



NEW ZEALAND
THOROUGHBRED **RACING**



PERFORMANCE REPORT 2015

OCTOBER 2015

The 2015 NZTR Performance Report records NZTR's performance against its 2015-2017 Business Plan.
The Report is reviewed and NZTR's Key Performance Indicators are measured against actual performance quarterly.

NEW ZEALAND
THOROUGHBRED **RACING**



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PERFORMANCE REPORT SUMMARY

The 2015 NZTR Performance Report records NZTR's performance against its 2015-2017 Business Plan. The Report is reviewed and NZTR's Key Performance Indicators are measured against actual performance.

The 2015-17 Business Plan contained 41 key performance indicators (KPIs). Of these KPIs, we:

✔	MET OR IMPROVED ON 2015-17 BUSINESS PLAN TARGETS/ACHIEVED KPI	24	58.54%
⊖	IMPROVED ON FY14 BUT FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS	7	17.07%
✖	FAILED TO IMPROVE ON FY14 AND FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS	10	24.39%
TOTAL		41	100.00%

NZTR PERFORMANCE AGAINST ALL KPIS IN THE 2015-17 BUSINESS PLAN

DETAILS		BASE	KEY PERFORMANCE INDICATORS		PERFORMANCE REPORT
	KPIS	FY14 ACTUAL	FY15 FORECAST	FY15 ACTUAL	RESULT
1	FUNDED PRIZEMONEY	\$47.9M	\$49.6M	\$50.3M	✓
2	ACTUAL PRIZEMONEY PAID	\$50.7M	\$52.4M	\$52.8M	✓
3	NZTR NOMINATION AND ACCEPTANCE CHARGES TO OWNERS	\$2.3M	\$2.2M	\$2.3M	✘
4	AVERAGE FUNDED PRIZEMONEY PER RACE	\$16,652	\$17,872	\$17,658	⊖
5	NZRB DISTRIBUTION TO NZTR	\$72.6M	\$72.7M	\$73.1M	✓
6	CLUB CONTRIBUTION TO PRIZEMONEY	\$2.8M	\$2.8M	\$2.5M	✘
7	ATTENDANCE	467K	470K	502K	✓
8	MEETINGS WITH ATTENDANCE +2,500	40	45	47	✓
9	MEETINGS WITH ATTENDANCE +5,000	11	12	8	✘
10	MEETINGS WITH ATTENDANCE +10,000	4	4	3	✘
11	NUMBER OF PATTERN RACES TO TOTAL FLAT RACES	5.26%	5.50%	5.28%	✓
12	APPRENTICE JOCKEYS	63	>=50	50	✓
13	LEVEL 3 STABLEHAND CERTIFICATE TRAINEES	54	60	139	✓
14	RACEMEETINGS CONDUCTED	345	329	337	✓
15	RACES CONDUCTED	2,875	2,776	2,848	✓
16	RACES BEFORE NOON ON SATURDAYS AND 12.30PM OTHER DAYS	135	125	191	✘
17	AVERAGE FIELD SIZE – ALL RACES	10.45	10.58	10.45	⊖
18	AVERAGE STARTS PER STARTER	5.58	5.60	5.60	✓
19	RACES WITH LESS THAN 8 STARTERS	454	440	453	⊖
20	TOTAL STARTS	30,031	29,366	29,749	✓
21	NUMBER OF INDIVIDUAL STARTERS	5,382	5,244	5,312	✓
22	FEMALES AS % OF INDIVIDUAL STARTERS	48.35%	49.56%	48.36%	⊖
23	FEMALES AS % OF INDIVIDUAL WINNERS	46.00%	48.00%	45.78%	✘
24	NUMBER OF STARTS PER FEMALE STARTER PER YEAR	5.42	5.44	5.44	✓
25	F&M ONLY \$12K MID-WEEK RACES & \$25K SATURDAYS	87	97	96	⊖
26	FIELD SIZE – JUMPS	8.89	9.00	8.51	✘
27	NUMBER OF INDIVIDUAL JUMPS STARTERS	255	265	270	✓

DETAILS	BASE	KEY PERFORMANCE INDICATORS		PERFORMANCE REPORT	
		FY14 ACTUAL	FY15 FORECAST	FY15 ACTUAL	RESULT
28	NUMBER OF JUMPS RACES WITH LESS THAN 8 STARTERS	35	34	35	⊖
29	PERCENTAGE OF STARTS PRODUCED FROM STRATEGIC TRAINING TRACKS	71.2%	70.0%	71.8%	✓
30	RACES CONDUCTED AT VENUES WITH MORE THAN 10 MEETINGS PER ANNUM	76.5%	70.0%	76.8%	✓
31	RACES CONDUCTED AT VENUES WITH 3-9 MEETINGS	17.7%	22.0%	17.2%	✓
32	RACES CONDUCTED AT VENUES WITH 1-2 MEETINGS	5.8%	8.0%	6.0%	✓
33	INTERNATIONAL ROYALTIES ON NEW ZEALAND THOROUGHBRED RACING	\$8.0M	\$8.5M	\$8.6M	✓
34	NUMBER OF OWNERS	12,360	12,400	12,888	✓
35	LIVE FOALS	3,542	3,471	3,719	✓
36	DOMESTIC THOROUGHBRED SALES (FIXED ODDS & TOTE)	\$422.7M	\$431.1M	\$430.9M	⊖
37	DOMESTIC MARKET SHARE (WITH 2ND TUESDAY GREYHOUND REMOVED)	52.6%	53.0%	53.5%	✓
38	NZTR CORE OPERATIONAL EXPENSES	\$5.74M	\$5.74M	\$6.19M	✘
39	NZTR OPERATIONAL EXPENSES INCL. MARKETING, SPECIAL PROJECTS & RCPP	\$6.50M	\$6.83M	\$7.36M	✘
40	WEBSITE ENGAGEMENT: VISITS PER ANNUM TO NZTR WEBSITE	3.52M	3.67M	3.98M	✓
41	INDIVIDUAL TRANSACTIONS MADE THROUGH TRAINERS' SERVICE CENTRE AS A % OF ALL TRANSACTIONS	40.2%	44.0%	39.0%	✘

MET OR IMPROVED ON 2015-17 BUSINESS PLAN TARGETS/ACHIEVED KPI

58.54%



IMPROVED ON FY14 BUT FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS

17.07%



FAILED TO IMPROVE ON FY14 AND FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS

