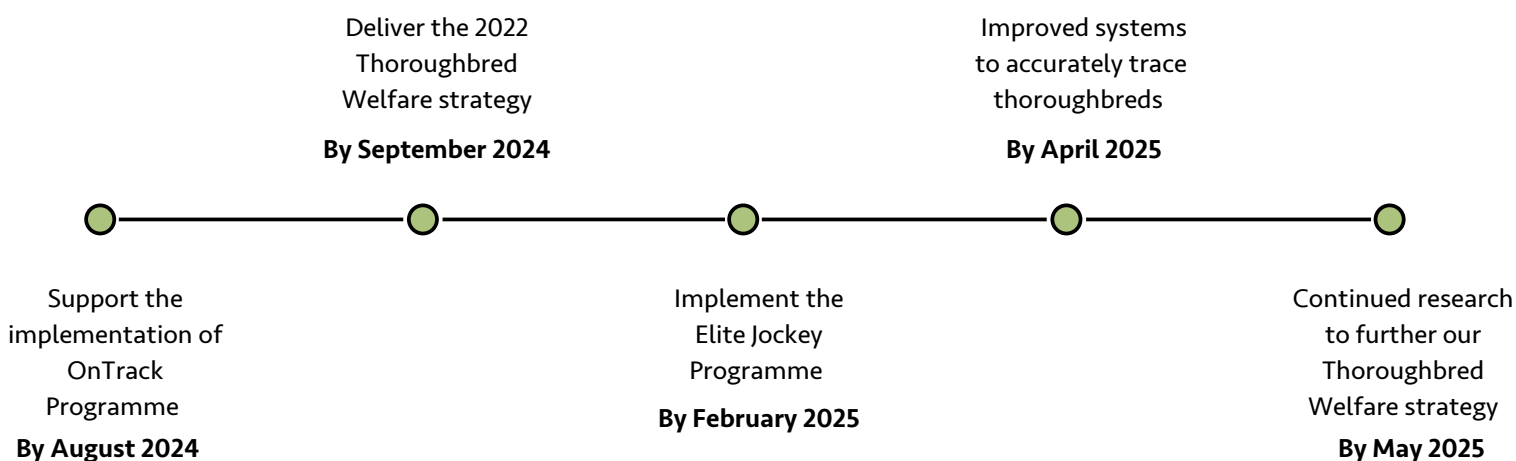
Thoroughbred welfare is a primary focus for both NZTR as an organisation and for the greater industry to ensure our social licence to operate. Holding ourselves accountable to the highest standards possible and ensuring the welfare and ethical treatment of our horses is a key focus, and ongoing research into securing the future of our athletes both human and horse. Providing an environment where our horses thrive and perform to the best of their natural abilities is central to NZTR's strategy.

We recognise our industry has high demands on our people, we need to build support networks to ensure that mental well-being and communication are strong and supportive. These networks should be inclusive of every aspect of communications and how we engage with each other.

Ultimately we need to create an industry where both people and equine athletes can thrive.

What does success look like?

- We have processes and resourcing in place which provides a high level of confidence that the industry can be held to scrutiny by its participants and the wider public. We leverage partnerships to ensure that the care of the animal is at the forefront.
- We strive to constantly develop a skilled and resilient stakeholder group. Our people are valued and they have pathways to advance and networks to support them.



ENHANCING INFRASTRUCTURE

The importance of this strategic pillar:

