

SIZE & SCOPE OF THE

NEW ZEALAND RACING INDUSTRY

PREPARED BY IER / FEBRUARY 2018

NEW ZEALAND
RACING BOARD



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KEY FINDINGS

THE NEW ZEALAND RACING INDUSTRY WAS **RESPONSIBLE FOR GENERATING MORE THAN \$1.6 BILLION IN VALUE-ADDED CONTRIBUTION** TO THE NEW ZEALAND ECONOMY – **70.6% OF WHICH DIRECTLY BENEFITS THE NORTH ISLAND.**

DIRECT SPENDING IMPACTS

	Thoroughbred	Harness	Greyhound	TOTAL
Total Direct Expenditure ¹	\$813.4m	\$325.3m	\$67.1m	\$1,205.8m

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	TOTAL
Total Value Added ²	\$1,098.9m	\$442.1m	\$92.6m	\$1,633.5m
% of Industry Value Added	67.3%	27.1%	5.7%	
Total Household Income ³	\$498.4m	\$201.7m	\$43.0m	\$742.8m
Total FTE Employment	9,621	3,937	840	14,398

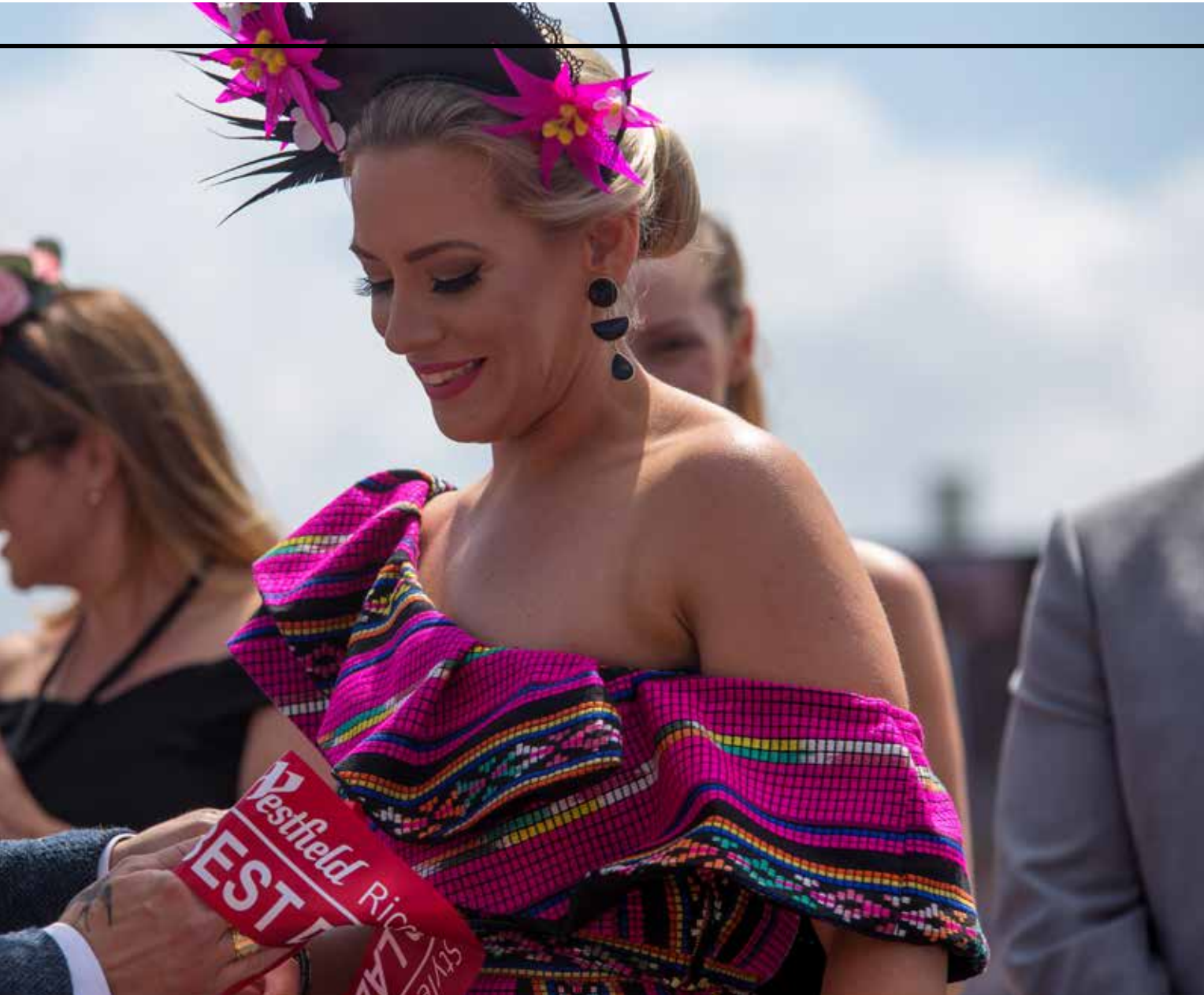
¹ Direct expenditure is defined as expenditure associated with producing foals and pups (breeding & rearing), preparing racing horses and greyhounds (training), racing customer expenditure and expenditure by NZRB, the three codes of racing and racing clubs on operating the industry. Direct expenditure is counted at the point at which it leaves the racing industry and reaches the broader economy. ² Value-added contribution is defined as the value of sales less the value of inputs used in production, i.e. it is equal to the income (wages, salaries and profits) generated in production. ³ Household Income is defined as being wages and salaries (before tax) earned from employment generated by the racing industry.

In 2016/17, the New Zealand Racing industry generated total direct spending of \$1,205.8 million. This expenditure was responsible for creating a direct value-added impact (in terms of wages, salaries and profits) of \$611.0 million. However, the flow-on effects linked to this expenditure increase the size of the industry's value-added contribution to over \$1.6 billion.

More than 70% of the total value-added impact occurred on the North Island of New Zealand, with the Waikato (28.4%) and Auckland (24.7%) regions representing the regional areas of racing related economic activity.

The economic output generated by the New Zealand racing industry was directly responsible for sustaining 14,398 full-time equivalent jobs across the nation. This total represents the employment sustained within the industry, as well as the employment that is sustained in supply industries who meet the demand created by racing industry activity.





OF THE 14,398 FTE JOBS SUSTAINED BY THE NEW ZEALAND RACING INDUSTRY AROUND **46% ARE THE DIRECT RESULT OF THE RACING INDUSTRY ACTIVITY** WHILST THE REMAINDER ARE IN DOWN-THE-LINE INDUSTRIES THAT **PRODUCE AND SUPPLY GOODS AND SERVICES** FOR RACING IN NEW ZEALAND.

In 2016/17, more than 614,600 attendances were recorded at thoroughbred, harness and greyhound race meetings in New Zealand. More than 25% of these attendances are made in the West Coast & Canterbury region – with harness racing a particularly strong driver of attendance. Attendances in the Auckland (20.8%), Otago and Southland (12.2%) regions were next highest.

Participants are the lifeblood of the racing industry. They provide the investment, time, skills and passion that underpins horse and greyhound racing in the nation. In total, there are in excess of 58,100 individuals who participate in the New Zealand racing industry as employees, participants or volunteers. Many of these people enjoy gainful employment of their specific skillset where they may find limited opportunities otherwise – particularly in the breeding and training/racing related disciplines. Furthermore, many participants hold more than one role within the industry.

The industry is also supported by more than 10,800 people who volunteer their time and resources. For many of these people, local racing clubs and participants are an important part of their community and provide valuable opportunities to provide opportunities to stay active and engage with their community.

THERE ARE **MORE THAN 18 RACE MEETINGS** HELD IN NEW ZEALAND EVERY WEEK PROVIDING **LIVE ENTERTAINMENT TO MORE 614,600 ATTENDEES**

AT A GLANCE

RACING ACTIVITY

117 Racing Clubs

THOROUGHBRED 62
HARNESS 44
GREYHOUND 11

967 TAB Race Meetings

THOROUGHBRED 308
HARNESS 258
GREYHOUND 401

10,701 Total Races

THOROUGHBRED 2,564
HARNESS 2,513
GREYHOUND 5,624

614,678 Attendances

THOROUGHBRED 361,471
HARNESS 222,150
GREYHOUND 31,057

5,459 Live Foals/ Pups Bred

THOROUGHBRED 3,354
HARNESS 1,367
GREYHOUND 738

12,712 Horses and Greyhounds in Training

THOROUGHBRED 6,376
HARNESS 3,745
GREYHOUND 2,591





AT A GLANCE

THE PEOPLE

6,612 Breeders

THOROUGHBRED 3,705

HARNESS 2,813

GREYHOUND 94

25,381 Owners

THOROUGHBRED 15,951

HARNESS 9,102

GREYHOUND 328

2,004 Trainers

THOROUGHBRED 1,013

HARNESS 749

GREYHOUND 242

4,681 Racing Club
& Industry Staff

THOROUGHBRED 2,633

HARNESS 1,822

GREYHOUND 226

8,064 Staff employed by
participants

THOROUGHBRED 6,475

HARNESS 1,359

GREYHOUND 230

614 Jockeys & Drivers

THOROUGHBRED 228

HARNESS 386

10,810 Volunteers

THOROUGHBRED 4,763

HARNESS 5,336

GREYHOUND 710

INTRODUCTION

IN JULY 2017, **NEW ZEALAND RACING BOARD** COMMISSIONED A STUDY INTO THE **SIZE AND SCOPE OF THE THREE CODES OF RACING IN NEW ZEALAND**. THIS STUDY REPRESENTS AN **UPDATE TO THE PREVIOUS REPORT COMPLETED IN 2011**. THIS STUDY USES RACING INDUSTRY **DATA FROM THE 2016-17 RACING SEASON**.

PURPOSE OF THE STUDY

This study aims to quantify the economic, employment and social contribution that the New Zealand industry generates. The report focuses on national impacts as well as looking at specific outcomes for regional areas. The key focus of the study is to investigate the following outcomes attributable to the racing industry:

- + The full-time equivalent employment generated by racing industry activities in New Zealand
- + The number of participants (i.e. trainers, breeders etc.) in the industry
- + The total direct expenditure contribution that the industry makes, in its current form, to the New Zealand economy
- + The value-added contribution that the industry makes to the New Zealand economy
- + The social and community importance of thoroughbred, harness and greyhound racing – particularly in regional parts of the country

STUDY METHODOLOGY

In assessing the size and scope of the racing industry, the study will take into account a number of the traditional measures adopted by the racing industry (such as breeding and training activities, attendance and wagering) as well as calculating a number of economic measures. For the purpose of this study, the racing industry is defined as

covering the full spectrum of activities associated with the conduct of thoroughbred, harness and greyhound racing in New Zealand. From an economic impact perspective, it is the expenditure that the racing industry makes externally (on goods & services) that constitutes the direct spending impact generated by the racing industry.

The data that underpins this study has been gathered from a number of sources. These are outlined below:

- + New Zealand Racing Board provided financials and data related to racing and wagering activities
- + The three codes of racing (thoroughbred, harness and greyhound) provided data related to racing activities and participant registrations
- + Racing clubs provided financial data as well as data relating to their club and raceday operations
- + IER also interviewed a number of breeders, trainers and owners in order to build a profile of the cost of production and preparation of racing horses and greyhounds.

Throughout the report, data has been presented at a national and regional level. The regional level analysis is based on ten key regional areas taken from the NZ Post geographic structure.

It is important to note that whilst this report builds on the study that was completed in 2010 (using data from 2008-09), direct comparisons should be made with caution for the following reasons:

- 1 Over the last 10 years, there has been significant improvements in record keeping across various parts of the industry, which has meant less reliance on considered estimates – this is particularly relevant when considering attendances
- 2 The macroeconomic climate is markedly different in 2016-17 when compared to 2008-09 (which was not long after the global financial crisis)

ECONOMIC METHODOLOGY

The development of an economic model of the New Zealand racing industry requires a strong understanding of the internal and external flows of money. Through the model, duplicate expenditures have been identified within this monetary framework and excluded from the total expenditure calculations. In this regard, the key is to identify the final expenditures - ensuring not to count the same expenditures as they flow between internal racing industry transactions.

This study measures the economic contribution made by racing industry in New Zealand. The final expenditure profile of the racing industry is based on the following key inputs:

- + production (breeding related activities) of racing horses and greyhounds – the expenditure generated by the breeding sector in maintaining breeding animals and producing pups.
- + preparation (training related activities) of racing horses and greyhounds for racing – the expenditure by owners and trainers on training services as well as other non-training related expenses such as major veterinary, transport etc.
- + racing club and industry expenditure – the expenditure generated by racing clubs and peak bodies in New Zealand on running their operations, businesses and events.
- + Government share of net wagering revenue – the net wagering revenues that flow to the Government (through wagering taxes).
- + racing customer off-track expenditure – expenditure made by racegoers, off-track, as part of their attendance at the races.

The economic model used within this study follows three key steps:

1 Gathering Industry Expenditure This has been explained in more detail previously; however, this is the most important step as a failure to accurately generate the expenditure profile of the industry only leads to a multiplication of this error throughout the latter parts of the economic methodology.

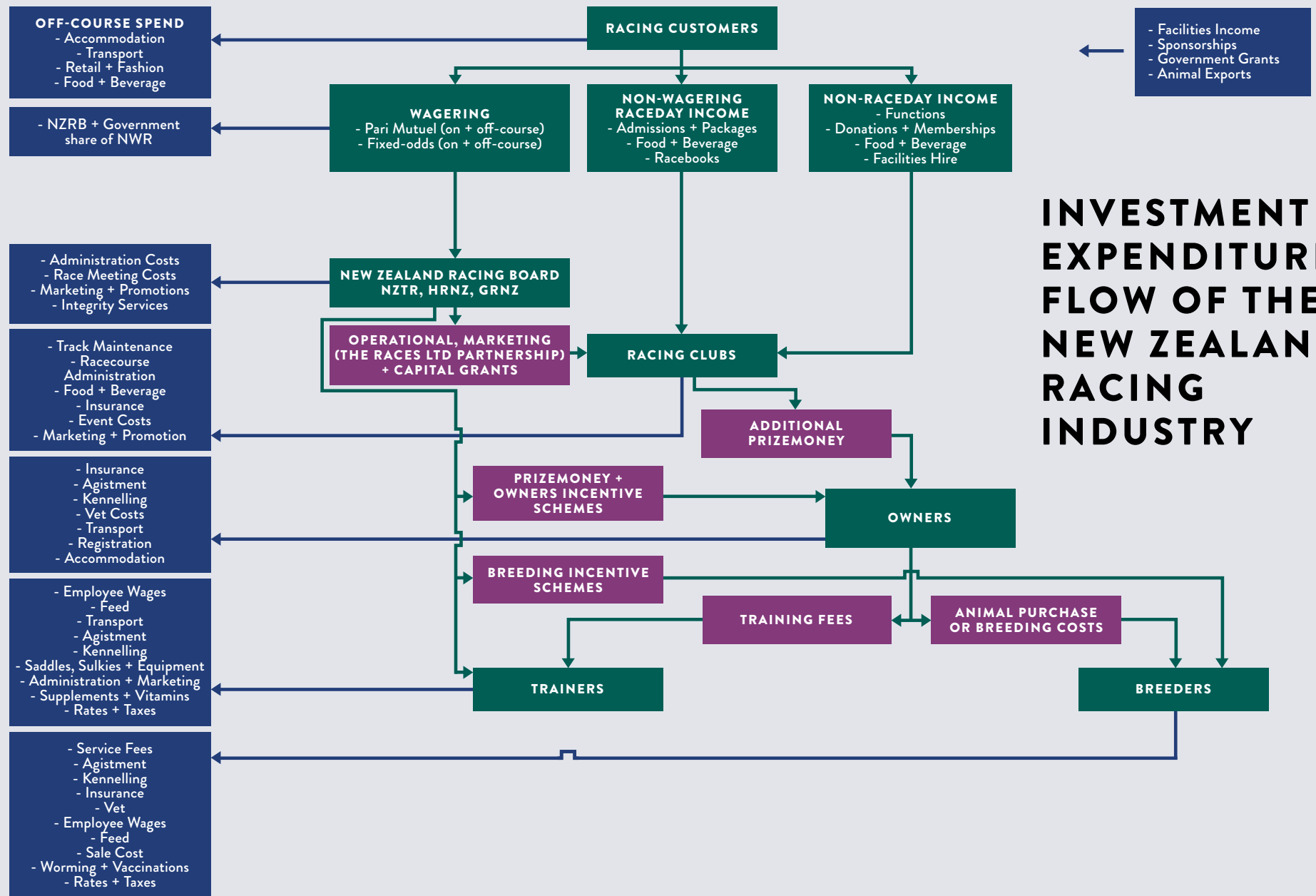
2 Categorisation of industry expenditure into ANZSIC classifications The ‘racing industry’ does not exist within the Australian and New Zealand Standard Industry Classification (ANZSIC) structure. For modelling purposes, it is necessary to allocate direct expenditures to the appropriate industry sectors using ANZSIC06 codes as defined by STATS NZ. Racing Industry expenditure is widely spread to services purchased throughout the whole economy. Whilst “recreation services” is the dominant sector, there are significant purchases from agriculture, from business services, from property services and so on.

3 Economic modelling IER has utilised an input-output methodology for the calculation of economic impacts associated with the racing industry in New Zealand. The input-output model provides direct and indirect impacts in relation to value-added, income and employment. Specifically, the input-output model is a derivation of the publicly available input-output table that is produced by Statistics NZ. Manipulation by IER’s economist ensures that the input-output table is useful for the purposes of this study.



EXTERNAL EXPENDITURE

INTERNAL INVESTMENTS



INVESTMENT & EXPENDITURE FLOW OF THE NEW ZEALAND RACING INDUSTRY

DIRECT SPENDING BY THE NEW ZEALAND RACING INDUSTRY

The calculation of economic impacts, as identified in this study, is predicated on determining the extent to which the New Zealand racing industry contributes to the national economy. This is achieved by identifying the value of direct (or final) expenditures as well as the subsequent direct and indirect flow-on impacts on the economy.

In 2016/17, the New Zealand racing industry generated more than \$1.2 billion in direct expenditure. The calculation of direct expenditure is based on the final expenditures of the racing industry – or put another way – the point at which the expenditure leaves the internal racing industry and hits the broader economy. For instance, a raceday attendee who spends money at the bar is generating expenditure within the racing industry. However, this expenditure is used by the racing club to fund its operations and it is at this level where final expenditures are captured (i.e. the customer funds the racing club's expenditure on wages, advertising and operations).