24.39%



MET OR EXCEEDED 2015-17 BUSINESS PLAN TARGETS / ACHIEVED KPI 24/41 (58.54%)	
1	NZTR-FUNDED PRIZEMONEY
2	ACTUAL PRIZEMONEY PAID
3	NZRB DISTRIBUTION TO NZTR
4	TOTAL ON-COURSE ATTENDANCE
5	MEETINGS WITH ATTENDANCE +2,500
6	NUMBER OF PATTERN RACES TO TOTAL FLAT RACES
7	APPRENTICE JOCKEYS
8	LEVEL 3 STABLEHAND CERTIFICATE TRAINEES
9	RACEMEETINGS CONDUCTED
10	RACES CONDUCTED
11	AVERAGE STARTS PER STARTER
12	TOTAL STARTS
13	NUMBER OF INDIVIDUAL STARTERS
14	NUMBER OF STARTS PER FEMALE STARTER PER YEAR
15	NUMBER OF INDIVIDUAL JUMPS STARTERS
16	PERCENTAGE OF TRAINED STARTERS PRODUCED FROM STRATEGIC TRAINING TRACKS
17	RACES CONDUCTED AT VENUES WITH 10 + MEETINGS PER ANNUM
18	RACES CONDUCTED AT VENUES WITH 3-9 MEETINGS
19	RACES CONDUCTED AT VENUES WITH 1-2 MEETINGS
20	INTERNATIONAL ROYALTIES ON NEW ZEALAND THOROUGHBRED RACING
21	NUMBER OF OWNERS
22	LIVE FOALS
23	DOMESTIC MARKET SHARE (WITHOUT 2ND TUESDAY GREYHOUND MEETING)
24	WEBSITE ENGAGEMENT: VISITS PER ANNUM TO NZTR WEBSITE
TOTAL 24/41 (58.54%)	

EXCEEDED OR MET PRIOR YEAR BUT DID NOT MEET FY15 FORECAST 7/41 (17.07%)	
1	AVERAGE FUNDED PRIZEMONEY PER RACE
2	AVERAGE FIELD SIZE – ALL RACES
3	RACES WITH LESS THAN 8 STARTERS
4	FEMALES AS % OF INDIVIDUAL STARTERS
5	F&M ONLY \$12K MID-WEEK RACES AND \$25K SATURDAYS
6	NUMBER OF JUMPS RACES WITH LESS THAN 8 STARTERS
7	DOMESTIC THOROUGHBRED SALES (TOTE & FOB)
TOTAL 7/41 (17.07%)	

MET NEITHER THE PRIOR YEAR NOR FY15 FORECAST 10/41 (24.39%)	
1	NZTR NOMINATION & ACCEPTANCE CHARGES TO OWNERS
2	CLUB CONTRIBUTION TO PRIZEMONEY
3	MEETINGS WITH ATTENDANCE +5,000
4	MEETINGS WITH ATTENDANCE +10,000
5	RACES BEFORE NOON ON SATURDAYS AND 12.30PM ON OTHER DAYS
6	FEMALES AS % OF INDIVIDUAL WINNERS
7	FIELD SIZE – JUMPS
8	NZTR CORE OPERATIONAL EXPENSES
9	NZTR OPERATIONAL EXPENSES (INC. MARKETING, SPECIAL PROJECTS & RCPP)
10	INDIVIDUAL TRANSACTIONS MADE THROUGH TRAINERS' SERVICE CENTRE AS A % OF TOTAL TRAINER TRANSACTIONS
TOTAL 10/41 (24.39%)	



PRIZEMONEY

The 2015-17 Business Plan established the following Key Performance Indicators for Prizemoney:

KPIS	FY14 ACTUAL	FY15 FORECAST	FY15 ACTUAL	RESULT
1 FUNDED PRIZEMONEY	\$47.9M	\$49.6M	\$50.3M	✓
2 ACTUAL PRIZEMONEY PAID	\$50.7M	\$52.4M	\$52.8M	✓
3 NZTR NOMINATION AND ACCEPTANCE CHARGES TO OWNERS	\$2.3M	\$2.2M	\$2.3M	✘
4 AVERAGE FUNDED PRIZEMONEY PER RACE	\$16,652	\$17,872	\$17,658	⊖
5 NZRB DISTRIBUTION TO NZTR	\$72.6M	\$72.7M	\$73.1M	✓
6 CLUB CONTRIBUTION TO PRIZEMONEY	\$2.8M	\$2.8M	\$2.5M	✘

✓	MET OR IMPROVED ON 2015-17 BUSINESS PLAN TARGETS / ACHIEVED KPI	50.0%
⊖	IMPROVED ON FY14 BUT FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS OR MATERIALLY COMPLETED OUTSIDE THE TIME	16.7%
✘	FAILED TO IMPROVE ON FY14 AND FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS	33.3%

The FY15 season marked another year of steady and affordable prizemoney increases. NZTR increased average NZTR-funded prizemoney per race from \$16,652 in the FY14 season to \$17,658 for the FY15 season – a little over \$1,000 per race.

NZTR constantly faces tough choices between competing requirements in prizemoney, infrastructure, marketing and customer/owner services.

Since 2012 we have met the challenge to improve prizemoney levels to owners and trainers by growing:

- Aggregate prizemoney by 3.7% per annum from \$47.3 million to \$52.8 million
- NZTR-funded prizemoney by 4.2% per annum from \$44.4 million to \$50.3 million
- Average NZTR-funded prizemoney per race by 6.8% per annum from \$14,503 to \$17,658

While greater increases are clearly desirable, we are committed to running a balanced budget and not funding prizemoney from debt. We have been down that path before and it did not end well.

KPI 1:
NZTR-FUNDED PRIZEMONEY

In FY15 aggregate base prizemoney paid was \$50.3m an increase of \$2.4m over the \$47.9m paid in FY14.

KPI 2:
ACTUAL PRIZEMONEY PAID

In FY15 actual prizemoney paid was \$52.8m an increase of \$2.1m from the \$50.7m paid in FY14.

KPI 3:
NOMINATION AND ACCEPTANCE CHARGES PAID TO OWNERS

In FY15 nomination and acceptance charges paid to owners was \$2.3m, higher than the previous year.

KPI 4:
AVERAGE FUNDED PRIZEMONEY PER RACE

Prize-money bottomed in early 2011. From \$13,386 in FY11, average NZTR-funded prizemoney per race has risen to \$17,658, at an average of 6.8% per annum.

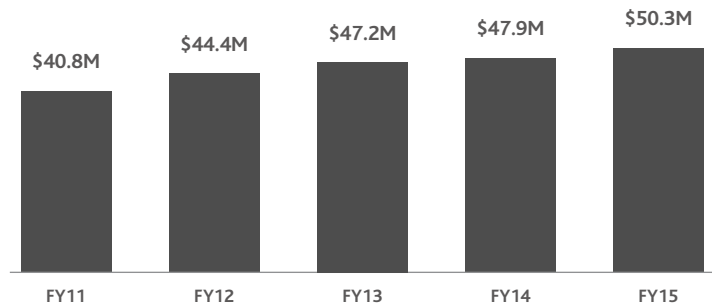
KPI 5:
NZRB DISTRIBUTION TO NZTR

The FY15 NZRB distribution to NZTR was \$73.1m. This is \$500,000 more than the FY14 NZRB distribution of \$72.6m.

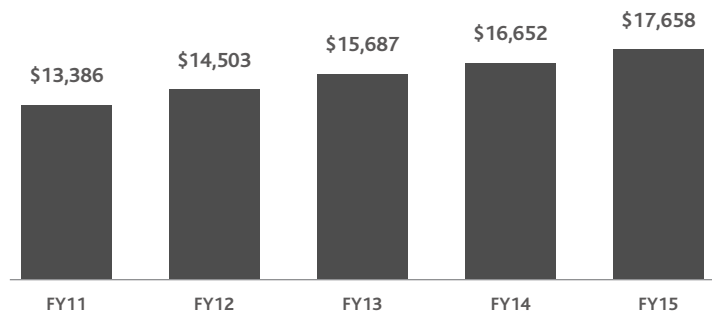
KPI 6:
CLUB CONTRIBUTION TO PRIZEMONEY

In FY15 club contribution to prizemoney paid was \$2.5m, a decrease of \$300,000 from the \$2.8m paid in FY14.

