



NEW ZEALAND  
THOROUGHBRED **RACING**



PUREI HŌIHO NĀTI O AOTEAROA

**NEW ZEALAND  
THOROUGHBRED RACING**

**ANNUAL  
REPORT  
2022/23**







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# VISION

Together shaping a **bright** future for our **people**,  
our **horses**

# VALUES



## DIVERSITY

*Embracing differences across our truly diverse set of participants*



## INTEGRITY

*Consistently upholding high standards of professionalism, transparency, and ethical behaviour in racing*



## COMMUNITY

*Supporting the strength of connection that we have among our people*



## OPPORTUNITY

*Enabling success based on merit, skill and experiences*



## LOVE RACING

*Passion of the participants, beauty of the horse, and glory of the sport*



## WHANAUNGATANGA

*Kinship, connection, and a feeling of belonging developed through shared experience*



# STATEMENT FROM THE CHAIR & CEO

**New Zealand Thoroughbred Racing Board and management are pleased to present the 2022/23 Annual Report. In the following pages, we summarise our financial and operational performance, as well as review our key strategic initiatives addressed in our 2022/23 Statement of Intent and Business Plan for the wider Thoroughbred racing industry.**

In the latter half of the previous season, we witnessed promising developments resulting from the implementation of the TAB NZ Entain Strategic Partnering Arrangement. This partnership has injected newfound confidence into our stakeholders and participants. Already, numerous exciting initiatives have been set in motion as a result of this Strategic Partnering Arrangement and we couldn't be more thrilled to embark on this journey alongside Entain Australia and New Zealand. Together, we anticipate a future marked by close collaboration and collective achievements that will elevate our sport to new heights.

The NZTR Board deserves praise for their astute and responsible oversight of finances in the racing industry during the last season. Their financial expertise ensured stability even in challenging times. By making strategic decisions that prioritised the industry's long-term sustainability, the Board has shown its commitment to responsible financial management and a clear vision for a thriving future of New Zealand racing.

## A SEASONAL REVIEW

The performance of our New Zealand born and raised Thoroughbreds, both on domestic soil and across the Tasman, has been nothing short of phenomenal. In the 2022/23 season, New Zealand-bred horses won 28% of all Australian Group 1 races, despite making up only 8% of the racing population. This remarkable achievement extended to The Championships, where they claimed victory in seven out of the eight Group 1 races held at Royal Randwick.

The unique strength of last season's three-year-old crop is one of the best we have seen in decades. The likes of Legarto,

Pennyweka, Pier, Prowess and Sharp 'N' Smart were Group 1 winners in New Zealand and all bar Pier also won a Group 1 in Australia. It is the only instance since the Group racing pattern was introduced in the late 1970s, where four New Zealand-trained three-year-olds from the same crop won at Group 1 level in Australia. This is a massive feat for our small but dominant industry. Additionally, Imperatriz solidified her status as a three-time Group 1 winner and dual Group 2 winner, consistently outperforming her counterparts. While superstar jumper West Coast remained undefeated over fences, securing a memorable victory in the Grand National at Riccarton Park, along with two other major steeplechase wins.







Mark Walker shattered domestic training records by achieving an unprecedented milestone of topping 200 wins in a single season, surpassing the previous record by 43 wins. This remarkable feat positioned him 103 wins ahead of his closest competitor. Furthermore, Walker set a new benchmark for stake earnings in New Zealand and also amassed an impressive combined Australasian earnings in excess of \$9 million.

Meanwhile, Michael McNab continued to make history in the saddle. For the second consecutive year, he clinched the New Zealand Premiership title, finishing a remarkable 47 wins ahead of the runner-up. McNab also became the first rider to surpass the \$4 million mark in domestic earnings in a single season, extending the record tally to an impressive \$4.79 million.

In recognition of his significant contributions to Thoroughbred racing, Opie Bosson was made an Officer of the New Zealand Order of Merit in the King's Birthday Honours, cementing his position as one of New Zealand's greats.

This past season has been a rollercoaster for our entire industry, filled with the incredible highs previously acknowledged but also some unfortunate lows. We remember the tragic passing of two young athletes taken

too soon, Taiki Yanagida and Megan Taylor. Their dedication to the sport and kind nature will never be forgotten as we continue to honour their legacy.

## FINANCIAL RESULT

During the 2022/23 season, NZTR recorded a deficit of \$5.9m against a budgeted deficit of \$2.5m. Our income was impacted by a decrease in funding from Racing NZ of \$7.6m from the previous year. This was due to a decrease in profit distributions from TAB NZ to Racing NZ, also we received no enhancement funding this year, compared to \$1.3m in FY22. A decision was made to support Licence Holders following COVID-19 by not charging licence fees for the 2022/23 season, causing a loss of income against a budget of \$280k.

Although the funding from Racing NZ was reduced, NZTR still committed to paying out stakes money at the agreed levels, resulting in an increase in stakes payments from \$63.0m in FY22 to \$69.5m in FY23, and an increase in Club funding from \$13.8m in FY22 to \$16.6m in FY23.

There has been an increase in spend on Thoroughbred welfare programmes of \$209k in line with budget. Tracks and surface maintenance expenditure increased by \$244k due to the planned verti-drain expenditure of \$184k plus an increased spend on track maintenance. There was an increase in spend



in the marketing and communications area of \$1.4m from last year, driven by costs associated with the inaugural The Grand Tour Racing Festival, as well as a new contract for digital content services. The extra spend will enable us to achieve the digital scale we require as a result of ongoing growth. The increase in marketing and communications costs is partly offset by a decrease in salary costs.

The organisation is still in a good position to meet its strategic objectives with total retained earnings of \$22.6m, including a \$10m Infrastructure Reserve, a \$9.4m Sustainable Industry Reserve, and a \$609k Thoroughbred Welfare Reserve.

In December 2022, Racing NZ experienced a funding cut of \$15m from TAB NZ, with NZTR's share being \$7.6 million of this reduction. In order to maintain stability in our industry, NZTR chose to uphold the previously communicated stake payment levels to all stakeholders including Clubs, Trainers, Jockeys and Owners. NZTR tapped into its reserves to support the industry and safeguard participants from financial challenges during this substantial funding decrease.

This year we have prepared a Statement of Service Performance (pg 32) enabling us to measure and report on some of the non-financial areas of the organisation. We selected performance measures that relate back to the three strategic areas of action outlined in our Statement of Intent. These are Improving Tracks and Infrastructure, Wagering and Participation and Marketing of the National Sport. As this was the first year of providing this statement, we did not have any set targets to measure against, but where possible we have included previous years' data to indicate trends. The results provide a reporting framework for us to track how we are meeting our strategic objectives and demonstrates that we are tracking well in these areas.

## TAB NZ ENTAIN STRATEGIC PARTNERING ARRANGEMENT

Last season, our industry entered a phase of rejuvenation and significant enhancement as we saw the approval of the TAB NZ Entain Strategic Partnering Arrangement in May 2023. This has allowed NZTR to plan with certainty for the next five years and prioritise areas of the business to promote growth.

In June we announced that stakes funding would increase by \$20.3 million, taking our total stakes funding to \$90.8 million for the 2023/24 season. This is the most significant increase we've seen in decades and spread across all categories and regions of racing. It includes the introduction of eight new innovation races to the calendar, as well as further funding for the very successful Southern Mile.

Since the TAB NZ Entain Strategic Partnering Arrangement was approved, we have witnessed remarkable developments and initiatives that have already made an impact on New Zealand racing. The significant increase in our prizemoney, improved Pearl Series bonuses, TAB Racing Club promotions, and other enhancements around the promotion of our sport, have rejuvenated our racing community and brought renewed excitement to fans, stakeholders, and participants.

## NZTR BOARD MEMBERS

The NZTR Members' Council endorsed the reappointment of Jason Fleming and current Chairman Cameron George at the 2022 AGM. Long-term Director Jason Fleming has since resigned from the Board at the end of last season and has recently taken up a new position as General Manager Commercial at TAB NZ. He was first appointed to the NZTR Board in 2016 and we would like to thank him for his service to our industry to date and wish him all the best for his career at TAB NZ.





## WELFARE

NZTR continues its commitment to prioritise the wellbeing of our equine athletes using the continued implementation of the 1% levy on prizemoney. We now provide updates on how these funds are invested in the welfare sector, distributing quarterly editions of "The 1%," a comprehensive newsletter covering various aspects of welfare to our RIO and Owners' database. "The 1%" is also accessible online. Within this report, you will find a comprehensive welfare spread located on pages 18 and 19.

## CYCLONE GABRIELLE

Last Summer and Autumn we all witnessed the devastating impacts of climate change as a number of storms and Cyclone Gabrielle severely impacted the upper North Island. Though racing and training were adversely impacted a number of times in Northland, Auckland, Waikato and Bay of Plenty, the full force of nature was felt in the Hawke's Bay as the floodwaters of Cyclone Gabrielle cut through the region.

When faced with adversity, the racing community willingly supports those in need. Local Trainers were active in aiding emergency response to stricken horses while Hawke's Bay Racing Inc. and Waipukurau Jockey Club provided vital logistical infrastructure and housing for displaced horses and other pets. Separate fundraising efforts were coordinated by Roger James and Te Akau Racing to directly support the needs of the public, while NZTR and Dunstan Horsefeeds teamed up to fundraise and donate horsefeed to

the Hawke's Bay community of Owners. The racing community rallied to donate nearly \$67,000 to the Horsefeed Appeal, while NZTR also pledged another \$50,000 to support the region. NZTR's General Trust Fund also provided almost \$20,000 to Licence Holders affected by Cyclone Gabrielle.

We would like to extend our gratitude to Hawke's Bay Racing Inc. and Waipukurau Jockey Club for their efforts in supporting the community during this time of crisis, as well as the generosity of Roger James, Te Akau Racing, and all those who donated funds and time to support those in need.

## TRAINING AND EDUCATION

NZTR currently administers a comprehensive framework for Apprentice Jockeys, which underwent an update in February 2023. All training and education provided by NZTR within this framework is undergoing continuous review, as we strive to enhance our practices and ensure the improved quality and safety of our Apprentices.

NZTR engaged in advancements towards training in February 2023 through the introduction of Athlete Development Days, which are carried out in collaboration with High Performance Sport providers across the country and driven by Massey University. One of the main objectives of this initiative is to assess the reaction times of our Apprentices and enhance their fitness levels, ultimately leading to improved decision-making abilities under racing conditions.

Additionally, NZTR reintroduced the revised Rider Skills Review Panel, to which the RIB will refer riders in case concerns





arise regarding their skill level, instances of high-level breaches, or repeated infringements. Our licensing unit is consistently enhancing its procedures and conduct thorough reviews of all applications before issuing licences. The Panel meet weekly to evaluate and address all licence applications and related matters.

## LICENSING

In the previous season, NZTR undertook a comprehensive review of our entire licensing system and communication methods with Licence Holders. This review led to a series of key changes that have now been integrated into our day-to-day operations.

One notable shift has been our proactive transition towards online licence applications. This move allows Licence Holders to access convenient self-service options, permitting them to apply for and make payments for licences online. Not only does this enhance accessibility, but it also contributes to the improved accuracy of data while significantly reducing processing times for our internal licensing team.

In addition to this, we introduced user-friendly online application forms for all new NZTR licence applicants, consolidating multiple tasks into one streamlined process. The digital forms are easily accessible from various devices including smartphones, tablets, and PCs. This makes the licensing experience more accessible and efficient for our stakeholders.

## KEY STRATEGIC INITIATIVES

There are three key strategic initiatives which are summarised later in the Annual Report. A full review of Tracks and Infrastructure can be found on page 23, with a breakdown of Wagering and Participation found on page 25 and Marketing of the National Sport located on page 27.

## APPRECIATION

We recognise the dedication and commitment that NZTR staff have demonstrated in service to our organisation. The past season was filled with challenges, uncertainties, and changes, but through it all, their professionalism and resilience shone brightly.

We recognise Hon Kieran McNulty, 2022/23 Minister for Racing, and express our gratitude for his vision and leadership in approving the TAB NZ Entain Strategic Partnering Arrangement, as well as his services to our industry.

We extend our sincere appreciation to Dean Shannon, Entain Australia and New Zealand CEO and Deputy CEO Lachlan Fitt, as well as the members of the Entain leadership team, led by New Zealand Managing Director Cameron Rodger and Jessica Meech, General Manager – New Zealand. Their efforts in revitalising our industry to date have been exceptional and we look forward to the opportunities that will come from Entain Australia and New Zealand in the future.

We would like to acknowledge the governance of TAB NZ, including CEO Nick Roberts, Ex-Chair Mark Stewart and current Chair Anna Stove. Their contribution and support has played a vital role in shaping the positive direction our industry is heading in.





We thank our Clubs for their exceptional performance throughout the year. Amidst challenges and uncertainties, they have consistently displayed a commitment to the planning and execution of raceday events, creating memorable experiences for fans and stakeholders. A special mention to Pukekohe Park, who has supported Auckland Thoroughbred Racing by enabling a number of prestigious race meetings to be run on the surface while Ellerslie undergoes its track renovation.

A significant decision was reached in May 2023 regarding the official merger approval between Waikato Racing Club, Cambridge Jockey Club, and Waipa Racing Club to form Waikato Thoroughbred Racing. This represents a notable stride towards securing a sustainable future for our domestic racing industry. While each Club boasts a proud history,

their union lays the foundation for a more prosperous future for the entire Waikato racing sector. We would like to acknowledge the Chairs of these respective Clubs for their vision, leadership and hard work in executing this merger.