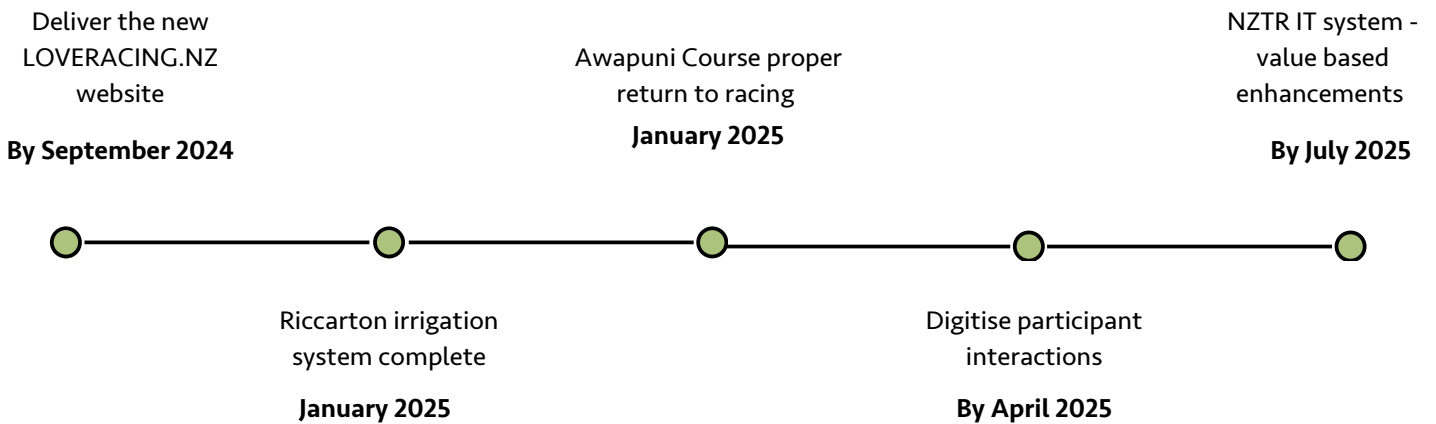
The racing industry has suffered from lack of investment into tracks and infrastructure for a number of years.

Recent seasons have seen dedicated investment with the build of synthetic tracks and key renovations at both metropolitan and provincial venues. This investment needs to continue to fund regular upgrades with the right resources, capabilities and machinery to ensure that we can be confident in track infrastructure as our participants and horses step out for training, trials and races.

Racing is also focused on the use of modern technology. Many of our systems and processes at both an NZTR and industry level are not fit for purpose and we need to leverage technology to improve how we interact with our stakeholders and how our stakeholders interact with us.

What does success look like?

- Create a network of tracks and surfaces that are not only safe for our people and horses but also optimised for peak performance.
- Leveraging technology capability to support key initiatives for NZTR and experiences for our stakeholders.
- A technology roadmap that promotes and enables growth.



ENGAGING COMMUNITIES

The importance of this strategic pillar:

Racing has a long history of connection with our communities. However, with urbanisation has come a lack of connection with the rural sector that were once major stakeholders of our sport. This, along with other societal changes has seen racing's position, relevance and perception fall behind.

The recent size and scope report again confirmed racing's value to the NZ economy, with an industry contributing over \$1.9 billion to GDP and employing close to 13,000 full-time positions.

We need to communicate effectively and work with our communities and media to share our story and engage a wider audience. Investment into raceday experiences and connecting with the next generation to present how they wish to interact with our sport will need to be central to this strategy.

What does success look like?

- Actively shaping a positive narrative around Thoroughbred racing in New Zealand by emphasising its positive contributions to society while supporting and recognising our participants and stakeholders.
- Recognising that the next generation have different needs and ensuring that we present a relevant racing product to them and the wider racing community.



LOVE RACING.NZ



THE GRAND TOUR RACING FESTIVAL

FINANCIAL & PERFORMANCE

This section of the Statement of Intent & Business Plan sets out the financials and performance targets in relation to its activities.



STATEMENT OF SERVICE PERFORMANCE EXPECTATIONS

Purpose

The Statement of Service Performance Expectations details the planned performance measures and targets to be reported against in the 2024/25 annual report, in accordance with the Public Benefit Entities Financial Reporting Standard 48 (PBE FRS 48) – Service Performance Reporting.