NZTR-FUNDED PRIZEMONEY FY11-FY15



AVERAGE NZTR-FUNDED PRIZEMONEY PER RACE FY11-FY15



MARKETING

The funding needs of prizemoney and infrastructure are urgent but so too is the need to grow our owner and customer bases so that we have a sustainable industry in the long term.

This season has laid the foundations for re-creating a vibrant and consistent programme of high quality racing events, improving customers' raceday experiences and investing more in marketing and branding our sport.

This marketing plan, aimed at stimulating greater public interest in racing, attendance at race meetings and desire to share in the ownership experience, will be rolled out over the next three years starting in FY16. This will focus on launching a new industry consumer facing brand; improving our digital and social media presence; ensuring consistent communication; and using customer segmentation to prioritise investment and deliver information in the right way at the right time to the various participants.

In FY15 NZTR:

- completed an industry Marketing Plan after extensive consultation which will commence roll-out in FY16
- worked with the NZRB on-course marketing and events team to provide what our customers want on-course
- expanded, jointly with New Zealand Thoroughbred Marketing (NZTM), the NZ Racing Desk, a thoroughbred industry media service across all media platforms including websites, social media, television, radio and print media
- expanded Social Racing on an affordable pay-to-participate basis (\$199 membership per annum).



RACE CLUB PERFORMANCE

The 2015-17 Business Plan established the following Key Performance Indicators for Race Club Performance:

KPIS	FY14 ACTUAL	FY15 FORECAST	FY15 ACTUAL	RESULT
7 ATTENDANCE	467K	470K	502K	✓
8 MEETINGS WITH ATTENDANCE +2,500	40	45	47	✓
9 MEETINGS WITH ATTENDANCE +5,000	11	12	8	✘
10 MEETINGS WITH ATTENDANCE +10,000	4	4	3	✘

✓	MET OR IMPROVED ON 2015-17 BUSINESS PLAN TARGETS / ACHIEVED KPI	50.0%
—	IMPROVED ON FY14 BUT FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS OR MATERIALLY COMPLETED OUTSIDE THE TIME	0%
✘	FAILED TO IMPROVE ON FY14 AND FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS	50.0%

Notes: FY15 data is NZRB actual on-course attendance data with some meetings estimated based on ticket sales.

The Racing Club Partnership Programme (RCPP) is now in its third year. One of its primary aims is to share information from the strongest performing clubs in each race-day category to lift performance across the industry.

In FY15 we partnered with the industry's Events, Management and Logistics team, which has the resources to deliver national franchised events such as the very successful Christmas At The Races and the Interislander Summer Festival events. In an era of plunging live attendances at all but the biggest events, thoroughbred racing can hold its head high.

KPI 7: TOTAL ON-COURSE ATTENDANCE

In FY15 502,000 people attended thoroughbred race meetings, up 35,000 from FY14.

Christmas at the Races (CATR) and the Interislander Summer Festival events continue to grow and were again an outstanding success in FY15.

KPI 8: MEETINGS WITH ATTENDANCE +2,500

In FY15 47 thoroughbred race meetings attracted crowds of 2,500 or more, up 7 meetings from FY14.

KPI 9: MEETINGS WITH ATTENDANCE +5,000

In FY15 8 thoroughbred race meetings attracted crowds of 5,000 or more, down 3 meetings from FY14. The 7 meetings with crowds of between 5,000 and 9,999 were headed by the 2 January meeting at Tauherenikau in the Wairarapa with 8,500 attendees.

KPI 10: MEETINGS WITH ATTENDANCE +10,000

In FY15 3 thoroughbred race meetings attracted crowds of 10,000 or more, down 1 meeting from FY14. The 3 meetings that exceeded 10,000 in FY15 were:

- New Zealand Cup Day at Riccarton attracting 18,376
- Boxing Day at Ellerslie attracting 17,350
- Wellington Cup Day at Trentham attracting 10,164.

PATTERN (BLACK TYPE) RACING

The 2015-17 Business Plan established the following Key Performance Indicators for Pattern Racing:

KPIS	FY14 ACTUAL	FY15 FORECAST	FY15 ACTUAL	RESULT
11 NUMBER OF PATTERN RACES TO TOTAL FLAT RACES	5.26%	5.50%	5.28%	✓
✓ MET OR IMPROVED ON 2015-17 BUSINESS PLAN TARGETS / ACHIEVED KPI				100%
⊖ IMPROVED ON FY14 BUT FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS OR MATERIALLY COMPLETED OUTSIDE THE TIME				0%
✘ FAILED TO IMPROVE ON FY14 AND FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS				0%

The recent reduction of races means that our Pattern race structure has needed to be adjusted a little. From the danger of 4 years ago, our Group races now rate satisfactorily in the international ratings system but a small number are close to their lower thresholds. In FY15 we worked with the NZ Pattern Committee to address this and we will continue to do so.

As a result of the 2014 Annual New Zealand Pattern Committee (NZPC) Review, 147 Group and Listed races were scheduled in FY15, the same number as FY14.

KPI 11: NUMBER OF PATTERN RACES TO TOTAL RACES

The number of Pattern Races for each season is expected to equate to a maximum of 5% of flat races run.

Despite fewer races in FY15 we managed to retain the ratio at 5.28%, little changed from 5.26% the previous year.

STATUS	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
GROUP 1	22	22	22	22	22	22
GROUP 2	23	23	23	22	21	22*
GROUP 3	33	33	33	36	39	40
LISTED	68	66	68	65	65	63
TOTAL	146	144	146	145	147	147

* Note: The Group 2 status of the Foxbridge Plate did not take effect until August 2015.



COMMUNICATIONS

Over the past year we have:

- continued to fund the NZ Racing Desk to lift thoroughbred racing's presence in media and online
- upgraded the Trainers' Service Centre as one go-to portal linking trainers to owners
- supported promotion of the five iconic racing events (Auckland Cup Week, Karaka Million, New Zealand Cup Week, Wellington Cup Carnival and the Hawkes Bay Carnival) and
- made upgrades to www.nzracing.co.nz which attracted nearly 4 million Visits in FY15 (compared to 3.52 million Visits in FY14). This is an increase of 460,000 Visits on FY14 or 1,260 more Visits per day than the previous season.

OTHER COMMUNICATION INITIATIVES

In FY15 NZTR improved stakeholder information and communication by conducting:

- monthly teleconferences with all racing clubs and the executive of the NZTA, NZJA, NZTBA, NZTROF
- regional meetings at over 20 locations in May to consult stakeholders on the Strategic Plan
- quarterly meetings with race club managers of strategic venues
- quarterly regional programming meetings and
- publishing an annual Business Plan with detailed KPIs and actions; a Performance Report measuring NZTR's performance against the previous year's Business Plan; a Statement of Intent as required by The Racing Act (2003); and pertinent reports and information in the New Zealand Thoroughbred Racing Monthly.



