

NEW ZEALAND THOROUGHBRED RACING INC

BUSINESS PLAN
2004 - 2005



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New Zealand Thoroughbred Racing (NZTR) Business Plan 2004-2005

Overview

The Racing Bill, which was passed at the beginning of March 2003, is intended to improve the governance structure of racing in New Zealand. The New Zealand Racing Board (NZRB) came into effect on 1 August 2003 and assumes responsibility for the combined activities of the NZRIB and TAB. The Bill also provides for a greater degree of code autonomy and places the responsibility for a significant number of issues affecting Thoroughbred Racing in the hands of New Zealand Thoroughbred Racing (NZTR) Board and Management Team

The changes in the governance structure of racing including: -

- Legislative changes
- The creation of the New Zealand Racing Board
- Appointment of the new NZRB CEO

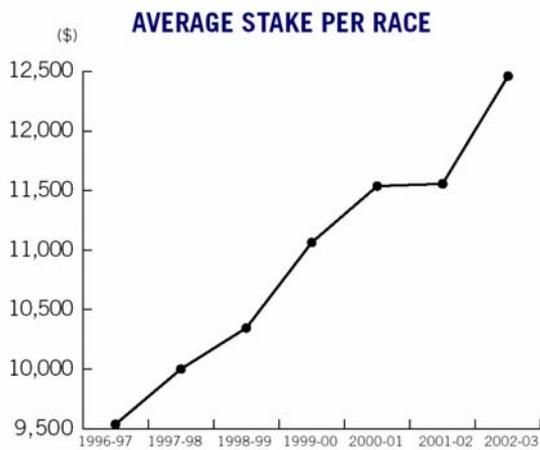
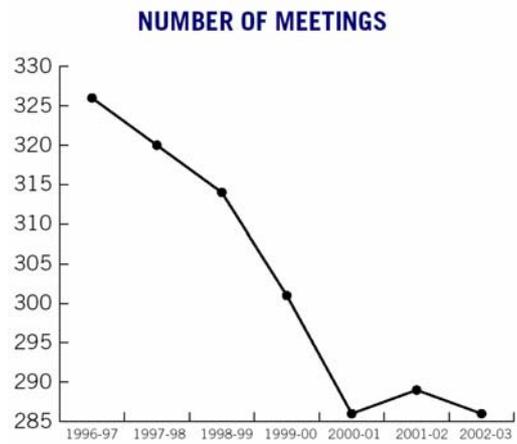
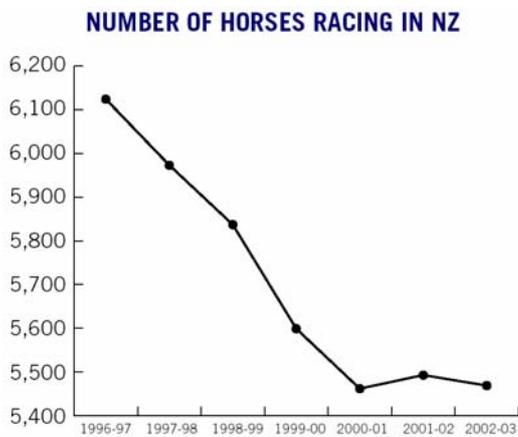
Combined with the introduction of some key NZTR initiatives including: -

- Changes to the management structure of NZTR
- The positive response to The Way Forward document and club cluster concept
- Willingness to work towards greater unity within the racing industry

Has created a unique opportunity for key industry groups to work together to build a strong and vibrant industry for thoroughbred racing in New Zealand.

However, these opportunities need to be seen in the context of a declining racing industry and declining betting turnover on New Zealand racing.