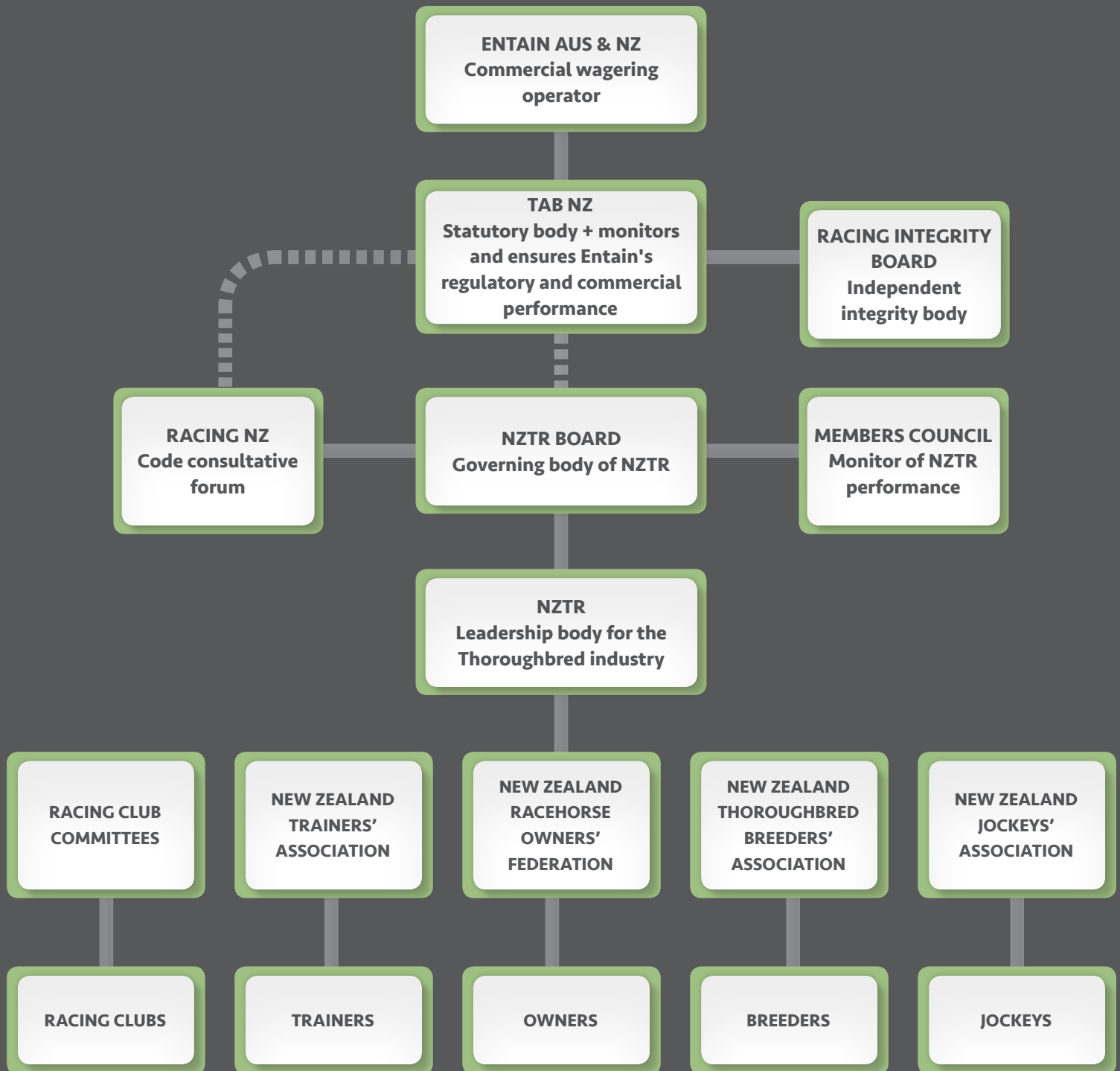
We also thank our Recognised Industry Organisations, their staff, and Committees who allow racing to operate to a high standard year in and year out.

Finally, to all our participants, whether they are Owners, Trainers, Breeders, Jockeys, Trackwork Riders, Stablehands, fans or punters, we acknowledge the vital roles they've fulfilled throughout the past season to keep the wheels turning. As we move forward, we anticipate a bright future brimming with opportunities and accomplishments within our sport.





# INDUSTRY STRUCTURE











## 2022/23 NEW ZEALAND THOROUGHBRED HORSE OF THE YEAR AWARDS

Jockeys' Premiership Winner	Michael McNab
Trainers' Premiership Winner	Mark Walker
Apprentice Jockeys' Premiership Winner	Tayla Mitchell
Owners' Premiership Winner	Brendan & Jo Lindsay
Newcomer to Training – sponsored by gavelhouse.com	Shaun Phelan
LOVERACING.NZ Award for Contribution to Media, Digital & Content	Jones Road Productions
New Zealand Bloodstock Filly of the Year	Legarto
Champion Two-Year-Old	Tokyo Tycoon
Champion Three-Year-Old – sponsored by IRT	Sharp 'N' Smart
Champion Sprinter-Miler	Imperatriz
Champion Middle Distance Horse	Prowess
Champion Stayer	Pennyweka
Champion Jumper	West Coast
Stablehand of the Year – sponsored by Entain Australia and New Zealand	Megan Winter
Jockey of the Year – sponsored by TAB	Michael McNab
Jumps Jockey of the Year – sponsored by HappyHire	Shaun Fannin
Trainer of the Year – sponsored by Dunstan Horsefeeds	Mark Walker
Owner of the Year – sponsored by TAB New Zealand	Catherine & Philip Brown
NZTR Award for Outstanding Contribution to Racing	George Simon
NZTR Award for Outstanding Global Achievement	Mike Kneebone
SENZ Horse of the Year	Sharp 'N' Smart



# NZTR BOARD OF DIRECTORS



## **BRUCE SHERWIN**

Having first commenced Board duties in 2020, Bruce is currently the Managing Director of Frontier Farm in Cambridge. With an accounting background and prior experience in broadcasting for the Macau Jockey Club and the Hong Kong Jockey Club, he continues to engage in part-time broadcasting in New Zealand. Bruce has extensive involvement in the racing industry, having served as the treasurer of the Cambridge Jockey Club for 11 years and currently holding a position on the New Zealand Pattern Committee.

## **MIKE CLARKE**

Mike is a Director and Board Advisor with 30+ years of diverse business experience, including gaming. Appointed to the Board in 2021, Mike currently holds the position of Chair of Racing New Zealand, as NZTR's representative on the Racing NZ Board, as well as Chair of NZTR's Audit and Risk Committee. Previously a Consulting Partner at KPMG and Chief Information Officer at SkyCity, he has worked globally with technology organisations to drive business transformation. Additionally, Mike actively engages in the Thoroughbred industry as an Owner and Breeder. He holds the designation of Chartered Member of the Institute of Directors (CMInstD).

## **CAMERON GEORGE CHAIRMAN**

In May 2019, Cameron George became a member of the Board after being appointed by the NZTR Members' Council. With a wealth of experience in racing and sports administration, Cameron had previously held positions as NZTR's Chief Stipendiary Steward and as the Chief Executive of the Auckland Racing Club. Currently, he serves as the Chief Executive of the One NZ Warriors. Cameron assumed the Board position, replacing Rodger Finlay, who retired after the NZTR Annual General Meeting in December 2018.





### **DEAN LAWRENCE**

Dean is currently engaged as a consultant for the International Monetary Fund, following his previous positions within the Inland Revenue Department. Now in his second year of service to the NZTR Board, Dean's background as the former president of the Otago Racing Club and as a Board member of Gallop South, allows him to bring a wealth of racing administration expertise and knowledge. His international experience complements his longstanding involvement in Thoroughbred ownership and breeding pursuits.

### **ANDREW FLEXMAN**

Appointed to the Board in March 2022, Andrew is presently employed as an investment advisor at Forsyth Barr in Cambridge. Prior to this role, he worked as a lawyer and sports administrator. As a passionate Thoroughbred Owner, Andrew brings a diverse background to the table. He has served as the Chief Executive of the Chiefs Rugby Club and possesses extensive experience in fan engagement, sports management, and entertainment.

### **ANDREW FAIRGRAY**

Andrew has over 25 years of experience in IT&T and currently serves as the Chief Business Officer at 2degrees. He is passionate about leveraging technology and sees the potential in the convergence of media and telecommunications to meet consumer demands for real-time content. Having served on the Board since 2020, Andrew utilises his local and global experience, driving innovation and transformation for the organisation. He is personally involved in the Thoroughbred industry through his company, JETA Group, and strongly values its contribution to NZTR.

### **JASON FLEMING**

Having commenced his NZTR Board duties in 2016, Jason resigned at the beginning of the 2023/24 season to embark on his career as General Manager Commercial of TAB NZ. He is also the Managing Director of a financial services company in Hawke's Bay and holds a Bachelor of Laws and Bachelor of Arts (Political Science) from Victoria University. With a background in structured finance overseas and prior roles as CEO of East Coast Racing and Hawke's Bay Racing Incorporated, Jason is deeply immersed in the Thoroughbred industry as a Breeder and Owner. Jason is an Institute of Directors member and actively participates in various Hawke's Bay not-for-profit organisations.







# GOVERNANCE

**The Constitution of New Zealand Thoroughbred Racing Incorporated determines the composition, selection and duties of its Board of Directors. This is supported by a Board Charter and a Board Code of Conduct. NZTR supports the need for the highest standards of behaviour and accountability from Directors, and endorses the principles set out in the Code of Proper Practice for Directors approved by the Institute of Directors in New Zealand (Inc).**

NZTR is governed by a Board of between five and seven independent Directors. Appointments to the Board are for three year terms and for a maximum of three terms.

The Board met 11 times in 2022/23, excluding several sessions on strategy, teleconferences and circular resolutions.

Board members with perceived or real conflicts of interest are excluded from Board discussions and decision making.

The Audit, Risk and Remuneration Committee reviews all expense claims of the Chief Executive and oversees a formal performance review process for all NZTR staff.

A Members' Council, comprising six members elected by racing clubs (two from each of the two geographical regions) and three members appointed by recognised sector organisations (Owners, Trainers and Jockeys, and Breeders), is charged with the responsibility for all aspects of the appointment, appraisal and termination (if required) of the seven independent Directors.

The Members' Council as at 31 July 2023, comprised: Chair Jeff McCall (Southern Region), Deputy Chair Geoff Vazey (Northern Region), John Elstob (Northern Region), Eliot Cooper (Central Districts Region), Sam Trotter (Central Districts Region), Simon Williamson (Southern Region), Tony Pike (New Zealand Trainers' Association and New Zealand Jockeys' Association), John Thompson (New Zealand Thoroughbred Breeders' Association), and Bernard Hickey (New Zealand Thoroughbred Racing Owners' Federation).

# NZTR STATUTORY ROLE

**NZTR's statutory role has changed significantly due to the passage of the Racing Industry Act 2020.**

NZTR's statutory objective is to develop and promote racing conducted by NZTR, and its statutory functions are:

- (a) to govern racing clubs, racing venues, and participants, including by—
  - (i) monitoring the performance and finances of those racing clubs and racing venues and their approach to managing risks to health and safety under the Health and Safety at Work Act 2015;
  - (ii) making racing rules (and any amendments to those rules) in relation to racing conducted by the code;
  - (iii) approving the constitution of a racing club and any amendments to it before the constitution or amendments take effect;
  - (iv) registering or licensing racing clubs, participants, horses, and greyhounds (as appropriate) in accordance with racing rules made by the code;
  - (v) taking measures to ensure adequate representation and involvement of small racing clubs in the code's decision making.
- (b) to develop and implement policies that are conducive to the overall economic development of racing conducted by the code and the economic wellbeing of people who, and organisations which, derive their livelihoods from that racing.
- (c) to use its resources, including (without limitation) its financial, technical, physical, and human resources for purposes that, in the code's opinion, will directly or indirectly benefit racing conducted by the code.
- (d) to develop and implement animal welfare policies in respect of racing conducted by the code.
- (e) to distribute revenue received by the code to racing clubs registered with the code.
- (f) to manage any assets or surplus venues transferred to the code under subpart 2 of Part 2, including (without limitation) by selling or retaining any asset or surplus venue.
- (g) to undertake, or arrange for the undertaking of, research, development, and education for the benefit of New Zealand racing.
- (h) to enter into commercial agreements with TAB NZ.
- (i) to collaborate with the other racing codes to achieve the objectives of the racing industry as a whole.
- (j) to carry out any other functions that are necessary or desirable to assist the code in achieving its objectives.

## SMALL CLUBS

**Measures to allow for adequate representation and involvement of small racing clubs in the code's decision making. For the purposes of section 18(2)(b) of the Act:**

- Small clubs are entitled to participate through the NZTR Members Council in the appointment of the NZTR Board;
- Small clubs are entitled to vote at the NZTR AGM in proportion to the meetings they conduct;
- NZTR has included small clubs in all industry communications and consultation and has had regard to their views;





# THE GRAND TOUR

## RACING FESTIVAL

In the same way other sports celebrate their majors, in 2022 New Zealand Thoroughbred Racing (NZTR) announced the launch of 'The Grand Tour Racing Festival' - a fresh, exhilarating celebration and unification of New Zealand's 20 premier racing events across Hawke's Bay, Auckland, Christchurch, Wellington, Waikato and Manawatu.

As we know, Thoroughbred racing events offer all the ingredients of a perfect day out, and The Grand Tour set out to introduce a significant new audience to the thrill of raceday by highlighting the many entertainment drawcards.

While each of the Top 20 events is renowned for delivering world-class racing at the best venues, The Grand Tour was created to showcase all the action off the track too, including outstanding hospitality and top-notch entertainment.

The fresh approach is part of NZTR's commitment to innovation and growth in Thoroughbred racing, with the organisation dedicating a significant investment in a campaign that's bigger, bolder, brighter, and louder, and designed to stand out in a busy sports entertainment market.

**EAT, DRINK &  
GET RACY AT  
THEGRANDTOUR.NZ**

**LOVE  
RACING.NZ®**

**SENZ**





## NEARLY 7 IN 10

Agreed it showed how much fun the races can be and 6 in 10 saying it made them think horse racing is an entertainment option.



## 18-29 YEAR OLDS

Compared to previous campaigns, The Grand Tour had a significantly higher impact on interest and consideration among 18-29s, reinforcing the campaign's effectiveness.



**THE CAMPAIGN'S AIM  
OF TARGETING 18-29'S  
HAS BEEN EFFECTIVE  
AS AWARENESS IS  
SIGNIFICANTLY HIGHER  
AMONG THIS GROUP  
AT 38%.**



## OVER 1 IN 3

Of our target audience said it made them more likely to consider attending a raceday.



**11% INCREASE  
ON BASELINE  
ATTENDANCE.**





# THOROUGHBRED WELFARE

## ANNUAL REPORT

Now the 1% Thoroughbred Welfare Levy has been in inception for two seasons. It has enabled a drive towards better outcomes for our Thoroughbred population and a desire to provide more factual data around the spend of the 1% and key focus areas.