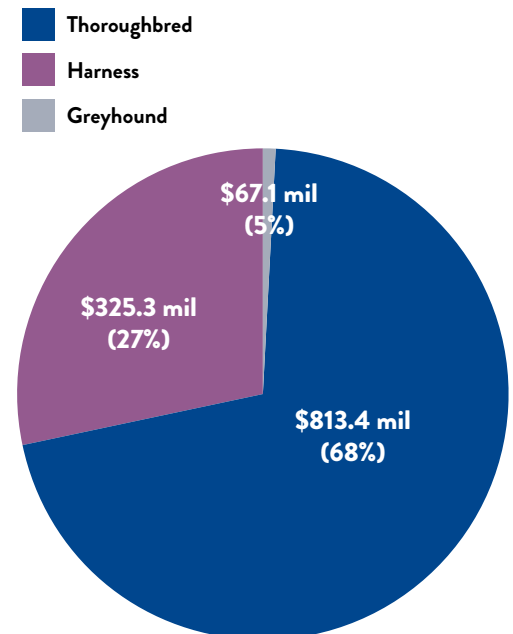
Thoroughbred racing is responsible for generating 68% of total industry expenditure. More than 87% of this expenditure was in the North Island of New Zealand. The largest region was Waikato, which generated more than \$364m.

Harness racing is responsible for generating 27% of total industry expenditure. Over 64% of this expenditure was in the South Island of New Zealand. The largest region was West Coast & Canterbury which generated over \$146m.

Greyhound racing is responsible for generating 5% of total industry expenditure. This expenditure was evenly spread between the North Island (50.6%) and South Island (49.4%). The largest region was West Coast & Canterbury which generated over \$27m.

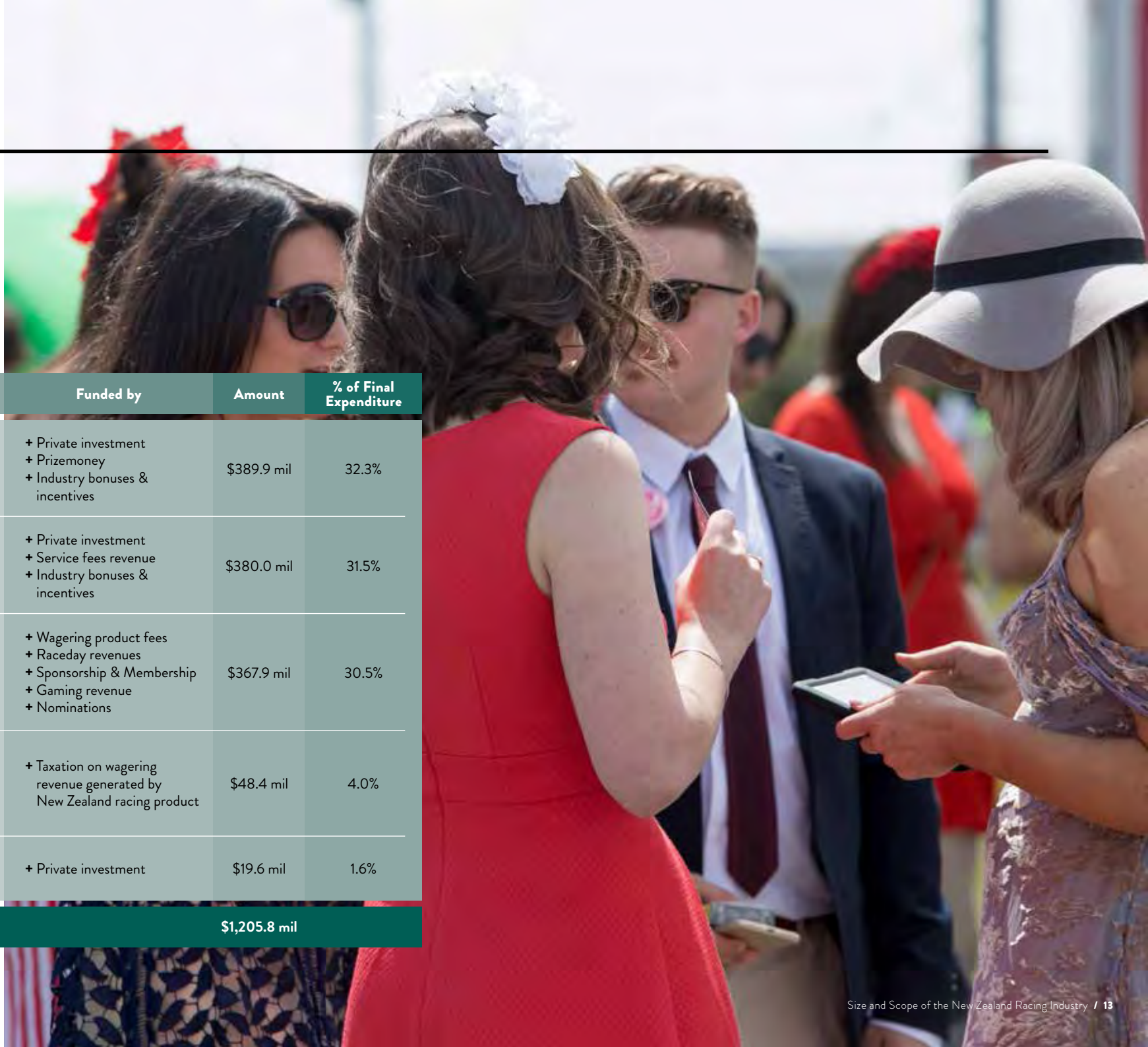
THE NEW ZEALAND RACING INDUSTRY IS RESPONSIBLE FOR **GENERATING MORE THAN \$1.2 BILLION IN EXPENDITURE IN NEW ZEALAND.** OVER TWO-THIRDS OF THIS EXPENDITURE **WAS GENERATED IN THE NORTH ISLAND.**

DIRECT SPENDING BY CODE (\$MIL)



The breakdown of final expenditures is outlined below:

Sources of Final Expenditure	Funded by	Amount	% of Final Expenditure
Preparation of racing horses and greyhounds (Training)	+ Private investment + Prizemoney + Industry bonuses & incentives	\$389.9 mil	32.3%
Production of racing horses and greyhounds (Breeding)	+ Private investment + Service fees revenue + Industry bonuses & incentives	\$380.0 mil	31.5%
Racing Club & Industry Expenditure	+ Wagering product fees + Raceday revenues + Sponsorship & Membership + Gaming revenue + Nominations	\$367.9 mil	30.5%
Wagering Tax	+ Taxation on wagering revenue generated by New Zealand racing product	\$48.4 mil	4.0%
Racing customer expenditure off-course	+ Private investment	\$19.6 mil	1.6%
TOTAL		\$1,205.8 mil	



ECONOMIC CONTRIBUTION OF THE INDUSTRY

The New Zealand Racing Industry is responsible for generating a real gross value-added contribution of \$1,633.0 million for the New Zealand economy. Real gross value-added is the generally accepted measure of the value of production from economic activity. It is the sum of value-added by all industries in a region (in this case, regions of New Zealand). In any period of time, the value-added contribution in an industry equates to the value of sales less the value of inputs used in production. This means value-added is equal to the income (wages, salaries and profits) generated in the course of production.

The real gross value-added calculation uses constant prices (prices in a selected year), hence it does not allow for general price level changes (inflation). Also, the calculation makes no allowance for capital used in production (depreciation).

Generally, the level of economic activity will not always proportionally follow the final expenditures, as regional areas generally have higher import penetrations than more populated regions. As such, the model takes into consideration these leakages between regions.

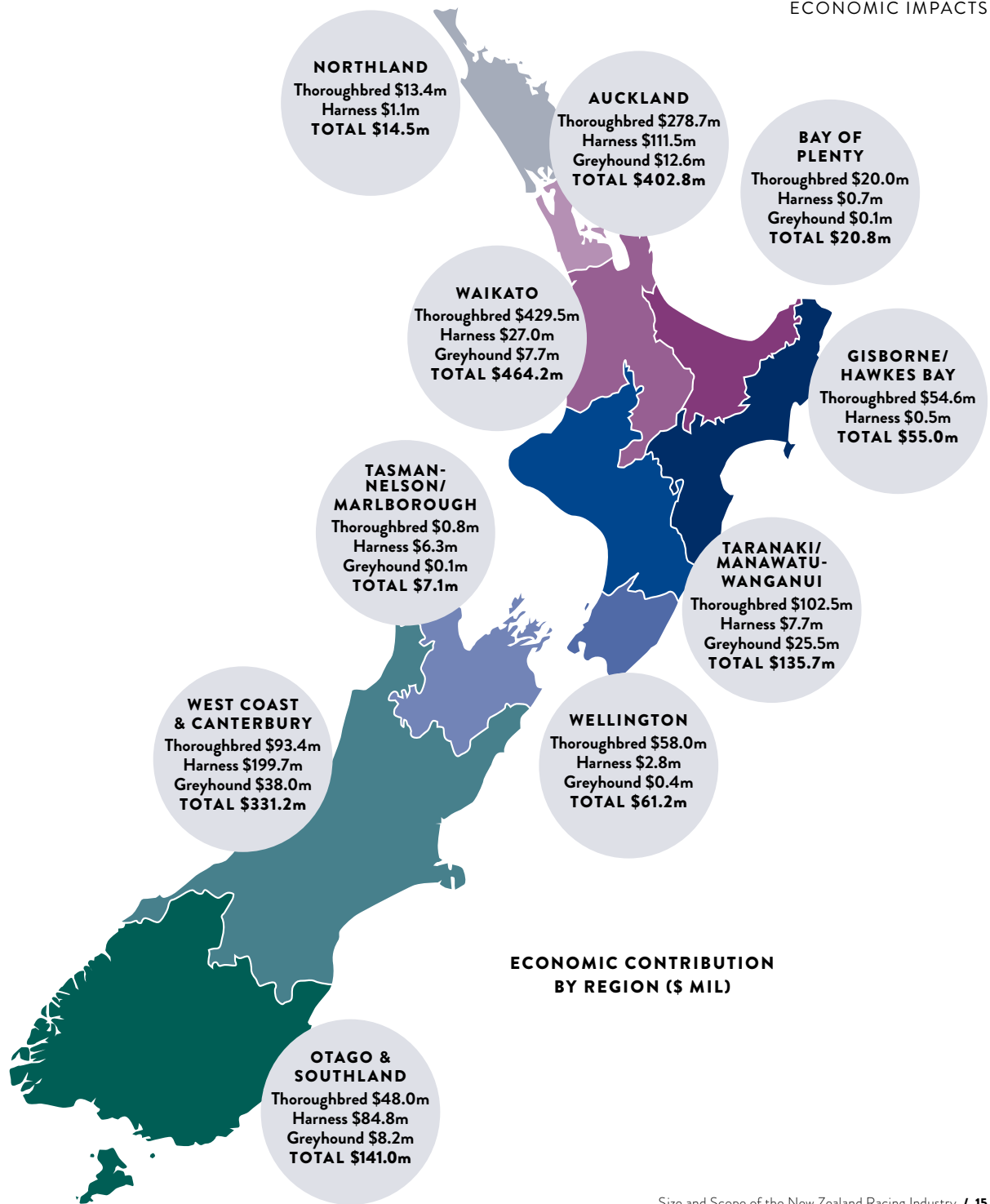
When considering the value-added contribution of \$1,633.0 million generated by the New Zealand racing industry, it is important to note that it is made up of:

+ Direct Value-added (\$611.0 million) - this represents the amount of income included in the direct in-scope expenditure. It is the amount of gross wages and salaries in the racing industry and the direct provision of services to racing activity, plus the gross operating surplus (profits, interest payment and direct taxes) directly created in supply these services and product. This is also equal to the direct in-scope expenditure less the purchases that the provider of the goods and services makes in providing the goods and services (both supplied from within the region, as well as externally (i.e. imported).

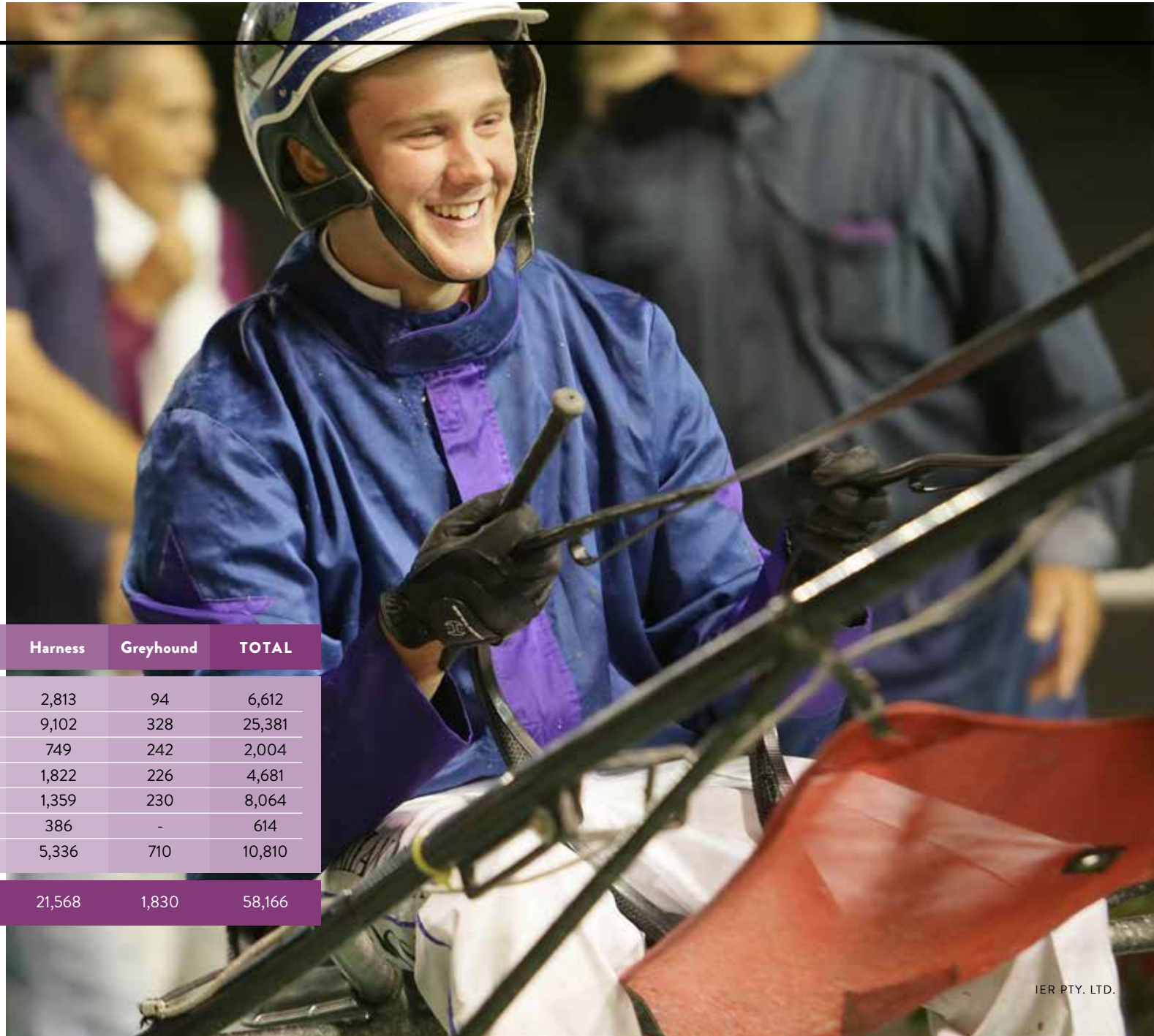
+ Indirect (Induced) Value-added (\$1,022.5 million) - represents the value-added activity (wages, salaries and gross operating surplus) generated to support the purchases made in providing the inputs to the providers of the direct services, along with the value-added impact in providing households with goods and services as they spend their wages, and the trickle on effect of this.

The direct value-added impacts are calculated using the ratios within each of the relevant ANZSIC Industry classification sectors identified within the input-output table. The calculation of the indirect (induced) effects, which are allocated to the industry in which the impact occurs, is undertaken by running an impact assessment, and tracing the whole of economy effect of the expenditure patterns linked to the racing industry.





EMPLOYMENT & SUPPLY



TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	TOTAL
Breeders	3,705	2,813	94	6,612
Owners	15,951	9,102	328	25,381
Trainers	1,013	749	242	2,004
Racing Club & Industry Staff	2,633	1,822	226	4,681
Staff employed by participants	6,475	1,359	230	8,064
Jockeys & Drivers	228	386	-	614
Volunteers	4,763	5,336	710	10,810
TOTAL	34,768	21,568	1,830	58,166

PARTICIPANTS IN THE NEW ZEALAND RACING INDUSTRY

The concept of 'participation in racing' is broader than simply considering those employed in the industry. Participants include employees, trainers, breeders, owners and volunteers who have varying levels of engagement, from occasional to full-time.

Participants are the lifeblood of the racing industry. For the majority of participants, involvement is part business and part hobby. Passion drives many to pursue the challenges and opportunities available in the racing industry. For some participants however, the racing industry is their livelihood - their occupation.

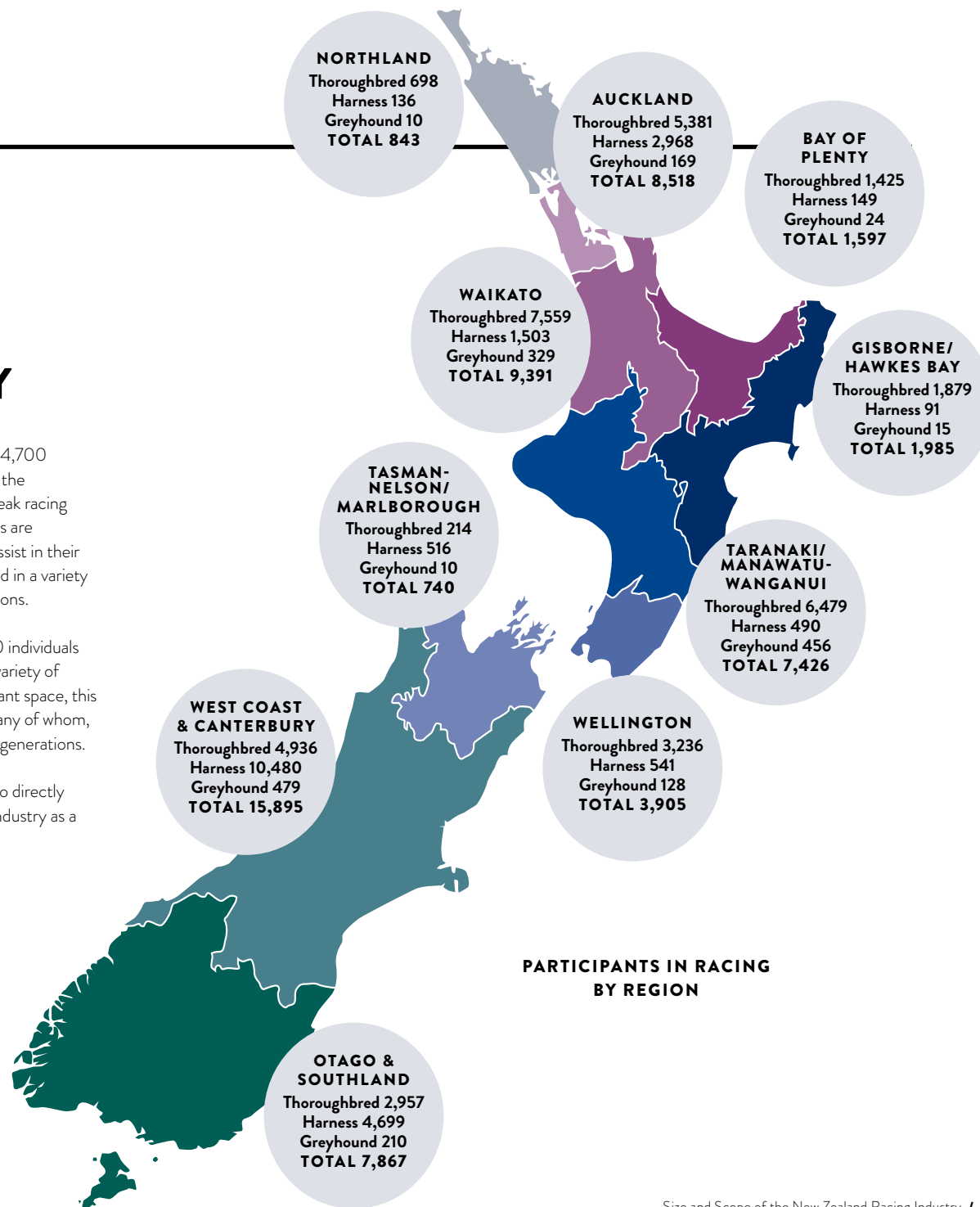
Many of these people find gainful employment of their specific skillset where they may find it difficult otherwise. This is especially true in relation to the trainers, breeders and those skilled in preparing or caring for racing horses and greyhounds. Additionally, there are many supply businesses for whom the racing industry provides the market for which to sell their goods or services.

