

PATTERN OF RACING ANNUAL REVIEW

**Report to
New Zealand Thoroughbred Racing**

July 2007

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Executive Summary

The NZTR Board has established the Pattern of Racing Annual Review Committee to monitor the New Zealand Pattern of Black Type races, giving particular reference to the outcomes of the 2004 Strategic Review of the Pattern of Racing.

The Committee held its inaugural meeting in late June to enable a Report to be provided to the NZTR Board.

Given the timing involved between the establishment of the Committee and the submission date for this Report, in preparing this initial Annual Review, the Committee has:

- adopted the Terms of Reference of the 2004 Review;
- considered the Strategic Criteria and Recommendations of the 2004 Review and provided observations and further recommendations;
- considered the changes to the Pattern within the individual categories, and in some cases made further recommendations;
- considered other relevant issues and made recommendations.

The Committee has determined a process for future Annual Reviews, which will enable a more comprehensive review to be undertaken, and any recommended changes to the Pattern to be adopted and implemented for the following racing season.

The following recommendations are contained in this report:

1. The Committee recommends that NZTR notes that the Committee has significant concerns re the two-year-old category and that it will endeavour to address the two-year-old pattern in its entirety in time for the 2008/09 season.
2. The Committee recommends that NZTR develop and adopt a uniform scale for Set Weight with Penalties races for use in selected regional Group 3 and Listed races.
3. The Committee recommends that a greater portion of any additional funding that is made available should be directed towards the Stayers' category, to further assist the development of middle distance and staying events.
4. The Committee recommends that the contribution to stakes through owners' fees should be capped at a set percentage to be determined by NZTR – to be substantially less than current levels.
5. The Committee recommends that the NZTR Board takes appropriate steps to empower the Graded Stakes Committee to enable it to address the pyramid structure of Black-type races within a specified timeframe.
6. The Committee recommends that NZTR ensures that a NZ official attends all International Classifications meetings to ensure the quality of New Zealand racing is appropriately represented and promoted in all such forums.
7. The Committee recommends that NZTR confirms the principle that clubs hold ownership of Black Type races, and that the Graded Stakes Committee is the appropriate body to deal with any issues arising from a proposed change in conditions of a Group or Listed race.
8. The Committee recommends that NZTR work with the Regional Programming Committees to ensure that suitable penalty free entry races, conducted for an appropriate stake, are programmed as lead up events to major Carnival features.

Background

Black Type Racing in New Zealand

Black-type racing provides the international benchmark for the quality of racing, and hence the quality of the New Zealand thoroughbred. That quality is reflected in the performance of our black-type performers in New Zealand and in other countries, and is critical to New Zealand's status in the international racing and breeding arenas. Around 5% of New Zealand's flat races are designated as black-type events, with 24 Group 1, 23 Group 2, 31 Group 3, and 69 Listed races scheduled for the current 2006/07 season. There are also 12 Prestige Jumping Races.

Review of the Pattern of Racing

2004 Strategic Review

The Board of NZTR commissioned the Strategic Review of the Pattern of Racing in November 2003 for the purpose of determining a more appropriate format of Black Type races. A Committee was appointed for that purpose in early 2004. The Committee's report was adopted by the NZTR Board in December 2004 and subsequently received widespread endorsement within the Industry.

Recommendation 7 of the Strategic Review of the Pattern of Racing stated:

That NZTR establishes an independent group whose obligation it will be to keep under review the pattern of racing in New Zealand. The group would be expected to work with the Graded Stakes Committee.

Annual Review

Establishment of the Annual Review Committee

Accordingly, the NZTR Board appointed the Pattern of Racing Annual Review Committee for this purpose, with the Committee comprising:

- Mr. Peter Fennessy (Chairman)
- Mr. Steve Till
- Mr. Colin Jenkins
- Mr. Greg McCarthy

NZTR subsequently invited Mr. Michael Martin to contribute to its discussions as an observer.

