

16 October 2018

SUBMISSION ON THE JOHN MESSARA REVIEW OF THE NEW ZEALAND RACING INDUSTRY

As a recognised industry organisation, the NZ Trainers' Association (NZTA) make the following submission.

Firstly NZTA would like to register it's appreciation to the Minister for Racing, the Right Honourable Winston Peters for commissioning the review, and secondly to John Messara for producing such a comprehensive and meaningful document.

Our members, the licensed thoroughbred trainers, derive their livelihoods from racing. The industry is in such a poor state that it is very difficult for a trainer to make a living, let alone convince someone that owning and racing a horse in New Zealand is a sensible or profitable decision. Accordingly, it is the general consensus of trainers that the recommendations of the Review must be implemented urgently.

Recommendation	NZTA Response
1. Change the governance structure, so that the NZRB becomes Wagering NZ with racing responsibilities devolving to the individual Codes. This will sharpen the commercial focus of TAB operations and improve the decision-making and accountability of the Codes.	STRONG SUPPORT
2. Establish Racing NZ as a consultative forum for the three Codes to agree on issues such as entering into commercial agreements with Wagering NZ, approving betting rules, and budgets for the integrity bodies, equine health & research, etc.	STRONG SUPPORT
3. Change the composition and qualifications for directors of regulatory bodies.	STRONG SUPPORT
4. Request that a Performance and Efficiency Audit of the NZRB be initiated under section 14 of the Racing Act 2003, with particular emphasis on the operating costs of the NZRB.	STRONG SUPPORT

<p>5. Amend the section 16 distribution formula of the Racing Act 2003 to a more equitable basis for fixed 10-year terms.</p>	<p>STRONG SUPPORT</p>
<p>6. Initiate a special review of the structure and efficacy of the RIU and allied integrity bodies, to be conducted by an independent qualified person.</p>	<p>STRONG SUPPORT</p>
<p>7. Begin negotiations for the outsourcing of the TAB's commercial activities to an international wagering operator, to gain the significant advantages of scale.</p>	<p>STRONG SUPPORT</p>
<p>8. Seek the approval for a suite of new wagering products to increase funding for the industry.</p>	<p>STRONG SUPPORT</p>
<p>9. Confirm the assignment of IP by the clubs to the codes.</p>	<p>STRONG SUPPORT</p>
<p>10. Introduce race fields and point of consumption tax legislation expeditiously. These two measures will bring New Zealand's racing into line with its Australian counterparts and provide much needed additional revenue.</p>	<p>STRONG SUPPORT</p>
<p>11. Repeal the existing betting levy of approximately \$13 million per annum paid by the NZRB, given that the thoroughbred Code is a loss maker overall, with net owners' losses outweighing the NZRB's net profit.</p>	<p>STRONG SUPPORT</p>
<p>12. Clarify legislation to vest Race Club property and assets to the Code regulatory bodies for the benefit of the industry as a whole.</p>	<p>SUPPORT IN PRINCIPLE – DECISIONS NEED TO BE MADE ON A REGIONAL BASIS</p>
<p>13. Reduce the number of thoroughbred race tracks from 48 to 28 tracks under a scheduled program. This does not require the closure of any Club.</p>	<p>SUPPORT IN PRINCIPLE – REGIONAL RATIONALISATION TO REDUCE NUMBER OF VENUES</p>
<p>14. Upgrade the facilities and tracks of the remaining racecourses with funds generated from the sale of surplus property resulting from track closures to</p>	<p>SUPPORT IN PRINCIPLE BASED ON REGIONAL RATIONALISATION AS PER 12 & 13</p>

provide a streamlined, modern and competitive thoroughbred racing sector capable of marketing itself globally.	
15. Construct three synthetic all-weather tracks at Cambridge, Awapuni & Riccarton with assistance from the New Zealand Government's Provincial Growth Fund. Support the development of the Waikato Greenfields Project.	STRONG SUPPORT
16. Introduce robust processes to establish traceability from birth and the re-homing of the entire thoroughbred herd, as the foundation stone of the industry's ongoing animal welfare program.	STRONG SUPPORT
17. Increase thoroughbred prizemoney gradually to over \$100 million per annum through a simplified three-tier racing model, with payments extended to tenth place in all races.	STRONG SUPPORT

In conclusion, time is of the essence in implementing the Government's decisions on the Messara Review. The industry has shown considerable resilience to date, but the status quo cannot be allowed to continue as we see increasing numbers of quality horses and horse-people leave our shores and owners increasingly disgruntled with racehorse ownership.

NZTA's view is that there must be urgent and radical governance changes at the NZRB – with consideration of it being totally disbanded and replaced by more fit for purpose organisations as suggested by Mr Messara. A suitable change agent is required with the power to guide the industry through the transition period. They will need to work with the codes to support the development of legislation to implement the Government's decision.

Yours sincerely



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