Nearly 34,000 breeders, owners and trainers provide the capital and the skills to produce and prepare racehorses and greyhounds for racing. These participants drive a chain of activity which leads to the production of a racing product that is consumed by audiences on most days of the year.

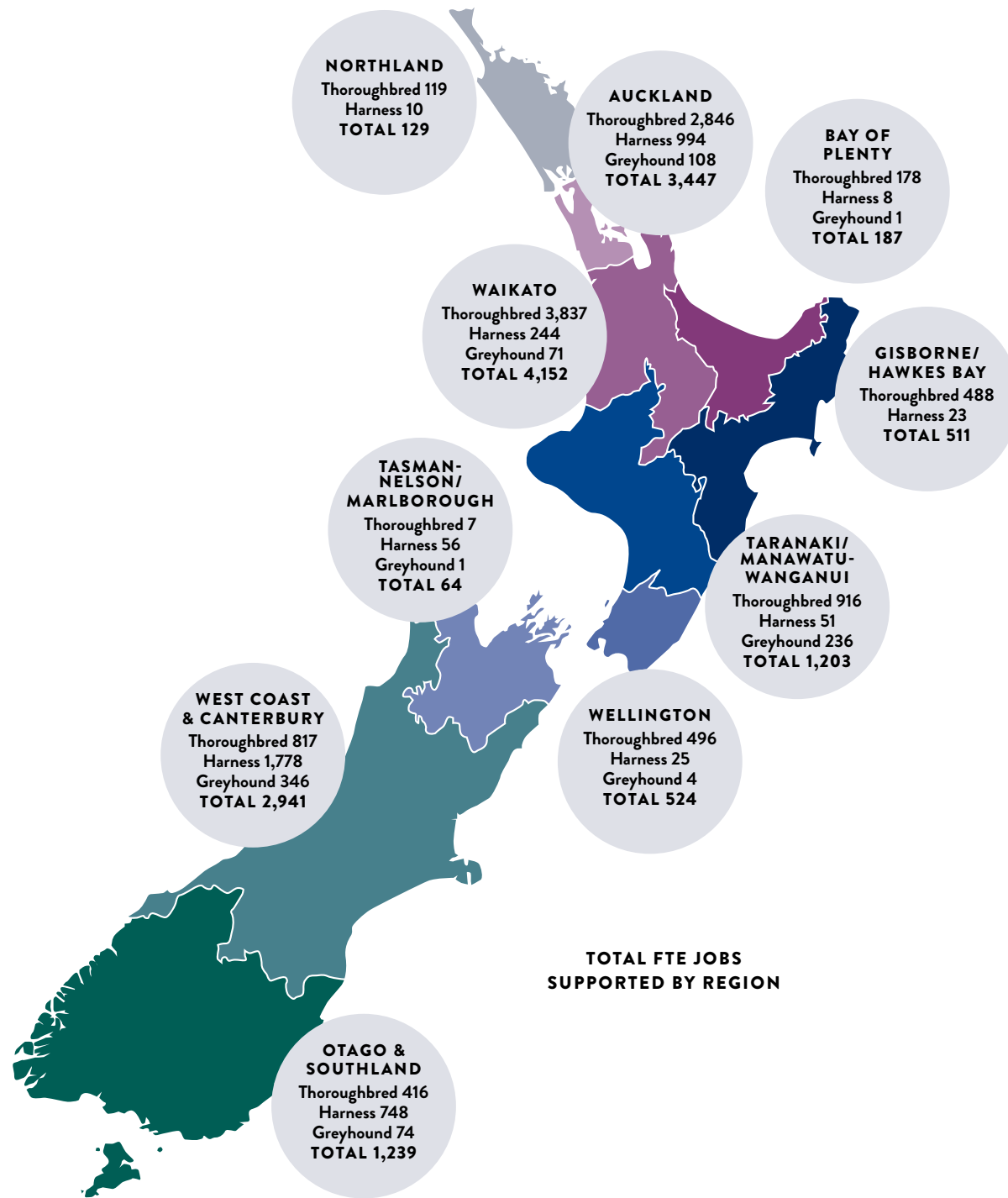
In addition to these participants, nearly 4,700 individuals are employed directly within the racing industry, within racing clubs or peak racing associations. A further 8,000 individuals are employed by breeders and trainers to assist in their activities. These individuals are employed in a variety of full-time, part-time and casual positions.

Finally, there are approximately 10,800 individuals who volunteer their time and skills in a variety of roles within the industry. In the participant space, this often includes family members - for many of whom, this family connection goes back many generations.

In total, there are 58,166 individuals who directly participate in the New Zealand racing industry as a participant, employee or volunteer.



PARTICIPANTS IN RACING BY REGION



TOTAL FTE JOBS SUPPORTED BY REGION

EMPLOYMENT GENERATED BY RACING IN NEW ZEALAND

In 2016/17, the economic activity generated by the New Zealand racing industry directly sustained 6,685 full-time equivalent positions in New Zealand.

In addition to the direct employment impact, the activities of the New Zealand racing industry also help to sustain a further 7,713 FTE jobs in support industries. Therefore, the total direct and indirect employment impact generated by the New Zealand racing industry was 14,398 FTE jobs.

The FTE positions that are sustained by the New Zealand racing industry resulted in more than \$743.1 million in wages and salaries for the people employed directly within the industry as well as those employed in down the-line industries that receive increased demand as a result of racing activity.

Some examples of the other industries that are stimulated by racing include; veterinary, feed, retail, tourism, accommodation, transport, manufacturing and construction.



THE SUPPLIER NETWORK

The New Zealand racing industry is supported by a large supplier network in a mutually beneficial way. For many suppliers of goods and services, a strong racing industry forms an important part of the critical mass of their client base. Many offer specific skills, and customised products that are relevant only to this industry. The supplier network broadly contains those providing a direct service or product to the industry as well as those down-the-line businesses who provide the raw materials and manufacturing that drive the products on offer.

RACING'S PARTICIPANTS AND ANIMALS



THE BREEDING INDUSTRY

NUMBER OF BREEDERS

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	89	29	1	119
Auckland	678	383	8	1,069
Waikato	1,008	213	18	1,239
Bay of Plenty	140	26	-	166
Gisborne/Hawkes Bay	223	10	1	234
Taranaki/Manawatu-Wanganui	693	64	21	778
Wellington	277	40	2	319
North Island	3,108	765	51	3,924
Tasman-Nelson/Marlborough	19	56	1	76
West Coast & Canterbury	348	1,341	39	1,728
Otago & Southland	230	651	3	884
South Island	597	2,048	43	2,688
TOTAL	3,705	2,813	94	6,612

IN TOTAL, **MORE THAN 8,600 INDIVIDUALS** PROVIDE THE BREEDING AND TRAINING SKILLS THAT **HELP TO KEEP THE INDUSTRY FUNCTIONING**. WHEN REGISTERED OWNERS ARE INCLUDED, THIS NUMBER RISES TO **JUST UNDER 34,000 PEOPLE WHO ARE DIRECTLY INVOLVED** IN PRODUCING AND PREPARING RACEHORSES AND GREYHOUNDS FOR RACING.

NUMBER OF BREEDERS STAFF

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	80	10	-	91
Auckland	610	134	2	747
Waikato	907	75	5	987
Bay of Plenty	126	9	-	135
Gisborne/Hawkes Bay	201	4	-	205
Taranaki/Manawatu-Wanganui	624	22	6	652
Wellington	249	14	1	264
North Island	2,797	268	15	3,080
Tasman-Nelson/Marlborough	17	20	-	37
West Coast & Canterbury	313	469	12	794
Otago & Southland	207	228	1	436
South Island	537	717	13	1,267
TOTAL	3,335	985	28	4,347

The breeding sector provides and replenishes the racing horses and greyhounds for the New Zealand racing industry. There are 6,612 registered breeders in New Zealand across the three codes of racing. At the top end of the breeding sector, large stud farms employ many staff and produce large numbers of foals each year. At the other end of the scale, there are a large number of hobby breeders also producing foals and pups.

Breeders include those whose core activity is to manage the breeding process as well as those whose involvement is as an investor (through part ownership of a broodmare, broodbitch, or sire).

Breeders derive the majority of their income from service fees and the public and private sale of their stock. In the thoroughbred and standardbred sectors, fees are also charged for maintaining the mare and foal through the gestation period, as well as weaning fees. This particular sector of the industry has great potential to generate economic impacts for the region, as breeders often sell their stock to out-of-region and overseas buyers – generating export revenue for New Zealand. A strong racing industry is an important pre-cursor for a strong breeding sector.

NUMBER OF VOLUNTEERS SUPPORTING BREEDERS

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	71	38	1	110
Auckland	542	498	10	1,051
Waikato	806	277	23	1,107
Bay of Plenty	112	34	-	146
Gisborne/Hawkes Bay	178	13	1	193
Taranaki/Manawatu-Wanganui	554	83	27	665
Wellington	222	52	3	276
North Island	2,486	995	66	3,547
Tasman-Nelson/Marlborough	15	73	1	89
West Coast & Canterbury	278	1,743	51	2,072
Otago & Southland	184	846	4	1,034
South Island	478	2,662	56	3,196
TOTAL	2,964	3,657	122	6,743





THERE ARE **MORE THAN 6,600 INDIVIDUALS** WHO EITHER **BREED, OR HAVE AN OWNERSHIP INTEREST** IN A BROODMARE, BROODBITCH, STALLION OR SIRE. THEY ARE **SUPPORTED BY MORE THAN 4,300 EMPLOYEES AND 6,700 VOLUNTEERS** – MEANING THAT THE INDUSTRY IS SUPPORTED BY **MORE THAN 17,700 PEOPLE DIRECTLY INVOLVED IN BREEDING ACTIVITIES ACROSS THE THREE CODES.**

PRODUCING RACING ANIMALS

NUMBER OF STALLIONS/SIRES

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	3	-	-	3
Auckland	15	13	3	31
Waikato	47	1	-	48
Bay of Plenty	1	-	1	2
Gisborne/Hawkes Bay	5	-	-	5
Taranaki/Manawatu-Wanganui	20	2	-	22
Wellington	4	-	-	4
North Island	95	16	4	115
Tasman-Nelson/Marlborough	1	-	-	1
West Coast & Canterbury	11	52	4	67
Otago & Southland	7	10	-	17
South Island	19	62	4	85
Overseas	74	-	-	74
TOTAL	188	78	8	274

NUMBER OF BROODMARES/BITCHES COVERED

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	14	11	-	25
Auckland	946	484	13	1,443
Waikato	2,803	196	14	3,013
Bay of Plenty	5	27	1	33
Gisborne/Hawkes Bay	134	-	-	134
Taranaki/Manawatu-Wanganui	357	37	39	433
Wellington	190	45	1	236
North Island	4,449	800	68	5,317
Tasman-Nelson/Marlborough	2	31	1	34
West Coast & Canterbury	280	1,104	82	1,466
Otago & Southland	146	548	3	697
South Island	428	1,683	86	2,197
Overseas	265	69	-	334
TOTAL	5,142	2,552	154	7,848

NUMBER OF LIVE FOALS/PUPS

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	9	6	-	15
Auckland	556	237	61	854
Waikato	1,882	94	66	2,042
Bay of Plenty	8	18	-	26
Gisborne/Hawkes Bay	79	-	-	79
Taranaki/Manawatu-Wanganui	288	20	189	497
Wellington	115	22	-	137
North Island	2,937	397	316	3,650
Tasman-Nelson/Marlborough	-	14	6	20
West Coast & Canterbury	139	641	396	1,176
Otago & Southland	78	270	20	368
South Island	217	925	422	1,564
Overseas	200	45	-	245
TOTAL	3,354	1,367	738	5,459

COST OF PRODUCTION

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	\$0.5 mil	\$0.2 mil	\$0.0 mil	\$0.8 mil
Auckland	\$49.2 mil	\$18.6 mil	\$0.7 mil	\$68.5 mil
Waikato	\$206.5 mil	\$3.9 mil	\$0.8 mil	\$211.2 mil
Bay of Plenty	\$0.4 mil	\$0.6 mil	\$0.0 mil	\$1.0 mil
Gisborne/Hawkes Bay	\$4.8 mil	\$0.0 mil	\$0.0 mil	\$4.8 mil
Taranaki/Manawatu-Wanganui	\$17.1 mil	\$0.8 mil	\$2.3 mil	\$20.1 mil
Wellington	\$8.7 mil	\$0.9 mil	\$0.0 mil	\$9.6 mil
North Island	\$287.0 mil	\$25.1 mil	\$3.7 mil	\$315.8 mil
Tasman-Nelson/Marlborough	\$0.0 mil	\$0.6 mil	\$0.1 mil	\$0.7 mil
West Coast & Canterbury	\$9.5 mil	\$32.6 mil	\$5.0 mil	\$47.1 mil
Otago & Southland	\$5.1 mil	\$11.1 mil	\$0.2 mil	\$16.4 mil
South Island	\$14.6 mil	\$44.3 mil	\$5.2 mil	\$64.2 mil
TOTAL	\$301.6	\$69.5	\$8.9	\$380.0

ECONOMIC CONTRIBUTION OF THE BREEDING INDUSTRY

In 2016/17, breeders in the New Zealand racing industry spent more than \$380 million on the production of racing stock. In calculating the expenditure incurred by breeders, a number of factors must be considered. Essentially, breeders incur costs on the maintenance of broodmares, broodbitches, stallions and sires as well as in the process of breeding and care for foals and pups. In addition to this, breeders also incur costs for:

- + Sales commission on yearlings sold at auction
- + Bloodstock insurance
- + Business related expenditure
- + Sales and marketing related expenditure
- + Infrastructure and maintenance

In some instances, breeders incur all of these expenses themselves, whilst in other situations, breeders may send their foals or pups to professional service providers (such as those who provide foaling, whelping, weaning and/or yearly preparations).

The expenditure figures outlined in this section have been derived through a combination of industry level consultation and primary research amongst breeders in each code across New Zealand. For thoroughbreds

and standardbreds, the cost of production is assessed for both a private breeder and a commercial farm in recognition of the fact that there are different expenditure profiles associated with both. Additional costs are taken into consideration for horses being prepared for a yearling sale.

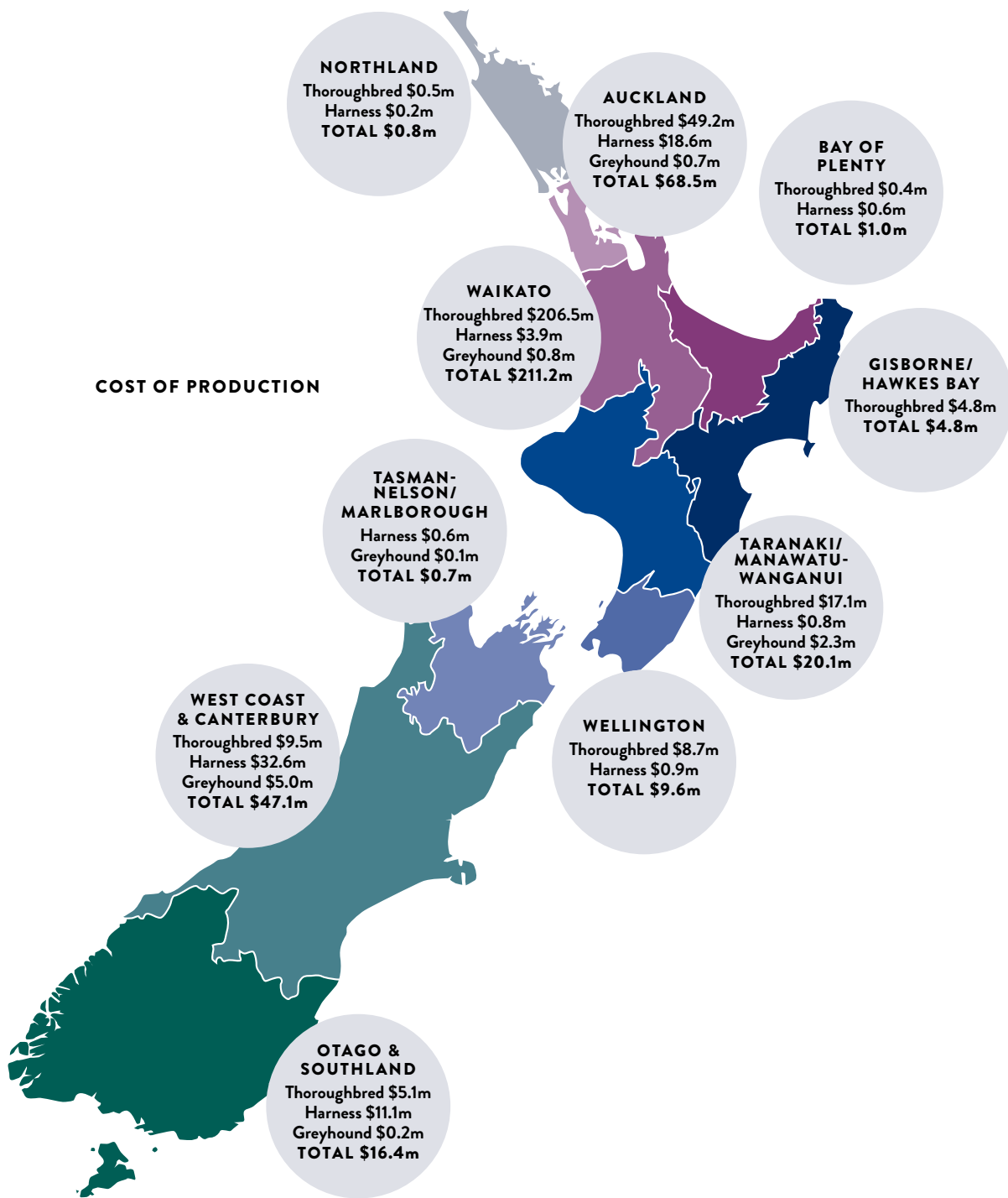
From an industry perspective, it is important to acknowledge that there are different costs associated with broodmares & broodbitches depending on their breeding activity in a given year. For example, mares and bitches that are not bred with in a given year, still incur expenditure despite not producing a foal or pup, and as such need to be included in the assessment.