ANIMAL WELFARE

The number of horses leaving thoroughbred racing each year and requiring new homes averages 803 (microchip returns covering the 10-year period from 1 August 2004 to 31 July 2014). This is added to by over 100 imported horses per annum retired to New Zealand after their racing careers have ended. Once horses leave the racing industry they are no longer within the industry's jurisdiction and this presents a challenge.

In response NZTR amended the Rules in FY15 making it mandatory to notify NZTR of a horse's retirement (in addition to death – Rule 417) and details of its new home, if applicable.

In FY15, in addition to bringing in Mandatory Horse Retirement Notification, NZTR:

- built on the TiES partnership with Equestrian Sports New Zealand (ESNZ) aimed at increasing opportunities for second careers for Thoroughbred horses retiring from racing
- set up a project with Waikato University to build a detailed Equine Injury Database on raceday incidents and fatalities via a revised and much more detailed incident form completed by on-course vets aimed at identifying frequency, type and outcome of racing injuries and fatalities and serving as a data source to help improve safety and prevent injuries
- invested over \$1m in racing and training infrastructure improvements to maximize equine safety and welfare
- supported, through the New Zealand Equine Research Foundation and the New Zealand Equine Trust, new equine research, scholarships for veterinary students and equine practitioners, and the publication of books and pamphlets on equine diseases
- continued to audit all jumping venues annually and all incidents, with the RIU, to ensure appropriate safety and welfare policies are in place.

INDUSTRY TRAINING AND DEVELOPMENT

The 2015-17 Business Plan established the following Key Performance Indicators for Industry Training and Development:

KPIS	FY14 ACTUAL	FY15 FORECAST	FY15 ACTUAL	RESULT
12 APPRENTICE JOCKEYS	63	>=50	50	✓
13 LEVEL 3 STABLEHAND CERTIFICATE TRAINEES	54	60	139	✓

✓	MET OR IMPROVED ON 2015-17 BUSINESS PLAN TARGETS / ACHIEVED KPI	100%
⊖	IMPROVED ON FY14 BUT FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS OR MATERIALLY COMPLETED OUTSIDE THE TIME	0%
✘	FAILED TO IMPROVE ON FY14 AND FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS	0%

Historically, few stablehands, stud grooms and track work riders have undertaken formal qualifications. NZTR is committed to improving and increasing industry training.

NZTR, in partnership with the Primary ITO, has invested in developing qualifications for industry professions alongside its Apprentice Training Academy jockey qualifications.

In FY15:

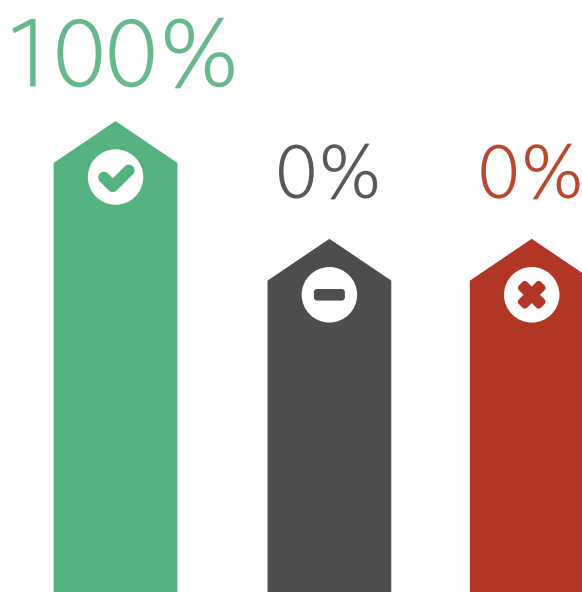
- 139 licensees participated in Level 3 Stablehand/ Trackwork Riders training and development, nearly three times the forecast number of participants
- 64 licensees participated in Level 4 Jockey training and development (new mandatory qualification for Apprentice Jockeys).

KPI 12: APPRENTICE JOCKEYS

50 apprentices were registered with NZTR in FY15, compared to 63 in FY14 and in line with the FY15 forecast.

KPI 13: LEVEL 3 STABLEHAND CERTIFICATE

The level 3 Stable Procedures qualification is undertaken on a voluntary basis and is available for any licensed stablehand or trackwork rider to gain a formal nationally-recognised qualification. At 31 July 2015 there were 139 trainees undertaking the Level 3 Stable Procedures certificate.



RACING STRUCTURE

The 2015-17 Business Plan established the following Key Performance Indicators for Racing Structure:

KPIS	FY14 ACTUAL	FY15 FORECAST	FY15 ACTUAL	RESULT
14 RACEMEETINGS CONDUCTED	345	329	337	✓
15 RACES CONDUCTED	2,875	2,776	2,848	✓
16 RACES BEFORE NOON ON SATURDAYS AND 12.30PM OTHER DAYS	135	125	191	✘
17 AVERAGE FIELD SIZE – ALL RACES	10.45	10.58	10.45	⊖
18 AVERAGE STARTS PER STARTER	5.58	5.60	5.60	✓
19 RACES WITH LESS THAN 8 STARTERS	454	440	453	⊖
20 TOTAL STARTS	30,031	29,366	29,749	✓
21 NUMBER OF INDIVIDUAL STARTERS	5,382	5,244	5,312	✓
✓ MET OR IMPROVED ON 2015-17 BUSINESS PLAN TARGETS / ACHIEVED KPI				62.5%
⊖ IMPROVED ON FY14 BUT FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS OR MATERIALLY COMPLETED OUTSIDE THE TIME				12.5%
✘ FAILED TO IMPROVE ON FY14 AND FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS				25.0%

While the declining foal crop is a concern, it is not an issue unique to New Zealand. Most major breeding jurisdictions have faced steeper declines although they are now stabilising. Adding to this decline are over 600 thoroughbreds leaving during the past three years to help establish racing in China. The lagged impact means individual starters over the next six seasons are expected to decline at around 2% per annum if nothing else changes.

We must run a meeting structure that fits the number of available horses and owners. An average field size of around 10.5-11.0 provides consistent starting opportunities and maximises wagering outcomes.

Importantly, if starts per horse, future horse supply and owner demand responds to the signals of rising prizemoney, then there is ample flexibility to add more races and meetings in future seasons.

In FY15 we continued to move meetings from some Community venues to Strategic and Significant venues. From FY11 to FY15, our top 21 venues have moved from 75.4% to 80.1% of all meetings. Small clubs work well with their volunteer base and community support with one or two meetings but more than this often presents resourcing issues. Strategic and Significant venues need as many meetings as possible to spread their costs and to ensure a premium product is delivered.

KPI 14: RACEMEETINGS CONDUCTED

In FY15 there were 337 racemeetings conducted, down 8 meetings on the 345 run in FY14.

KPI 15: RACES CONDUCTED

In FY15 there were 2,848 races conducted, 27 fewer races than FY14.

KPI 16: RACES BEFORE NOON ON SATURDAYS AND 12.30PM ON OTHER DAYS

Races conducted on Saturdays before noon and on other days prior to 12.30pm provide less wagering turnover than those conducted after these times. In FY15 the number of races conducted on Saturdays before noon and on other days before 12.30pm was 191, an increase of 56 over the 135 conducted in FY14. A number of these were a result of races being split, divided or added to programmes because of opportunities lost at other meetings and to retain as many options as possible for horses, trainers, owners and jockeys.