It is heartening to see areas of growth but the 1% must be utilised to ensure we continue to set goals and achieve them.

## ACKNOWLEDGED RETRAINERS

Acknowledged Retrainers are a crucial link to a Thoroughbred's life after racing and continue to be supported by the 1% Welfare Levy on stakes money, with further support targeted for the 2023/24 season.

There are now 13 Acknowledged Retrainers based across both the North and South Islands. Collectively, the Acknowledged Retrainers rehomed 383 Thoroughbreds in the 2022/23 season. This is a significant increase from the 286 Thoroughbreds rehomed in the 2021/22 season.

## WELFARE ASSISTANCE

In the 2022/23 season, NZTR supported 41 Thoroughbreds found to be in a state of neglect via the SPCA, MPI, RIB and selected Rescue groups. NZTR acknowledges further pressures on the retired Thoroughbred population, contributed to by adverse weather events, increased feed costs and the cost-of-living impacts. NZTR is committed to continuing this support in this and subsequent years.

	Actual 2022/23	Budget 2022/23	Actual 2021/22
1% Thoroughbred Welfare Levy	\$845,158	\$705,320	\$635,926
NZTR Start Up Contribution	-	-	\$89,142
<b>Total Revenue</b>	<b>\$845,158</b>	<b>\$705,320</b>	<b>\$725,068</b>
Less Thoroughbred Welfare expenditure:			
Acknowledged Retrainers	\$117,510	\$110,000	\$39,478
NZTR Contribution to NZ Horse Ambulance Operating Costs	\$202,251	\$196,725	\$157,491
Post Racing Sponsorship-showcasing Thoroughbred versatility	\$113,211	\$60,600	\$57,269
Communication and Education	\$26,385	\$40,000	\$2,455
SPCA/MPI/Rescue Groups	\$100,213	\$50,000	\$89,484
Equine Research	\$889	\$45,000	\$21,369
Traceability	\$3,200	\$15,000	\$274
#NZOTTB Lesson Scheme	-	\$42,000	-
Other costs	-	-	\$29,324
<b>Total Expenditure of the 1% Thoroughbred Welfare Levy</b>	<b>\$563,659</b>	<b>\$559,325</b>	<b>\$397,144</b>
<b>Unspent Levy this year</b>	<b>\$281,499</b>		
Plus unspent levy brought forward	\$327,924		
<b>Total Welfare Reserve at 31/7/23</b>	<b>\$609,423</b>		



## **POST-RACING NZOTTB SPONSORSHIP**

Providing a pathway for Thoroughbreds to progress into their lives after racing through encouraging and incentivising the use of Thoroughbreds in equestrian sports is crucial to ensure the sustainability of the racing industry. In the 2022/23 season the 1% Welfare Levy was utilised to support the Thoroughbreds in Equestrian Sports series as well as Thoroughbreds in Polo. In addition, 35 independent events, such as local sports days and A&P shows, received support for a Class or prize specifically for Thoroughbreds.

## **NZ HORSE AMBULANCE**

Funding from the 1% Levy ensures a Horse Ambulance is present at every Thoroughbred raceday and trials meeting. Horse Ambulances are located at major training centres, aid outside of raceday in the instance of injury or sudden illness where referral to a veterinary clinic is required. In the 2022/23 season, the Horse Ambulance was deployed 38 times to both raceday and non-raceday incidents involving a Thoroughbred in training or breeding. In addition to its practical utility, the presence of the Horse Ambulance at raceday and trials meetings demonstrates an industry-wide commitment to Thoroughbred welfare and ensures that any injury can be dealt with in a dignified manner.

## **FORMATION OF THE NZTR EQUINE MORTALITY REVIEW PANEL**

When a horse is humanely euthanised as a consequent of a racing injury or otherwise dies at a race meeting, heightened scrutiny is warranted. To enable this, in May 2023 NZTR formed the NZTR Equine Mortality Review Panel whose role is to review the circumstances of every equine fatality in racing, trialling, and training and determine whether identifiable factors may have contributed to the horse's death.









# NZTR COMMITTEES 2022/23

These Committees and Trusts had the following membership for the year ended 31 July 2023.

## THE AUDIT AND RISK SUB-COMMITTEE

The Audit and Risk Sub-Committee comprises six people appointed by the NZTR Board. All Directors may attend meetings of the Committee. The Committee met nine times during the 2022/23 season and now incorporates the Appointments and Remuneration Sub-Committee.

**Chair**

Mike Clarke

**Members**

Andrew Flexman  
Cameron George

**Secretary**

Amy Carter / Sam Fursdon

## THE RACING AND INTEGRITY COMMITTEE

The Racing and Integrity Committee comprises three people appointed by the NZTR Board. All Directors may attend meetings of the Committee. The Committee met nine times during the 2022/23 season.

**Chair**

Mark Freeman

**Members**

Cameron George  
Dean Lawrence  
Bruce Sherwin

**Secretary**

Colin Hall

## TRAINING AND WELFARE COMMITTEE

**Chair**

Andrew Fairgray

**Members**

Mike Clarke  
Mark Worsop

**Secretary**

Amy Carter / Sam Fursdon

## GENERAL TRUST FUND\*

**Chair**

John Rattray

**Trustees**

Jason Fleming  
Cameron George

**Secretary**

Martin Burns / Matthew Williamson

## APPRENTICE JOCKEYS' FUND\*

**Trustees**

Cameron George  
Bruce Sharrock

**Secretary**

Tracy Tutty / Jessica Meech

\*These are trusts governed by the Rules of Racing.







# TRACKS & INFRASTRUCTURE

## IMPROVING TRACK INFRASTRUCTURE

NZTR prioritised tracks and infrastructure as a key area of focus last season. This reflects a commitment to elevating the quality and sustainability of racing surfaces. Longer-term, improved tracks will drive confidence from stakeholders and punters and will result in increased wagering (both domestically and internationally) on our racing, as the attractiveness and quality of our racing improves. NZTR also recognises that the enhancement of Thoroughbred welfare is intricately linked to the quality of tracks and infrastructure in New Zealand.

During the season, NZTR took deliberate action to invest in this area, outlined below:

- NZTR continued its commitment to supporting Clubs by acquiring additional machinery that could be used for track maintenance. In the 2022/23 season, NZTR expanded its resources by obtaining five new Redexim over-seeders, contributing to improved track quality.
- To bolster support for racing Clubs, NZTR initiated the Regional Track Advisor programme, designed to provide specialised guidance and assistance to Clubs in different regions.
- NZTR introduced Regional Field Days to encourage knowledge sharing and offer practical support to Track Managers, enhancing their overall capabilities.

## COMPLETION OF MILESTONES

Summary of performance by NZTR against the key milestones set out to be achieved in this targeted area during the 2022/23 racing season.

MILESTONE				
	Finalise a five-year Infrastructure Plan for the 2022/23 to 2027/28 seasons by October 2022.	Complete the construction of, and commence racing on, the Awapuni synthetic track by May 2023.	Complete the reconstruction of, and recommence racing on, the Te Aroha track by 31 January 2023.	Complete the installation of plastic running rails at all our racing venues by 31 July 2023.
STATUS	This was completed and presented to the NZTR Board in October for evaluation on schedule.	This is now completed, with racing having commenced on the surface in May 2023.	After a number of setbacks, construction on the Te Aroha track was completed in September 2023.  At the time of writing, NZTR has successfully held both track gallops, jumpouts and trials.  Racing returned in November 2023.	This milestone has been accomplished, with all plastic running rails now present at every Thoroughbred racing and trialling surface in New Zealand.
	COMPLETED	COMPLETED	COMPLETED	COMPLETED







# WAGERING & PARTICIPATION

This key area of focus looks to improve the wagering performance of our Thoroughbred race meetings across New Zealand. There was an increased focus on promotional activities to drive the most wagering interest from fans of our sport. Improving our wagering returns from international wagering operators and content partners was also a key outcome.

During the 2022/23 season, NZTR took deliberate actions to enhance this area, outlined below:

- Launch of The Grand Tour Racing Festival campaign, which saw a commitment to innovating and growing the domestic Thoroughbred sports entertainment market, as well as encouraging uptake in raceday attendance from the next generation.
- The signing of a multi-year content partnership with Sports Entertainment Network and SENZ played a key role in the ongoing promotion of racing throughout New Zealand.
- Building stronger relationships with our wagering partners to promote and build awareness of our feature racing period in our export markets. An example was working with Tabcorp on the New Zealand Derby being broadcast into Hong Kong and Singapore. HK turnover was HKD\$31M in 2023 (vs HKD\$27M in previous year 2022).

The continued delay to the replacement of our legacy Racing Management System (RMS) has been frustrating and a review of our IT Roadmap remains a priority in the new season. How we improve engagement with our stakeholders through our systems and processes is a key enabler for the future.

Given the approval by the Minister of the TAB NZ Entain Strategic Partnering Arrangement the renegotiation of the Tabcorp Agreement and the International Marketing Agreement have been rolled over to August 2024 to allow all parties to assess the impacts of the change and identify all opportunities.

## COMPLETION OF MILESTONES

Summary of performance by NZTR against the key milestones set out to be achieved in this targeted area during the 2022/23 racing season.

MILESTONE	STATUS	Development and promotional strategy of the 20 key wagering days.	Strengthen content strategy to effectively monetise data and vision.	Delivery of targeted marketing activities with Australian wagering operators.	Single National System go live.	Renegotiation of the Tabcorp Agreement.
		The Grand Tour Racing Festival was launched in August 2022.	Following an assessment of a future model, the content partnership with SENZ commenced in November 2022.	Various initiatives were developed and executed.	The Single National System project was put on hold at the end of last season.	Relates to international rights and engaging with TAB NZ as to the suite of Tabcorp Agreements, and specifically the International Marketing Agreement (the IMA).
		COMPLETED	COMPLETED	COMPLETED	IN PROGRESS	IN PROGRESS







# MARKETING OF THE NATIONAL SPORT

This key area of focus looked to enhance NZTR's overarching marketing and promotional strategy, used to grow and innovate within our sport. LOVERACING.NZ continues to lead as our fan brand that aims to entertain, educate, and engage with both existing and future fans. However, to drive further engagement with a younger demographic, a new national marketing campaign was launched last season to introduce a new audience to our sport. The Grand Tour Racing Festival was designed to deliver a fresh and vibrant overarching promotion to celebrate and unify New Zealand's Top 20 premier racing events, across Hawke's Bay, Auckland, Christchurch, Wellington, Waikato and Manawatu. This campaign shone the spotlight on the high-profile events on our racing calendar, and encouraged a diverse younger audience, outside our racing community, to come and experience a day at the races. See campaign overview on pages 16 and 17.

A summary of initiatives delivered during the 2022/23 season that also supports this key area of focus are outlined below:

- Leveraging the new SENZ content partnership we continued to innovate through content across our digital channels. An example of this was the LOVERACING.NZ Pony Scurry Series that was implemented by NZTR's Education, Training and Development team and Kirsty Lawrence, to engage future participants of our sport. These events, held on racedays around the country, were used to introduce young riders to horse racing, giving them the opportunity to showcase their skills and compete in a fun and supportive environment. The content from these events attracted some of the greatest engagement stats across our social and digital channels for the season.
- Partnering with New Zealand Bloodstock to deliver the second year of LOVERACING.NZ's 'Share the Thrill' ownership campaign. Aimed at promoting ownership, authorised syndication, and involvement in racing, the campaign was targeted at current owners, to encourage them to get their friends and family involved in our sport and introduce them to the thrill of racehorse ownership.
- LOVERACING.NZ joined forces with Riccarton Park to back Cure Kids' biggest annual fundraiser, Red Nose Day. The inaugural Red Nose Raceday was held on Friday 28 July, and successfully raised more than \$100,000 for Cure Kids. LOVERACING.NZ's support amplified the event through its social and digital platforms, enhancing both pre-event promotion and on-the-day coverage. The collaboration with Cure Kids also enabled a broader reach beyond our traditional racing audience.
- Continued investment into enhancements of the website network that supports the majority of our Clubs.

## COMPLETION OF MILESTONES

Summary of performance by NZTR against the key milestones set out to be achieved in this targeted area during the 2022/23 racing season.