In addition to the cost of producing the racehorse, the thoroughbred and standardbred breeding industries in New Zealand capture a significant amount of expenditure from purchasers of horses at yearling sales – most notably the Karaka Yearling Sales for thoroughbreds and the PGG Wrightson Sales for standardbreds. Once the stallion fees, costs of production and sales costs are deducted from the sale price of New Zealand bred yearlings, the remaining expenditure can be attributed to stimulating the breeding sector.





COST OF PRODUCTION



OVER 86% OF ALL BREEDING RELATED EXPENDITURE OCCURS IN THREE NEW ZEALAND REGIONS. WAIKATO (55.6%), AUCKLAND (18.0%) AND THE WEST COAST & CANTERBURY REGIONS (12.4%) ARE THE MOST ACTIVE BREEDING AREAS IN NEW ZEALAND.

Over 86% of all breeding related expenditure occurs in three New Zealand regions. The Waikato (55.6%), Auckland (18.0%) and West Coast & Canterbury (12.4%) regions are the most active breeding areas in New Zealand. From a racing code perspective, the most significant amount of breeding related expenditure is incurred in the following regions:

THOROUGHBRED RACING

In 2016/17, there were 5,142 broodmares covered in New Zealand, producing 3,354 foals. This thoroughbred breeding activity is responsible for generating more than \$301.6 million in the production and care of racing stock.

Waikato	\$206.5 million (68.4%)
Auckland	\$49.2 million (16.3%)
Taranaki/Manawatu-Wanganui	\$17.1 million (5.7%)

HARNES RACING

In 2016/17 there were 2,552 broodmares covered in New Zealand, producing 1,367 foals. This harness breeding activity is responsible for generating just over \$69.5 million in the production and care of racing stock.

West Coast & Canterbury	\$32.6 million (47.0%)
Auckland	\$18.6 million (26.8%)
Otago & Southland	\$11.1 million (16.0%)

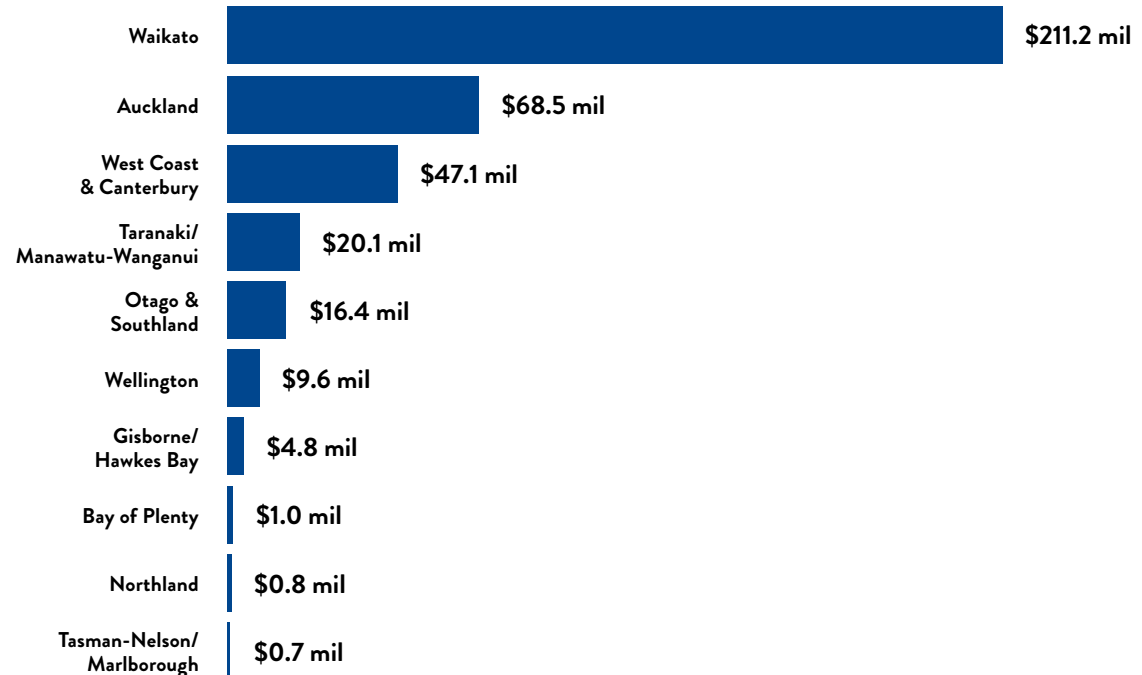
GREYHOUND RACING

In 2016/17, there were 154 broodbitches covered in New Zealand, producing 738 pups. This greyhound breeding activity is responsible for generating \$8.9 million in the production and care of greyhound racing stock.

West Coast & Canterbury	\$5.0 million (55.7%)
Taranaki/Manawatu-Wanganui	\$2.3 million (25.3%)
Waikato	\$0.8 million (8.4%)

The chart illustrates the total expenditure, by region, on thoroughbred, harness and greyhound breeding activities generated in New Zealand.

EXPENDITURE BY BREEDING SECTOR



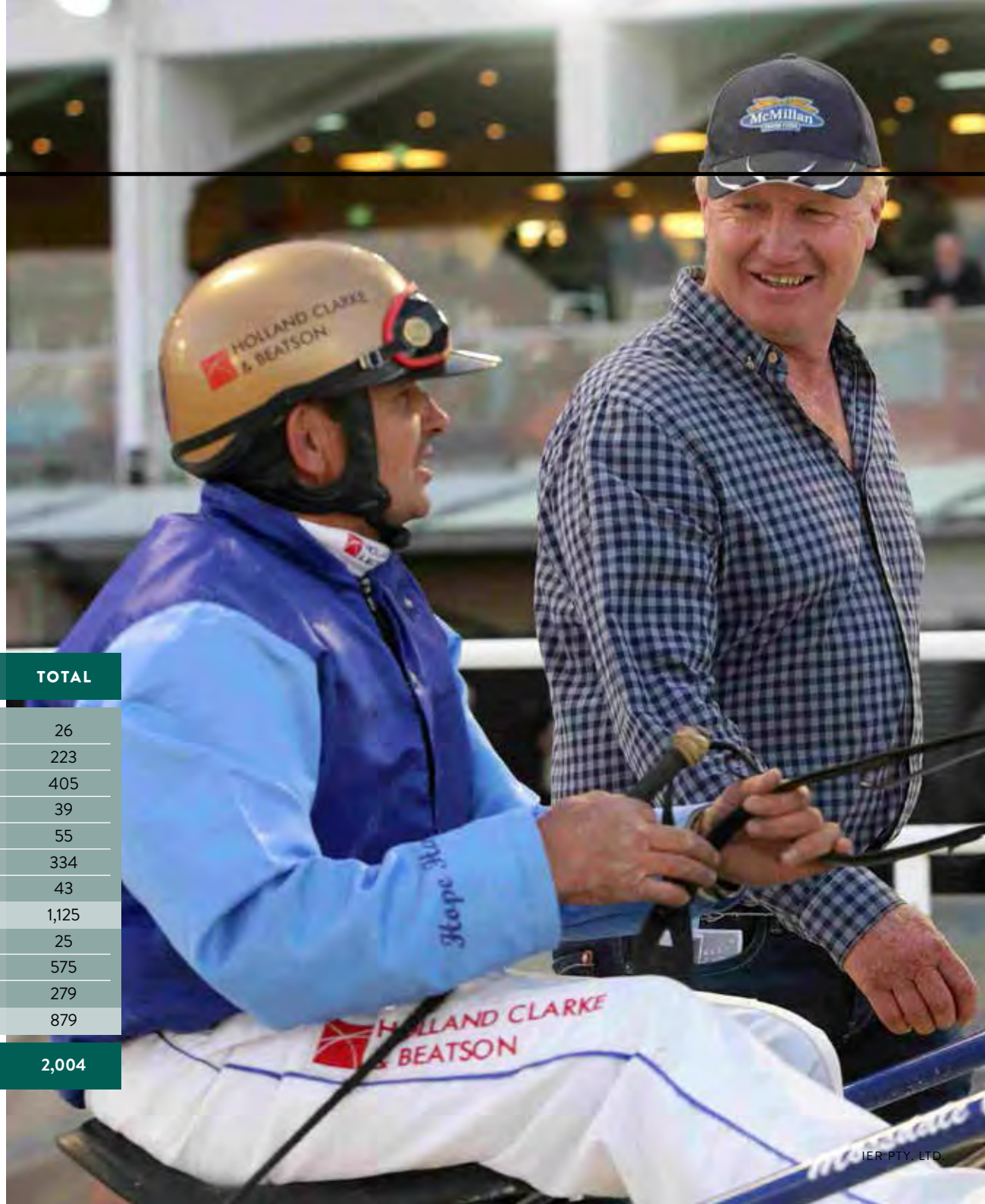


THE TRAINING INDUSTRY

THE TRAINING INDUSTRY

NUMBER OF TRAINERS

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	24	2	-	26
Auckland	119	87	17	223
Waikato	282	73	50	405
Bay of Plenty	36	-	3	39
Gisborne/Hawkes Bay	52	1	2	55
Taranaki/Manawatu-Wanganui	232	22	80	334
Wellington	38	3	2	43
North Island	783	188	154	1,125
Tasman-Nelson/Marlborough	2	23	-	25
West Coast & Canterbury	138	364	73	575
Otago & Southland	90	174	15	279
South Island	230	561	88	879
TOTAL	1,013	749	242	2,004



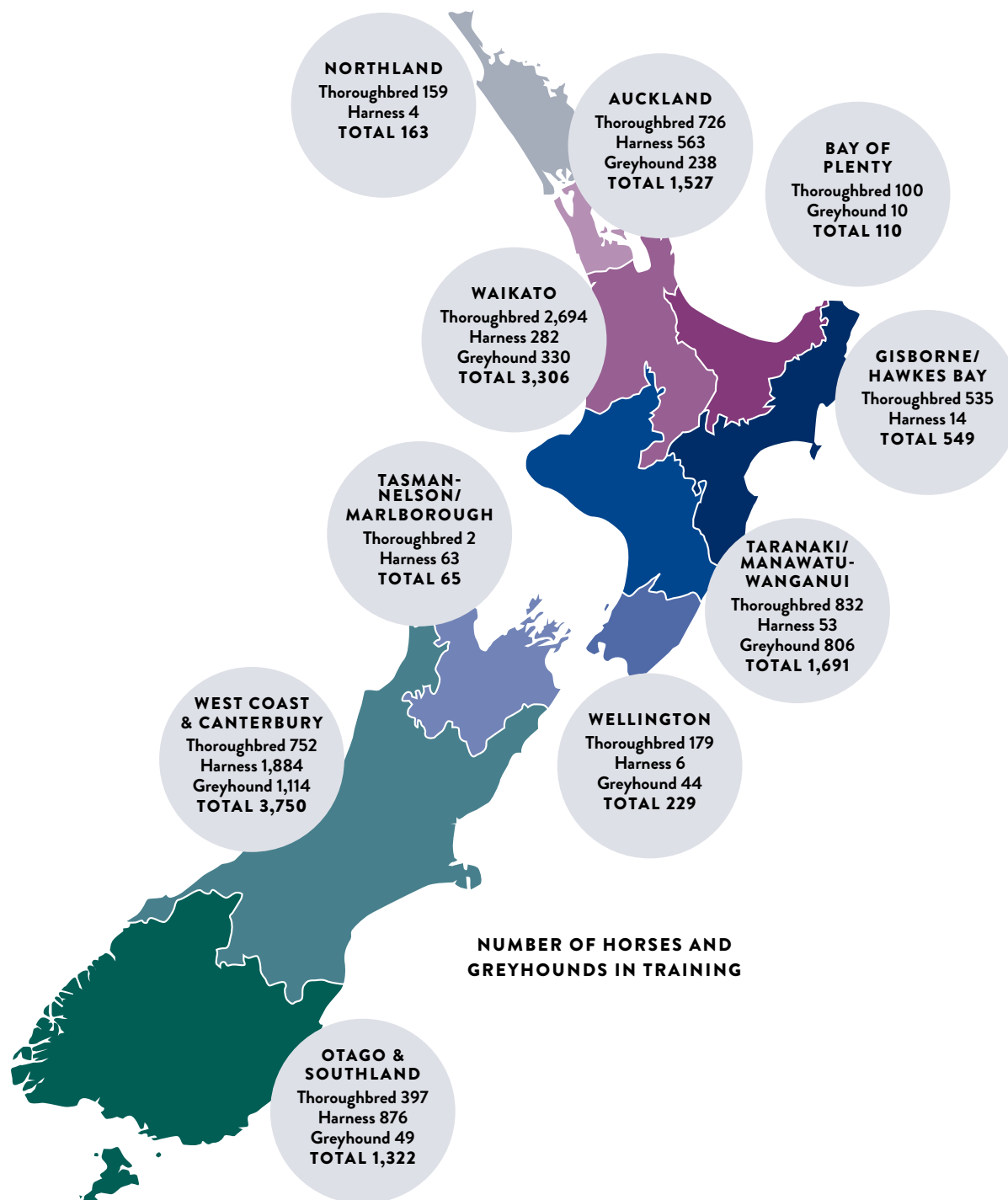
NUMBER OF STAFF EMPLOYED BY TRAINERS

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	74	1	2	77
Auckland	369	44	21	433
Waikato	874	37	41	952
Bay of Plenty	112	-	8	120
Gisborne/Hawkes Bay	161	1	1	163
Taranaki/Manawatu-Wanganui	719	11	55	785
Wellington	118	2	7	126
North Island	2,427	94	135	2,656
Tasman-Nelson/Marlborough	6	12	1	19
West Coast & Canterbury	428	182	55	665
Otago & Southland	279	87	11	377
South Island	713	281	67	1,061
TOTAL	3,140	375	202	3,717

NUMBER OF VOLUNTEERS SUPPORTING TRAINERS

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	19	3	-	22
Auckland	95	131	22	248
Waikato	226	110	65	400
Bay of Plenty	29	-	4	33
Gisborne/Hawkes Bay	42	2	3	46
Taranaki/Manawatu-Wanganui	186	33	104	323
Wellington	30	5	3	38
North Island	626	282	200	1,109
Tasman-Nelson/Marlborough	2	35	-	36
West Coast & Canterbury	110	546	95	751
Otago & Southland	72	261	20	353
South Island	184	842	114	1,140
TOTAL	810	1,124	315	2,249





Trainers play an integral role in the racing ‘service’ industry. Training services generally incorporate pre- and race training, trailing and raceday management of racing horses and greyhounds.

In the majority of cases, owners of racehorses fund the training operations through the payment of a daily training fee. The majority (but not all) of the costs associated with the care and preparation of racehorses is covered by this daily fee. In the greyhound racing code, trainers’ income is mostly generated through an agreement which sees them take a 50% share of prizemoney won. Trainers also may share a percentage of prizemoney won.

During the 2016/17 racing season, there were more than 2,004 horse and greyhound trainers providing services to owners in New Zealand. These trainers were also supported by more than 3,717 employees and 2,249 volunteers. The majority of these trainers operate in regional parts of New Zealand.

Overall, there were more than 12,700 racing horses and greyhounds in training in New Zealand in 2016/17. West Coast & Canterbury (42.3%), Taranaki/Manawatu-Wanganui (13.0%) and West Coast & Canterbury (11.8%) represents the largest area of thoroughbred training activity. In the harness (50.3%) and greyhound (43.0%) sectors, West Coast and Canterbury is the largest region for training.

OWNERS

NUMBER OF OWNERS/SYNDICATE MEMBERS

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	325	52	5	382
Auckland	2,583	1,476	52	4,111
Waikato	3,160	618	48	3,826
Bay of Plenty	715	80	9	804
Gisborne/Hawkes Bay	901	59	7	967
Taranaki/Manawatu-Wanganui	2,927	200	50	3,177
Wellington	1,562	98	27	1,687
North Island	12,173	2,583	198	14,954
Tasman-Nelson/Marlborough	110	181	6	297
West Coast & Canterbury	2,216	4,276	104	6,596
Otago & Southland	1,452	2,062	20	3,534
South Island	3,778	6,519	130	10,427
TOTAL	15,951	9,102	328	25,381

NUMBER OF TAB RACE MEETINGS

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	11	-	-	11
Auckland	46	37	57	140
Waikato	60	28	48	136
Bay of Plenty	14	-	-	14
Gisborne/Hawkes Bay	31	-	-	31
Taranaki/Manawatu-Wanganui	53	22	105	180
Wellington	16	3	-	19
North Island	231	90	210	531
Tasman-Nelson/Marlborough	2	8	-	10
West Coast & Canterbury	40	90	137	267
Otago & Southland	35	70	54	159
South Island	77	168	191	436
TOTAL	308	258	401	967



TOTAL RACE STARTS

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	931	-	-	931
Auckland	4,048	3,558	5,981	13,587
Waikato	5,224	2,398	4,134	11,756
Bay of Plenty	1,181	96	-	1,181
Gisborne/Hawkes Bay	2,591	1,109	-	2,591
Taranaki/Manawatu-Wanganui	4,370	1,845	16,207	22,422
Wellington	1,407	26	-	1,433
North Island	19,752	7,827	26,322	53,901
Tasman-Nelson/Marlborough	127	661	-	788
West Coast & Canterbury	3,797	10,662	12,975	27,434
Otago & Southland	3,187	7,733	5,368	16,288
South Island	7,111	19,056	18,343	44,510
TOTAL	26,863	26,883	44,665	98,411