KPI 17: AVERAGE FIELD SIZE – ALL RACES

The average field size for flat races in FY15 was 10.45, the same number of starters per race in FY14.

KPI 18: AVERAGE STARTS PER STARTER

In FY15 the average number of starts per starter per annum was 5.60, up slightly on the 5.58 in FY14.

KPI 19: RACES WITH LESS THAN 8 STARTERS

Races with less than eight runners per race have a negative impact on turnover. In FY15 there were 453 races with less than 8 starters, 1 less than FY14 when there were 454 races.

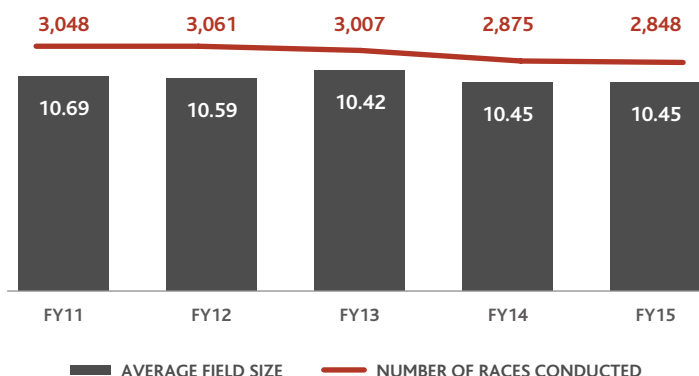
KPI 20: TOTAL STARTS

It was unsurprising there were fewer starts in FY15 than the previous season – 29,749 compared to 30,031 in FY14. This was an inevitable outcome of fewer horses, fewer races and fewer race meetings. The number of starts still exceeded our forecast for FY15 by 383.

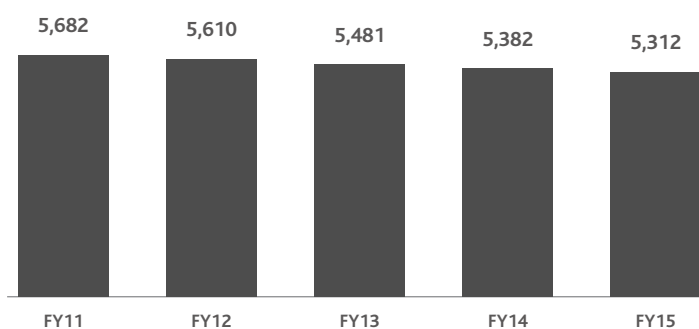
KPI 21: NUMBER OF INDIVIDUAL STARTERS

There were 5,312 individual horses which started in at least one race in FY15, down 70 compared to 5,382 individual horses which started in at least one race in FY14. However, individual starters exceeded our FY15 forecast by 68.

NUMBER OF RACES CONDUCTED AND AVERAGE FIELD SIZE FY11- FY15



NUMBER OF INDIVIDUAL STARTERS IN FY11-FY15



FILLIES AND MARES RACING

The 2015-17 Business Plan established the following Key Performance Indicators for Fillies and Mares Racing:

KPIS	FY14 ACTUAL	FY15 FORECAST	FY15 ACTUAL	RESULT
22 FEMALES AS % OF INDIVIDUAL STARTERS	48.35%	49.56%	48.36%	⊖
23 FEMALES AS % OF INDIVIDUAL WINNERS	46.00%	48.00%	45.78%	⊕
24 NUMBER OF STARTS PER FEMALE STARTER PER YEAR	5.42	5.44	5.44	✓
25 F&M ONLY \$12K MID-WEEK RACES & \$25K SATURDAYS	87	97	96	⊖

✓	MET OR IMPROVED ON 2015-17 BUSINESS PLAN TARGETS / ACHIEVED KPI	25.0%
⊖	IMPROVED ON FY14 BUT FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS OR MATERIALLY COMPLETED OUTSIDE THE TIME	50.0%
⊕	FAILED TO IMPROVE ON FY14 AND FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS	25.0%

Fillies and mares make up between 54% and 57% of the available horse population after exports. In FY15 NZTR supported the NZB Insurance Pearl Series for fillies and mares designed to increase ownership in fillies and mares and reduce the number of fillies and mares sitting in paddocks at home and not racing.

KPI 22: FEMALES AS % OF INDIVIDUAL STARTERS

In FY15 females comprised 48.36% of individual horses that started in at least one race, up very slightly from 48.35% in FY14.

KPI 23: FEMALES AS % OF INDIVIDUAL WINNERS

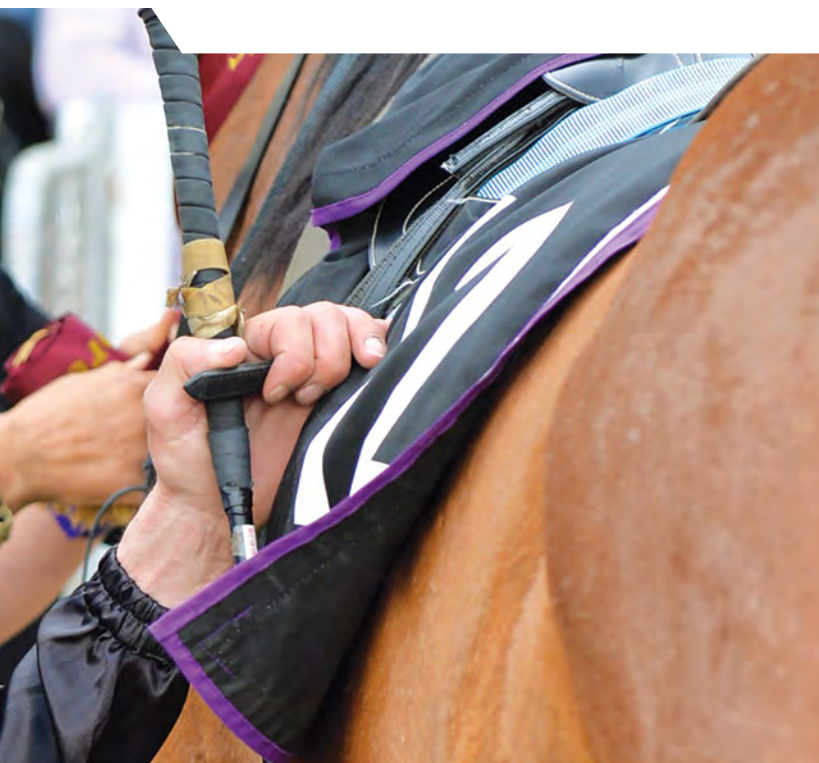
In FY15 females comprised 45.78% of individual winners, down from 46.00% of individual winners in FY14.

KPI 24: NUMBER OF STARTS PER FEMALE STARTER PER YEAR

In FY15 female horses raced on average 5.44 times per annum. It is encouraging that this is an increase from FY14 at 5.42 races per female per annum.

KPI 25: FEMALES ONLY MID-WEEK RACES

In FY15 there were 96 female only \$12,000 mid-week races and \$25,000 Saturday races, an increase of 9 from the 87 in FY14, but 1 less than forecast.