MILESTONE	Launch of a new series that promotes our Top 20 race meetings.	Launch of new LOVERACING.NZ website.	Revamped strategy to grow ownership and syndication model.
STATUS	The Grand Tour Racing Festival was launched in August 2022.	Delayed due to the dependency on the SNS project, which has since been paused.	Following reconsideration in the second half of last season, the ownership strategy was deferred to the 2023/24 season and will be captured within NZTR's comprehensive public relations strategy.
	COMPLETED	IN PROGRESS	IN PROGRESS



# INDUSTRY STATISTICS

THOROUGHBRED CLUBS	RACING			TOTAL OFF-COURSE TURNOVER	TOTAL ON-COURSE TURNOVER	TOTAL NZ TURNOVER	TABCORP EXPORT TURNOVER (\$NZD)	TOTAL STAKES PAID	CLUB NOMS & ACCEPTS & OTHER CHARGES/ PAYMENTS	NET STAKES	TOTAL CLUB, MEETING & STAKES FUNDING	NET STAKES TO FUNDING RATIO
	MTGS	RACES	STARTS									
Ashburton RC	8	70	779	8,726,690	163,183	8,889,873	7,479,743	1,306,605	7,088	1,299,518	1,589,605	81.75%
Auckland TR	15	134	1,530	35,917,283	3,649,819	39,567,102	18,513,105	9,890,500	747,146	9,143,354	8,660,973	105.57%
Avondale JC	7	63	664	8,791,682	276,091	9,067,773	6,580,735	1,107,625	0	1,107,625	1,348,053	82.16%
Banks Peninsula RC	1	10	126	1,813,793	84,711	1,898,504	1,459,287	280,350	0	280,350	336,898	83.22%
Beaumont RC	1	7	65	484,159	61,293	545,451	354,064	111,420	0	111,420	150,743	73.91%
Cambridge JC	16	128	1,213	13,904,478	326,565	14,231,043	10,640,551	2,377,470	22,938	2,354,533	2,814,501	83.66%
Canterbury JC	30	258	2,843	44,138,945	3,075,947	47,214,892	28,433,430	8,967,560	744,365	8,223,195	10,104,137	81.38%
Central Otago RC	1	8	82	862,805	30,785	893,589	631,067	121,040	0	121,040	164,540	73.56%
Dargaville RC	0	0	-	0	0	0	0	0	0	0	0	0.00%
Egmont RC	4	33	343	4,496,345	172,197	4,668,542	3,377,962	764,910	11,606	753,304	934,218	80.63%
Feilding JC	3	24	219	3,333,355	213,659	3,547,014	2,314,810	519,085	15,883	503,202	652,526	77.12%
Foxton RC	0	0	-	0	0	0	0	0	0	0	15,000	0.00%
Gore RC	3	25	248	2,838,030	74,261	2,912,290	2,332,873	540,530	8,050	532,480	641,030	83.07%
Greymouth JC	1	8	58	757,985	87,581	845,566	331,443	128,315	0	128,315	173,610	73.91%
Hawke's Bay RI	13	110	1,134	19,454,141	1,875,263	21,329,404	11,642,921	3,870,785	187,651	3,683,134	4,693,274	78.48%
Kumara RC	1	9	86	1,805,868	263,247	2,069,115	798,517	139,920	0	139,920	230,928	60.59%
Kurow JC	1	8	86	1,129,864	134,159	1,264,023	615,180	122,345	0	122,345	178,590	68.51%
Levin RC	3	27	295	3,991,482	246,697	4,238,179	2,335,094	738,325	19,213	719,113	877,660	81.94%
Manawatu RC	11	71	727	11,992,168	919,715	12,911,883	7,623,272	2,478,200	142,261	2,335,939	3,047,107	76.66%
Marlborough RC	0	0	-	0	0	0	0	0	0	0	10,000	0.00%
Marton JC	4	33	329	6,791,271	309,313	7,100,584	3,763,650	1,133,700	35,333	1,098,368	1,315,848	83.47%
Masterton RC	1	8	87	869,837	37,881	907,718	543,419	121,320	0	121,320	159,820	75.91%
Matamata RC	14	130	1,394	20,213,052	900,924	21,113,975	13,949,423	2,908,390	88,625	2,819,765	3,495,388	80.67%
Oamaru JC	3	24	258	2,186,538	41,052	2,227,590	1,628,887	462,395	0	462,395	567,895	81.42%
Otago RC	11	80	866	11,958,967	585,852	12,544,818	7,987,228	2,236,680	50,419	2,186,261	2,715,341	80.52%
Ōtaki-Māori RC	9	72	670	9,538,821	509,027	10,047,848	5,852,409	1,478,160	27,525	1,450,635	1,875,411	77.35%
Pakuranga HC	1	10	116	1,477,422	70,965	1,548,386	885,717	332,450	6,500	325,950	390,192	83.54%
Poverty Bay TFC	0	0	-	0	0	0	0	0	0	0	10,000	0.00%
Rangitikei RC	2	18	170	3,010,894	139,225	3,150,119	1,568,563	563,000	7,963	555,038	653,226	84.97%
Reefton JC	1	1	9	170,019	9,099	179,118	70,872	13,720	0	13,720	64,720	21.20%
Riverton RC	4	34	334	4,518,567	384,212	4,902,779	2,430,652	701,075	9,438	691,638	830,553	83.27%
Rotorua, Racing	9	81	850	10,371,744	417,804	10,789,547	7,373,794	1,542,740	42,254	1,500,486	1,890,522	79.37%
Rotorua-BOP HC	0	0	-	0	0	0	0	0	0	0	0	0.00%
South Canterbury RC	3	27	303	2,983,803	96,767	3,080,570	1,980,527	425,220	9,925	415,295	540,808	76.79%
South Waikato RC	1	9	101	1,246,230	53,568	1,299,798	1,216,702	134,285	0	134,285	167,874	79.99%
Southland RC	5	40	427	4,950,332	293,626	5,243,957	4,039,015	936,990	12,375	924,615	1,130,336	81.80%
Stratford RC	0	0	-	0	0	0	0	0	0	0	0	0.00%
Tapanui RC	1	8	77	832,179	59,467	891,646	555,243	121,130	0	121,130	165,279	73.29%
Taranaki TRI	11	88	847	13,755,321	997,705	14,753,026	9,037,024	1,940,850	37,719	1,903,131	2,421,375	78.60%



THOROUGHBRED CLUBS	MTGS	RACES	STARTS	TOTAL OFF-COURSE TURNOVER	TOTAL ON-COURSE TURNOVER	TOTAL NZ TURNOVER	TABCORP EXPORT TURNOVER (\$NZD)	TOTAL STAKES PAID	CLUB NOMS & ACCEPTS & OTHER CHARGES/ PAYMENTS	NET STAKES	TOTAL CLUB, MEETING & STAKES FUNDING	NET STAKES TO FUNDING RATIO
Taumarunui RC	1	9	85	1,520,367	113,388	1,633,755	752,622	280,500	0	280,500	329,772	85.06%
Taupō, Racing	5	42	429	5,631,718	311,967	5,943,685	3,928,625	659,560	0	659,560	773,112	85.31%
Tauranga, Racing	13	110	1,116	16,400,309	1,076,447	17,476,756	9,736,832	2,472,515	24,175	2,448,340	3,067,535	79.81%
Te Aroha, Racing	0	0	-	0	0	0	0	0	0	0	22,500	0.00%
Thames, Racing	0	0	-	0	0	0	0	0	0	0	10,000	0.00%
Waikato RC	18	165	1,867	40,616,825	2,577,506	43,194,331	21,784,878	9,144,380	918,219	8,226,161	9,912,613	82.99%
Waikouaiti RC	1	10	122	1,781,709	94,121	1,875,830	1,653,241	294,250	0	294,250	349,192	84.27%
Waimate RC	1	10	121	973,287	18,371	991,659	585,237	156,720	0	156,720	192,720	81.32%
Waipa RC	0	0	-	0	0	0	0	0	0	0	15,000	0.00%
Waipukurau JC	1	10	98	1,456,768	75,824	1,532,591	837,434	195,640	0	195,640	246,343	79.42%
Wairarapa RC	3	24	249	3,564,431	648,873	4,213,305	1,988,466	387,400	9,563	377,838	598,669	63.11%
Wairio JC	1	8	78	616,383	25,606	641,989	407,233	127,525	0	127,525	162,575	78.44%
Wairoa RC	0	0	-	0	0	0	0	0	0	0	10,000	0.00%
Wanganui JC	8	61	617	8,709,580	501,459	9,211,040	6,121,296	1,392,275	31,019	1,361,256	1,735,195	78.45%
Waverley RC	5	41	395	4,510,364	132,906	4,643,270	3,427,473	642,320	0	642,320	802,695	80.02%
Wellington RC	10	90	930	21,987,302	1,723,473	23,710,775	12,346,811	5,803,350	844,291	4,959,059	6,487,763	76.44%
Westland RC	0	0	-	0	0	0	0	0	0	0	5,000	0.00%
Whakatane RC	0	0	-	0	0	0	0	0	0	0	0	0.00%
Whangarei RC	12	95	1,011	17,198,570	700,078	17,898,648	10,540,948	2,398,855	6,300	2,392,555	2,927,666	81.72%
Winton JC	1	7	57	638,509	24,791	663,300	799,706	104,700	0	104,700	145,700	71.86%
Woodville-Pahiatua RC	7	58	598	6,487,742	259,739	6,747,481	4,538,621	944,650	0	944,650	1,211,558	77.97%
Wyndham RC	1	8	74	649,696	24,198	673,894	385,252	126,100	0	126,100	157,600	80.01%
<b>Grand Total</b>	<b>287</b>	<b>2,404</b>	<b>25,183</b>	<b>392,057,631</b>	<b>24,870,402</b>	<b>416,928,033</b>	<b>248,181,854</b>	<b>73,647,830</b>	<b>4,067,840</b>	<b>69,579,990</b>	<b>84,181,191</b>	<b>82.66%</b>

## NOTES

1. Total off-course and on-course turnovers do not include Pick 6 or Turbo Quaddies.
2. Export Turnover (\$NZD) is turnover on New Zealand Thoroughbred Racing through the Australian TABs. Note that Australian Corporate Bookmaker turnover is not included in this amount.
3. Club Noms, Accepts and other charges/payments to Owners is the net amount of all direct Club nomination and acceptance charges for Group, Listed and Prestige Jumps races, minus credits paid to Owners for the same races.
4. Total Club, Meeting and Stakes Funding is all NZTR funding paid to Clubs, including minimum stakes, Group and Listed, special interest, iconic, heritage, country cup and other race funding, meeting type, venue category, racing compliance, governance/audit, event tier funding, iconic marketing and jumping support, on-course payments and any other meeting funding. Charges to Clubs for NZTR race meeting services and TAB race meeting broadcast costs are not netted off. All efforts have been made to reconcile against the Club settlement statements but there still may be some discrepancies between funding recorded and total funding received by Clubs.
5. Net Stakes to Funding Ratio is Stakes Paid minus Club Noms and Accepts and other charges/payments, then divided by Total Club, Meeting and Stakes Funding. Note that Club funding and other numbers can be affected by meetings or races not run, abandoned or transferred.





## Independent Auditor's Report

To the Members of New Zealand Thoroughbred Racing Incorporated

**Opinion**

We have audited the consolidated general purpose financial report ('consolidated financial report') of New Zealand Thoroughbred Racing Incorporated (the 'entity') and its subsidiaries ('the group'), which comprise the consolidated financial statements on pages 36 to 58, and the consolidated statement of service performance on pages 32 to 35. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 July 2023, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial report presents fairly, in all material respects:

- the consolidated financial position of the group as at 31 July 2023, and its consolidated financial performance and cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 July 2023 in accordance with the group's service performance criteria

in accordance with Public Benefit Entity Standards ('PBE Standards') issued by the New Zealand Accounting Standards Board.

**Basis for opinion**

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing ('ISAs'), and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 *The Audit of Service Performance Information* ('NZ AS 1'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Report* section of our report.

We are independent of the group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm carries out other assignments for the group in the area of taxation advice and vote scrutineering. These services have not impaired our independence as auditor of the group. In addition to this, partners and employees of our firm deal with the entity and its subsidiaries on normal terms within the ordinary course of trading activities of the business of the entity and its subsidiaries. The firm has no other relationship with, or interest in, the entity or any of its subsidiaries.

**Other information**

The Board of Directors are responsible on behalf of the group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial report and the audit report.

Our opinion on the consolidated financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

**Board of Directors' responsibilities for the consolidated financial report**

The Board of Directors are responsible on behalf of the group for:

- the preparation and fair presentation of the consolidated financial statements and consolidated statement of service performance in accordance with PBE Standards;
- service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards; and



- such internal control as the Board of Directors determine is necessary to enable the preparation of a consolidated financial report that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial report, the Board of Directors are responsible on behalf of the group for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the consolidated financial report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated statement of service performance are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated financial report.

A further description of our responsibilities for the audit of the consolidated financial report is located on at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/>

This description forms part of our auditor's report.

#### **Restriction on use**

This report is made solely to the Members, as a body, in accordance with Section 20 of the Constitution. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members as a body, for our audit work, for this report, or for the opinions we have formed.

*Deloitte Limited*

Wellington, New Zealand  
26 October 2023



# STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 JULY 2023

## PURPOSE

New Zealand Thoroughbred Racing (NZTR) is the governing body for Thoroughbred horse racing in New Zealand. NZTR oversees and regulates the sport, ensuring that races are conducted fairly and in accordance with the rules and regulations while supplying the Thoroughbred product for wagering and sporting customers. We are also responsible for the administration, promotion and development of Thoroughbred racing in New Zealand.

## PERFORMANCE

As detailed in our 2022/23 Statement of Intent, we are focused on three strategic areas of action: Improving Track Infrastructure, Wagering and Participation, and Marketing of the National Sport in New Zealand. We have selected measures aligning to the three strategic areas of action. This is the first Statement of Service Performance for NZTR. Where possible, historical results up to five years have been provided to indicate trends in results, noting that all prior years data is unaudited. Formal targets have not been previously agreed by the Board, so achievement against targets are not presented.

### IMPROVING TRACK INFRASTRUCTURE

Improving and maintaining track infrastructure is a strategic goal of NZTR because our success requires us having a sustainable network of fit for purpose venues. Maintaining the track surfaces to a high standard will result in us being able to optimise the number of races, reduce chances of abandonments, and improves Thoroughbred welfare.

#### Measure: Number of races run as percentage of planned races

This is an impact measure as while NZTR control the race meetings and cancellations, race abandonments are often affected by the quality of the track and weather on raceday. 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.

#### Performance Results:

For this year we have run slightly more races than planned. There can be many reasons for this, but having the synthetic tracks has enabled us to have less weather related cancellations in those regions.

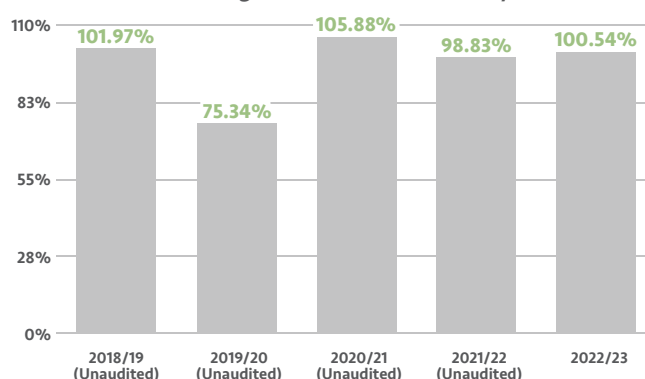
#### Measure: NZTR spend on Tracks

NZTR track infrastructure spend is the amount that NZTR is directly spending on supporting Clubs to improve and maintain their tracks to support track sustainability long-term. This is an output measure as NZTR controls its budget and expenditure. The expenditure excludes amounts spent directly by Clubs on their tracks and infrastructure.