Performance

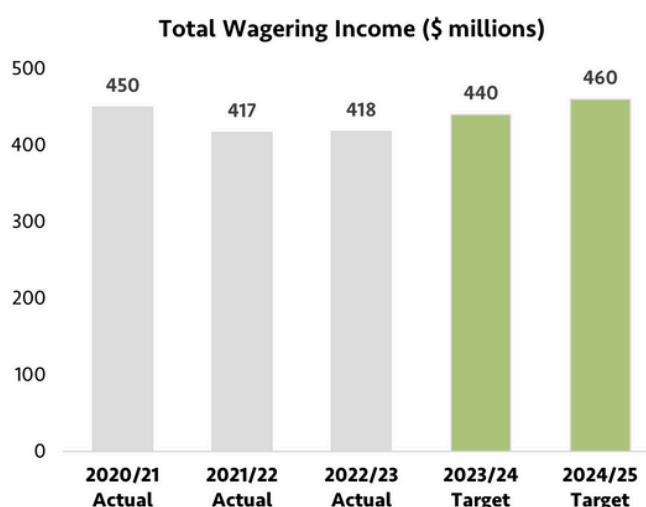
The Statement of Performance expectations for NZTR are grouped under the four strategic pillars of success. The pillars are Growing, Supporting, Enhancing and Engaging, as detailed further below. The actual results against these measures will be presented in NZTR’s Annual Report for 2024/25. The performance measures chosen is not an exhaustive list of all of NZTR’s activity, but they do reflect a good representation of the range of outputs that NZTR either provides directly or provides support to the thoroughbred racing industry. Where possible, included with each measure is the past performance as baseline data.

Growing Revenue

Optimising the financial return to the industry is a strategic priority of NZTR under its responsibility as the governing body, executing strategic initiatives that drive sustainable revenue growth and ensures the overall financial health and resilience of the industry - creating a platform for ongoing investment in the future of Thoroughbred racing in New Zealand.

Total Wagering Income

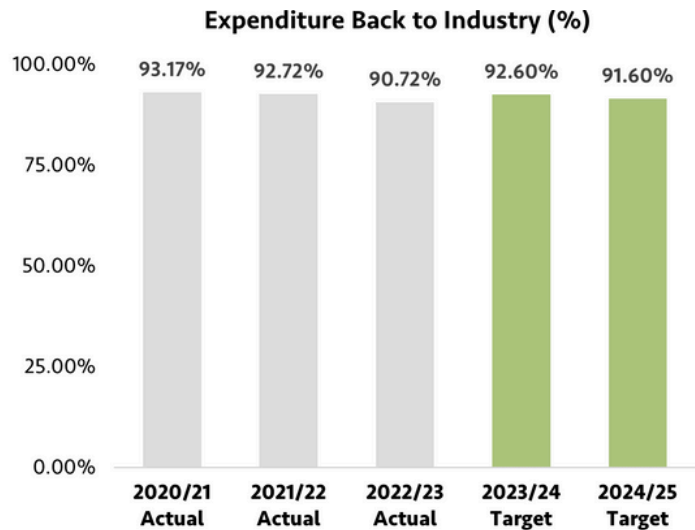
This outcome measure shows us the amount of domestic turnover in wagering on Thoroughbred racing, of which all funds are either returned as winnings, re-invested back into the Thoroughbred racing industry, or paid to maintain the operations of the industry including payments to Racing Clubs, Trainers, Owners and Jockeys. NZTR controls the number of races, and the general promotion of Thoroughbred racing, but has an indirect influence over the total wagering income.



STATEMENT OF SERVICE PERFORMANCE EXPECTATIONS

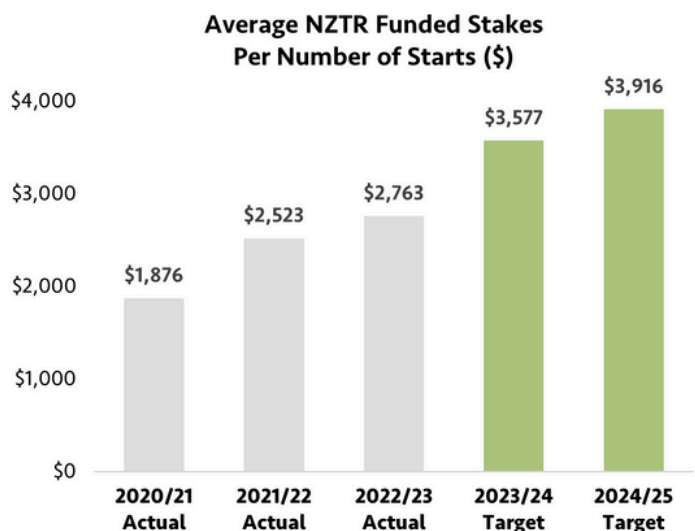
Percentage of expenditure back to the industry

This measure is significant because NZTR's intention is for the majority of its expenditure to go direct to the industry whether that is directly through Club and industry support, stakes payments, or indirectly by delivering industry specific projects. This pass-through of funding directly increases the wagering and participation rates leading to higher quality races being held. This is an output measure as NZTR has control over these budgets and expenditure.