JUMPS RACING

The 2015-17 Business Plan established the following Key Performance Indicators for Jumps Racing:

KPIS	FY14 ACTUAL	FY15 FORECAST	FY15 ACTUAL	RESULT
26 FIELD SIZE – JUMPS	8.89	9.00	8.51	✘
27 NUMBER OF INDIVIDUAL JUMPS STARTERS	255	265	270	✔
28 NUMBER OF JUMPS RACES WITH LESS THAN 8 STARTERS	35	34	35	➖

✔	MET OR IMPROVED ON 2015-17 BUSINESS PLAN TARGETS / ACHIEVED KPI	33.3%
➖	IMPROVED ON FY14 BUT FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS OR MATERIALLY COMPLETED OUTSIDE THE TIME	33.3%
✘	FAILED TO IMPROVE ON FY14 AND FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS	33.3%

In FY15 we slowed the decline in jumps racing, with the exception of field size which dropped 0.38. However, the number of individual starters in jumps races was positive compared to FY14 and jumps races with less than 8 starters was maintained at the same level as FY14.



KPI 26: FIELD SIZE – JUMPS

The average field size for jumps races in FY15 was 8.51, the same as FY14.

KPI 27: NUMBER OF INDIVIDUAL JUMPS STARTERS

In FY15 there were 270 individual horses which started in at least one jumps race, 15 more than in FY14.

KPI 28: NUMBER OF JUMPS RACES WITH LESS THAN 8 STARTERS

As with the above two numbers, total jumps races with less than 8 starters was static at 35.

INFRASTRUCTURE AND ASSET OPTIMISATION

The 2015-17 Business Plan established the following Key Performance Indicators for Infrastructure and Asset Optimisation:

KPIS	FY14 ACTUAL	FY15 FORECAST	FY15 ACTUAL	RESULT
29 PERCENTAGE OF STARTS PRODUCED FROM STRATEGIC TRAINING TRACKS	71.2%	70.0%	71.8%	✓
30 RACES CONDUCTED AT VENUES WITH MORE THAN 10 MEETINGS PER ANNUM	76.5%	70.0%	76.8%	✓
31 RACES CONDUCTED AT VENUES WITH 3-9 MEETINGS	17.7%	22.0%	17.2%	✓
32 RACES CONDUCTED AT VENUES WITH 1-2 MEETINGS	5.8%	8.0%	6.0%	✓
✓ MET OR IMPROVED ON 2015-17 BUSINESS PLAN TARGETS / ACHIEVED KPI				100%
⊖ IMPROVED ON FY14 BUT FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS OR MATERIALLY COMPLETED OUTSIDE THE TIME				0%
✖ FAILED TO IMPROVE ON FY14 AND FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS				0%

To focus only on increasing prizemoney will not deliver much needed improvements in track performance and venue facilities. A lack of expenditure over several decades has left much to do.

Since FY11, NZTR has carefully built up an infrastructure reserve and this distributes funding for high priority projects where it can be leveraged with co-funding from clubs, the Racing Safety Development Fund (RSDF) and other sources.

To date, this reserve has focused entirely on racing rather than customer infrastructure, with major expenditures made on safer running rails, starting gates, irrigation and drainage. In addition, it has supported new projects such as the inside track at Te Rapa, which will make a major difference to winter capacity issues in the North.

The reserve has only been invested in Strategic and Significant venues, where enough racedays are held to spread the fixed costs. To maximise investment benefit, we are insisting on co-investment by clubs, communities and frequently the RSDF. NZTR acknowledges the support of the Racing Safety Development Fund (RSDF).

As mentioned earlier, thoroughbred racing can hold its head high in that it continues to attract strong on-course attendances in an era when most sports' attendances are in freefall outside of the very largest events. However, many of our customer facilities are from an era when vast crowds flocked to racing in the absence of off-course wagering, broadcasting or any other gambling options. They are costly and inappropriate to today's needs.

The costs of demolition and rebuilding far outweigh the resources available to NZTR and most clubs. Ultimately, this will only be solved with local and central Government support. Future work will be needed to show the positive economic outcomes and multiplier effects for a community from copying Australia and re-directing wagering duties to the rebuilding of essential infrastructure.

The NZTR Infrastructure Projects Reserve was set up in FY11 to fund critical projects at strategic and significant venues. On average, NZTR has set aside approximately \$1,000,000 per year to help fund these projects. To share the costs of infrastructure projects, clubs, communities and frequently the RSDF co-invest. NZTR acknowledges and appreciates investment from the RSDF of \$216,253 in FY15 to support projects which have safety elements.

The following table lists investments made by NZTR (in addition to club and RSDF investment) to various venues in FY15:

1	JUDICIAL TOWERS	\$237,218
2	OVERHEAD GATES & STORAGE	\$71,000
3	RUNNING RAILS	\$252,334
4	MATAMATA DRAINAGE	\$256,000
5	OTAKI DRAINAGE	\$32,883
6	OTAGO DRAINAGE	\$56,162
7	RICCARTON DRAINAGE	\$98,824
8	AVONDALE RACECOURSE DEVELOPMENT	\$85,894
9	AWAPUNI RACECOURSE DEVELOPMENT	\$98,555
10	PUKEKOHE RACECOURSE DEVELOPMENT	\$216,556
11	RUAKAKA RACECOURSE DEVELOPMENT	\$173,127
12	SYNTHETIC TRACKS	\$9,795
13	EARTHQUAKE ASSESSMENTS	\$26,369
14	CLUB LOAN AGREEMENTS (LEGAL FEES)	\$24,131
FY15 TOTAL NZTR INFRASTRUCTURE INVESTMENT		\$1,638,848

In addition in FY15 NZTR continued to:

- Subsidise the 17 largest training centres at a total of \$415,000 in recognition of each of their contribution to the industry via the provision of training facilities and tracks
- Fund Turftech reports to help assist clubs in the maintenance and presentation of their turf racing surfaces
- Provide racing clubs with access to 'verti drain' and 'groundbreaker' machinery

KPI 29: PERCENTAGE OF TRAINED STARTERS PRODUCED FROM STRATEGIC TRAINING TRACKS

In FY15 71.8% of trained starters came from Strategic training tracks, an increase of 0.6% on FY14's 71.2% and nearly 2% better than the FY15 Business Plan forecast.

KPI 30: RACES CONDUCTED AT VENUES THAT RACE 10+ MEETINGS PER ANNUM

In FY15 76.8% of races were conducted at venues hosting 10 or more race meetings per annum, 0.3% more than FY14 and 6.8% better than the FY15 Business Plan forecast.

KPI 31: RACES CONDUCTED AT VENUES THAT RACE 3-9 MEETINGS PER ANNUM

In FY15 17.2% of races were conducted at venues hosting between 3 and 9 race meetings per annum, a decrease of 0.5% on FY14 and 4.8% lower than the FY15 Business Plan forecast.

KPI 32: RACES CONDUCTED AT VENUES THAT RACE 1-2 MEETINGS PER ANNUM

In FY15 6.0% of races were conducted at venues hosting between 1-2 race meetings per annum up 0.2% on FY14 and 2.0% lower than the FY15 Business Plan forecast.