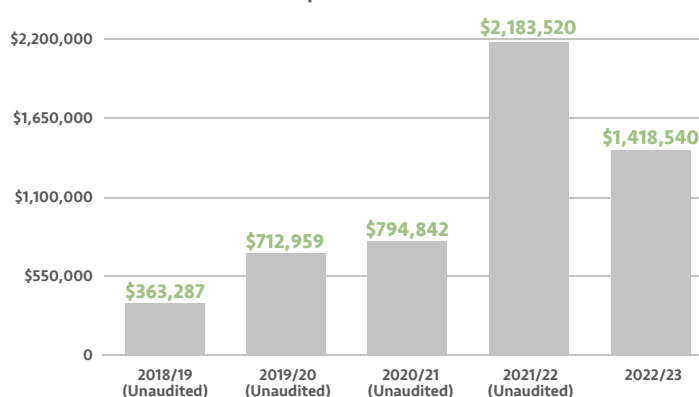
#### Performance Results:

The results are showing a pattern of an increased spend in this area, and this will continue to grow with more funds being made available over the coming years. In 2021/22 we had the reconstruction of the Te Aroha Track, and for 2022/23 we have completed the installation of plastic running rails at all racing venues as well as commencing initial work on the reconstruction of the Awapuni Course Proper.

Percentage of Planned Races Actually Run



NZTR Spend on Track Infrastructure



Note: figures includes direct and indirect costs and are net of any income contributions from the Clubs



## STATEMENT OF SERVICE PERFORMANCE CONTINUED

FOR THE YEAR ENDED 31 JULY 2023

### WAGERING AND PARTICIPATION

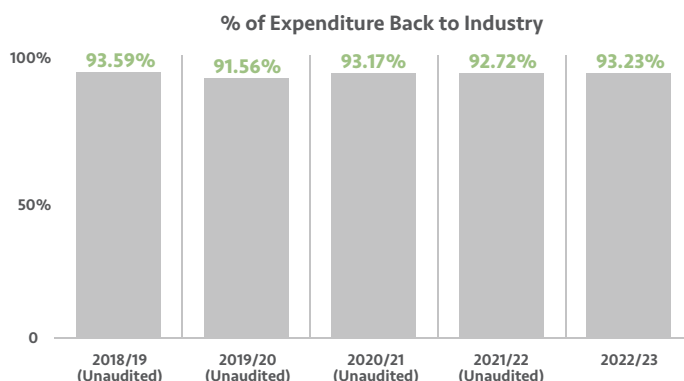
Improved wagering and participation is a strategic goal of NZTR because we are responsible for the promotion and development of the sport throughout New Zealand, and the success of this can be measured by increased participation and increased wagering.

#### Measure: Percentage of expenditure back to the industry

This 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 due to higher quality races being held. This is an output measure as NZTR has control over these budgets and expenditure.

#### Performance Results:

These results show that a high proportion of expenditure continues to go back to the industry each year.

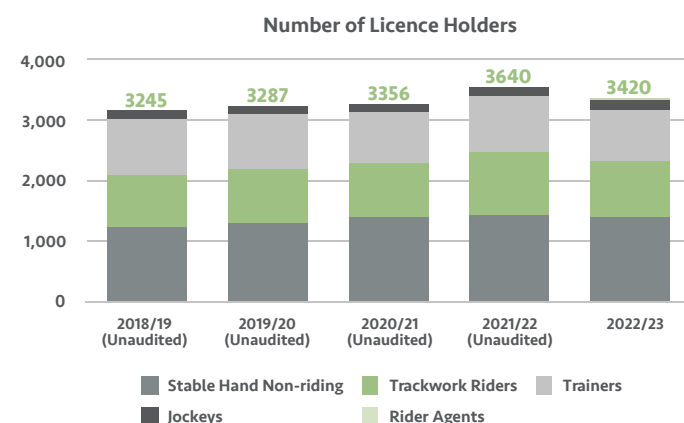


#### Measure: Number of Licence Holders

This measure shows us how many people are actively involved in the industry. NZTR issues annual licences based on applicants meeting set approval criteria, but this is an impact 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 with the move to more bigger training operations (rather than individuals), 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.

#### Performance Results:

These results show a consistent pattern of licences held across the board over the last five years, with a particular increase during the 2021/22 season. For the 2022/23 season NZTR offered free licensing so this is likely to have had an impact on the certainty of this years results, as some participants may have had their licences renewed without them actually being active in the industry.

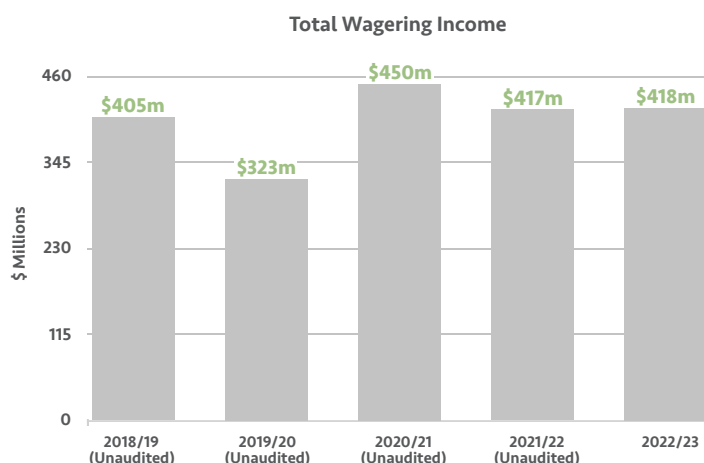


#### Measure: Wagering Income (from TAB NZ Entain Reports)

This impact 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 indirect influence over the total wagering income.

#### Performance Results:

Domestic wagering on New Zealand Thoroughbred racing was up \$1m in the 2022/2023 season. This was a solid result given the previous two seasons' turnover was positively impacted by high customer spend in the post COVID-19 economic boom.





MARKETING OF THE NATIONAL SPORT

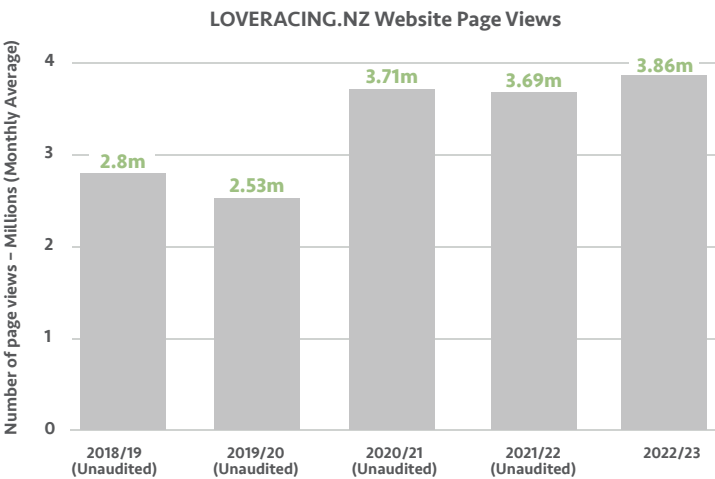
Delivery of an overarching marketing and promotional campaign to grow interest and participation in our sport is a strategic goal of NZTR, aiming to engage with all fans, both existing and future fans.

Measure: LOVERACING.NZ website page 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.

Performance Results:

Central to our marketing strategy is aggregation of audience and driving traffic to our LOVERACING.NZ website – through better engagement of current fans and introducing new ones. Over recent seasons we have had a strong focus on content creation (largely video and editorial) to the extent we have outsourced this activity to a media company (SENZ) to achieve scale and growth. This supports delivery of our content objectives. Therefore, continued growth in website traffic and engagement are all positive indicators of these strategies.





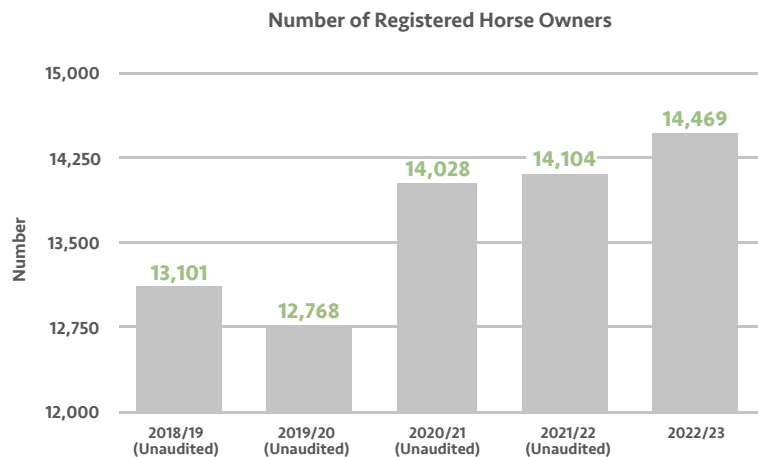
STATEMENT OF SERVICE PERFORMANCE CONTINUED  
FOR THE YEAR ENDED 31 JULY 2023

Measure: 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.

Performance Results:

The results show an increase in the number of registered horse Owners this year from last year. This increase does reflect that more horses are being raced by syndicates, therefore the average number of Owners per horse is increasing. Marketing activity to promote ownership is aligned to this shift towards syndication with promotional campaigns such as ‘Share the Thrill’ during the New Zealand Bloodstock National Yearling Sales Series.





# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 31 JULY 2023

		Actual 31 July 2023	Actual 31 July 2022
	Notes	\$	\$
<b>Revenue</b>			
Racing NZ	3.1.4	90,646,432	99,599,530
Raceday fees		926,105	700,691
Race programmes and other publications	3.1.1	6,327	77,191
Stud Book	3.1.1	1,401,147	1,458,325
Licence fees	3.1.1	24,180	267,887
Registrations	3.1.1	549,851	522,158
Interest	3.1.2	836,022	154,628
Sundry revenue	3.1.3	1,825,393	1,918,774
Funding from other sources for infrastructure projects		150,000	1,691,001
<b>Total revenue</b>		<b>96,365,457</b>	<b>106,390,185</b>
<b>Less expenses</b>			
Club payments (subsidies and prizemoney)	4.1	86,207,379	76,835,572
Other Club and industry support payments	4.2	3,003,235	2,593,739
Race programmes and other publications		43,200	41,298
Ownership, media and communications	4.3	2,864,655	1,433,539
Industry training and development		176,511	495,467
Property and central overheads		609,813	795,087
IT infrastructure and network costs		972,552	791,603
Special projects	4.5	1,201,280	2,700,533
Salaries and other staff costs		5,406,060	5,414,321
Infrastructure expenditure	4.7	181,607	3,108,356
Other department costs		712,646	533,881
Sundry costs	4.6	968,657	629,785
<b>Total expenses</b>		<b>102,347,595</b>	<b>95,373,182</b>
<b>Other expenses</b>			
Loss on disposal of The Races Limited Partnership		-	(320,005)
<b>Total surplus /(deficit)</b>		<b>(5,982,138)</b>	<b>10,696,998</b>
<b>Total comprehensive revenue and expense</b>		<b>(5,982,138)</b>	<b>10,696,998</b>

The accompanying accounting policies and notes form part of these financial statements.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2023

		Accumulated surplus	Infrastructure reserve	Welfare reserve	Sustainable reserve	Total accumulated reserves
	Notes	\$	\$	\$	\$	\$
<b>Accumulated reserves as at 1 August 2021</b>		13,577,005	4,300,000	-	-	17,877,005
NZTR surplus/(deficit) for the year ended 31 July 2022		10,696,998	-	-	-	10,696,998
Transfer to infrastructure reserve from accumulated surplus	11	(5,700,000)	5,700,000	-	-	-
Transfer to sustainable reserve from accumulated surplus	12	(10,000,000)	-	-	10,000,000	-
Transfer to welfare reserve from accumulated surplus	13	(327,925)	-	327,925	-	-
<b>Accumulated reserves as at 31 July 2022</b>		<b>8,246,077</b>	<b>10,000,000</b>	<b>327,925</b>	<b>10,000,000</b>	<b>28,574,002</b>

		Accumulated surplus	Infrastructure reserve	Welfare reserve	Sustainable reserve	Total accumulated reserves
		\$	\$	\$	\$	\$
<b>Accumulated reserves as at 1 August 2022</b>		8,246,077	10,000,000	327,925	10,000,000	28,574,002
NZTR surplus/(deficit) for the year ended 31 July 2023		(5,982,138)	-	-	-	(5,982,138)
Transfer to infrastructure reserve from accumulated surplus	11	-	-	-	-	-
Transfer from sustainable reserve to accumulated surplus	12	616,180	-	-	(616,180)	-
Transfer to welfare reserve from accumulated surplus	13	(281,499)	-	281,499	-	-
<b>Accumulated reserves as at 31 July 2023</b>		<b>2,598,620</b>	<b>10,000,000</b>	<b>609,424</b>	<b>9,383,820</b>	<b>22,591,864</b>

The accompanying accounting policies and notes form part of these financial statements.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION


AS AT 31 JULY 2023

	Notes	Actual 31 July 2023 \$	Actual 31 July 2022 \$
<b>Total accumulated reserves attributable to NZTR</b>		<b>22,591,864</b>	<b>28,574,002</b>
<b>Current assets</b>			
Cash and cash equivalents	2.1	15,886,735	7,304,018
Term deposits	2.1	5,516,372	17,268,819
Trade and sundry debtors from exchange transactions	2.2	934,695	1,741,747
Trade and sundry debtors from non-exchange transactions	2.2	57,429	149,119
Prepayments		169,162	362,676
Short term loans and advances	2.3	179,263	166,107
Code distribution account	2.2	6,775,815	8,490,235
<b>Total current assets</b>		<b>29,519,471</b>	<b>35,482,720</b>
<b>Less current liabilities</b>			
Trade and sundry creditors from exchange transactions	2.4	4,983,552	5,023,607
Trade and sundry creditors from non-exchange transactions	2.4	-	26,633
Employee entitlements	9	491,367	321,226
Fees and subscriptions in advance		1,136,470	835,018
Funds payable to Apprentice Jockeys	7.3.1	1,189,088	1,333,581
Other provisions	2.4	22,500	25,000
<b>Total current liabilities</b>		<b>7,822,977</b>	<b>7,565,065</b>
<b>Net current assets</b>		<b>21,696,494</b>	<b>27,917,655</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	307,785	126,009
Intangibles	6	-	-
Loans and advances	2.3	587,585	530,338
<b>Total non-current assets</b>		<b>895,370</b>	<b>656,347</b>
<b>Net assets</b>		<b>22,591,864</b>	<b>28,574,002</b>

The Financial Statements of New Zealand Thoroughbred Racing Incorporated have been accepted on behalf of the Board of Directors on 26 October 2023.



