

INDUSTRY RESHAPING - OUR ACTIONS

NZTR Strategic Priorities

NEW ZEALAND
THOROUGHBRED **RACING**



PUREI HŌIHO NĀTI O AOTEAROA

MESSAGE FROM NZTR BOARD & CEO

A TIME FOR ACTION



In 2020, like most in the world of sport and entertainment we were stopped in our tracks. Since then we have reset with a proactive and decisive action plan.

As a Board we reflected on the pain and damage to our industry over the last 12 months resulting in this plan with seven areas for action, to deliver the industry overall outcomes for benefit now and in the future. We have included a timeline to each action to hold management accountable for performance and deliverables.

The areas for action set out key focus areas to drive improved industry performance. Our focus is broad, but we see upside in areas of wagering revenue, participant welfare, enhancing the racing product and the way in which we market and present the sport.

At times you may disagree with our lead, but always remember our role is industry first. That principle is embedded in every decision we make and what is best for the future is not necessarily that which was best historically.

This is our opportunity as an industry to make the aspirational changes which will count; the inspiring changes which will see us lift standards and our levels of professionalism. We need to be brave, ambitious, creative, forward-looking and, most importantly, supportive and ready for change.

It is time to stop the talk and take action.

*“always
remember
our role is
industry first”*

AREA FOR ACTION 1 – THE RACING PRODUCT



Current situation

The racing calendar is the industry's greatest asset, driving customer engagement and wagering turnover to fund the sport. Based in large part on historical or traditional dates, the racing calendar is to be more rigorously tested to ensure both opportunities for new events and to ensure we are maximising the wagering revenue opportunity.

There are opportunities to grow the exposure of our product, enhance the broadcast opportunity and wagering revenue to grow returns to stakeholders. Recent changes to the Racing Act, including the introduction of Product Fees for overseas operators, provides a unique opportunity to review how we present our racing; not just race dates but the whole racing product.

What success looks like

We have looked beyond the domestic wagering market, enhancing the racing product through adapting timeslots to support wagering broadcast opportunities, the introduction of key initiatives and feature events within the racing calendar. We have grown revenue, maximising the domestic market and focusing on international growth through, firstly, Australia and internationally, via a broader range of partners.

We have innovated in key customer periods of the year to drive greater punter and mainstream interest, showcasing the sport in multiple ways. The focus is on growth and the subsequent returns this will provide owners and participants.

“The focus is on growth and the subsequent returns this will provide owners and participants.”

Timeline

Milestone 1

Industry consultation commences on a broad range of issues including calendar opportunities and how we strengthen current areas of weakness or opportunity

August 2021

Milestone 2

Board to consider feedback and agree actions resulting from industry consultation

October 2021

Milestone 3

Where possible, changes incorporated into the 2022/2023 racing calendar (or later as required)

December 2021

AREA FOR ACTION 2 – VENUES



Current situation

We continue to address the key issues identified in NZTR's Venue plan and raised in the Messara Report, though there remain challenges with venues that are under-invested, run down and not up to an acceptable standard for today's customer. Despite the best intentions of committed volunteers, many venues are in urgent need of major development or repositioning in terms of their role in the industry.

Our current venue structure places significant demands upon industry funds. There is a need for clubs to adapt to stay relevant and sustainable.

What success looks like

We have advanced progress with regional solutions as set out in the NZTR Venue Plan including both the broader Auckland and Waikato solutions.

We have a costed schedule in place for investment, reconstruction and/or upgrading of key venues, as well as all synthetic tracks fully utilised with maintenance programs in place and funded.

Redeveloped venues are meeting consumer expectations with Health & Safety standards also lifted. Consistency of racing surfaces is providing greater punter confidence and wagering outcomes. The overall result is a sustainable, affordable venue footprint meeting both our community and professional needs.

Timeline

Milestone 1

Venue Plan version 3 delivered for industry consultation
August 2021

Milestone 2

Track investment plan for venues supported by the Venue Plan is created
August 2021

Milestone 3

Three synthetic tracks completed on schedule and to budget
March 2022

“The overall result is a sustainable, affordable venue footprint meeting both our community and professional needs.”

AREA FOR ACTION 3 – PARTICIPANTS



Current situation

The racing industry has difficulty, for various reasons, in attracting and retaining suitably qualified personnel. As a result, the industry maintains a heavy reliance on a large immigrant workforce and the associated visa issues and uncertainty this brings.

Our existing workforce has wide-ranging levels of professionalism and competency combined with a lack of entry-level or informal qualifications for many roles, while some industry roles suffer from an image problem among the broader community. These factors, along with the lack of more-clearly defined career paths, contributes to racing being absent from a list of aspirational career options.

In addition, we have licensing standards that do not meet global best-practice, so an opportunity to lift licensing standards exists.

What success looks like

We have developed an 'Academy-type Recruitment Programme' and have partnered with specialist education providers to access the skills and scale the industry needs. We have created industry-specific training programmes, linking external specialist skills to our own frameworks and governance of the sport.