Thoroughbred Racing Review

The 2003/2004 season has seen a range of initiatives delivered within the thoroughbred code. These initiatives cover a wide range of activity and are highlighted below: -

- Continued to work with clubs throughout the country on the regional cluster concept.
- Continued the migration from the old computer system and hardware to the new '*on horse*' system.
- Signed off on new handicapping ratings system, scheduled for implementation on 1 August 2004.
- Repositioned the Owners Federation into a national body representing the interests of all thoroughbred owners.
- Addressed the structure of the Executive Team at NZTR.
- Due diligence undertaken on moving NZTR to NZRB National Office in Petone.
- Provided financial support to key jumping races in conjunction with the New Zealand Jumping Association.
- \$4,000 contribution to smaller clubs to raise the profile of their race meetings.
- Signed off on international '*Good Neighbor Policy*'.
- In conjunction with NZTM, supported export of NZ Thoroughbred product into Australia.
- Negotiated participation of NZ horses in proposed World Series of races.
- Combined 2 bonus schemes under the umbrella of the Thoroughbred Bonus Scheme (TBS).
- Formed a subcommittee to look at the pattern of racing in New Zealand
- Repacking and enhancement of the Thoroughbred Racing Monthly
- Changes in the Responsible Gaming Act that allowed for gaming machine funds to be used for stake money.



Mission, Vision, Values & Objectives

Mission Statement

Through leadership and effective administration to achieve growth of thoroughbred racing for the benefit of all stakeholders.

Vision

Our vision is that thoroughbred racing be a popular and respected sport enjoyed by a majority of New Zealanders.

Values

To achieve this vision NZTR must adhere to the following underlying values to guide our activities

Value	Underlying Assumption
Integrity	That all those participating in racing can have the utmost confidence that they will be treated fairly and that racing events are conducted to the highest possible standards.
Viability	That those who seek to make their livelihood from racing have an environment in which, by their own efforts, this will be achievable.
Entertainment	That racing stages events with broad appeal to all New Zealanders, based on the thoroughbred racehorse.
Participation	That we create an environment that encourages the widest possible involvement in thoroughbred racing.
International	That New Zealand enhances its status as a leading thoroughbred racing nation.

Code Objectives

The objectives of New Zealand Thoroughbred Racing are:

- To promote and advance thoroughbred racing in all its forms in New Zealand
- To consider and deal with all matters submitted to New Zealand Thoroughbred Racing in accordance with its Constitution and the Rules of Racing.



Strategy 2004-2005

The key issue facing NZTR is to improve the financial viability of thoroughbred racing in New Zealand.

This brings into focus the need to work more closely with the NZRB on their key industry initiatives, with the over-riding aim to: -

Grow Thoroughbred Racing For The Benefit Of All Stakeholders

In support of these key industry initiatives, NZTR has identified four key thoroughbred racing initiatives to focus on for the 2004-2005 Business Plan and up to and including 2007.

Each of the four initiatives are linked back to the NZRB industry initiatives to provide alignment and continuity between the two sets of initiatives.



NZTR KEY INITIATIVES

The four NZTR Key Initiatives are:

1. Improving returns for participants

NZRB Industry Initiatives

- Enhancement of NZRB commercial activity
- Industry gaming strategy
- Taxation Review

NZTR Initiatives

- Work with NZRB to grow total funds available to Thoroughbred Racing.
- Work with NZRB to put in place the most appropriate funding model
- Explore best use of funds for the growth and development of Thoroughbred Racing
- Migrate clubs to the cluster concept to improve club performance and drive efficiencies at the club and regional level.

2. Marketing

NZRB Industry Initiatives

- Fostering ownership within the industry
- Brand Enhancement

NZTR Initiatives

- Work with other key sector groups and NZRB to establish a unified marketing strategy with the key aims of building awareness, interest and participation in Thoroughbred Racing
- Eliminate barriers to ownership
- Enhance the experience of ownership as a means of maintaining and increasing the number of owners, and thereby runners, that are active in thoroughbred racing
- Utilise technology to disseminate information to industry participants and customers



3. Improving the on course experience

NZRB Industry Initiatives

- Positioning on course racing as entertainment
- Development of industry venues and facilities

NZTR Initiatives

- Promotion of key carnivals and selected meetings to maximise on course attendance and turnover on these key events
- Investigate and utilise mobile equipment/facilities/services that will enhance the on course experience
- Encourage clubs to develop their event management skills and operational procedures for running a successful racing meeting