**Cameron George**  
Board Chair



**Mike Clarke**  
Audit and Risk Chair



## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2023

	31 July 2023	31 July 2022
Notes	\$	\$
<b>Cash flow from operating activities</b>		
Cash was provided from:		
Fees, services and subscriptions from exchange transactions	5,024,755	3,825,852
Receipts from the code distribution and other revenue	93,436,957	97,411,891
Interest income	815,861	188,083
	<b>99,277,573</b>	<b>101,425,826</b>
Cash was applied to:		
Payment to suppliers and employees	(12,519,713)	(15,558,992)
Payments to Clubs	(89,618,462)	(79,552,215)
	<b>(102,138,175)</b>	<b>(95,111,207)</b>
<b>Net cash flow from/(used in) operating activities</b>	<b>(2,860,602)</b>	<b>6,314,619</b>
<b>Cash flow from investing activities</b>		
Cash was provided from:		
Maturity in term deposits	35,608,174	19,800,000
Repayment of loans	2,620	6,703
	<b>35,610,794</b>	<b>19,806,703</b>
Cash was applied to:		
Purchase of property, plant and equipment	(238,723)	(160,937)
Investment in term deposits	(23,855,728)	(29,300,000)
Advance of loans	(73,023)	-
	<b>(24,167,474)</b>	<b>(29,460,937)</b>
<b>Net cash flow from/(used in) investing activities</b>	<b>11,443,320</b>	<b>(9,654,234)</b>
Net increase/(decrease) in cash held	8,582,717	(6,108,435)
Add opening cash and cash equivalents	7,304,018	13,412,453
<b>Total cash and cash equivalents</b>	<b>2.1 15,886,735</b>	<b>7,304,018</b>

The accompanying accounting policies and notes form part of these financial statements.



## RECONCILIATION OF OPERATING SURPLUS TO CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2023

	31 July 2023	31 July 2022
Notes	\$	\$
Total surplus/(deficit) for the year	(5,982,138)	10,696,998
<b>Add non-cash items</b>		
Depreciation	56,946	95,543
Amortisation	-	1,685
	<b>56,946</b>	<b>97,228</b>
Less loss on disposal in The Races Limited Partnership	-	320,005
<b>Less movement in other working capital items</b>		
Trade and sundry debtors and code distribution account	2,613,163	(5,420,094)
Prepayments	193,514	(168,699)
Trade and sundry creditors	(41,041)	366,899
Fees and subscriptions in advance	298,954	422,283
	<b>3,064,590</b>	<b>(4,799,612)</b>
<b>Net cash flow from/(used in) operating activities</b>	<b>(2,860,602)</b>	<b>6,314,619</b>

The accompanying accounting policies and notes form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

The notes to the financial statements include information which is required to understand the treatment, recognition and measurement of the transactions which compile the financial statements, and information that is material and relevant to the operations of NZTR.

The notes to the financial statements are organised into the following sections:

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### Note 1 – Basis for Preparation

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### Note 2 – Financial Instruments

- 2.1 Cash and cash equivalents
  - 2.2 Trade and sundry debtors and revenue receivable
  - 2.3 Club loans and advances
  - 2.4 Other financial liabilities
  - 2.5 Financial instrument risk
  - 2.6 Financial guarantee contracts
- 

### Note 3 – Revenue

- 3.1 Revenue from exchange transactions
    - 3.1.1 Registrations, Stud Book, licensing, race programmes and other publications
    - 3.1.2 Interest
    - 3.1.3 Sundry revenue
    - 3.1.4 Racing NZ code distribution and other revenue
    - 3.1.5 Fees and subscriptions in advance
    - 3.1.6 Revenue from operating leases
- 

### Note 4 – Expenditure

- 4.1 Club payments (subsidies and prizemoney)
  - 4.2 Other Club and industry support payments
  - 4.3 Ownership, media and communications
  - 4.4 Depreciation and amortisation
  - 4.5 Special projects
  - 4.6 Sundry costs
  - 4.7 Infrastructure expenditure
- 

### Note 5 – Operating Leases

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### Note 6 – Property, plant, equipment and intangible assets

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### Note 7 – Related parties

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### Note 8 – Insurance and indemnities

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### Note 9 – Employee remuneration and entitlements

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### Note 10 – Contingent liabilities

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### Note 11 – Infrastructure reserve

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### Note 12 – Sustainable reserve

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### Note 13 – Welfare reserve

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### Note 14 – Capital commitments

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### Note 15 – Subsequent events

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## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2023

#### 1. BASIS OF PREPARATION

##### Reporting entity and statutory base

New Zealand Thoroughbred Racing Incorporated ("NZTR") is an Incorporated Society registered and domiciled in New Zealand. It is a racing code as defined in the Racing Industry Act 2020. Its principal activity is to govern and promote Thoroughbred racing in New Zealand.

The primary objectives of NZTR are to:

- supply Thoroughbred races for entertainment and wagering;
- determine the Thoroughbred code's business plan, including performance targets and distribution of funds to maximise and sustain financial benefits to the Thoroughbred industry; and
- define, regulate and amend the policies and the Rules of Racing of the Thoroughbred code.

Any equity has been provided with a view to supporting these primary objectives rather than making a financial return. Accordingly, NZTR has designated itself as a public benefit entity for financial reporting purposes.

##### Statement of compliance

The financial statements have been 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.

##### Basis of preparation

These financial statements have been prepared on the basis of historical cost. Cost is based on the fair value of the consideration given in exchange for assets.

The Board and Chief Executive consider NZTR as a going concern, that will continue to operate in the foreseeable future.

Accounting policies are selected and applied in a manner that ensures the resulting financial information satisfies the concepts of relevance and reliability.

These financial statements are the consolidated financial statements of NZTR. Consolidation includes the combined results of operations, assets and liabilities of both the General Trust Fund (GTF) and the Apprentice Jockey Fund (AJF).

NZTR and such entities are together referred to in these financial statements as NZTR or the Group.

These financial statements are prepared in New Zealand dollars, which is the functional currency of NZTR and all values are rounded to the nearest dollar.

Certain prior year comparatives have been reclassified to align with current year.

These financial statements have been prepared exclusive of GST, with the exception of receivables and payables, which include GST invoiced.

##### Changes in accounting policies

For this year end NZTR have adopted PBE FRS 48. This new standard requires organisations to provide service performance reporting as part of the suite of general-purpose financial reports. A Statement of Service Performance is included in this Financial Report.

PBE IPSAS 41 Financial Instruments has also been adopted this year. This has not resulted in any changes needing to be made in the recognition and measurement of our financial instruments. Financial assets previously classified as loans and receivables are now classified as financial assets at amortised costs with impairment measured using an expected credit loss model.



### Critical accounting estimates and assumptions

In preparing these financial statements, NZTR has made estimates and assumptions concerning the future. These estimates and assumptions may differ from actual results. The significant estimates and assumptions are as follows:

- **Loans and advances:** The carrying values of the loans and advances assume that no debtor will default on any instalment due and that the guarantee over the loan is equal to or higher than the value of the loan. At balance date the carrying value of the loans was face value plus any capitalised interest.

### Taxation

NZTR is exempt from income tax pursuant to section CW 47 of the Income Tax Act 2007.

### Specific definitions

Throughout this report specific language is used to refer to industry activity. Some definitions specific to the racing industry are detailed below.

**Codes:** Codes refers to the racing industry bodies, namely Harness Racing New Zealand Incorporated, New Zealand Greyhound Racing Association Incorporated and New Zealand Thoroughbred Racing Incorporated.

**Code funding distribution agreement:** The code funding distribution agreement refers to the relevant inter-code agreement between the TAB NZ and the codes via Racing New Zealand. TAB NZ entered into a Strategic Partnering Arrangement in June 2023 for the outsourcing of wagering operations to Entain Australia and New Zealand. TAB NZ receives the wagering funds from Entain, then distributes it to Racing NZ who make distributions to NZTR and the other codes under section 71(2)(b) of the Racing Industry Act 2020.

**Club funding policy:** The Club funding policy represents the agreed methodology by which NZTR will distribute funds to Thoroughbred Clubs for prizemoney and other racing activities.

**Racing New Zealand:** Racing NZ is the consultative forum established by the Racing Industry Act 2020. It represents the codes in negotiations and interactions with other bodies. TAB NZ provides the code distribution to Racing NZ. Racing NZ provides the code distribution to each of the codes.



## 2. FINANCIAL INSTRUMENTS

NZTR's financial instruments are principally debtors, cash and cash equivalents, short-term bank investments, loans and advances, creditors and employee entitlements.

### Financial instrument categories

NZTR classifies its financial assets as financial assets at amortised cost. Financial liabilities are measured at amortised cost.

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

At the end of each reporting period, and whenever circumstances warrant, loans and receivables are assessed for objective evidence of impairment. Impairment is considered incurred as a result of one or more events which has an impact on the estimated future cash flows of that asset and can be estimated reliably. Any financial asset impairment loss is recognised through the statement of comprehensive revenue and expense. Impairment is calculated using the expected credit loss model.

### 2.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, cash at bank, and call deposits with an original maturity date of less than three months.

NZTR places surplus funds on term deposit with the following objectives;

- to ensure credit risk is minimised as far as possible;
- to ensure liquid funds are available when necessary; and
- to maximise interest revenue.

All NZTR operational bank accounts and short-term deposits are held with ANZ Banking Corporation Limited, which has an AA-credit rating.

All cash or call deposit balances held by NZTR are available for use. The carrying values of cash and cash equivalents approximate their fair values.

The maximum credit exposure over cash and cash equivalents is limited to the carrying value of the cash and call deposits.

	31 July 2023 \$	31 July 2022 \$
Operational bank account and cash on hand	69,991	41,000
GST refund account	475,901	468,022
On call accounts	11,559,036	3,920,723
Short-term deposits	3,000,000	2,500,000
<b>NZTR cash and cash equivalents</b>	<b>15,104,928</b>	<b>6,929,745</b>
<b>Restricted Funds</b>		
Total cash held for Apprentice Jockey Fund	605,854	224,179
Total cash held for General Trust Fund	175,953	150,094
<b>Total cash and cash equivalents</b>	<b>15,886,735</b>	<b>7,304,018</b>
<b>Investments - term deposits for NZTR</b>		
Investments - term deposits for Apprentice Jockey Fund	1,356,902	1,600,000
Investments - term deposits for General Trust Fund	1,159,470	1,168,819
<b>Total Term Deposits</b>	<b>5,516,372</b>	<b>17,268,819</b>

Cash balances held for the Apprentice Jockey Fund and the General Trust Fund are not available for NZTR operational expenditure. They are held for the explicit purposes expressed in the Rules of Racing.



## 2.2 TRADE AND SUNDRY DEBTORS, AND CODE DISTRIBUTION RECEIVABLE

Trade and sundry debtors and code distribution receivable are initially recognised at the fair value of the amounts to be received. They are subsequently measured at amortised cost, using the effective interest method, less impairment and expected credit loss.

	31 July 2023 \$	31 July 2022 \$
<b>Trade and sundry debtors</b>		
Trade debtors from exchange transactions	462,532	1,738,129
Accrued income from exchange transactions	412,180	-
Interest receivable	59,983	3,618
	<b>934,695</b>	<b>1,741,747</b>
Trade debtors from non-exchange transactions	54,093	89,303
GST receivable	3,336	59,815
	<b>57,429</b>	<b>149,119</b>
Code Distribution Receivable (Racing NZ)	6,775,815	8,490,235
	<b>6,775,815</b>	<b>8,490,235</b>
<b>Total trade and sundry debtors, and code distribution receivable</b>	<b>7,767,939</b>	<b>10,381,100</b>
<b>Due date profile</b>		
Not past due	7,608,535	9,837,398
Past due 1 - 30 days	57,557	307,369
Past due 31 - 60 days	27,472	79,650
Past due 61	74,375	156,682
<b>Total trade and sundry debtors, and code distribution receivable</b>	<b>7,767,939</b>	<b>10,381,099</b>

NZTR has reviewed all trade and sundry debtors, and code distribution receivable for collectability. There is an allowance for expected credit loss recognised on trade or other receivables as at 31 July 2023 of \$146,418 (2022: \$82,600). The provision recognises expected credit losses based on debts due that are being actively pursued but are considered doubtful, have been placed with a debt collection agency, or where the debtor has been placed on the Arrears List.

## 2.3 CLUB LOANS AND ADVANCES

NZTR has advanced loans primarily to assist Clubs with infrastructure projects. Loans and advances are recognised when the Club becomes party to the contractual provisions of the financial instrument. Loans and advances are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and advances are measured at amortised cost using the effective interest method.

NZTR holds bank guarantees or security over the assets of each Club provided with a loan or advance. The value of assets for which the security rests is in excess of the loan amounts outstanding.

The NZTR Board has determined that the carrying value of the loans materially approximates their fair value as at 31 July 2023.

	Interest rate	31 July 2023 \$	31 July 2022 \$
<b>Short term loans and advances</b>			
Ōtaki-Māori Racing Club Inc	OCR + 3.5%	179,263	166,107
<b>Total short term loans and advances</b>		<b>179,263</b>	<b>166,107</b>
<b>Non-current loans and advances</b>			
Hawke's Bay Racing Inc.	OCR + 1.5%	59,868	-
RACE Inc.	OCR + 1%	527,717	530,338
<b>Total non-current loans and advances</b>		<b>587,585</b>	<b>530,338</b>
<b>Total loans</b>		<b>766,848</b>	<b>696,446</b>

Loans are due to be settled on the following settlement dates:

Ōtaki-Māori Racing Club Inc.	31 March 2024
Hawke's Bay Racing Inc.	03 May 2026
RACE Inc.	01 May 2027

The Ōtaki-Māori Racing Club loan had been due to be settled on 31 July 2023, but an extension to 31 March 2024 was approved by the board on 6 October 2023 and was enacted on 10 October 2023.

## 2.4 OTHER FINANCIAL LIABILITIES

NZTR classifies all its financial liabilities as other financial liabilities. Trade and sundry payables are recognised when NZTR becomes obliged to make future payments. Trade and sundry payables are measured at amortised cost using the effective interest method.