Average NZTR funded stakes per number of starts

This outcome measure provides the total stakes per number of starts each year, indicating the average value of each starter driven by overall revenue increases being generated by the industry.



STATEMENT OF SERVICE PERFORMANCE EXPECTATIONS

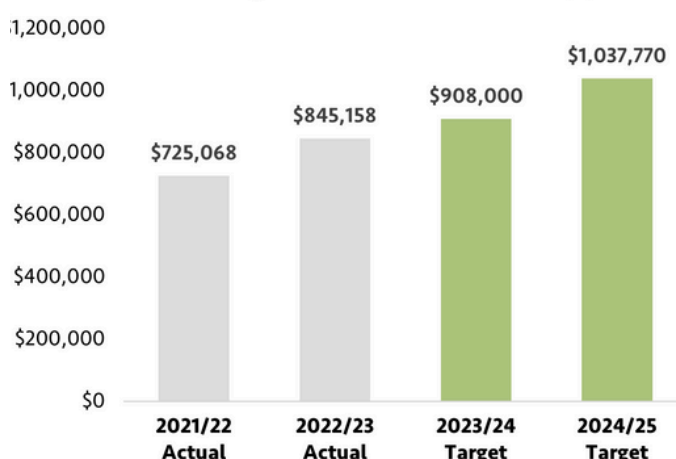
Supporting Welfare of Horse and Human

Supporting our horses and people is a strategic priority of the upmost importance for NZTR, allowing our dedicated professionals (and wider group of participants) to be invested in the health and happiness of our horses and their colleagues whilst creating an environment where both can thrive and prosper. These measures illustrate active participants as well as funds allocated to welfare initiatives.

Funds collected specifically for thoroughbred welfare initiatives

A 1% Levy on stakes is collected solely for Thoroughbred Welfare purposes, with any unspent funds ring-fenced as a contingency fund in the balance sheet for future needs. The Thoroughbred Welfare Levy is applied to support for acknowledged retrainers, welfare assistance groups, post-racing Off-the-Track Thoroughbred (OTTB) sponsorships, NZ Horse Ambulance, NZTR Equine Mortality Review panel and construction of an equine research and crematorium facility. These initiatives are detailed in the 1% quarterly newsletter by the NZTR Thoroughbred Welfare team.

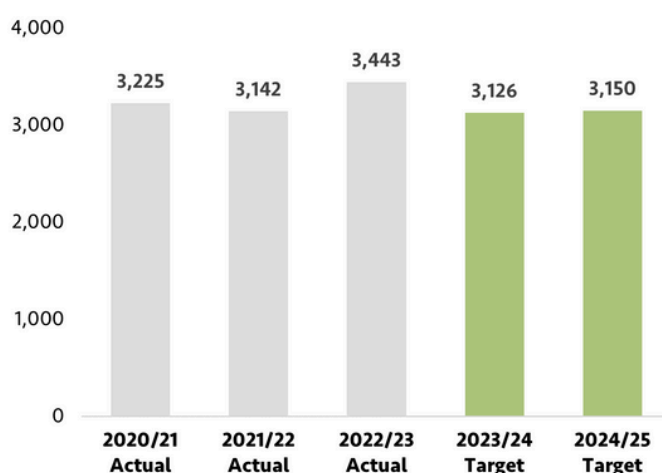
Funds Collected Specifically for Thoroughbred Welfare Initiatives (\$)



Number of licence holders

This measure provides an indication of how many people are actively involved in the industry. NZTR issues annual licences based on applicants meeting set approval criteria, but this is an outcome measure indicating the general participation rates of people working in the industry. Due to the trends in the industry it is expected that some of these licence numbers will reduce over coming years due to some people moving to larger training operations (rather than operating individually), improved licence standards, and increases in compliance requirements for Licence Holders. The current economic climate and the skilled labour shortages in the industry are also likely to have an impact.