NZTR Projects Manager, Chris Weder, who is acting as the Secretary of the Graded Stakes Committee, has been appointed as Secretary of the Annual Review Committee.

It is important to note that the Committee has been appointed as an independent Committee, and is not representative.

The Committee had been requested to submit its initial report for consideration at the NZTR Board meeting in mid-July.

Process

The Committee held its inaugural meeting on Wednesday 20 June 2007 in Auckland, and held a second meeting by teleconference to finalise this Report.

It is anticipated that following the NZTR Board meeting, this report will be made available and the Chairman of the Annual Review Committee will meet with the Regional Programming Committees in September / October to discuss this Report and any issues arising.

Pattern of Racing Annual Review 2006/07

The Committee has agreed the following schedule for subsequent Annual Reviews:

- Teleconference in the early part of the season to set the framework for the Annual Review.
- Meeting to be held (possibly October / November) to discuss the potential impacts of any restructuring of the 2008/09 calendar by NZTR.
- Meeting to be held in early/mid-April (following the Sires' Produce meeting) to conduct the Annual Review and formalise their Report.
- Annual Review to be considered by the NZTR Board by late-April to enable any changes to the Pattern to be adopted for the following racing season.

Report

Terms of Reference

The Committee has adopted the original Terms of Reference for the 2004 Review as its Terms of Reference for the Annual Review. These are as follows:

1. Review the sequence of all black-type races, including age-group races and handicap races.
2. Review the schedules (distribution) of each of the categories of races: 2-year-olds only, 3-year-olds only, fillies and mares and the like.
3. Review the pattern of licences, with emphasis on carnivals and premier race days, and the allocation of premier days.
4. Review the placement of race-day licences to ensure adequate lead-up races are available and that the tracks being used, particularly in the spring, maximise the lead-up opportunities for horses.
5. Determine the extent to which the New Zealand pattern of racing overlays that of Australia and changes that may be needed to maximise opportunities, especially for New Zealand horses to compete in Australia.
6. Identify times of the year when there may be insufficient races offered for specific types of horses, particularly 3-year-olds.
7. Identify any class of horse or type of race that is missing or offered infrequently in New Zealand that should be provided – 2200m, 2400m races, particularly for intermediate, progressive and possibly open horses.
8. Ascertain the benefits of taking early nominations and/or adverse costs to owners as a result of doing so.

Observations relating to the Strategic Criteria and Recommendations of the 2004 Review

The Committee has reconsidered the strategic criteria that were defined as the basis for the assessment and development of the Pattern in the 2004 Review, and also the key recommendations of the 2004 Review, and provides the following observations.

- 1. *The black-type structure of the New Zealand racing calendar must recognise and help define the strength of the New Zealand thoroughbred, particularly in the International context (Strategic Criteria 1).***
 - The Committee noted that there is increased international attention regarding the standard of NZ Black Type racing.
 - The fact that NZ does not operate a true pyramid structure needs to be addressed. It is felt that this can be achieved by developing and utilising a more objective ranking system that enables international benchmarking.
 - The Committee recommends that the NZTR Board empower the Graded Stakes Committee to enable it to address the pyramid structure. This is an issue as the operations of the GSC are specified within the Rules of Racing.
 - Given the internationalisation of racing, it is essential that NZ has an ongoing presence at International Classifications meetings.
 - The Committee is of the view that there is a strong case for NZ to form a closer alliance with Australia to ensure that the calibre of Australasian racing is recognised internationally.

2. Group 1 and 2 races are regarded as National targets, as are some of the Group 3 races, whereas other Group 3 and Listed races are regarded as Regional targets (Strategic Criteria 2).