Employee entitlement liabilities for annual leave and other contractual payments expected to be settled within 12 months of the reporting date are recognised for employee services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

	31 July 2023 \$	31 July 2022 \$
<b>Trade and sundry payables</b>		
Trade creditors from exchange transactions	4,983,552	5,023,607
Transfers payable	-	26,663
	<b>4,983,552</b>	<b>5,050,240</b>
<b>Other provisions</b>		
International Apprentice Jockey fee refunds	22,500	25,000
<b>Total other financial liabilities</b>	<b>5,006,052</b>	<b>5,075,240</b>

No interest is incurred on trade creditors unless the amounts payable fall overdue. Interest is charged at the discretion of the creditor. NZTR has financial risk management policies in place to ensure all payables are paid within the credit time frame.



## 2.5 FINANCIAL INSTRUMENT RISKS

NZTR's activities expose it to a variety of financial instrument risks, including interest rate risk, credit risk and liquidity risk. NZTR seeks to minimise exposure from financial instruments by not allowing any transactions that are speculative in nature.

### 2.5.1 CAPITAL RISK MANAGEMENT

NZTR's capital is its accumulated funds represented by net assets. NZTR manages its equity as a by-product of prudent financial dealings, to ensure that NZTR effectively achieves its objectives and purpose while remaining a going concern.

### 2.5.2 INTEREST RATE MANAGEMENT

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. NZTR's exposure to interest rate risk is limited to bank deposits and term deposits that are held at fixed rates of interest. NZTR manages its exposure to interest rate risk using registered AA rated banks.

### 2.5.3 LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that NZTR will encounter difficulties in meeting its payment obligations associated with financial liabilities as they fall due. In 2022/23, NZTR's revenue was primarily received from Racing NZ. The draw on this distribution is managed by monitoring forecast racing events and actual cash flow requirements. Adequate cash reserves of liquid short-term deposits are maintained to satisfy anticipated capital expenditure and committed infrastructure projects.

All trade and sundry payables are due within three months.

### 2.5.4 CREDIT RISK MANAGEMENT

Credit risk refers to the risk that a third party will default on its contractual obligations resulting in financial loss to NZTR. NZTR invests surplus funds with registered AA rated banks.

In the normal course of business NZTR is exposed to credit risk from cash and term deposits with banks, receivables, and financial instrument assets. For each of these, the maximum credit exposure is best represented by the carrying amount in the Statement of Financial Position.

There is an inherent credit risk for loans and advances made to Thoroughbred racing Clubs. NZTR holds sufficient mortgage or guarantee security over all loans and advances, which are reviewed on a regular basis.

	31 July 2023	31 July 2022
Cash and cash equivalents	15,886,735	7,304,018
Term Deposits	5,516,372	17,268,819
Receivables	7,767,939	10,381,100
Loans	766,848	696,446
<b>Total financial instruments</b>	<b>29,937,894</b>	<b>35,650,383</b>

## 2.6 FINANCIAL GUARANTEE CONTRACTS

### 2.6.1 NEW ZEALAND BLOODSTOCK INSURANCE PEARL SERIES (THE “SCHEME”)

The NZB Insurance Pearl Series is a bonus scheme for NZ-bred fillies and mares. The Scheme paid out \$647,000 in bonuses in the 2022/23 season and more than \$4.6 million over the last 10 seasons. Each horse nominated for the Scheme has been eligible to run in around 240 races over their two, three, four and five-year-old racing careers. The Scheme will pay bonuses for each race of up to \$27,500 to eligible horses spread across the first three placegetters, up from \$14,500 last season. From the 2023/24 season, Entain are contributing \$500,000 to the Scheme for four seasons. There will also be a Pearl Series final run, with a \$100,000 bonus for the winner of that race. The Scheme has been designed to benefit Owners, Trainers and Breeders of fillies and mares running in New Zealand and is available in all regions of the country. All bonuses are cumulative, which means a horse can win multiple bonuses throughout her racing career.

304 fillies and mares are registered as at 31 July 2023 (2022: 392). NZTR has a contingent liability of \$1,376,900 (2022: \$1,139,100) should the entrance fees from fillies and mares registering for the Scheme be below the value of the bonus Scheme.

## 3. REVENUE

NZTR is primarily funded through distributions from the Racing NZ, raceday fees, registration and licensing fees.

Under the current suite of accounting standards, PBE IPSAS 9 and IPSAS 23, revenue is required to be classified as either revenue from exchange transactions or revenue from non-exchange transactions in the statement of comprehensive revenue and expenses. All major classes of revenue are separately disclosed in the statement of comprehensive revenue and expenses and are further detailed in the notes below.

Revenue is measured at fair value of consideration received.

### 3.1 REVENUE FROM EXCHANGE TRANSACTIONS

NZTR's sales of goods or services are classified as exchange transactions. The specific accounting policies applicable to NZTR's exchange transactions are as follows:

#### 3.1.1 REGISTRATIONS, STUD BOOK, LICENSING, NOMINATIONS, ACCEPTANCE AND SCRATCHING FEES, RACING PROGRAMMES AND OTHER PUBLICATIONS

Revenue is recognised once the service has been provided which is either at the time of invoicing or when a payment is made for goods/services. One-off receipts are recorded under sundry revenue in the statement of comprehensive revenue and expenses. Registrations, Stud Book, raceday fees, licensing fees, racing programme subscriptions and other publications are disclosed separately.

#### 3.1.2 INTEREST

Interest revenue is recognised on a time-proportionate basis that takes into account the effective yield on the financial asset.



### 3.1.3 SUNDRY REVENUE

Sundry revenue is recognised once the service has been provided or liability of the goods has passed. Sundry revenue is made up of the following receipts.

	31 July 2023 \$	31 July 2022 \$
Event services income	-	155,480
FastTrack Insurance - Sponsorship	40,989	47,269
Late payment fees	30,000	44,700
IT - Database Sales	38,288	29,776
PITO Apprentices revenue and service fees	86,510	63,592
International Student revenue	7,804	2,208
GTF revenue	-	144,728
Fines	81,061	160,984
Thoroughbred Welfare levy	845,158	725,068
Gain on sale of assets	-	54,099
Bad debt recovery	1,333	717
Pearl Series	247,325	358,675
Other	446,925	131,479
<b>Total sundry revenue</b>	<b>1,825,393</b>	<b>1,918,774</b>
Sundry revenue from exchange transactions	899,174	1,032,722
Sundry revenue from non-exchange transactions	926,219	886,052
	<b>1,825,393</b>	<b>1,918,774</b>

### 3.1.4 RACING NZ CODE DISTRIBUTION AND OTHER REVENUE

Revenue is recognised pursuant to section 71(2)(b) of the Racing Industry Act 2020. The total distribution is a combination of domestic profit, export and import earnings as per the code funding distribution agreement. This revenue is recognised as an exchange transaction, as NZTR supplies its racing product to TAB NZ in exchange for its share of the code distribution.

The breakdown is as follows:

	31 July 2023 \$	31 July 2022 \$
Tabcorp Export	8,040,412	7,370,669
Corporate bookmaker	11,961,804	11,284,274
Imported and sport profit and duty	36,133,418	40,478,709
Domestic profit and duty	34,510,798	39,176,026
Stakes Enhancement Fund	-	1,289,852
<b>Total funding recognised from Racing NZ</b>	<b>90,646,432</b>	<b>99,599,530</b>

Income was impacted by a decrease in funding from Racing New Zealand of \$7.6m, due to a decrease in profit distributions from TAB NZ to Racing NZ. There were no Stakes Enhancement Funds received in 2022/23. The Stakes Enhancement Funds received in 2021/22 were invested in infrastructure.

Pursuant to Section 19 of the Racing Act 2020, each racing code is responsible for the distribution of funding to the Clubs in line with its funding policy. Expenditure is recognised when payments are made to Clubs (funding) and stakeholders (prizemoney). At balance date payments that have not been made are accrued for.

### 3.1.5 FEES AND SUBSCRIPTIONS IN ADVANCE

Fees and subscriptions in advance are funds that are received for services or goods that have not yet been delivered. If revenue is received before the services or goods are rendered, then it is recorded as a liability and recognised as revenue over the period for which the services or goods are delivered.

### 3.1.6 OPERATING LEASE COMMITMENT AS A LESSOR

NZTR has a sublease for part of the office space in Cambridge. The minimum future lease payments to be collected under this non-cancellable operating lease are as follows.

Up to 1 year	\$20,450
1 to 5 years	\$5,150
5+ years	-
<b>Total commitment</b>	<b>\$25,600</b>

## 4. EXPENDITURE

NZTR reports its comprehensive revenue and expenses and financial position by function. The following tables outline the expense by nature within each function. Depreciation is charged on the basis of asset utilisation. Employment costs are charged on the basis of actual time incurred.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

### 4.1 CLUB PAYMENTS (SUBSIDIES AND PRIZEMONEY)

	31 July 2023 \$	31 July 2022 \$
Prizemoney	69,590,228	63,019,388
Club funding	16,617,151	13,816,184
<b>Total Club payments (subsidies and prizemoney)</b>	<b>86,207,379</b>	<b>76,835,572</b>

### 4.2 OTHER CLUB AND INDUSTRY SUPPORT PAYMENTS

	31 July 2023 \$	31 July 2022 \$
St John Ambulance	548,116	524,469
Track & surface maintenance programme	785,750	541,784
Industry grants	264,479	234,159
Thoroughbred welfare	606,602	397,143
Participant welfare	176,733	198,195
Rider concussion testing and helmets	80,832	70,344
Club liability insurance	134,572	121,037
Compensation for abandoned meeting costs	389,740	434,462
Other funding	16,411	72,146
<b>Total other club and industry support payments</b>	<b>3,003,235</b>	<b>2,593,739</b>



### 4.3 OWNERSHIP, MEDIA AND COMMUNICATION

	31 July 2023 \$	31 July 2022 \$
Advertising	491,388	256,644
Marketing - Ownership Review	-	20,000
Travel and accommodation	50,122	35,869
NZME	59,158	254,293
Ownership strategy	26,269	47,284
Preview comments	56,465	64,465
Public relations	628	9,154
Strategic planning	-	11,306
New Zealand Thoroughbred Horse of the Year Awards	93,457	31,550
Events services	29,037	406,237
The Grand Tour Racing Festival	914,899	-
Other	24,103	30,567
	1,745,526	1,167,369
Digital Media Content	1,119,129	266,169
<b>Total ownership, media and communications</b>	<b>2,864,655</b>	<b>1,433,538</b>

The expenditure on Ownership, Media and Communications was \$2.8m (2022: \$1.4m). The increase was primarily due to the outsourcing of Digital Media Content previously delivered in-house. As a result, savings in other cost categories have occurred including SENTrack categorised under Special Projects of \$400k, and salaries due to the transfer of four employees from NZTR under the outsourcing agreement. The expenditure on The Grand Tour Racing Festival in 2023 of \$914,899 (2022: \$Nil) is partially offset by the decrease in Event Services to \$29k (2022: \$406k).

### 4.4 DEPRECIATION AND AMORTISATION

	31 July 2023 \$	31 July 2022 \$
Furniture, Office Equipment and Motor Vehicles	12,976	56,090
IT Software	-	1,685
IT Hardware	28,913	31,861
Infrastructure Equipment	15,057	7,593
<b>Total depreciation and amortisation</b>	<b>56,946</b>	<b>97,228</b>

## 4.5 SPECIAL PROJECTS

	31 July 2023 \$	31 July 2022 \$
Single National System	817,065	1,002,201
NZTR website reskin	-	897,216
Clubs Digital & New Zealand Media and Entertainment	-	20,000
SENTrack	-	400,119
Central Districts Club Hub Project	109,811	222,287
Awapuni reconstruction	145,550	-
Venue rationalisation	128,854	-
Other	-	158,710
<b>Total special projects</b>	<b>1,201,280</b>	<b>2,700,533</b>

Additional funding received from Racing NZ and other sources to support the costs of the majority of special projects are reported under 3.1.3 sundry revenue, 3.1.4 Racing NZ code distribution, and funding from other sources for infrastructure projects.

Single National System is the project which began in 2019/20 to upgrade NZTR's racing system using Racing Australia's administration system.

## 4.6 SUNDRY COSTS

	31 July 2023 \$	31 July 2022 \$
Board and Members' Council expenses	44,556	21,514
Board fees	255,102	217,829
Diligent Board books	5,337	27,933
Legal fees	182,194	63,668
Audit fees	60,293	47,000
Bad and doubtful debts	63,818	16,825
Professional services	200,992	66,040
General expenses (including GTF and AJF)	156,365	168,976
<b>Total sundry costs</b>	<b>968,657</b>	<b>629,785</b>

Audit fees of \$60,293 have been recognised for the audit by Deloitte Limited of NZTR's annual financial report (2022: \$47,000). Other services of \$18,025 have been provided by Deloitte in relation to taxation services and scrutineering of the New Zealand Thoroughbred Horse of the Year Awards (2022: \$36,150). The increase in audit fees compared to prior year is mainly due to the extra effort required to audit the Statement of Service Performance now required under PBE FRS 48.

## 4.7 INFRASTRUCTURE COSTS

	31 July 2023 \$	31 July 2022 \$
Track management	103,729	469,027
Awapuni synthetic	16,221	352,557
Riccarton synthetic	-	336,852
Cambridge synthetic	-	333,333
Te Aroha	-	1,616,587
Hawke's Bay feasibility	61,657	-
<b>Total infrastructure costs</b>	<b>181,607</b>	<b>3,108,356</b>

These totals differ from the Track Infrastructure spend in the Statement of Service Performance, due to some expenditure being classified elsewhere in the financial report, such as Property, Plant and Equipment, and Special Projects.



## 5. OPERATING LEASES

An operating lease is a lease that does not substantially transfer all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

- 106-110 Jackson Street, Petone, Wellington. Commenced 1 August 2015 with three years right of renewal and a final expiry date of 6 August 2023.

The following commitments are based on the current lease terms.

	31 July 2023 \$	31 July 2022 \$
Lease on premises		
Up to 1 year	161,806	126,062
1 to 5 years	13,892	2,072
<b>Total minimum lease payments</b>	<b>175,698</b>	<b>128,134</b>

There are no leases held by either the Apprentice Jockey Fund or the General Trust Fund.