Number of Licence Holders



Note: The 2022/23 results are partly attributable to free licences provided due to Covid.

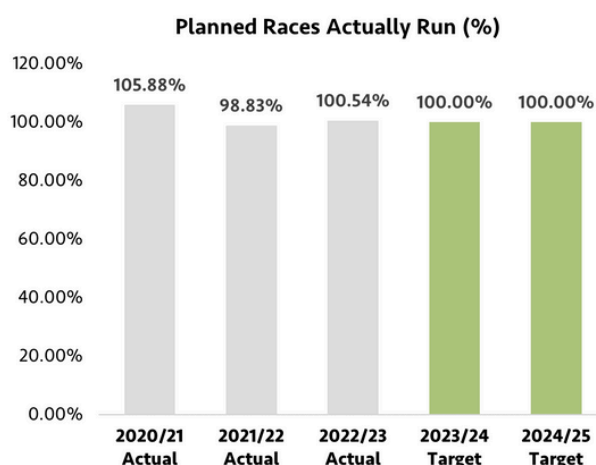
STATEMENT OF SERVICE PERFORMANCE EXPECTATIONS

Enhancing Infrastructure

Improving and maintaining track infrastructure is a strategic goal of NZTR because our success requires us to not only have surfaces that are safe for the horses and riders, but also maximised for peak performance and wagering. Maintaining the track surfaces to a high standard will result in us being able to optimise the number of races, reduce abandonments and improve thoroughbred welfare.

Number of races run as a percentage of planned races

This is an outcome measure as while the RIB control the race meetings and cancellations, race abandonments are often affected by the quality of the track and weather on race day. The result provides an indication of the general track capability across the country to be able to cater for and deliver the planned races to be run each year. More races can be run than planned due to a race being split in two to cater for a higher number or general changes to planned scheduling.



Digitisation of participant interactions (IT Roadmap)

NZTR will continue to develop its IT systems with the goal of delivering improved digital self-service for industry participants through our website and service centres. Targets for measuring the adoption of digitisation will be established and tracked through FY25. The success of digital initiatives will require support from the broader industry to help champion the adoption of new self-service channels and capabilities.

Non-weather related abandonments

This measure is influenced by the operational effectiveness of NZTR's Racing Operations and the support to general track quality provided by track managers employed across the industry. The target is to have zero non-weather related abandonments.

***Note that no historical data is available.**

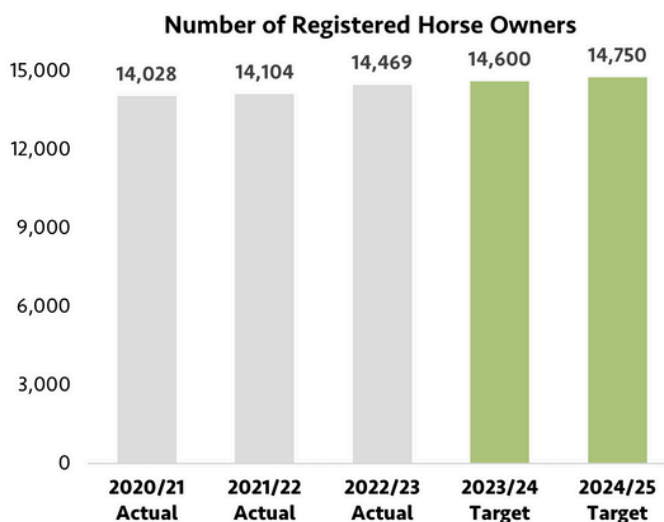
STATEMENT OF SERVICE PERFORMANCE EXPECTATIONS

Engaging Communities

A focus on building a shift in positive perception through improved community engagement, communication and promotion is a key focus for NZTR. Important measures are stakeholder participation, increased public relations, and engagement in the LOVERACING.NZ brand and content.