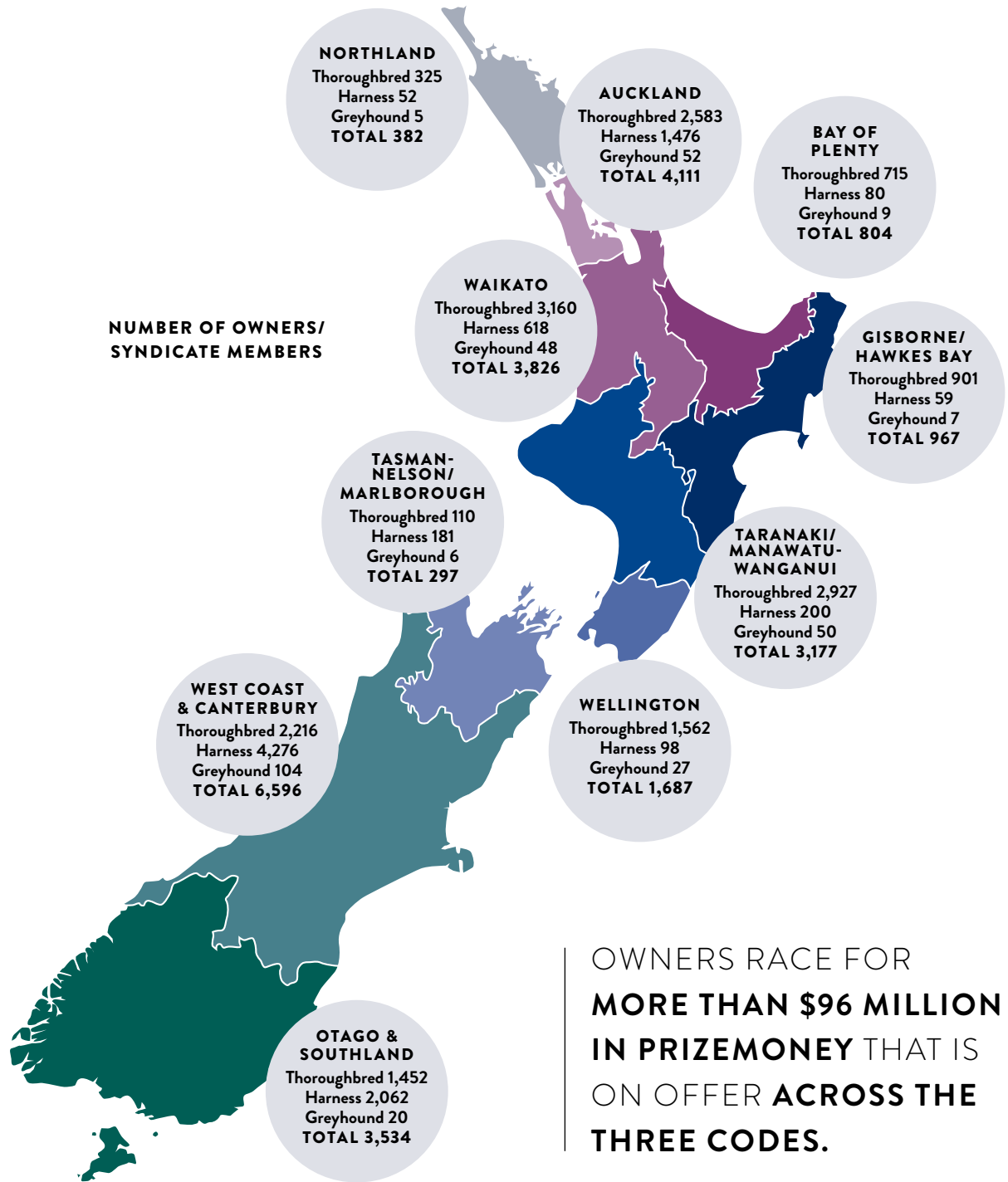
Owners play a significant role in the funding model of the racing industry. They provide much of the capital outlay and day-to-day funding for the purchase and preparation of racing horses and greyhounds. In 2016/17 there were over 25,000 individuals with an ownership interest in thoroughbred, harness and/or greyhound racing in New Zealand. More than 58% of owners reside on the North Island of New Zealand, however West Coast & Canterbury was the region with the most significant portion of owners across the three codes (26.0%).

The investment by owners provides a critical funding source for breeders and trainers and is critically important to a successful racing industry. It is important, however, to note that it is often not identified as the most important motivation for participation. Many owners are involved in the racing industry, at least in part, as a hobby or leisure pursuit. However, a strong industry provides owners with the opportunity to realise some returns on their investment through the prizemoney on offer.





**NUMBER OF OWNERS/
SYNDICATE MEMBERS**



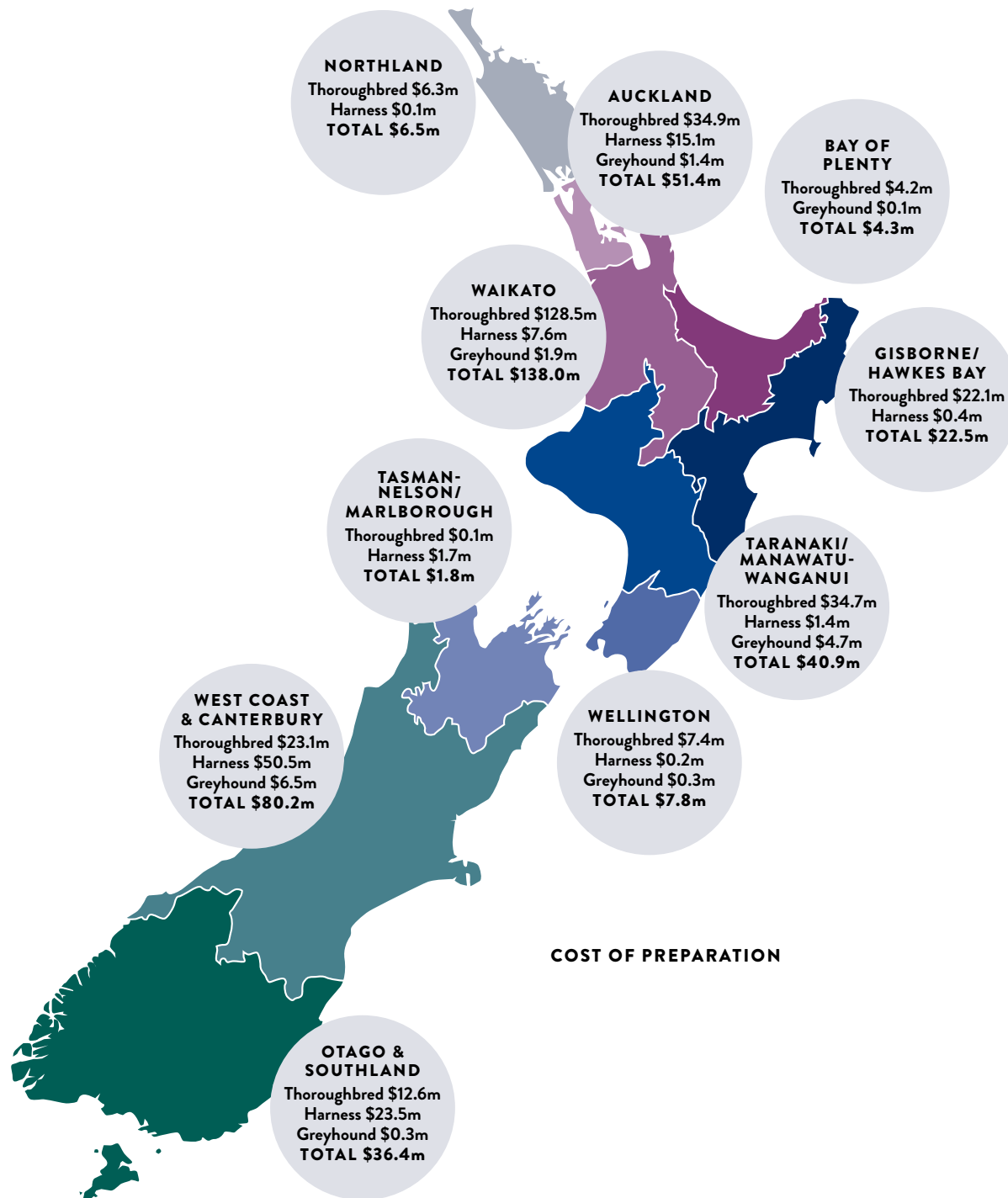
OWNERS RACE FOR
MORE THAN \$96 MILLION
IN PRIZEMONEY THAT IS
ON OFFER **ACROSS THE**
THREE CODES.

ECONOMIC CONTRIBUTION OF THE TRAINING INDUSTRY

In 2016/17, owners of racehorses and greyhounds trained in New Zealand spent more than \$389 million on the preparation of their animals for racing. The calculation of expenditure on the preparation of racehorses and greyhounds takes into account the various training and non-training related expenditures incurred by owners and trainers.

The development of expenditure profiles within each region is based upon the number of racehorses and greyhounds in training. It also takes into consideration the differing training costs at various stages of the lifecycle of the animal. For instance, expenditure during the education stage of the racehorse is different to expenditure on an established 3-year-old racehorse. It is also important that this assessment takes into consideration non-New Zealand owned racing horses and greyhounds which are trained in the country. Developing expenditure profiles on a 'per horse/greyhound in training' basis, ensures that they are also included in the assessment.

The expenditure figures outlined in this section have been derived from a combination of industry level consultation and surveying of a sample of owners and trainers in New Zealand. The analysis of the expenditure on the preparation of horses and greyhounds includes items such as training fees, insurance, vitamins and supplements, veterinarian fees, gear hire/purchase and racing/trialling fees, amongst others. It also picks up expenditure items incurred directly by owners that may not be covered on the trainers' bill - for example, agistment and insurance.



OVERALL, JUST UNDER 70% OF THE EXPENDITURE ON TRAINING ACTIVITIES OCCURS ON THE NORTH ISLAND OF NEW ZEALAND. REGIONALLY, WAIKATO (35.4%), WEST COAST & CANTERBURY (20.6%) AND AUCKLAND (13.2%) MAKE UP THE LARGEST TRAINING AREAS.



NEW ZEALAND OWNERS AND TRAINERS **SPENT IN EXCESS OF \$389 MILLION IN 2016/17** PREPARING RACING HORSES AND GREYHOUNDS FOR RACING. **THE WAIKATO AND WEST COAST & CANTERBURY REGIONS** ACCOUNT FOR MORE THAN ONE-HALF OF THIS **ECONOMIC ACTIVITY.**



From a racing code perspective, the most significant amount of breeding related expenditure is incurred in the following regions:

THOROUGHBRED RACING

In 2016/17, there were 6,376 thoroughbred racehorses in training. This thoroughbred training activity is responsible for generating more than \$274 million in expenditure impacts in New Zealand.

Waikato	\$128.5 million (46.9%)
Taranaki/Manawatu-Wanganui	\$34.7 million (12.7%)
Auckland	\$34.9 million (12.7%)

HARNESS RACING

In 2016/17, there were 3,745 standardbred racehorses in training. This standardbred training activity is responsible for generating more than \$100 million in expenditure impacts in New Zealand.

West Coast & Canterbury	\$50.5 million (50.3%)
Otago & Southland	\$23.5 million (23.4%)
Auckland	\$15.1 million (15.0%)

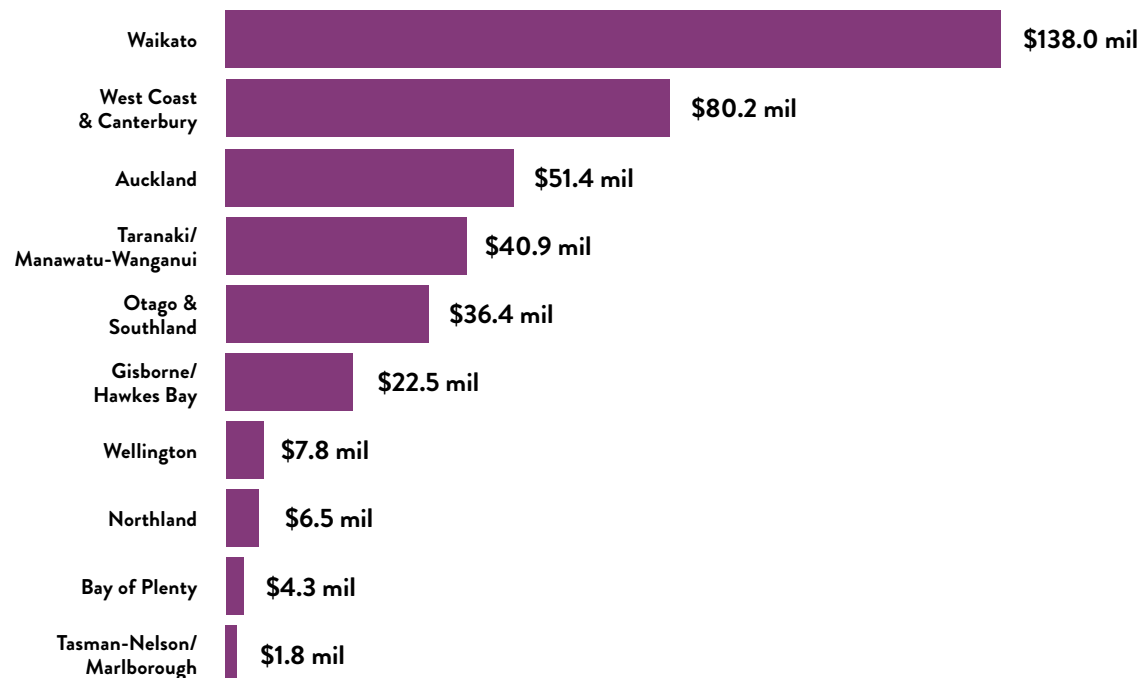
GREYHOUND RACING

In 2016/17, there were 2,591 greyhounds in training. This greyhound training activity is responsible for generating more than \$15 million in expenditure impacts in New Zealand.

West Coast & Canterbury	\$6.5 million (43.0%)
Taranaki/Manawatu-Wanganui	\$4.7 million (31.1%)
Waikato	\$1.9 million (12.7%)

The chart illustrates the total expenditure, by region, on thoroughbred, harness and greyhound training activities generated in New Zealand.

EXPENDITURE BY THE TRAINING SECTOR



RACING CLUBS, ASSOCIATIONS AND AUTHORITIES

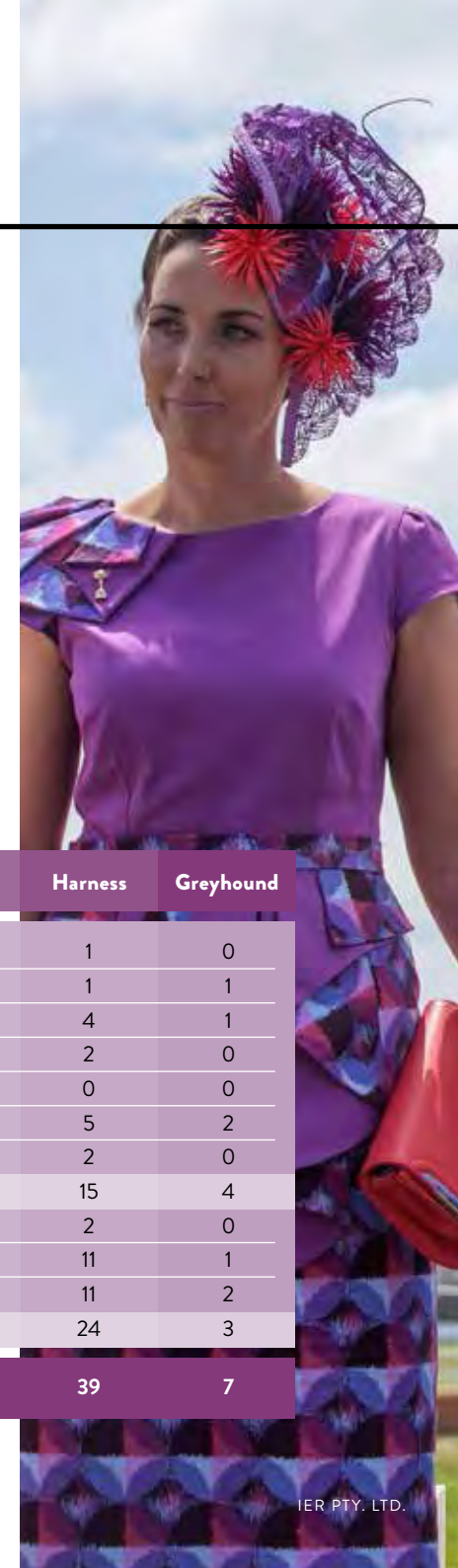
NUMBER OF RACING CLUBS

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	2	-	-	2
Auckland	4	2	2	8
Waikato	8	2	2	12
Bay of Plenty	5	-	-	5
Gisborne/Hawkes Bay	4	-	-	4
Taranaki/Manawatu-Wanganui	11	5	3	19
Wellington	5	2	-	7
North Island	39	11	7	57
Tasman-Nelson/Marlborough	1	2	-	3
West Coast & Canterbury	9	16	2	27
Otago & Southland	13	15	2	30
South Island	23	33	4	60
TOTAL	62	44	11	117

NUMBER OF RACETRACKS

	Venues	Thoroughbred	Harness	Greyhound
Northland	2	2	1	0
Auckland	5	3	1	1
Waikato	7	6	4	1
Bay of Plenty	3	3	2	0
Gisborne/Hawkes Bay	4	4	0	0
Taranaki/Manawatu-Wanganui	10	8	5	2
Wellington	3	3	2	0
North Island	34	29	15	4
Tasman-Nelson/Marlborough	2	1	2	0
West Coast & Canterbury	16	10	11	1
Otago & Southland	12	10	11	2
South Island	30	21	24	3
TOTAL	64	50	39	7

* Please note - some racetracks host race meetings for multiple codes.
The total number of racetracks in New Zealand is 64.





There are 117 racing clubs in New Zealand across the three codes of racing. Racing clubs not only provide the opportunity for participants and spectators to participate in the sport of racing, they also provide an important social destination and in many regions, are an important part of the social fabric of the community.