## 6. PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

### 6.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis. This allows the cost of each asset to be allocated over its expected useful life and to its estimated residual value. Depreciation is recognised within the applicable function in the statement of comprehensive revenue and expense. The estimated useful life, residual values and depreciation methods are reviewed at the end of each period.

- Buildings 20.00%
- Office equipment 20.00%
- Motor vehicles 33.33%
- Computer hardware 33.33%
- Racecourse equipment 10.00%

Any gain or loss on disposal, which is calculated as the difference between the net proceeds from disposal and the carrying amount of the item, is recognised in the statement of comprehensive revenue and expense within the function holding the disposed asset.

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the extent, if any, of the impairment loss recognised in the statement of comprehensive revenue and expense.

### 6.2. INTANGIBLE ASSETS

NZTR develops specialised software for its own use in the business. The cost of internally generated software comprises all directly attributable costs necessary to create and prepare the asset to be capable of operating in the manner intended by management.

Computer software and website development is a finite life intangible asset and is recorded at cost, less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over the estimated useful life of three or five years and is recognised within the statement of comprehensive revenue and expense.

Any gains or losses on disposal, which is calculated as the difference between the net proceeds from disposal and the carrying amount of the item, is recognised in the statement of comprehensive revenue and expense within IT infrastructure and network costs.

The carrying amounts of intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated to determine the extent of recognition in the statement of comprehensive revenue and expense.

## PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

AS AT 31 JULY 2023

	Office equipment \$	Motor vehicles \$	Computer hardware \$	Racecourse equipment \$	Event infrastructure \$	Intangibles \$	31 July 2023 Total \$
<b>Cost</b>							
Balance at 1 August 2022	643,357	188,660	280,059	197,431	-	4,473,514	5,783,021
Additions	2,524	-	5,597	284,700	-	-	292,821
Disposals	(619,259)	-	(119,127)	(27,300)	-	(2,162,967)	(2,928,653)
Balance at 31 July 2023	26,622	188,660	166,529	454,831	-	2,310,547	3,147,189
<b>Accumulated depreciation</b>							
Balance at 1 August 2022	634,128	124,314	229,496	195,560	-	4,473,514	5,657,012
Depreciation expense for the year	6,160	6,816	28,913	15,057	-	-	56,946
Disposals	(619,259)	54,099	(119,127)	(27,300)	-	(2,162,967)	(2,874,554)
Balance at 31 July 2023	21,029	185,229	139,282	183,317	-	2,310,547	2,839,404
<b>Net book value</b>							
Balance at 31 July 2023	5,593	3,431	27,246	271,514	-	-	307,785

## PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

AS AT 31 JULY 2022

	Office equipment \$	Motor vehicles \$	Computer hardware \$	Racecourse equipment \$	Event infrastructure \$	Intangibles \$	31 July 2022 Total \$
<b>Cost</b>							
Balance at 1 August 2021	643,357	180,510	251,742	197,431	-	4,473,514	5,746,554
Additions	-	408,894	36,467	-	30,456	-	475,817
Disposals	-	(400,744)	(8,150)	-	(30,456)	-	(439,350)
Balance at 31 July 2022	643,357	188,660	280,059	197,431	-	4,473,514	5,783,021
<b>Accumulated depreciation</b>							
Balance at 1 August 2021	618,517	167,157	197,635	195,040	-	4,471,829	5,650,178
Depreciation expense for the year	15,611	39,958	31,861	520	7,593	1,685	97,228
Disposals	-	(82,801)	-	-	(7,593)	-	(90,394)
Balance at 31 July 2022	634,128	124,314	229,496	195,560	-	4,473,514	5,657,012
<b>Net book value</b>							
Balance at 31 July 2022	9,229	64,346	50,563	1,871	-	-	126,009



## 7. RELATED PARTY TRANSACTIONS

As part of its normal operations, NZTR transacts with Thoroughbred racing Clubs and Thoroughbred kindred bodies across New Zealand. These transactions include receipt of levies, prizemoney, and other fees and the administration of the NZTR code distribution from Racing NZ.

### 7.1 BOARD

All members of NZTR's Board (or their immediate families) may have interests in Thoroughbred racing in New Zealand through ownership, breeding or training. All members of the Board may race horses and be eligible for prizemoney from Thoroughbred racing Clubs.

In accordance with NZTR's Constitution a person is not eligible for appointment to the NZTR's Board if they are a licensee as per the NZTR Rules of Racing, or a member of the Members' Council, or a Trustee of a gaming trust, or a member of a Committee or an employee of a Club, racing association or any of the racing codes.

In the financial year, no services were purchased by NZTR from businesses owned or operated by NZTR Board members.

### 7.2 BOARD MEMBERS AND KEY MANAGEMENT PERSONNEL

Key management personnel are those persons who have the authority and responsibility for planning, directing and controlling the activities of NZTR. In addition to the members of the NZTR Board, the following employed positions are considered key management personnel and form the executive team:

- Chief Executive Officer
- Chief Operating Officer
- Head of Funding and Analytics
- Head of People and Culture
- Head of Marketing, Communications and Wagering Partnerships
- Head of Finance
- Head of IT
- Head of Legal and Compliance

As at 31 July 2023, the NZTR Board comprised seven members (2022: seven members).

The remuneration of Board members and other key management personnel during the financial year were as follows:

	31 July 2023 \$	31 July 2022 \$
Board members' fees	255,102	217,829
Remuneration and other short-term employee benefits	1,472,739	1,433,249
<b>Total Board members and key management personnel</b>	<b>1,727,841</b>	<b>1,651,077</b>

## 7.3 OTHER RELATED PARTIES

NZTR entered into transactions during the period with the following related parties:

### 7.3.1 APPRENTICE JOCKEYS' FUND

The Apprentice Jockeys' Fund (AJF) was established under Rule 1310 of the Rules of Racing and is managed by the NZTR Chairman and Chief Executive as part of NZTR's broader operations. The purpose of the fund is to hold income earned from an Apprentice Jockey until such time as they finish their apprenticeship. The aim is for an Apprentice to finish their apprenticeship with financial backing to ensure they are suitably funded when they become a self-employed Jockey. Payments to Apprentice Jockeys are made during the term of their apprenticeship for living costs and additional riding costs not covered by their employer.

Revenue and expenditure recognised through the statement of comprehensive revenue and expenditure consists of interest received and bank fees.

### 7.3.2 GENERAL TRUST FUND

The General Trust Fund (GTF) was established under Rule 1301 of the Rules of Racing to financially support licencees when they become injured as a result of an accident while carrying out duties in their capacity as a licencee or, in some instances, where serious illness prevents their ability to carry out duties in their capacity as a licencee. Funding for the GTF is provided from NZTR's broader operations, including an allocation to the GTF of fines paid to NZTR.

Revenue and expenditure recognised through the statement of comprehensive revenue and expenditure mainly consists of interest received, bank fees, and grants disbursed to licenced persons.

### 7.3.3 NEW ZEALAND THOROUGHBRED RACING CLUBS

While Thoroughbred racing Clubs are not related parties by interpretation of accounting standards, it is acknowledged that NZTR has provided loans and advances to Thoroughbred racing Clubs during the year. Details relating to the terms and outstanding balances of Club loans are disclosed in note 2.3.

### 7.3.4 TAB NEW ZEALAND

TAB NZ began on 1 August 2020. Its primary purpose is to promote the racing industry and maximise the proceeds of wagering for the benefit of the racing industry, comprising the Thoroughbred, Harness and Greyhound racing codes. TAB NZ charges NZTR with associated industry operating costs such as IT, shared property costs, broadcast services and venue services. TAB NZ has outsourced the majority of its operations to Entain Australia and New Zealand under a Strategic Partnering Arrangement that was signed in June 2023.

## 8. INSURANCE AND INDEMNITIES

NZTR provides Board member and officers' liability, statutory liability and professional indemnity insurance cover in respect of liability for losses or costs being incurred by a member of the Board or an employee of NZTR in the course of their duties to NZTR. NZTR indemnifies employees in respect of liability for loss or costs they incur in the course of their duties to NZTR provided that they have acted in good faith and in accordance with internal processes and practices.

NZTR holds a suite of liability insurance products on behalf of racing Clubs. These include professional indemnity, internet liability, crime liability, employment disputes, legal prosecution defence, general liability, statutory liability, employers' liability and associations' liability insurances. Clubs are advised to maintain their own insurance over property, plant and equipment.



## 9. EMPLOYEE REMUNERATION AND ENTITLEMENTS

Provision is made for entitlements accruing to employees in respect of wages and salaries, annual leave and retirement entitlements when it is probable that settlement will be required and they are capable of being measured reliably.

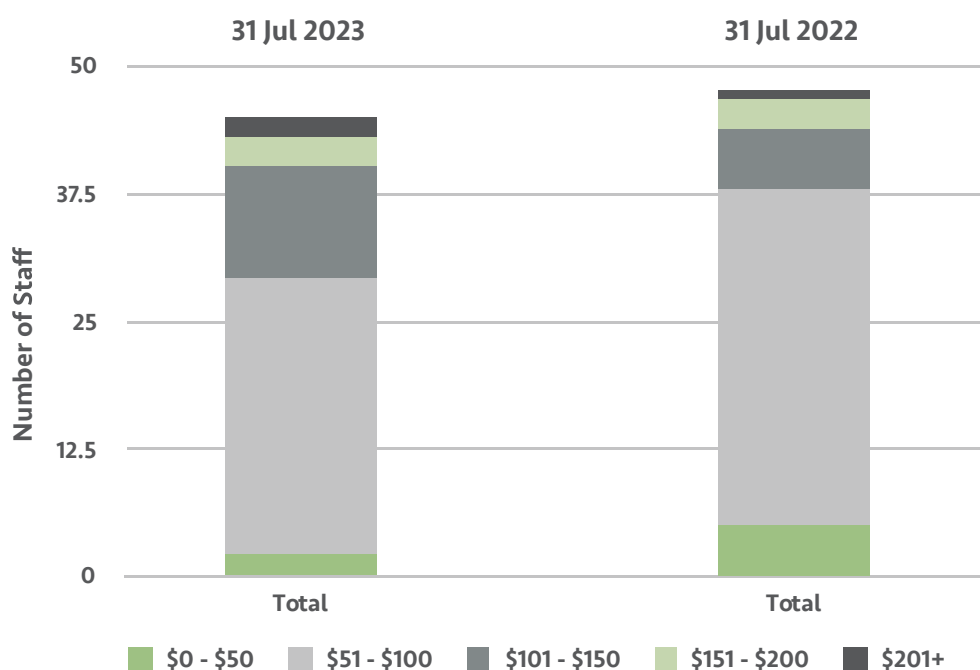
Provisions made in respect of employee entitlements expected to be settled within twelve months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

	31 July 2023 \$	31 July 2022 \$
Annual leave	240,792	214,220
Accrued remuneration and entitlements	250,575	107,006
<b>Total employee entitlements</b>	<b>491,367</b>	<b>321,226</b>

As at balance date there were 45 permanent or fixed term staff members employed by NZTR (2022: 48).

	31 July 2023			31 July 2022		
	Total	Male	Female	Total	Male	Female
Petone office	24	12	12	32	17	15
Cambridge office	16	7	9	12	4	8
In field	5	3	2	4	4	0
	<b>45</b>	<b>22</b>	<b>23</b>	<b>48</b>	<b>25</b>	<b>23</b>

## TOTAL REMUNERATION (\$'000's)



## **10 CONTINGENT LIABILITIES**

A contingent liability is a potential liability that may occur, depending on the outcome of an uncertain future event. A contingent liability is recorded if the contingency is likely and the amount of the liability can be reasonably estimated.

There is a contingent liability of \$1,376,900 (2022: \$1,139,100) should the entrance fees from fillies and mares registering for the Pearl Series fall below the value of the bonus.

### **10.1 INFRASTRUCTURE RESERVE CONTRACTUAL AGREEMENTS**

There are no outstanding contractual agreements (2022: \$Nil).

## **11 INFRASTRUCTURE RESERVE**

The Infrastructure Reserve represents funds set aside for establishment of upgraded facilities to improve the operation of Thoroughbred racing in New Zealand.

## **12 SUSTAINABLE RESERVE**

The Sustainable Reserve was set up in 2021/22 so that funds can be set aside for future investment in the racing industry.

## **13 WELFARE RESERVE**

The Welfare Reserve was set up in 2021/22 to record any collected but unspent Welfare Levy.

## **14 CAPITAL COMMITMENTS**

There are no capital commitments that will materially affect the financial report statements (2022: Nil).

## **15 SUBSEQUENT EVENTS**

There were no significant events subsequent to balance date.







# ACKNOWLEDGEMENTS

The Hon Kieran McAnulty, Minister for Racing

The Office of the Minister for Racing

Racing New Zealand

Entain Australia and New Zealand

TAB New Zealand

TAB Trackside

Harness Racing New Zealand

Greyhound Racing New Zealand

Department of Internal Affairs

The Racing Integrity Board

Accident Compensation Corporation

Ministry of Primary Industries

Equine Branch, New Zealand Veterinary Association

Massey Foundation

Massey University

The New Zealand Equine Health Association

New Zealand Equine Research Foundation

New Zealand Jockeys' Association

New Zealand Police

Hato Hone St John

New Zealand Pattern Committee

New Zealand Qualifications Authority

New Zealand Racing Laboratory Services Ltd

New Zealand Horse Ambulance Trust

New Zealand Salvation Army

New Zealand Thoroughbred Breeders' Association

New Zealand Thoroughbred Marketing Ltd

New Zealand Thoroughbred Racehorse Owners' Federation

New Zealand Trainers' Association

New Zealand Equine Education Trust

Racing Club Presidents, Committees, Managers, Administration, and Track staff

New Zealand Bloodstock

Staff of TAB and Trackside

Asian Racing Federation

International Federation of Horseracing Authorities

Tertiary Education Commission Muka Tangata – People, Food and Fibre Workforce Development Council

Te Pukenga & Primary ITO

WorkSafe New Zealand

The International Forum for the Aftercare of Racehorses

International Stud Book Committee

Racing journalists, photographers, and broadcasters

Members' Council

Royal New Zealand Society for the Prevention of Cruelty to Animals Incorporated









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