4. Operational structure and delivery of services

NZRB Industry Initiatives

- Measuring club and industry performance
- Industry cost & efficiency savings
- Develop industry technology – co-ordinate synergies

NZTR Initiatives

- Ensure that issues of integrity particularly racing control are maintained at the highest possible level
- Ensure compliance with the rules of racing
- Put in place appropriate meeting disciplines to improve communication and dialogue between NZRB, Codes, Clubs, Sector Groups
- Ensure race dates and the pattern of racing makes best use of available horse population, venues and customer base.
- Continually improve our procedures and processes



NZTR Detailed Initiatives

Under each of the four NZTR key initiatives are a range of detailed initiatives - the action plans for NZTR staff over the next 12 months. This will ensure that appropriate time and resource is allocated to each of the initiatives in order to deliver the required outcome.

Improving Returns for participants

- Work with the NZRB in identifying opportunities to grow the overall revenue/funding pie from new and existing business initiatives.
- Work with NZRB to identify and implement the most appropriate funding model for the New Zealand racing industry.
- In conjunction with clubs and NZRB explore how to make best use of these funds for the growth and development of Thoroughbred racing through investment in stake money, marketing initiatives, improving on course facilities and creation of NZTR reserves to fund 'special projects'.
- Work with NZRB, Harness and Greyhound Code Governing Bodies and other key sector groups (utilising current research data) to develop and present a united voice and strategy to Government for a reduction in the amount of duty that the racing industry currently pays. Any reduction in duty would be positioned as an investment back into the racing industry for the benefit of the wider economy and industry participants.
- Work with NZRB and Clubs to develop guidelines and procedures for the applications of funds from gaming machine charitable trusts.
- Work with Clubs to move towards paying 100% plus of off course distribution in stakes.
- Work with NZRB in the development and implementation of new betting products and services and make optimum use of existing betting products and services.



Marketing

- Re-evaluate and clearly define what NZTR's role is, in relation to the marketing of thoroughbred racing and in light of the NZRB's Industry Strategies, and how that role may be resourced to effectively implement it.
- Work with other key sector groups and NZRB to establish a unified marketing plan for thoroughbred racing to ensure there is alignment of marketing initiatives across the various industry groups and that best use is being made of the funds available. Concept of one team – one focus – one marketing plan.
- Work with NZRB to target selected carnivals and meetings that have the greatest potential to attract customers, grow on course attendance and deliver the optimum on course experience. A day at the races needs to be positioned as a great day out.
- Develop a co-operative marketing programme for clubs
- Develop a vehicle for a viral marketing campaign
- Improve access and process of becoming an Owner including simplifying the process of becoming a Registered Syndicator while remaining legally compliant and use syndication as the main platform to promote horse ownership.
- Work with the Trainers Association to increase the number of trainers that are Registered Syndicator's and develop programmes to help these 'ambassadors' to communicate better.
- Ensure that clubs have an effective owner relation's programme in place to host owners on race day.
- Develop Internet site and links from other related sites to promote horse ownership and provide relevant information in a clear and simple format.
- Review effectiveness of existing promotional/marketing mediums and develop new initiatives that make best use of these mediums.
- Full review of how the Web Site operates – content, design, navigation. The Web site is seen as a very powerful marketing/communication tool and one that is not being fully utilised at the moment.
- Develop value proposition to attract new and retain existing national sponsors.
- Work with NZRB to develop Trackside to promote racing better to people's homes including exploration of a 2nd channel/mainstream coverage to maximise turnover.
- Develop and implement a PR/media strategy that makes best use of media channels (especially main stream television TV1 and TV3) for the dissemination of thoroughbred racing news items and updates.

- Highlight benefits and raise profile of the Thoroughbred Bonus Scheme to new and existing owners to encourage registration of yearlings into the scheme.