In 2016/17, there were 967 TAB race meetings. These race meetings attracted attendances in excess of 614,600 – 60.7% of which were on the North Island. Thoroughbred race meetings, in New

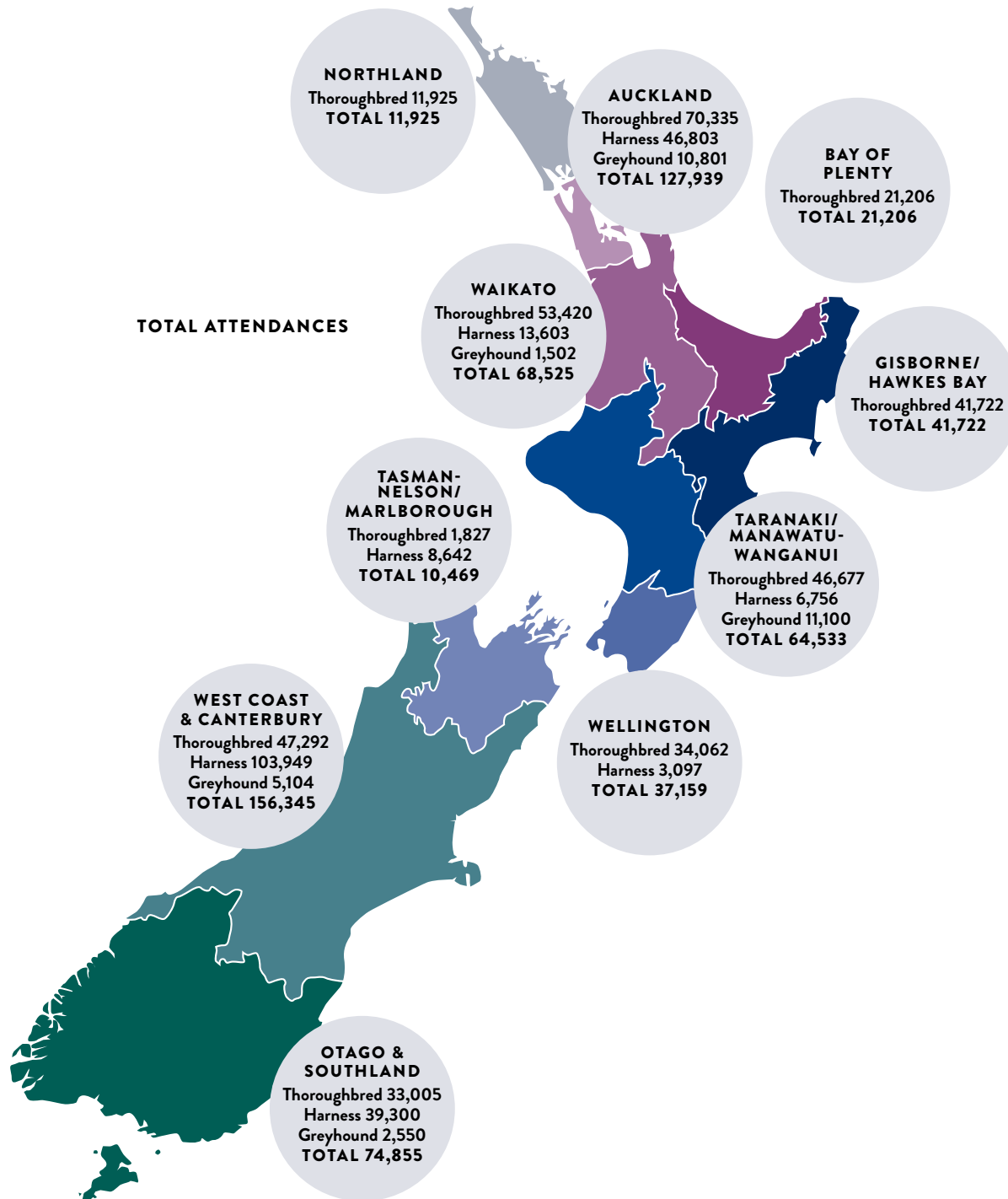
Zealand, attracted a total of 361,471 attendances. Race meetings in Auckland (70,335) and Waikato (53,420) were responsible for the largest attendance. Harness race meetings attracted 222,150 attendances with race meetings in West Coast & Canterbury (103,949) and Auckland (46,803) making up the majority of this amount. Greyhound racing attracted attendance of 31,057 with race meetings in Taranaki/Manawatu-Wanganui (11,100) and Auckland (10,801) making up more than two-thirds of all attendances.

TOTAL TAB RACE MEETINGS

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	11	-	-	11
Auckland	46	37	57	140
Waikato	60	28	48	136
Bay of Plenty	14	-	-	14
Gisborne/Hawkes Bay	31	-	-	31
Taranaki/Manawatu-Wanganui	53	22	105	180
Wellington	16	3	-	19
North Island	231	90	210	531
Tasman-Nelson/Marlborough	2	8	-	10
West Coast & Canterbury	40	90	137	267
Otago & Southland	35	70	54	159
South Island	77	168	191	436
TOTAL	308	258	401	967

NUMBER OF RACING CLUB MEMBERS & GUESTS

	Thoroughbred	Harness	Greyhound	TOTAL
Northland	260	-	-	260
Auckland	2,417	614	161	3,192
Waikato	2,061	250	67	2,378
Bay of Plenty	1,320	-	-	1,320
Gisborne/Hawkes Bay	1,610	-	-	1,610
Taranaki/Manawatu-Wanganui	13,535	455	182	14,172
Wellington	1,249	128	-	1,377
North Island	22,452	1,447	410	24,309
Tasman-Nelson/Marlborough	210	213	-	423
West Coast & Canterbury	4,873	4,065	98	9,036
Otago & Southland	1,341	3,179	81	4,601
South Island	6,424	7,457	179	14,060
TOTAL	28,876	8,904	589	38,369



CUSTOMER EXPENDITURE GENERATED BY RACING CLUBS & EVENTS

In 2016/17 it is estimated that the total expenditure generated by racing customers was in excess of \$182.4 million, (excluding wagering on the races). Racing’s customers include attendees, sponsors, members, broadcast providers, community groups and participants. Racing customer expenditure can be broadly segmented into the following categories:

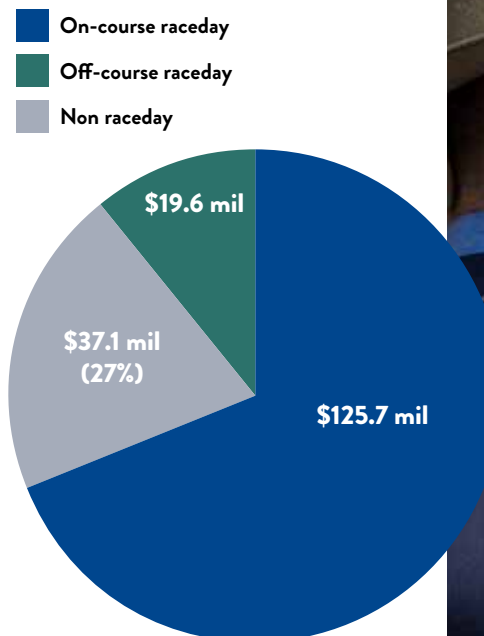
- + On-course raceday expenditure by customers (spending on on-course products, as well as yields from membership and sponsorship)
- + Off-course raceday expenditure by customers (spending incurred by customers as part of their attendance at the races, such as transport, retail, food etc.)
- + Non-raceday related expenditure (spending with racing clubs on non-racedays on items such as hiring arrangements for facility use, fundraising, investments, track fees, etc.)

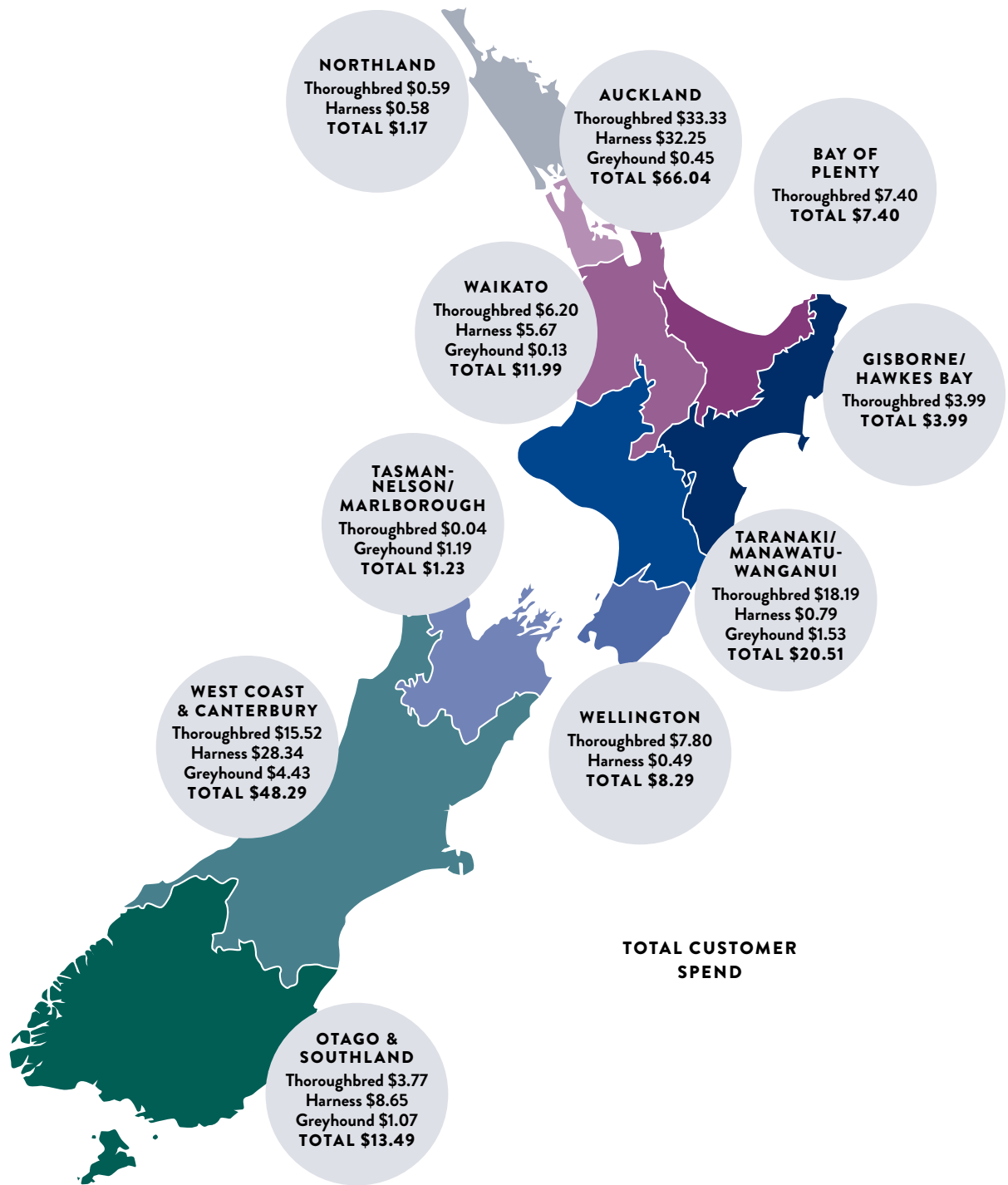
On-course customer expenditure by attendees funds the administration, operation and other costs that racing clubs incur.

Off-course expenditure is primarily related to feature race meetings where the racing product extends out into the community both prior to and after the racing event. Major racing events have long proven their ability to extend the generation of economic stimulus into a broader cross-section of the local economy. It is important to note that on-course expenditure within this section does not include on-course wagering. Whilst on-course wagering is the largest component of customer spend, it is analysed in the section relating to wagering.

The following chart illustrates the split of customer expenditure. It shows that the majority of spending is on-course at racedays. Off-course raceday spend is more heavily driven by feature race meetings where the links to fashion and retail, as well as larger travel distances for those attending the races, drive spending in the community.

BREAKDOWN OF RACING CUSTOMER SPENDING





ECONOMIC CONTRIBUTION OF THE PRINCIPAL RACING AUTHORITY AND CLUBS

In 2016/17, New Zealand Racing Board, the three codes of racing and the 117 thoroughbred, harness and greyhound clubs combined to generate an expenditure impact of more than \$367 million in New Zealand.

This represents the expenditure incurred by these organisations in maintaining tracks, running race meetings, administration, marketing and prizemoney.

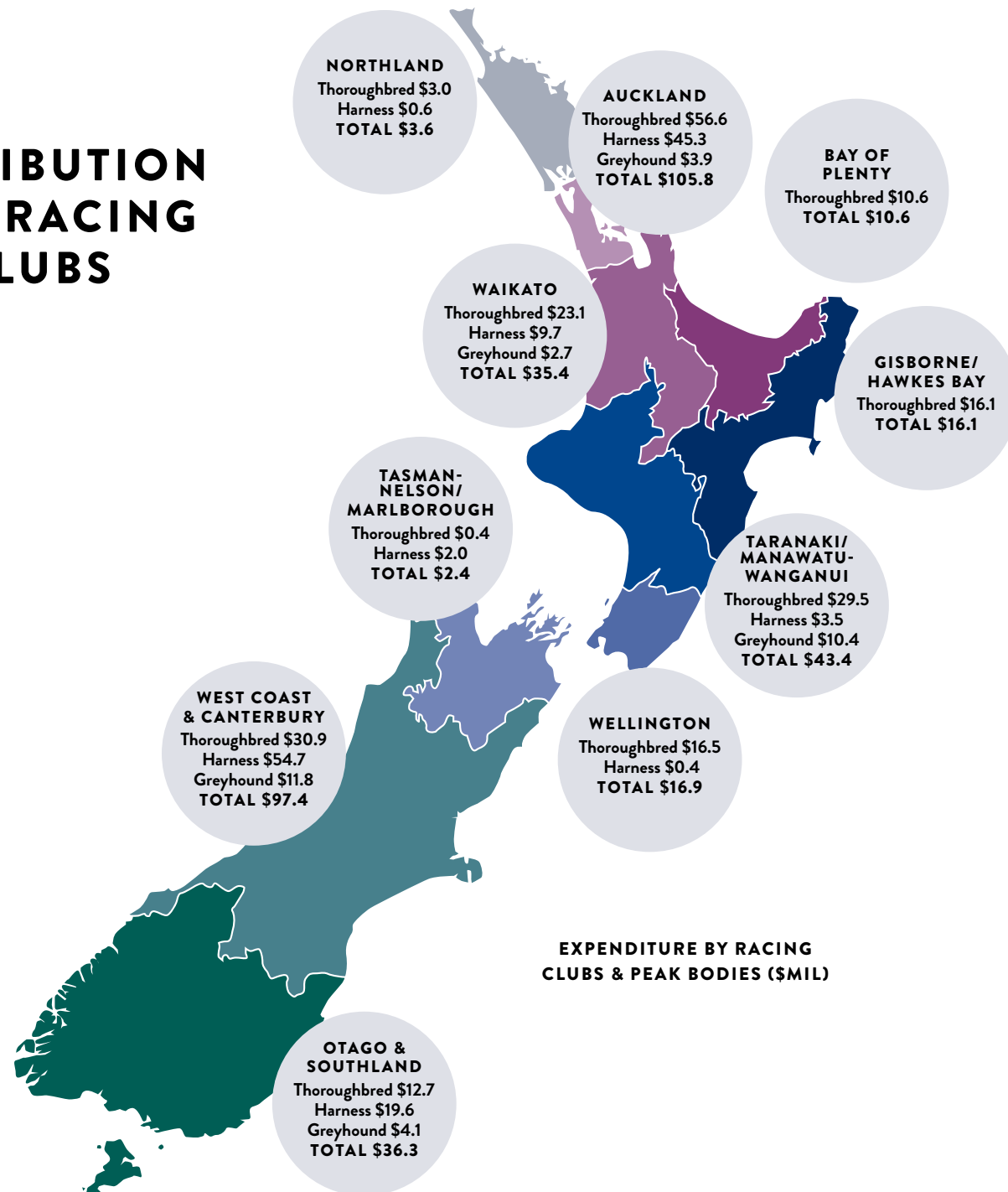
The majority of expenditure generated by New Zealand Racing Board, the three code bodies and racing clubs is funded by racing customers. This includes:

- + Spending by customers on-course when attending a racing event
- + Non-raceday utilisations of racing industry assets
- + Sponsorship and membership associated with racing clubs
- + Racing industry share of wagering revenue

The major areas of expenditure, in terms of racing industry operations, include:

- + Track repairs & facilities maintenance
- + Staff & personnel
- + Cost of goods
- + Marketing & promotions
- + Utilities

Just under 29% (\$105.8 million) of this expenditure impact occurred in Auckland, whilst the West Coast & Canterbury region (26.5%) generates the next most significant impact with the remainder spread throughout the nation. It should be noted that prizemoney is recorded against the club from which it is awarded as a proxy for the eventual destination (which would vary from race to race, season to season, depending on the results of races).



EXPENDITURE BY RACING CLUBS & PEAK BODIES (\$MIL)



WAGERING

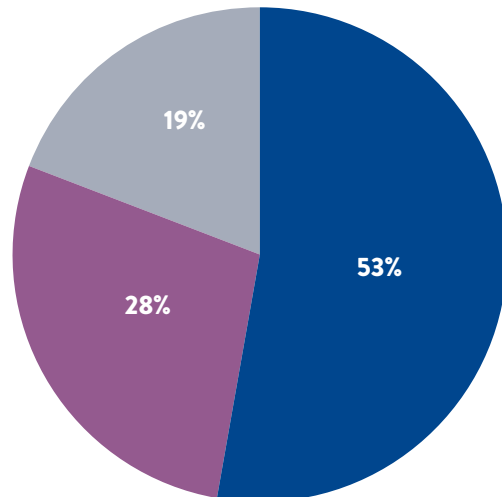
Wagering customers represent one of the key funding sources for the New Zealand Racing Industry. In 2015/16, racing industry funding was generated through the following sources:

- + Wagering on New Zealand racing product through the NZ TAB (both on-course and off-course, pari-mutuel and fixed odds)
- + Wagering on Interstate/Overseas racing product through the NZ TAB

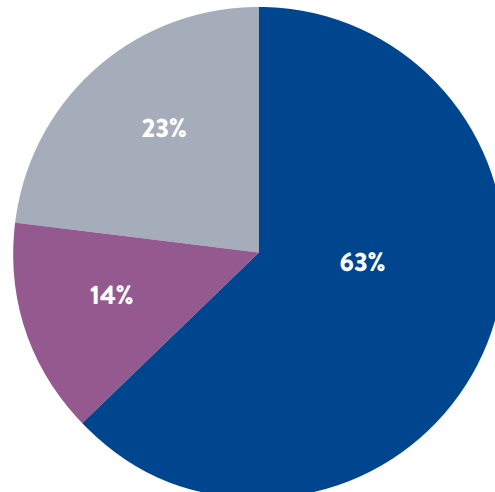
In 2016/17 customers bet more than \$1,665 million with the TAB operated by the New Zealand Racing Board. The following charts illustrate the make-up of wagering activity during that racing season:



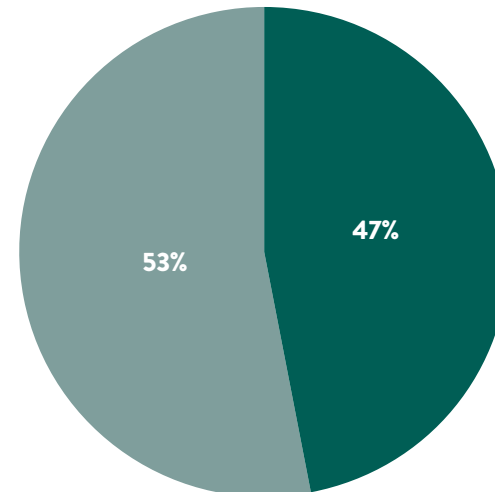
**DOMESTIC WAGERING
TURNOVER BY CODE**



**OVERSEAS WAGERING
TURNOVER BY CODE**



**WAGERING TURNOVER
BY RACING JURISDICTION**





THIS WAGERING ACTIVITY WAS **RESPONSIBLE FOR DELIVERING MORE THAN \$136M IN DISTRIBUTIONS TO THE RACING INDUSTRY.** THESE DISTRIBUTIONS ARE USED BY THE THREE RACING CODES FOR **STAKES PAYMENTS AND OPERATIONAL SUPPORT.** THIS WAGERING ACTIVITY WAS ALSO **RESPONSIBLE FOR GENERATING \$48.4M IN WAGERING TAXES.**

SOCIAL & COMMUNITY ENGAGEMENT



COMMUNITY AND SOCIAL BENEFITS

Thoroughbred, harness and greyhound racing in New Zealand play an important role in the development and preservation of social and community benefits throughout the country – having a positive overall benefit to New Zealand’s major centres and regional communities. The majority of these social impacts are initiated through the one-hundred and seventeen Clubs, both on racedays and non-racedays, as well as the partnerships they form with many community organisations. The contribution to community social benefit enhances both individual and community well-being throughout the regions and cities where racing exists.