- The Committee endorsed this position and determined to identify those Group 3 races that are considered National targets.
- The races that are deemed to be specific National targets in their own right are:
 - Winter Cup (Group 3) – Hcp 1600m (Canterbury JC)
 - Kings Plate (Group 3) – WFA 1200m (Auckland RC)
 - Trentham Stakes (Group 3) – WFA 2400m (Wellington RC)
- The races that are considered National strategic lead-ups are:
 - Lowland Stakes (Group 3) – 3yoF 2100m (Masteron RC) – lead-up to Oaks

3. The pattern of racing must take into account the likely track conditions at various times of the year (Strategic Criteria 4).

- Whilst the Committee acknowledges that some clubs have invested in their tracks and have implemented maintenance strategies to protect their racing surfaces, it is still concerned at the standard of racing surfaces provided for some Group and Listed races.
- It is acknowledged that due to a historical lack of investment in track maintenance, that tracks are not always able to cope with the vagaries of the weather.
- As a result, the tracks presented are not always conducive to achieving the best possible field.

4. Fundamental to this review is that changes in conditions (timing within the season, distance, venue) of individual races will not affect the current black-type status of those races for a period of two years (Strategic Criteria 5).

- The Committee noted that the two-year moratorium will end at the conclusion of 2006/07 season.
- The Committee noted that when assessing the performance of individual races, the Graded Stakes Committee may determine to allow a race a further year without taking any action, but that this will be on a case-by-case basis.

5. That the industry takes a proactive series of steps to re-emphasise the New Zealand industry's strength in middle distance and staying races and programmes races accordingly; and that NZTR notes the importance of adopting patterns, schedules and funding of races to ensure that the New Zealand industry can regain its former position of strength (Recommendation 1).

- Preliminary data available to the Committee indicates that since 2004/05, there has been a 2.2% increase in the relative number of 1800-2200m races run, with corresponding reductions in the relative number of races run over distances less than 1400m (-1.7%), 1400-1800m races (-0.4%) and races run over distances greater than 2200m (-0.1%).
- The Committee has requested further relevant statistical data to enable it to more fully assess the extent and impact of programming changes on the pattern of middle distance and staying races.
- The Committee understands that NZTR has allocated additional funding for the development of Stayers' Series in its draft Funding Policy for 2007/08.
- The Committee recommends that a greater portion of any additional funding that is made available should be directed to the Stayers' category.

6. That NZTR supports the proposed Auckland March Carnival and the associated re-positioning of feature races as proposed by the Review Committee (Recommendation 4).

- The Committee believes it is too early to truly measure the success or otherwise of the Auckland Cup Carnival being moved to March.
- The Committee noted the significant efforts of the Auckland RC to make the move successful.

7. That NZTR develops some criteria, in respect of early entry races, to regulate the direct cost to owners including limiting the type of race, (eg. Group 1 and 2 only), determining the total proportion of the stakes budgeted to be contributed by horses that do not start in the race, and supervising the timing and the number of payments (Recommendation 8).

- The Committee acknowledges that NZTR has implemented a fee structure for Group and Listed races, but is concerned at the high proportion of stakes that is still being contributed by owners for some Group and Listed races.
- The Committee recommends that the contribution from owners to stakes on these Group and Listed races should be capped at a set percentage substantially lower than current levels, to be determined by NZTR.

Pattern / Category Issues

The Committee has considered the impacts of the changes to the Pattern for each of the categories and has identified the following issues for further consideration.

In general terms, whilst there is evidence that some of the changes to the Pattern can be measured successfully, the Committee is of the general view that it is too early to truly assess and measure whether the Pattern on the whole has improved, and that it needs further time to evolve before a more accurate assessment can be made.

Two year olds

The Committee has identified the following issues in the two-year-old category.

1. Great Northern Champagne Stakes – Listed 1600m (Auckland RC)

This race formed part of the recommendation for the development a four-race two-year-old series. Whilst the races have all been conducted, there has been no formalised series implemented, nor have specific lead up races been programmed for the Great Northern Champagne Stakes. More importantly, the stake for the race has not been increased to a level that would allow this race to develop as an attractive late-season target, as indicated by the 2004 Review. As a result there is no real incentive for trainers to keep their two-year-olds in work for the 1600m event at Ellerslie in mid-April.