Improve The On Course Experience

- Work with NZRB and Clubs to identify and prioritise key capital works to ensure racetrack facilities at selected venues are up to the required standard to meet the expectations and requirements of all participants.
- Ensure Clubs have an effective business plan and operational manual in place that covers all the key aspects of running a successful racing club/meeting.
- Encourage clubs to develop their event management skills to ensure patrons enjoy the on course experience and they in turn encourage friends and family to attend in the future.
- Ensure club marketing/promotional plans are aligned with national marketing/promotional plans to maximise the return on every dollar that is spent.
- In conjunction with NZRB invest in a range of mobile equipment/facilities/services that will enhance the on course experience for the on course customer.
- Work with Clubs and NZRB to categorize different race meetings and look at the best way to optimise their potential. Opportunity may exist to theme certain race days, create a country cups circuit, develop an autumn race series similar to that held in Hawkes Bay in the spring.



Operational Structure and Delivery of Services

Chief Executive

- Improve communication between NZRB and NZTR by participating in monthly meetings to update each party on current issues and work together on longer-term industry initiatives
- Continue promotion and deployment of the racing cluster concept to improve the overall administration and operation of the Thoroughbred code at local, regional and national level
- Ensure that integrity of business processes, including compliance with Rules Of Racing, are maintained to the highest standard
- Review performance of JCA in conjunction with JCA Chairman and Board, and HRNZ
- Continue to work with NZEITO to establish career paths for industry personnel
- Maintain mentor programme for Senior Apprentices and new Jockeys
- Consolidate use of Equine Academy
- Promote NZ Equine Research Foundation research projects and seminars

Assistant Chief Executive

- Co-ordinate thoroughbred racing's marketing initiatives
- Increase sponsor interest and take-up in thoroughbred racing
- Develop a communications plan for thoroughbred racing
- Liaise with sector groups, such as the Owners Federation, Breeders Association etc, to ensure alignment through the thoroughbred racing code and to maximize resources
- Develop the Internet as a key marketing/business application to raise the awareness of and participation in thoroughbred racing
- Oversee the production and content of all NZTR publications including *Thoroughbred Racing Monthly*, *Racing Facts* and *Turf Register*



- Manage key events including AGM, Annual Report, NZ Racing Hall of Fame, Mercedes Awards etc for maximum benefit of thoroughbred racing
- Identifying unnecessary and outdated conventions and legacies in existence in thoroughbred racing and working towards 'blowing them up'
- Looking to develop, with GM-Racing Business and NZRB, an on course quality standards programme for thoroughbred racing
- Taking ownership, with GM-Racing Business, of the development of clusters

General Manager Racing Business

- Develop a range of HR practices and disciplines within NZTR covering contracts, job descriptions and performance reviews
- Ongoing development and commitment to Health and Safety programme for staff
- Optimise the placement of thoroughbred race dates as part of the dates setting process
- Develop race classifications and programmes that encourage owners and trainers to start horses
- Evaluate the performance of premier dates and the decline of some key race days outside the major carnivals/days e.g. Sire Produce at Awapuni, Easter Handicap at Ellerslie and make appropriate recommendations
- Increase the number of NZ Thoroughbred races taken by Australian TAB's via Sky Channel to grow offshore turnover and commission payments to clubs
- Relocate the NZTR operation to NZRB National Office at Petone to improve the daily communication between both organisations and gain operational and administration benefits by integrating some of the NZTR requirements into the NZRB operation
- Utilise technology and ongoing enhancements to the core computer systems to deliver the best possible solution to NZTR staff and associated services to NZTR customers and clubs
- Looking to develop, with Assistant CE and NZRB, an on course quality standards programme for thoroughbred racing
- Taking ownership, with Assistant CE, of the development of clusters