Our workforce is excited about their future within the industry, they have clear career paths and are proud to be involved in racing. Our employers are rewarded with engaged, professional and focused staff, retaining local talent. Our industry standards and levels of professionalism, including licensing standards, are lifted.

“Our workforce is excited about their future within the industry, they have clear career paths and are proud to be involved in racing.”

Timeline

Milestone 1

NZTR Board to review and agree recommended structure of future E&T and licensing model

May 2021

Milestone 2

Information shared with industry on future model for E&T and licensing

July 2021

Milestone 3

Final decision and implementation plan (including phase 1 for 21/22)

August 2021

AREA FOR ACTION 4 – CLUBS



Current situation

The current Club model is outdated and unsustainable with a duplication of resources and little focus on developing or retaining talent. Committees are largely run by volunteers with a passion for the industry with little succession planning.

Few clubs are maximising the commercial opportunities presented to them. Mechanisms in the current Club Funding Model are outdated and not driving the right outcomes.

What success looks like

A stronger more sustainable model for the future. Clubs working together, the utilisation of Hub models with multi-club alignment and shared resources has been established.

Clubs are encouraged to create added revenue streams; establish strong community relationships; and business opportunities. Funding is aligned to club behaviour, rewarding those who innovate.

“Clubs are encouraged to create added revenue streams; establish strong community relationships; and business opportunities.”

Timeline

Milestone 1

Club Funding Model finalised for 2021/2022

May 2021

Milestone 2

Transition plan for the establishment of a hub for the CD Clubs has been agreed

August 2021

Milestone 3

Future opportunities for Club hubs in other regions explored

October 2021

AREA FOR ACTION 5 – MARKETING & PR



Current situation

The perception and presence of racing in the mainstream media is poor. The industry has scarce and (often) poorly utilised resources in relation to marketing and PR expertise. The roles and responsibilities of the stakeholders are not clear, and we are not attracting new talent in this area.

We have built some equity in the LOVERACING.NZ brand but need broad industry support to broaden racing's appeal outside of diehard followers. We need to grow interest and participation in horse racing, creating insights and new fans.

What success looks like

New Zealand thoroughbred racing has an overarching marketing and promotional strategy that is supported by the industry. The capabilities of both NZTR and industry stakeholders are leveraged, and an industry-wide collective approach is taken to marketing of the industry and events.

Our stories are getting racing into the mainstream media. We are catering for all fans – new and old, expert and beginner. We are attracting younger, more digitally-savvy and more socially connected fans.

*“Our stories are getting racing into the mainstream media.
We are catering for all fans – new and old, expert and beginner.”*

Timeline

Milestone 1

Club website network completed and delivering a significantly improved fan experience

May 2021

Milestone 2

Future model for event infrastructure developed and agreed (previously The Races)

May 2021

Milestone 3

Future Marketing and PR operation and model agreed and transition has started

August 2021

AREA FOR ACTION 6 – WAGERING AND CONTENT



Current situation

NZTR has identified opportunities to work with partners to better promote and position the New Zealand racing product offshore. This work, commencing with the Australian market, will deliver improved returns to enable NZTR to invest and better reward participants.

The new legislation presents an opportunity for the codes to develop more direct commercial relationships, improving both revenue opportunities and customer outcomes. Due to a range of constraints, we have not been maximising distribution (and hence revenue) in international markets, missing opportunities in ways to benefit returns for our participants.

What success looks like

A range of deeper partnerships are developed, created through direct relationships with wagering operators and other partners, to drive improved commercial returns. There is greater awareness of New Zealand racing offshore, with more regular promotion to drive interest and generate revenue.

Our data and vision are more widely distributed and more effectively monetised, enabling NZTR to provide greater returns to industry participants.

Timeline

Milestone 1

Additional Australian bookmakers captured under Product Fee and vision arrangements

May 2021

Milestone 2

IP audit complete and agreed framework in place

June 2021

Milestone 3

Australian market initiatives agreed and commercial agreements in place

July 2021

“Data and vision are more effectively monetised, enabling NZTR to provide greater returns to industry participants.”

AREA FOR ACTION 7 – THE BUSINESS OF RACING



Current situation

Despite our industry contributing \$1.6 billion to the economy annually, racing has not effectively used that size and scope to its advantage.

We own key assets, both physical and non-physical, but a disjointed approach to aggregating and monetising these assets has meant we've under-delivered on the returns available to the industry.

What success looks like

We have brought the industry together, recognising the value of an aggregated approach. We have monetised dormant assets, aggregated non-physical assets such as sponsorships and races to create value for new, national sponsors and/or create broadcast opportunities.

We have streamlined industry administration through the creation of hubs and ensured clubs have a focus which is less on racing and more on events and community engagement. Our collective scale and a united approach provide significantly improved commercial outcomes.

“Our collective scale and a united approach provide significantly improved commercial outcomes.”

Timeline

Milestone 1

Continuation of regional solutions as part of the NZTR Venue Plan

Ongoing

Milestone 2

Procurement audit completed and opportunities identified working with Clubs

September 2021

Milestone 3

Sponsorship assets audit completed, and opportunities identified working with Clubs

November 2021



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