DOMESTIC BROADCASTING AND INTERNATIONAL SIMULCASTING

The 2015-17 Business Plan established the following Key Performance Indicators for Domestic Broadcasting and International Simulcasting:

	KPIS	FY14 ACTUAL	FY15 FORECAST	FY15 ACTUAL	RESULT
33	INTERNATIONAL ROYALTIES ON NEW ZEALAND THOROUGHBRED RACING	\$8.0M	\$8.5M	\$8.6M	✓

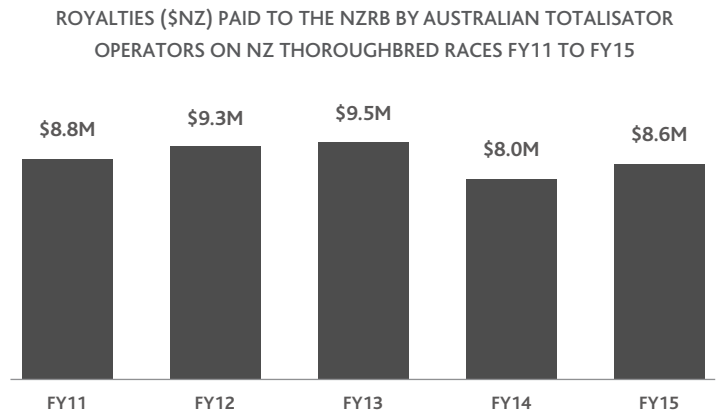
✓	MET OR IMPROVED ON 2015-17 BUSINESS PLAN TARGETS / ACHIEVED KPI	100%
⊖	IMPROVED ON FY14 BUT FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS OR MATERIALLY COMPLETED OUTSIDE THE TIME	0%
✖	FAILED TO IMPROVE ON FY14 AND FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS	0%

In FY15 NZTR continued to work closely with the new NZRB management team to achieve the best possible broadcast arrangements and coverage for thoroughbred racing including pressing for opportunities to highlight the strongest thoroughbred racing.

NZTR has also strongly supported the NZRB's political lobbying initiatives for the introduction of race field legislation in the face of punters using offshore websites to bet on New Zealand racing without paying for the product (or free-riding).

KPI 33: INTERNATIONAL ROYALTIES ON NEW ZEALAND THOROUGHBRED RACING

In FY15 international royalties on New Zealand thoroughbred racing were \$8.6m, an increase of \$600,000 on FY14 and ahead of the 2015-17 Business Plan target.



OWNERSHIP

The 2015-17 Business Plan established the following Key Performance Indicators for Ownership:

KPIS	FY14 ACTUAL	FY15 FORECAST	FY15 ACTUAL	RESULT
34 NUMBER OF OWNERS	12,360	12,400	12,888	✓

✓	MET OR IMPROVED ON 2015-17 BUSINESS PLAN TARGETS / ACHIEVED KPI	100%
⊖	IMPROVED ON FY14 BUT FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS OR MATERIALLY COMPLETED OUTSIDE THE TIME	0%
✖	FAILED TO IMPROVE ON FY14 AND FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS	0%

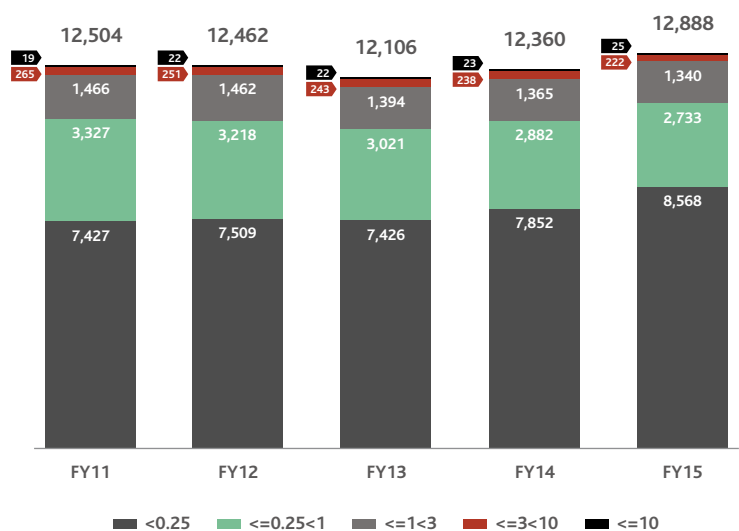
In FY15 NZTR continued to:

- develop ownership opportunities based around Social Racing as detailed in the marketing section and worked with Authorised Syndicators and the Financial Markets Authority to improve the process for becoming and operating as an Authorised Syndicator.
- work with the Inland Revenue on proposed amendments to tax regulations aimed at NZTR (on behalf of Clubs) recovering GST added to trainer and rider payments. NZTR remains committed to proceeding with these changes and to operating in accordance with the law and the Rules of Racing.

KPI 34: NUMBER OF OWNERS

In FY15 there were 12,888 unique owners with a participatory interest in a horse that started in at least one race. This number has grown by 4% despite fewer individual starters.

OWNERS BY COMBINED OWNERSHIP SHAREHOLDING OF HORSES RACING FY11-FY15



BREEDING

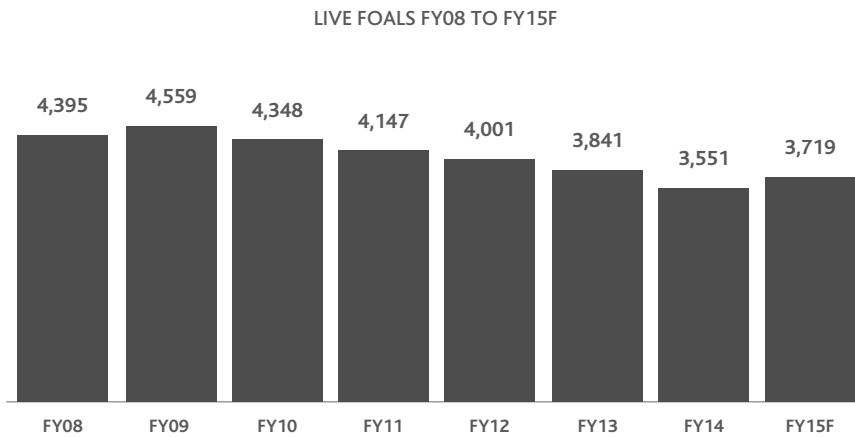
The 2015-17 Business Plan established the following Key Performance Indicators for Breeding:

KPIS	FY14 ACTUAL	FY15 FORECAST	FY15 PROJECTED	RESULT
35 LIVE FOALS	3,542	3,471	3,719	✓

✓	MET OR IMPROVED ON 2015-17 BUSINESS PLAN TARGETS / ACHIEVED KPI	100%
⊖	IMPROVED ON FY14 BUT FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS OR MATERIALLY COMPLETED OUTSIDE THE TIME	0%
✘	FAILED TO IMPROVE ON FY14 AND FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS	0%

KPI 35: LIVE FOALS

In FY15 projected live foals will total 3,719, which is 177 more than FY14. This is contrary to the world trend of declining foal crops, although our overall trend is still a decline over the last 7 years





SUPPORTING THE NZRB'S BUSINESS

The 2015-17 Business Plan established the following Key Performance Indicators for Supporting the NZRB's Business:

KPI	FY14 ACTUAL	FY15 FORECAST	FY15 ACTUAL	RESULT
36 DOMESTIC THOROUGHBRED SALES (FIXED ODDS & TOTE)	\$422.7M	\$431.1M	\$430.9M	⊖
37 DOMESTIC MARKET SHARE (WITH 2ND TUESDAY GREYHOUND REMOVED)	52.6%	53.0%	53.5%	✓

✓	MET OR IMPROVED ON 2015-17 BUSINESS PLAN TARGETS / ACHIEVED KPI	50.0%
⊖	IMPROVED ON FY14 BUT FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS OR MATERIALLY COMPLETED OUTSIDE THE TIME	50.0%
✖	FAILED TO IMPROVE ON FY14 AND FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS	0%

KPI 36: DOMESTIC THOROUGHBRED SALES (TOTE AND FOB)

FY15 domestic thoroughbred sales (Tote and FOB) were \$430.9m, \$8.2m more than FY14 and \$200,000 less than the 2015-17 Business Plan forecast.