National Racing Bureau Department

- Continue to develop and expand the role of the National Racing Bureau
- Work with NZRB to streamline the capture of race meeting information and eliminate duplication of data entry
- Undertake review of RSB operation in Melbourne. Key outcomes are: -
 - Develop ongoing working relationship with RSB staff
 - Identify any improvement to NRB procedures and processes
 - Identify any new business opportunities and services that NRB could be providing
- Scope out requirement to provide interactive functionality for trainers to access the NZTR system and update their stable returns and other relevant information online. Aim is to reduce the number of nuisance calls and push trainers to make greater use of the Internet in their dealings with NZTR
- Draw up the business case to justify purchase of call recording equipment to log all calls made to NRB
- Work with NZRB staff to introduce single point of entry and dissemination of all race meeting information between NZTR and NZRB computer systems
- In conjunction with IT staff prepare business case to justify purchase of software that allows faxes to be sent directly from PCs
- Greater input into dates and programming process
- Scope out requirement for single point of entry/update of all race meeting/date information, in conjunction with IT staff, that is then disseminated to all other NZTR business units and functions
- Optimise historical racing meeting data to influence setting and allocation of dates and programming of meetings/races
- Work with IT staff to identify disaster recovery requirements for NRB, computer and phone systems
- Identify and recommend suitable training programmes for NRB staff to develop their skill set across the various Microsoft applications



- Identify and recommend any new equipment requirements for the smooth operation of the NRB department
- Scope out requirements to provide a subscription service for customers to access information from the on horse database

Racing Control Department

- Review drug testing protocols for riders
- Look at options to provide appropriate training programme for Race Course Detectives
- Review stipendiary steward structure and consider value of introducing cadet scheme.
- Ensure Rules Of Racing are up to date and compliant with relevant legislation
- Evaluate computerized dictating system under trial with John McKenzie and consider roll out to rest of the country
- Work with New Zealand Independent Laboratory Services in Auckland to identify their new equipment requirements in conjunction with HRNZ and NZRB

Stud Book Department

- Continue testing and migration to the new on-horse computer system
- Produce hard copy of Stud Book December 2004
- Review procedures for issuing and processing mare and stallion returns - staggering return times, revamp of forms and use of Internet
- Review stud book regulations
- Review processing/handling of export documentation – Internet option, email attachments, passport
- Continued implementation of DNA parentage validation programme in conjunction with Massey.
- Produce report-outlining options for introduction of microchip system in New Zealand.
- Review of non stud book registrations



- Ongoing work with Graded Stakes Committee to produce schedule of group and listed races on an annual basis.
- Secretarial duties for New Zealand Equine Health Association
- Attendance at nominated international conferences – ISBC – ASBC

IT and Computer Systems Department

- Review office P.C requirements software and hardware
- Review online server configuration, capacity and redundancy requirements
- Ensure all servers are running the same operating system and any upgrades are applied to all servers
- Review imaging system application and determine whether it can be integrated into on-horse system
- In conjunction with marketing department conduct full review of NZTR web site and identify new business opportunities and services that could operate from a web application
- Ensure *on-horse* report writing skills are developed in house to reduce reliance on Sandfield to provide these services.
- Work with other departments to identify and scope out a disaster recovery plan for NZTR computer systems and the various applications.

Handicapping Department

- Ensure smooth roll out of new ratings system and ongoing management and development
- Continue development of and identify other users/applications for the ratings system
- Produce a policy/operations document/manual that covers all aspects of handicapping



Registrar Of Racehorses Department

- Develop procedures/system specification to give owners wanting to name their horses the ability to interrogate all horses names that are currently in use
- Introduce system that will allow on line registration of horses
- In conjunction with finance and marketing department look at wider use of credit cards as payment option for NZTR services
- Look at interim process that allows a horse to start after it has joined a new stable but new owners have yet to be signed up
- Conduct full review of fee structure and produce report with recommendations for any changes that may be required
- In conjunction with Marketing department produce 'ownership' booklet that provides guidelines for horse ownership

Finance Department

- Migrate finance system to new accounting system developed by Sandfield and introduce new features including electronic processing of invoices and approval of accounts
- Ongoing development of TROSA next stage includes being able to email financial information to customers to cut down on postage cost
- Review Office hardware requirements and produce hardware replacement plan to meet business needs
- Review financial reporting requirements both internal and external to identify any improvements that could be made in the content and timing of the financial reports.