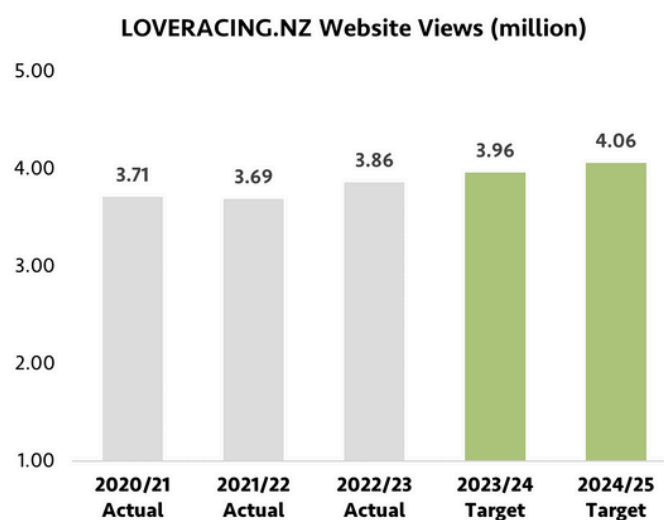
Number of registered horse owners

This measure aligns to meet our strategic goal of marketing and promotional campaigns to generally support the growth of ownership and syndication models.



LOVERACING.NZ website views

This measure is the average monthly number of website page views. It shows us how many times people are engaging with our sport through our website. This is significant as one of our goals is to attract more digitally-savvy and socially connected fans. NZTR has an indirect control over this. Our input is that we promote our website and work hard to deliver a modern, mobile, and responsive fan experience through improved delivery of data, content and media.



BUSINESS FINANCIAL COMMENTARY

Total NZTR Income is budgeted to increase by \$10.3m compared to the 2023/24 forecast, mainly due to additional revenue from TAB NZ to support Summer Carnival stakes payments.

The primary source of funding is provided by a guaranteed minimum level of funding from TAB NZ following an agreement for Entain to provide the wagering operations for TAB NZ. This minimum guarantee runs for five years (2024 to 2028). NZTR is committed to use these funds to transform the industry, primarily by passing the funds received through to stakes funding. Club funding and general support to club day costs and track maintenance will also receive significant increases.

NZTR is budgeting a small surplus of \$1.3m in 2024/25. Total equity and reserves are budgeted to remain stable in 2024/25. No specific future infrastructure projects have been budgeted for 2024/25 onwards, but any significant infrastructure projects will be funded by the infrastructure reserve when identified.

Funding

As a result of the TAB NZ strategic partnering with Entain, funding to Racing New Zealand will be guaranteed over five years at minimum levels, ranging from \$175m to \$185m from 2024 to 2028. Other income streams will also be available to the industry over this period. The extra revenue received via the minimum guarantee has enabled NZTR to provide an increase in stakes funding.

Summary of Stakes Increases

The new summer racing calendar will boast a series of world-class races, with stake increases and bonuses applying to more than 50 Group and Listed and other races over this period. Stakes and bonuses during the 14-week period from 26 December 2024 through to 31 March 2025 will increase by \$9.1 million in the 2024/25 season. A further \$3.6 million of increases is planned in the 2025/26 season, taking the total stakes and bonus increases to \$12.7 million over two years.

Total funded stakes from NZTR will increase from more than \$90m in 2023/24 to more than \$100m in 2024/25. Six additional meetings have been added in the 2024/25 Calendar, which make up some of these additional stake increases along with the summer racing increases noted above.

Club and Meeting Funding

Club and Meeting Funding is budgeted to increase again in 2024/2025, aligning to extra planned racedays and increases in CPI over the last 12 months. Part of this funding is compliance based, with more detail to be provided to Clubs in future discussions and the Funding Policy. The final 2023/24 actual results are therefore reliant on the overall compliance levels of clubs.

BUSINESS FINANCIAL COMMENTARY

Infrastructure Reserve

- An Infrastructure Reserve was created in 2021 and represents funds set aside for the establishment of upgraded facilities to improve the operation of thoroughbred racing in New Zealand.
- The Infrastructure Reserve will be used to fund future infrastructure projects as identified.
- The Infrastructure Reserve will hold a minimum future balance of \$4m whilst disbursing funds on approved infrastructure commitments.
- Interest earned on the Infrastructure Reserve balance will be allocated to the Infrastructure Reserve.