The Club has advised that it does not wish to conduct the race at 1600m in 2007/08 and will be submitting a request for a change of distance to the Graded Stakes Committee. The Review Committee is not supportive of this change at the present time and suggests that the stake of this race be increased to help make it a more attractive option, and that lead up races beyond 1200m be programmed outside of the Pattern of current Group races, in the period preceding the Great Northern Champagne Stakes.

2. Karaka Millions – Restricted Listed 1200m (Auckland RC)

The Committee is concerned as to the apparent lack of consultation that took place prior to the decision being made to allow the Auckland RC to program the Karaka Millions (NZB Super Bonus Classique formerly conducted by the Waikato RC) only eight days after the Group 2 Wakefield Challenge Stakes at Trentham. The Wakefield Challenge Stakes itself was endorsed as the seasonal target race for two-year-olds over the Summer as per the 2004 Review.

The Committee holds the view that the Wakefield Challenge Stakes will be impacted upon by this new race, and questions the logic of allowing the positioning of the new race given that the Wakefield (a Group 2 race) is considered a National event and as such should have been afforded protection.

3. Taranaki 2yo Classic – Group 3 1200m (Taranaki RC)

As part of the 2004 Review, it was recommended that the Listed Matamata Slipper (1200m Colts and Geldings conducted one week after the Taranaki 2yo) be transferred to a Rotorua meeting in mid-May to avoid a clash.

This recommendation was not implemented.

The Committee received advice from the Central Regional Programming Committee Chairman that there had been no suitable solution identified at this point in time. Further discussions will take place to ascertain the feasibility of a club proposal to conduct the race over 1600m at either a mid/late-April date or an early-May date. It was noted that there may be issues for the current sponsor.

4. Reduction in Two-Year-Old population

Preliminary data confirms a declining trend. The total number of individual two-year-olds that compete in their juvenile year has reduced by approximately 24% since 2001/02, with almost half of this decrease occurring in the current season. Importantly, the number of two-year-old fillies competing has reduced by over 30% since 2001/02, with approximately 60% of that decrease occurring in the current season.

While there are many factors that potentially contribute to this, some of which may be positively impacted by recent initiatives to increase available stake money, the Committee believes that the number of black type races available to two-year-olds is currently significantly out of alignment with the number of horses competing and as a consequence the quality of many two-year-old Group and Listed fields is below standard. Illustrative of this, the Committee notes:

- two-year-olds currently make up 6.6% of the total horses racing but compete for approximately 13.5% of the available black type races;
- 60% of the 20 two-year-old black type races are currently under a GSC Warning;
- 85% of the 20 two-year-old black type races are conducted over 1200m or less.

The Committee is of the view that data of this nature should be utilised when addressing the pyramid structure issue.

The Committee recommends that NZTR acknowledges that the Committee has significant concerns re the two-year-old category and that it will endeavour to address the two-year-old pattern in its entirety in time for the 2008/09 season.

Three year olds

The Committee has highlighted the following issues for the three-year-old Pattern:

1. NZB Insurance Triple Crown Cup – Listed 2100m (Auckland RC)

The NZB Insurance Triple Crown Cup [New Zealand Derby Trial] is currently conducted in mid-December, eight days after the Avondale Guineas and 10 days prior to the main seasonal target of the Great Northern Guineas.

The Regional Programming Committee holds the view that this race is currently surplus to requirements for the Pattern in this period, and supports a club submission that the race should be transferred to the first day of the Auckland RC March Carnival.

The Committee does not support this proposal, and acknowledges that the club will submit a request for transfer to the Graded Stakes Committee.

2. John Grigg Stakes – Listed 1400m (Ashburton RC)

This race for three-year-olds will be conducted on Friday, 28 September 2007, just six days after the Listed Canterbury Belle Stakes (1200m for three-year-old fillies) at Riccarton. The 2004 Review identified this as an issue but it was left to the Regional Group to resolve, given that Ashburton had limited opportunities to stage such a black type event.