The economic activity generated by the New Zealand racing industry complements the social impacts, particularly in regional areas where racing events and facilities foster social cohesion and provide benefits for a broad range of individuals and community organisations.

Racing and non-racing events attract community members, independent of socio-economic status, age or gender. This is highlighted within the racing industry throughout New Zealand, where racing is a profession, sport, hobby and leisure activity.

The development of social and environmental initiatives also has a positive impact in terms of family socialisation and volunteerism. With this, racing also supports health, education, employment and

environmental practices. However, maintaining and building the trust and respect of the communities in which racing clubs operate is also extremely valuable.

The implementation and communication of social and environmental initiatives play an important role in managing community perceptions and in doing so, protecting and enhancing racing’s image and reputation. This in turn provides the industry with a greater opportunity to foster the support of customers, corporate partners and government, as well as building pride and increased satisfaction with internal stakeholders.

The sport of racing also demonstrates a rich cultural significance in terms of its history and heritage throughout New Zealand. It was on Petone Beach, in 1842, where the first thoroughbred race meeting was held in New Zealand. Just over 20 years later, in 1864, harness racing commenced in Otago, Southland. The first greyhound clubs were founded in Southland in 1876, and the New Zealand Federation of Coursing Clubs was formed in 1877.

The historical elements of all racetracks throughout New Zealand are an important part of the fabric of many local communities. These tracks and clubs are the focal point for the achievements of some of New Zealand great sportsmen and sportswomen, racing identities, horses and greyhounds. The importance of racing clubs and tracks extends beyond simply those

with an interest in racing. They are valuable community assets – particularly in regional parts of the country. This racing industry study incorporated a social impact survey which was completed by the racing clubs within each code. The information gathered from this survey provided valuable insights in determining the extent of the social and environmental benefits generated by the racing industry.

The evaluation highlighted the racing industry’s significant role in the critical areas of:

- + Community Building** Building inclusive and welcoming communities featuring powerful collaborative partnerships and relationships
- + Family** Providing opportunities for family participation in racing and assisting in the development of stronger family relationships
- + Education and Training** Supporting the education, training and development of participants and racing club staff and volunteers
- + Health** Commitment to policies that support priority community health objectives and providing engagement and a sense of worth for volunteers within the industry
- + Leisure** Providing enjoyable leisure opportunities for hobby owners, trainers and breeders, raceday/night customers and other racing club event attendees
- + Employment** Creating a major source of employment and a variety of career opportunities for New Zealand residents

COMMUNITY BUILDING

The three codes of racing in New Zealand have each adopted practices that engage with individuals and build strong partnerships with organisations within their communities. This is particularly visible in terms of supporting charitable organisations, engaging volunteers and building community partnerships.

The survey results highlighted the following positive outcomes demonstrated by clubs:

- + Over 400 community organisations or charities are assisted financially by racing clubs
- + Over 300 community organisations share racing club facilities and resources
- + Racing clubs and participants currently engage over to 10,800 volunteers who assist in various club and supportive roles to participants
- + Close to 39,000 people hold racing club memberships

Racing plays an important role in fostering a sense of worth and belonging to people who provide volunteer time and services to racing clubs. Socially, volunteering is recognised as a means of enhancing the quality of life, particularly among the aged, whilst making an important contribution to the community.

Volunteers in racing assume roles in areas such as:

- + Promotions and fundraising e.g. procuring sponsors, organising entertainment such as Fashions on the Field, Punters Clubs etc.
- + Preparing and maintaining the track and grounds
- + Conducting trials
- + Racebook sellers
- + Operating food and beverage outlets
- + Racing operations e.g. parking, gate attendants etc.
- + Repairs, maintenance of facilities, gardening and irrigation

- + Farming operations
- + Secretarial and administrative duties
- + Breakfasts for participants e.g. trainers and jockeys
- + Cleaning prior and after racedays
- + Management and strategic advice

IER found that racing clubs financially assist and support 410 organisations and charities. Club organised functions raise significant funds for community organisations and charities through activities such as raffles and auctions. Furthermore, many clubs engage local community organisations and charities to undertake such activities as supplying food and beverages, operational duties (e.g. gate attendants) and racecourse cleaning – sometimes in exchange for a share of revenues from those activities. Just some of the charitable organisations supported by racing include:

- + Sporting Clubs e.g. squash, softball, rugby, netball and dance clubs etc.
- + Cancer societies e.g. Bowel Cancer NZ and Daffodil Day
- + Rotary, Lions and Variety Clubs
- + Hospitals and Health Organisations e.g. Cystic -Fibrosis, Men's Shed, St, Johns Ambulance etc.
- + General Charities e.g. Life Education and Regional Health Networks
- + Disability Groups e.g. Riding for the Disabled, Special Olympics, Children with Disabilities etc.
- + Emergency Services e.g. Fire and police services
- + Scouts

In addition to the support by Clubs, New Zealand Racing Board supported 51 sports through 434 grants in the 2016-17 racing season. Close to \$3.3 million of funding was distributed with the aim of encouraging active participation in New Zealand amateur sports.



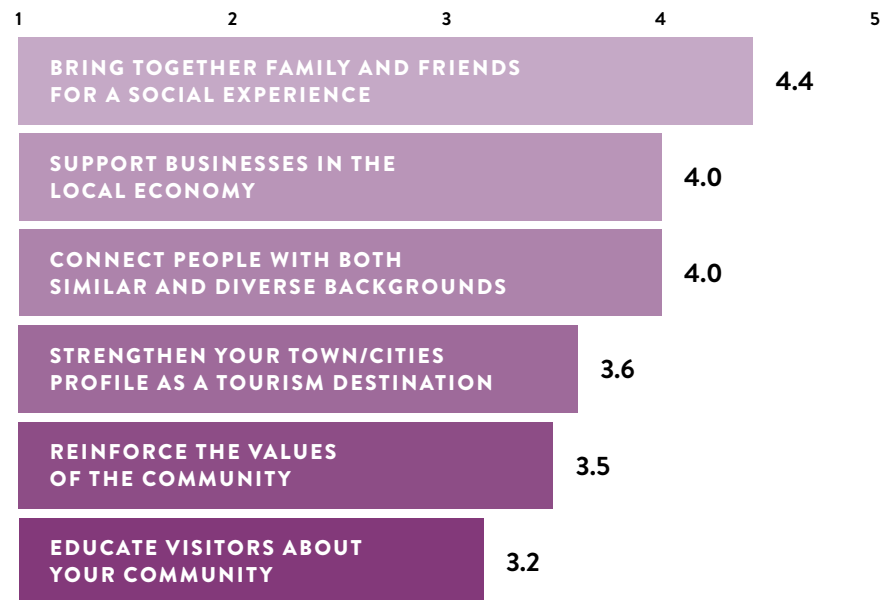


The economic research in this study clearly demonstrates how racing supports businesses in the local economy, from both the production and preparation of racing animals through to consumer spending. In addition to this, attendee research conducted at over 40 racing events in the 2016-17 racing season supports the racing industry’s ability to bring people together for a social experience.

The research demonstrates that a key motivation to attending racing events is the chance to socialise with friends and family. Major cup days and umbrella branded events (such as Christmas at the Races and Interislander Summer Festival) demonstrate the industry’s capacity to bring people together in a friendly, welcoming and safe environment. Furthermore, these event days generate significant spending in their communities by locals and visitors - on items such as fashion, personal grooming, accommodation, hospitality and transport.

The social impact survey asked clubs how much they believed racing in their town or city has the ability to engage with the community from a social cohesion, education and business perspective. As the chart illustrates, all indicators were positive, with clubs particularly strong on racing’s ability to ‘bring together family and friends for a social experience’ (4.4), ‘support businesses in the local economy’ (4.0) and to ‘connect people with both similar and diverse backgrounds’ (4.0). These indicators illustrate the position that racing clubs see themselves as integral to the fabric of the local community.

**COMMUNITY ENGAGEMENT WITH RACING NEW ZEALAND
(1 - NOT AT ALL, 5 - TO A GREAT EXTENT)**





SUPPORTING FAMILY RELATIONSHIPS

The three codes of racing in New Zealand are very proactive in engaging with families with many feature racedays and themed events providing a strong link to the community. Many participants in racing (such as owners and trainers) operate within a family business/hobby structure.

The survey identified that racing clubs have increasingly developed activities and facilities that enable families to enjoy a social day at the races. Many clubs actively promote services and amenities which are conducive to bringing families together to build stronger relationships.

Many clubs actively promote services and amenities for families including the provision of parent rooms, baby change tables and dedicated children's zones. The survey revealed a number of positive initiatives which have been developed by clubs. Over 90% of clubs offer events for families and children on special racedays, with some clubs offering special discounts for family group attendance.

In addition to this, some of the specific raceday initiatives undertaken by racing clubs in New Zealand include:

- + Children's zones
- + Jumping castles and rock climbing
- + Family fetes and markets
- + Pony and cart rides
- + Foot races for kids
- + Face painting and apple bobbing
- + Petting zoos and lolly scrambles
- + Sponsored giveaways and free entry competitions
- + Music and bands for children
- + Kids fashion & fancy hat competitions
- + Arts and craft
- + Mini Jeeps Obstacle Course
- + Kidz Kartz – mini trots

SHARING FACILITIES WITHIN THE COMMUNITY

Racing clubs, in particular those in regional areas, have a limited requirement to use their facilities for racing purposes and therefore look to assist and support the community by providing these facilities and resources for use on a temporary and permanent basis. The majority of racing clubs engage with community groups including sporting clubs, schools, emergency services and show societies to share their facilities and resources. This is particularly evident in regional areas where facilities have been used extensively for community and public use. Some of the 310 organisations which share facilities and resources with clubs include:

- + Show Societies (A&P Shows)
- + Rotary, Lions and Senior Citizens Clubs
- + Animal Organisations e.g. Greyhounds as Pets, pony clubs, equestrian, show jumping, adult riding, sled dogs, rodeos, dog obedience, New Zealand Police Dog Training etc.
- + Riding for the Disabled
- + Sporting clubs e.g. ju jitsu, rugby, gymnastics, walkers & joggers, squash, boxing, golf, darts, archery, dance clubs, touch football, karate, yoga, athletics etc.
- + Charities e.g. cancer societies, women refuges, Life Education, Menz Shed etc.
- + Regional Councils
- + Schools e.g. primary and secondary schools)
- + Driving Schools
- + Community markets
- + Fire service, police service, civil defence
- + Scouts





EDUCATION AND TRAINING

Education and training is vitally important for the continued growth and success of all three codes of racing throughout New Zealand. Education and training programs also work to support communities through various avenues. Major city and regional areas alike feel the positive impact provided by community partnerships, training programs and welfare initiatives provided by the three racing codes.

The racing industry promotes a wide variety of education and training courses to both help better equip those within the industry to further their professional or tertiary development, and to assist those looking for opportunities to enter the industry. New Zealand Thoroughbred Racing has partnered with training providers who deliver quality and flexible education and training services to the industry. There is a large range of nationally accredited education and training courses available. Some of these include National Certificates in stables procedures, breeding, racecourse maintenance and a broader equine course for trackwork riders and jockeys.

Harness Racing New Zealand also offers a number of educational opportunities for those interested in getting involved in the sport. There are options for primary school curriculums, Gateway to high school students (for those interested in harness racing), cadet schemes and broader industry qualifications including national certificates in Racing Stable Assistants and Harness Racing.

These opportunities provide practical access and theoretical knowledge to many aspects of professional racing in New Zealand. Racing clubs and participants directly employ staff on a full-time, part-time and casual basis. Club employees are involved in administration, which includes the conduct of raceday and other non-raceday tasks. As part of their



commitment to delivering an enjoyable experience for racing participants and customers, racing clubs continue to upskill through further education, workshops and short courses.

On average, each club has one member of their staff currently participating in further education, career development and training programs (some clubs up to 10)

PROMOTING HEALTHY RACING CLUB ENVIRONMENTS

Racing clubs in New Zealand have developed and applied a number of initiatives to improve the raceday and non-raceday experience for attendees, participants, staff, partners and the broader community. These initiatives have arisen in response to changing consumer needs and community values. Racing clubs play an active role in providing healthy environments for their customers and racing participants. Some examples include:

- + The provision of healthy choice options for both racing participants and customers
- + Most clubs have restrictions on bringing alcohol on course when attending the races
- + All clubs have policies and practices in place to encourage responsible consumption of alcohol
- + Clubs have trained on-site medical staff available to assist participants, volunteers, staff and customers if required
- + Providing accessible venues for people with a disability e.g. access ramps, car parking, toilet facilities, viewing platforms etc.
- + Over 30% of clubs have formal partnerships with health bodies and association



CLUB HISTORY AND HERITAGE

Thoroughbred, harness and greyhound racing in New Zealand has a long and celebrated history. The rich cultural, heritage and social significance of the sport has been recorded for more than 175 years. The historical elements of racecourses in New Zealand are an important part of the fabric of many local communities and many clubs actively promote past sporting participants, racing identities and special anniversaries.

Thoroughbred racing in New Zealand dates back to 1842, when a 'grand race meeting' was conducted on Petone Beach near Wellington. The Nelson Jockey Club and the Wanganui Jockey Club were the first to be formed in New Zealand, in 1848. The driving force behind racing in Nelson & Marlborough was Henry Redwood, who is widely described as the "father of New Zealand racing".

Thoroughbred racing has provided some of New Zealand's most recognised national icons, including trainers such as Dick Mason, Dave and Paul O'Sullivan, Colin Jillings and current trainers John Wheeler and Murray Baker. Outstanding jockeys include brothers Bill and Bob Skelton, Bill Broughton and Lance O'Sullivan. The likes of

Champion New Zealand horses – Carbine, Gloaming, Phar Lap, Kindergarten and Sunline have also become entrenched in the hearts and minds of all New Zealanders.

Trotting races formed part of a number of thoroughbred racing events from as early as 1864 in the Otago Southland area and then developed with standalone trotting clubs not long after. The likes of Champion New Zealand horses such as Cardigan Bay and Young Quinn and more recently Lazarus and Terror to Love are well known throughout New Zealand – as are participants such as Maurice Holmes and the Purdon Family, who have made a significant contribution to the sport.

In the early 1870's, farmers began importing British greyhounds and coursing competitions between farms started to develop. Coursing developed rapidly as a sport and the first greyhound clubs were founded in Southland in 1876. The following year the New Zealand Federation of Coursing Clubs was established, and the first Waterloo Cup was run in 1879 near Oamaru. New Zealand has produced many prominent participants include Ray Adcock, Jean and Dave Fahey, Thyan Green and Ben Craik.

More than half of the racing clubs throughout New Zealand take an active approach to promoting the history and heritage elements of their club. This is an important aspect of racing as many of the clubs have a long and rich history. The initiatives that clubs have adopted in recording their history, convey the excitement of racing in their community to both visitors and locals. A number of examples include:

- + Industry awards and Halls of Fame to acknowledge horses/greyhounds, participants and associates. Including ceremony dinners and websites
- + Club acknowledgement of participants – through signage, photos, paintings around club grounds
- + Publishing and contributions to history books written about the Clubs e.g. Canterbury Jockey Club, Counties Racing Club, Hawera Harness Racing Club, Nelson Harness Racing Club and Manawatu Harness Racing Club
- + Promotion of history through museums e.g. New Zealand Trotting Hall of Fame Museum at Alexandra Park, Ashburton Trotting Club, Wanganui Jockey Club, Cheviot Harness Racing Club and Winton Jockey Club
- + Use of social media to promote club history
- + Promotion of history through local papers, radio, facebook and websites
- + Recognising heroes of the sport on dedicated racedays e.g. Heritage Raceday
- + Promotions in race books, honour boards and historical photographs and newspaper clippings

In recent years, many clubs have promoted feature race anniversaries such as Westland Racing Club (150th), Greymouth Jockey Club (150th), Thames Jockey Club (150th), Stratford Racing Club (125th) and Waikato Bay of Plenty Harness (100th). These clubs celebrated their anniversaries with special events and promotions, attracting both local residents and visitors to their raceday.



NEW ZEALAND
DROUGH BRED **RACING**





CASE STUDY

GREYHOUND ADOPTION PROGRAMME TRUST AKA GREYHOUNDS AS PETS

Greyhounds as Pets (GAP) is an independent registered charitable trust established by Greyhound Racing New Zealand which delivers key community objectives whilst also achieving industry goals for racing's stakeholders. GAP commenced in New Zealand in 2007 and in that time has adopted over 2100 greyhounds to families within the community.

After finishing their racing career, the GAP adoption programme steers these dogs through a career change and finds them a new home as a pet. Greyhounds are assessed in terms of their response to other dog breeds, cats, their general demeanour and how they react to meeting new people and new situations. A team of paid regional and volunteer area co-ordinators organise promotions to help spread the message about adopting a greyhound. This team is supported by up to 100 volunteer greyhound owners.

The kennel team at GAP prides themselves on their ability to successfully and consistently place the

right greyhound into the right home environment. In addition to this, the program provides long-term support and guidance for both the greyhound and its owners.

The program's vision is to find loving pet homes for retired racing greyhounds and for:

- + Greyhounds to be a popular choice of family pet,
- + GAP to have a high profile in the community,
- + Encouraging communities of greyhound lovers to come together to enjoy and share their appreciation of this special breed, and
- + Greyhounds to be valued for their contribution to family and community life.



This racing season GAP is aiming to adopt 300 dogs in New Zealand. These dogs are prepared by professional kennel management teams assisted by volunteers. Furthermore, GAP has many voluntary foster carers who help the greyhound adjust to life as a "pet." These people play a vital role in helping GAP make sure that the right dog goes to the right home.

Volunteers are the backbone to the GAP program and bestow a level of care marked by consideration, compassion and tenderness towards the greyhound.

CASE STUDY

TARANAKI RACING – CONNECTING WITH THE COMMUNITY

Thoroughbred racing provides the perfect environment for charities to raise much-needed funds from potential and existing donors. Many charities have partnered with racing in New Zealand to increase their profile, increase the awareness of their partners and activate fundraising activities.

Taranaki Racing has an extensive list of charities that they support. The charities range across several different categories, aiming to reach as much of the community as possible. On an annual basis, some 20 – 30 charities benefit both directly and indirectly from activities at the Pukekura Raceway. Some of these charities include:

- + Cancer Society
- + Women's Refuge
- + Mellowpuff Trust
- + Riding for The Disabled
- + Breast Cancer
- + Multiple Sclerosis
- + NZ Kidney Disease
- + Life Education

Over the past three years, Taranaki Racing has provided their venue at no cost to the local Women's Refuge to conduct a pop-up shop event. This has enabled the Women's Refuge to raise \$7,000 - \$10,000 on an annual basis to support and provide information to people who are dealing with family violence in their life.

Through several charity racedays and various all-year-round initiatives, Taranaki racing contributes to a range of charities by providing donations and discounts, offering the use of their facilities and facilitating opportunities for charities to raise their own funds.

Racing's ability to partner with charities creates a win-win environment, whereby the charity can engage in fundraising opportunities and while racing can build a stronger connection with the community and introduce new customers to the sport.