Sustainable Reserve

- A Sustainable Reserve of \$10m was created in 2022 to enable reinvestment back into the industry including into industry initiatives, stake increases, infrastructure, club marketing, shared services, club development schemes and industry professional development.

Stakes Funding

As indicated above, stakes funding in the 2025/26 and 2026/27 seasons will be reviewed and likely positively impacted subject to the future outcomes of:

- TAB NZ distribution policy regarding quantifying its ongoing reserves required, and distribution of the remainder of upfront revenue arising from the Entain partnership agreement
- Introduction of a legislative net to regulate the New Zealand wagering market, thus triggering an additional upfront payment from Entain to TAB NZ under the existing partnership agreement, and additional increases to the minimum guarantees to the codes over the initial five years.

General

- A \$1.3m surplus is planned for 2024/25 and breakeven positions are planned for 2025/26 and 2026/27.
- Total reserves are forecast to be around \$27.5m over the next 3 years, subject to any new infrastructure projects identified to be funded from the Infrastructure Reserve.
- Interest income is included in Other Income, of which interest on the Infrastructure Reserve funds will be apportioned to the Infrastructure Reserve.

FINANCIAL TABLES

	Actual 2022/23 \$m	Forecast 2023/24 \$m	Budget 2024/25 \$m	SOI 2025/26 \$m	SOI 2026/27 \$m
<u>Income</u>					
TAB NZ/RNZ Funding	72.04	108.11	109.69	110.00	110.50
Racefields, Duties & POCC	18.61	19.93	18.99	18.99	18.99
Other Income	5.72	8.99	18.63	20.63	20.63
Total - NZTR income	96.37	137.03	147.31	149.62	150.12
<u>Expenses</u>					
Stakes Funding	70.95	93.00	103.78	106.58	107.38
Club and Meeting Funding	15.26	17.90	19.31	19.80	20.00
Total - Industry Funding	86.21	110.90	123.09	126.38	127.38
Other Industry Costs	6.64	12.61	10.74	11.04	11.04
NZTR Costs	9.50	9.84	12.20	12.20	11.70
Total NZTR expenses	102.35	133.35	146.03	149.92	150.12
Surplus	(5.98)	3.68	1.28	0.00	0.00
<u>Position of Reserves as at 31 July</u>					
Infrastructure Reserve	10.0	10.50	10.80	11.10	11.40
Welfare Reserve	0.60	0.60	0.60	0.60	0.60
Sustainable Reserve	9.38	9.38	9.38	9.38	9.38
Accumulated Surplus/(Deficit)	2.59	5.77	6.75	6.45	6.15
Total Reserves	22.57	26.25	27.53	27.53	27.53
<u>Split of expenses</u>					
Stakes Funding	69.3%	69.7%	71.1%	71.2%	71.5%
Club and Meeting Funding	14.9%	13.4%	13.2%	13.2%	13.3%
Total - Industry Funding	84.2%	83.2%	84.3%	84.5%	84.9%
Other Industry costs	6.5%	9.5%	7.4%	7.4%	7.4%
Total Industry costs	90.7%	92.6%	91.6%	91.8%	92.2%
NZTR core costs	9.3%	7.4%	8.4%	8.2%	7.8%
Total NZTR expenses	100.0%	100.0%	100.0%	100.0%	100.0%
Stakes Funding to NZTR Income	73.6%	67.9%	70.5%	71.2%	71.5%

NZTR DIRECTORY

NZTR

18 DICK STREET
PO BOX 357, CAMBRIDGE BOX LOBBY
CAMBRIDGE 3434
NZTR.CO.NZ

BOARD MEMBERS

Russell Warwick - Chair
Andrew Fairgray
Andrew Flexman
Bruce Sherwin (leave of absence)
Dean Lawrence
Mike Clarke
Rodney Schick

KEY MANAGEMENT PERSONNEL

Bruce Sharrock - CEO
Darin Balcombe - COO
Chris Trigg
Dan Smith
Jill Gregory
Rowan Cramond
Sam Fursdon
Tharsha Adamstein
Tony Severinsen



NEW ZEALAND
THOROUGHBRED **RACING**



PUREI HŌIHO NĀTI O AOTEAROA