The Regional Programming Committee has considered the issue and proposes that the John Grigg should be conducted a week later on the Saturday (currently a Canterbury Racing licence). The RPC Chairman advised that this should be achievable within the Cluster for the 2008/09 season.

Given that this provides a more suitable option for the Pattern, the Committee strongly supports this potential change.

3. Auckland RC – Soliloquoy Stakes / Great Northern Guineas Trial

The Committee believes that these two Listed events being conducted on the same day over the same distance (one for fillies and the other combined) is of concern. It was noted that for the 2006 renewal of the Great Northern Guineas Trial, three of the nine starters were fillies and the field of seven for the 2005 renewal included two fillies. It was also noted that both renewals were won by a filly.

No recommended change is put forward at this time. The Committee will consult with the Regional Programming Committee in an endeavour to identify a solution that will be suitable to the Pattern for implementation in the 2008/09 season.

4. Lowland Stakes – Group 3 2100m Fillies (Masterton RC)

The Committee noted that the Lowland Stakes had not performed as well as had been hoped being conducted on Derby day, especially given the development of a three-year-old fillies race on Auckland Cup day (four days later).

As stated earlier, this race is considered a National event as a strategic lead-up to the NZ Oaks (being on the same course) and accordingly, it should be afforded a degree of protection – ie. clubs should not programme a competing event directly against it.

It was noted that neither the club nor the Regional Programming Committee have any intention to change the date at this stage.

The Committee endorsed the suggestion of the Regional Programming Chairman that the stake of this race should be elevated to at least \$100,000.

5. Races transferred

The Committee noted that the Listed Dunedin Guineas had been transferred from Boxing Day to the Otago Premier race meeting in February.

Weight-for-age

No specific issues have been raised regarding the Pattern for Weight-for-age races.

The Committee considered submissions from the Regional Programming Committees that given the current lack of true WFA horses in New Zealand, it may be appropriate to change the conditions of some current WFA races.

The Committee agreed that Group 3 and Listed races, which are considered Regional events, could possibly have their weight conditions changed from WFA to Set Weights with Penalties, but that Group 1 and 2 events should not. It was agreed that this issue should be considered on a race-by-race basis by the Graded Stakes Committee, and that clubs should submit applications for a change of conditions through that body.

The Committee recommends that NZTR develop and adopt a uniform scale for Set Weight with Penalties races to facilitate this proposal.

Handicaps

No specific issues have been raised regarding the Pattern for Handicap races.

The Committee noted that the following changes have been made to races subsequent to the 2004 Review:

- Timaru Stakes (Listed) – distance now 1400m (was 1200m)
- James Hazlett Stakes (Listed) – distance now 1200m (was 1400m) on the Otago Premier race day in February.
- White Robe Lodge Stakes (Group 3) – transferred to Otago Premier race meeting in February.

Fillies and mares

1. Manawatu Breeders Stakes – Listed 2100m (Manawatu RC)

The Committee noted that the Manawatu Breeders' Stakes is currently in the 2007/08 calendar to be conducted on a Friday, six days after the Group 1 Te Aroha Breeders' Stakes (1600m). The Regional Programming Committee Chairman advised that a possible change of date was being considered for the race, and that details will be provided to the Committee in due course, to enable the change to be implemented in the 2007/08 season if possible.

2. WFA races

In line with the details provided under the Weight-for-age category, the Committee supports the proposal to allow Group 3 and Listed races to have a change of weight conditions from WFA to SW&P. Again, applications for a change of conditions will be considered by the GSC on a race-by-race basis.

Jumping

The Committee is of the view that issues arising out of the 2004 Review related to the Pattern of Jumping races should be considered by NZTR as a separate issue as this Committee does not possess the relevant expertise.