KPI 37: DOMESTIC MARKET SHARE

The thoroughbred code's domestic market share increased 0.9% from 52.6% in FY14 to 53.5% in FY15.

NZTR GOVERNANCE, ACCOUNTABILITY AND TRANSPARENCY

The 2015-17 Business Plan established the following Key Performance Indicators for NZTR Governance, Accountability and Transparency:

KPIS	FY14 ACTUAL	FY15 FORECAST	FY15 ACTUAL	RESULT
38 NZTR CORE OPERATIONAL EXPENSES	\$5.74M	\$5.74M	\$6.19M	✘
39 NZTR OPERATIONAL EXPENSES INCL. MARKETING, SPECIAL PROJECTS & RCPP	\$6.50M	\$6.83M	\$7.36M	✘
40 WEBSITE ENGAGEMENT: VISITS PER ANNUM TO NZTR WEBSITE	3.52M	3.67M	3.98M	✔
41 INDIVIDUAL TRANSACTIONS MADE THROUGH TRAINERS' SERVICE CENTRE AS A % OF ALL TRANSACTIONS	40.2%	44.0%	39.0%	✘
<p>✔ MET OR IMPROVED ON 2015-17 BUSINESS PLAN TARGETS / ACHIEVED KPI</p> <p>✘ IMPROVED ON FY14 BUT FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS OR MATERIALLY COMPLETED OUTSIDE THE TIME</p> <p>✘ FAILED TO IMPROVE ON FY14 AND FAILED TO MEET 2015-17 BUSINESS PLAN TARGETS</p>				<p>25.0%</p> <p>0%</p> <p>75.0%</p>

In FY15 NZTR held:

- 11 Board Meetings
- 8 Audit & Risk Committee Meetings
- 8 Integrity Committee Meetings were held in person and 4 by conference call
- 4 Appointments & Remuneration Committee Meetings
- 2 meetings between the Board and the Members' Council

The Company Secretary maintains a Register of Directors' Interests. Board members with perceived or real conflicts of interest are excluded from Board discussions and decision making.

The Appointments & Remuneration Committee:

- reviews all expense claims of the Chairman and Chief Executive
- oversees a formal performance review process for all NZTR staff

NZTR reviewed its Delegated Authority Policy for expenditure for the Chairman, Chief Executive, senior managers and staff.

KPI 38:
NZTR CORE OPERATIONAL EXPENSES

In FY14 NZTR's total core operational expenses were \$6.19m, \$450,000 more than FY14 and the 2015-17 Business Plan forecast amount.

KPI 39:
NZTR OPERATIONAL EXPENSES (INCL. MARKETING AND SPECIAL PROJECTS)

In FY15 NZTR's total operational expenses including marketing and special projects were \$7.36m, up \$860,000 from \$6.50m in FY14 and \$530,000 more than the 2015-17 Business Plan forecast amount.

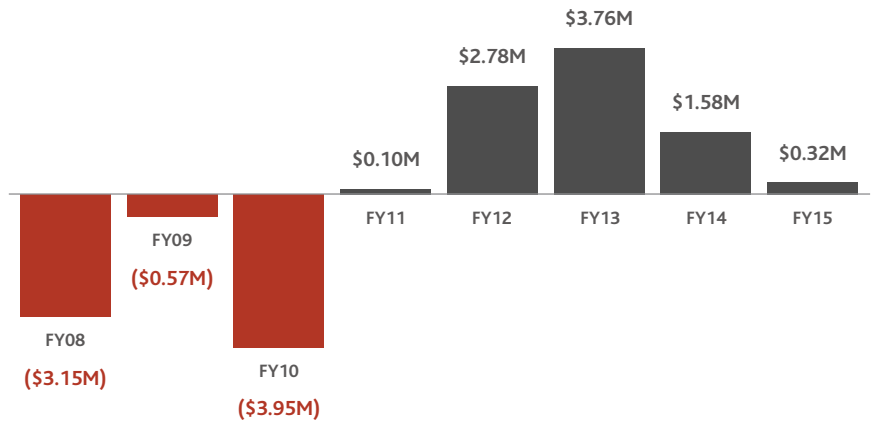
KPI 40:
WEBSITE ENGAGEMENT: VISITS PER ANNUM TO NZTR WEBSITE

www.nzracing.co.nz attracted 3.98 million Visits in FY15. This is an increase of 460,000 Visits on FY14 or 1,260 more visits each day than the previous season.

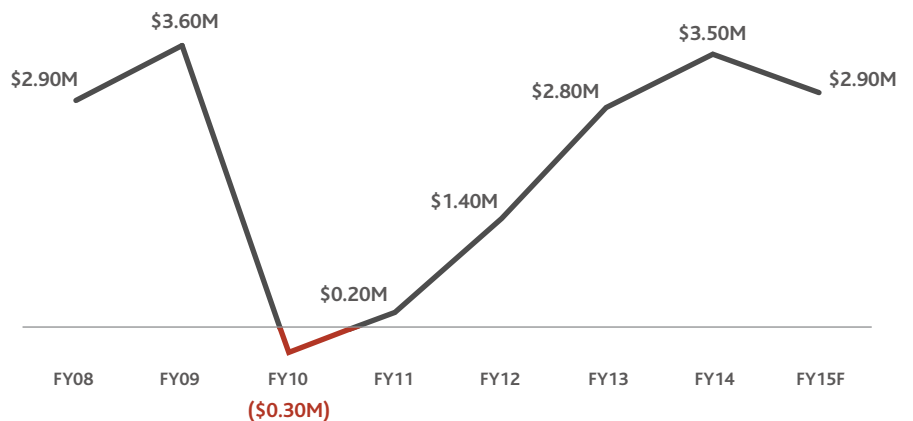
In FY15 work was also focused on subsequent releases to:

- Significantly enhance the on-line Trainers' Service Centre and on-line Breeders' Service Centre
- Complete future proofing projects of internal systems and databases
- Introduce an Owners Service Centre
- Improve and customise horse form and fields including sectional timing data.

NZTR PROFIT AND LOSS BEFORE INFRASTRUCTURE



NZTR NET CURRENT ASSETS (EXCLUDING INFRASTRUCTURE RESERVE)



KPI 41:
INDIVIDUAL TRANSACTIONS MADE THROUGH TRAINERS' SERVICE CENTRE AS A % OF ALL TRANSACTIONS

Individual transactions made through the Trainers' Service Centre as a percentage of all transactions decreased by 1.2% from FY14 to FY15 and fell short of the 44.0% forecast.

NEW ZEALAND
THOROUGHBRED **RACING**



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