Other Issues

Stayers

The Committee understands that NZTR has earmarked funding within its draft Funding Policy for 2007/08 for the development of race series – for Stayers and for Fillies & Mares.

The Committee is firmly of the view that given the principle behind Recommendation 1 of the 2004 Review – that the industry should take pro-active steps to re-emphasise its strength in middle distance and staying races – the majority of this funding should be directed to the Stayers' category, in preference to Fillies & Mares.

The Committee recommends that a greater portion of any additional funding that is made available should be directed towards the Stayers' category to further assist the development of middle distance and staying events.

Early entry fees

In line with Recommendation 8 of the 2004 Review, and as stated earlier in this Report, the Committee believes that the contribution from owners to stakes for Group & Listed races should be capped at a set percentage substantially below current levels.

The Committee recommends that the contribution to stakes through owners' fees should be capped at a set percentage to be determined by NZTR – to be substantially less than current levels.

Pyramid Structure

As outlined earlier, the Committee is of the view that the fact that New Zealand does not operate a true pyramid structure in line with international guidelines and criteria needs to be addressed.

The table below shows the internationally accepted pyramid structure compared to the current NZ pyramid structure:

Status	Internationally accepted criteria	New Zealand	
		Current (2006/07) with 147 black-type races	Indicative numbers based on international criteria for 141 black-type races
Group 1	12%	16.3% (24 races)	17 races
Group 2	15%	15.7% (23 races)	21 races
Group 3	19%	21.1% (31 races)	27 races
Listed	54%	46.9% (69 races)	76 races

Currently, given the Guiding Principles that the GSC operates within, as prescribed by NZTR and the Rules of Racing, it is unable to address this issue other than by utilising the Warning system. It is noted that utilising the Warning system would mean that a race would be afforded a further two renewals prior to any downgrading, hence prolonging the necessary remedial adjustments required to be made to the pyramid.

The Committee recommends that the NZTR Board takes appropriate steps to empower the Graded Stakes Committee to enable it to address the pyramid structure of Black-type races within a specified timeframe.

International Classifications

Given the increasing international attention on the standard of New Zealand Black Type races, the Committee is of the view that appropriate steps need to be taken to enable NZ to objectively justify its position.

To this end, the Committee and the Graded Stakes Committee will give further consideration to developing and utilising a more objective ranking system.

The Committee is of the view that there is a strong case for NZ to form a closer alliance with Australia to ensure that the calibre of Australasian racing is recognised internationally.

In this context it is essential that NZ has an ongoing presence at all International Classifications meetings.

The Committee recommends that NZTR ensures that a NZ official attends all International Classifications meetings to ensure the quality of New Zealand racing is appropriately represented and promoted in all such forums.

Ownership of Races

The Committee discussed this issue in light of the recent events involving the Group 1 Otaki-Maori WFA event and the speculated transfer of that race to Matamata.

The issue of ownership of races was discussed as part of the 2004 Review. The view at that time was that the clubs hold ownership of the races and that NZTR does not have the power to move or transfer a race without the involvement of the clubs concerned and the Graded Stakes Committee, given that a change of venue constitutes a change of conditions, which requires GSC approval.

This view has been adopted by the Committee.

The Committee recommends that NZTR confirms the principle that clubs hold ownership of Black Type races, and that the Graded Stakes Committee is the appropriate body to deal with any issues arising from a proposed change in conditions of a Group or Listed race.

Penalty Free Lead-up races

The Committee discussed the issue of the conduct of races that are utilised by the industry as lead up races to major Carnival races, with emphasis on circumstances where the lead up races do not offer penalty free entry into the feature event.

The Committee is of the view that necessary steps need to be taken to ensure that the credibility of the lead up races are not open to question and that they are seen as genuine competitive events.

The Committee recommends that NZTR work with the Regional Programming Committees to ensure that suitable penalty free entry races, conducted for an appropriate stake, are programmed as lead up events to major Carnival features.