CASE STUDY

KIDZ KARTZ – ENGAGING FUTURE PARTICIPANTS

Harness Racing in New Zealand has established a very successful mini trotting programme throughout the country – called Kidz Kartz. Originating in the Auckland region over fifteen years ago, there are now seven Kidz Kartz Clubs throughout New Zealand – Kumeu, Franklin, Waikato, Canterbury, Otago, Southland and Taranaki.

Kidz Kartz aims to educate young people who wish to pursue a career in harness racing by providing them with a pathway to the senior levels of the sport. The programme focuses on developing a well-rounded horse person, capable of driving safely and tactfully on the trotting track. In addition to this, Kidz Kartz focuses on caring for miniature horses and the horse management skills that come with looking after a pony.

The club is built around developing fair and friendly competition, creating a sense of teamwork and sportsmanship with other club members and of course having fun and forming new friendships. As harness racing is very family orientated, these early connections and involvement in the sport create interest and opportunities for increased socialisation among the harness racing community.

The benefits of creating these clubs are twofold. It enables the sport to firstly develop future harness drivers, owners and trainers and secondly engage future spectators of harness racing. The individual Kidz Kart clubs provide the support and the skills for the young participants. Harness racing drivers such as Robbie Close, Sheree Tomlinson and Dylan Ferguson came through Kidz Kartz on their way to successful careers in the sport.

For many members who do not pursue a career in harness racing, Kidz Kartz is seen to be the impetus to forming a bond with the sport – potentially as future owners and as fans. In many other cases, this engagement at an early age has led to future careers within harness racing in New Zealand.

A special feature on the New Zealand racing calendar is the Kidz Kartz NZ Trotting Cup – a dedicated race for Kidz Kartz competitors during Cup and Show Week in Christchurch. A prelude is conducted at Riccarton Racecourse during the feature racing week and culminates in the 1000m Kidz Kartz NZ Trotting Cup in front of more than 20,000 people.

CASE STUDY

SUPPORTING AMATEUR SPORTS IN NEW ZEALAND

The New Zealand Racing Board (NZRB) is proactive in engaging with sporting clubs and local, regional and national organisations who participate (or facilitate participation) in amateur sports throughout New Zealand.

In 2017, through the Sports Authorised Purpose grant scheme, NZRB provided close to \$3.3 million in grants to organisations across fifty-one different sports throughout New Zealand. The recipients of these grants ranged from major sports such as Rugby Union, Cricket and Football through to more boutique sports such as Petanque, Ice Figure Skating and Shearing. Over the life of the scheme, a total 1,285 grants have been approved, totalling close to \$13 million.

To help drive active participation in amateur sport, funding is provided to help sporting organisations support projects which are linked to 'playing' the sport. This mainly includes tangible items such as playing uniforms, sports gear, training and playing equipment. Furthermore, funding is also made available for attending domestic tournaments in terms of facility hire, travel and accommodation.

In addition to sports, funding is provided to the three codes of racing for the purposes of promoting, controlling and conducting race meetings. This funding provides race club support in the areas of:

- ✦ Racing Integrity Costs - operational costs for the Racing Integrity Unit, the Judicial Control Authority and the New Zealand Racing Laboratories
- ✦ Racing Promotion Costs (NZ Racing Calendar Publication, Race Form Publication and some costs associated with The Races Ltd Partnership Promotions)
- ✦ Racing Enhancement Funds (Stakes Enhancement, Youth Retention Enhancements and Racing Infrastructure Enhancements)

CASE STUDY

RIDE TO TIME PROGRAMME FOR PONY CLUBS

In 2018 New Zealand Thoroughbred Racing (NZTR) will introduce a new initiative to introduce young riders to the racing industry with an emphasis on safety and welfare – called 'Ride to Time'.

NZTR in consultation and cooperation with the New Zealand Racing Board (NZRB) and the New Zealand Pony Clubs Association will welcome young riders and their horses onto racetracks throughout New Zealand. The program will educate these riders about racing and give them an awareness and ability to control how fast they are travelling at a safe and balanced rhythm and speed. This leads to safer riding and more accurate time keeping as applied to trackwork and cross country eventing.

Riding instructors and jockey coaches will work side-by-side to teach fitness, strength, control balance, holding position, listening to instructions and safety. Competent riders will get to ride to time on the racetrack. In 2017 pilot programmes were conducted at the Riccarton and Wingatui Racecourses.

The 2018 Ride to Time Programme will be funded through the NZRB Youth Enhancement Fund.

CASE STUDY

INTERISLANDER SUMMER FESTIVAL – CREATING COMMUNITY EVENTS

In 2006, the New Zealand Racing Board partnered with a handful of racing clubs across New Zealand to develop and promote a range of family orientated racedays throughout the summer months. The partnership involved assisting and supporting clubs with a range of marketing collateral and providing guidance around delivering a quality event experience for attendees.

Over the past twelve years, these partnerships have strengthened to promote a series of family racing events called 'Interislander Summer Festival', and the franchise has grown to include over 30 clubs. From Ruakaka to the picturesque Waitaki Valley at Kurow, in 2018 more than 80,000 New Zealanders attended the Interislander Summer Festival events. Some of the many activities for kids include tug of war, sack races and activity books, plus bouncy castles and face painting.

The support service to clubs is now managed by The Races Ltd Partnership (The Races), jointly owned by New Zealand Thoroughbred Racing and Harness Racing New Zealand. With a team of 20 permanent staff and 35 seasonal staff, The Races supports over 100 clubs beyond Interislander Summer Festival with a range of services including big screen entertainment, marketing planning and collateral, event development services, marketing racing events, theming, marquees, sun umbrellas and other event infrastructure.

In terms of community impact, the partnership between The Races and the clubs have provided a positive influence in terms of family socialisation, volunteerism and community involvement. The Interislander Summer Festival events in particular create a sense of pride within their communities and engage with people from all walks of life, attracting a socially, culturally and age diverse audience. The events provide a 'meeting place' for families and friends and an opportunity to gather communities - many of whom would not otherwise be involved in racing.





REGIONAL SUMMARIES – NORTH ISLAND

NORTHLAND

- + There is a total of two (2) racing clubs operating in the region of which both are Thoroughbred clubs.
- + The racing industry in the Northland region is responsible for generating more than \$14.5 million in value-added contribution to Gross Domestic Product. This equates to 0.9% of the total impact generated by the New Zealand Racing Industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 129 full-time equivalent (FTE) jobs in the region.
- + There are 843 participants in the racing industry in Northland.

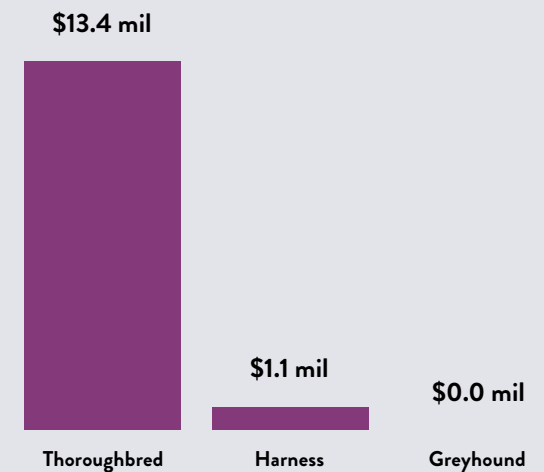
THE RACING INDUSTRY IN THE **NORTHLAND REGION** IS RESPONSIBLE FOR GENERATING **\$14.5 MILLION** IN **VALUE-ADDED CONTRIBUTION** TO GROSS DOMESTIC PRODUCT. THIS REPRESENTS **0.9% OF THE INDUSTRY TOTAL.**

RACING CLUBS IN THE REGION

- Thoroughbred**
- + Whangarei Racing Club
 - + Dargaville Racing Club



VALUE-ADDED GENERATED BY EACH CODE WITHIN THE NORTHLAND REGION



AT A GLANCE

2 Racing Clubs

THOROUGHBRED 2

11 Race Meetings

THOROUGHBRED 11

89 Races

THOROUGHBRED 89

260 Racing Club Members

THOROUGHBRED 260

11,925 Attendances

THOROUGHBRED 11,925

*Some totals do not add due to rounding

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	TOTAL
Direct Spending on Training Activities	\$6.3 mil	\$0.1 mil	\$0.0 mil	\$6.5 mil
Direct Spending on Breeding Activities	\$0.5 mil	\$0.2 mil	\$0.0 mil	\$0.6 mil
Direct Spending on Racing & Wagering Activities	\$4.5 mil	\$0.6 mil	\$0.0 mil	\$5.0 mil
Total Direct Expenditure	\$11.3 mil	\$0.9 mil	\$0.0 mil	\$12.2 mil
Total Value-Added	\$13.4 mil	\$1.1 mil	\$0.0 mil	\$14.5 mil
Full-Time Equivalent Employment	119	10	0	129

TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	TOTAL
Breeders	89	29	1	119
Owners	325	52	5	382
Trainers	24	2	0	26
Racing Club & Industry Staff	13	0	0	13
Staff employed by participants	155	11	2	168
Jockeys & Drivers	2	1	0	3
Volunteers	90	41	1	132
Total participants in New Zealand Racing	698	136	10	843

RACE MEETINGS IN THE NORTHLAND REGION

ATTRACTED ATTENDANCES OF **11,925** OR **1.9% OF TOTAL ATTENDANCES** AT RACE MEETINGS IN NEW ZEALAND.

AUCKLAND

- + There is a total of eight (8) racing clubs operating in the region, four (4) of which are Thoroughbred clubs, two (2) Harness clubs and two (2) Greyhound racing clubs.
- + The racing industry in the Auckland region is responsible for generating more than \$402.8 million in value-added contribution to Gross Domestic Product. This equates to 24.7% of the total impact generated by the New Zealand Racing Industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 3,447 full-time equivalent (FTE) jobs in the region.
- + There are more than 8,500 participants in the racing industry in Auckland.

RACING CLUBS IN THE REGION

Thoroughbred

- + Auckland RC
- + Avondale JC
- + Counties RC
- + Pakuranga Hunt Club

Harness

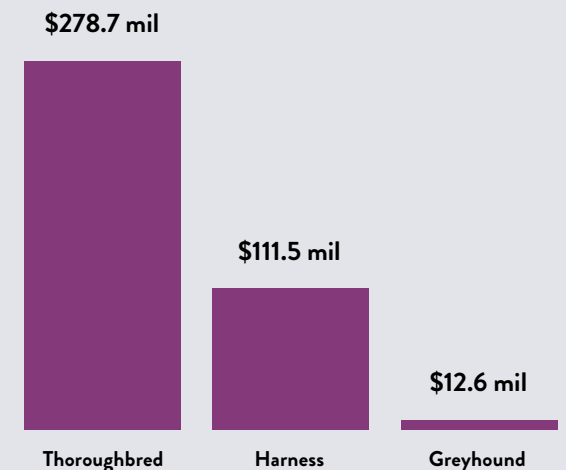
- + Auckland Trotting Club
- + Kumeu District Trotting Club

Greyhound

- + Auckland GRC.
- + Wellington GRC

THE RACING INDUSTRY IN THE **AUCKLAND REGION** IS RESPONSIBLE FOR GENERATING **\$402.8 MILLION** IN **VALUE-ADDED CONTRIBUTION** TO GROSS DOMESTIC PRODUCT. THIS REPRESENTS **24.7% OF THE INDUSTRY TOTAL.**

VALUE-ADDED GENERATED BY EACH CODE WITHIN THE AUCKLAND REGION



AT A GLANCE

8 Racing Clubs

THOROUGHBRED 4
HARNESS 2
GREYHOUND 2

140 Race Meetings

THOROUGHBRED 46
HARNESS 37
GREYHOUND 57

1,467 Races

THOROUGHBRED 373
HARNESS 375
GREYHOUND 719

3,192 Racing Club
Members

THOROUGHBRED 2,417
HARNESS 614
GREYHOUND 161

127,939 Attendances

THOROUGHBRED 70,335
HARNESS 46,803
GREYHOUND 10,801

*Some totals do not add due to rounding

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	TOTAL
Direct Spending on Training Activities	\$34.9 mil	\$15.1 mil	\$1.4 mil	\$51.4 mil
Direct Spending on Breeding Activities	\$49.2 mil	\$18.6 mil	\$0.7 mil	\$68.5 mil
Direct Spending on Racing & Wagering Activities	\$65.0 mil	\$49.0 mil	\$4.2 mil	\$118.1 mil
Total Direct Expenditure	\$149.1 mil	\$82.7 mil	\$6.3 mil	\$238.1 mil
Total Value-Added	\$278.7 mil	\$111.5 mil	\$12.6 mil	\$402.8 mil
Full-Time Equivalent Employment	2,346	994	108	3,447

TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	TOTAL
Breeders	678	383	8	1,069
Owners	2,583	1,476	52	4,111
Trainers	119	87	17	223
Racing Club & Industry Staff	299	154	33	486
Staff employed by participants	979	178	23	1,180
Jockeys & Drivers	23	52	0	75
Volunteers	700	638	36	1,374
Total participants in New Zealand Racing	5,381	2,968	169	8,518

**RACE MEETINGS
IN THE
AUCKLAND
REGION
ATTRACTED
ATTENDANCES
OF 127,939 OR
20.8% OF TOTAL
ATTENDANCES
AT RACE
MEETINGS IN
NEW ZEALAND.**

WAIKATO

- + There is a total of twelve (12) racing clubs operating in the region, eight (8) of which are Thoroughbred clubs, two (2) Harness clubs and two (2) Greyhound racing clubs.
- + The racing industry in the Waikato region is responsible for generating more than \$464.2 million in value-added contribution to Gross Domestic Product. This equates to 28.4% of the total impact generated by the New Zealand Racing Industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 4,152 full-time equivalent (FTE) jobs in the region.
- + There are more than 9,300 participants in the racing industry in Waikato.

RACING CLUBS IN THE REGION

Thoroughbred

- + Cambridge JC
- + Matamata Racing Club (inc)
- + Racing Taupo
- + Racing Te Aroha
- + South Waikato RC
- + Thames Jockey Club
- + Waikato RC
- + Waipa RC

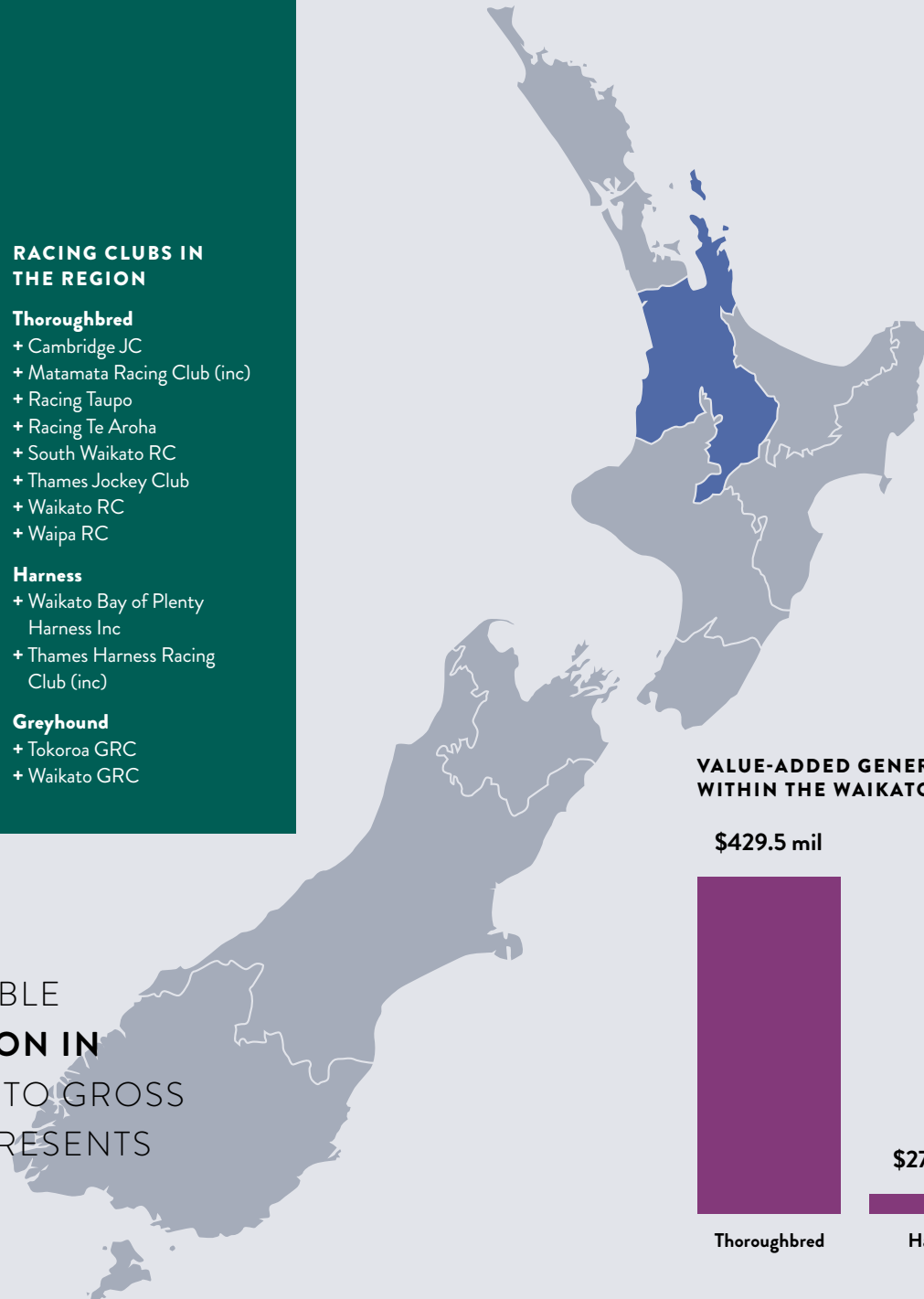
Harness

- + Waikato Bay of Plenty Harness Inc
- + Thames Harness Racing Club (inc)

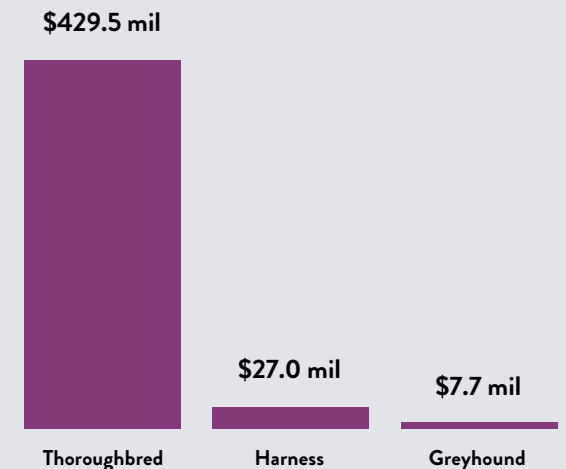
Greyhound

- + Tokoroa GRC
- + Waikato GRC

THE RACING INDUSTRY IN THE **WAIKATO REGION** IS RESPONSIBLE FOR GENERATING **\$464.2 MILLION** IN **VALUE-ADDED CONTRIBUTION** TO GROSS DOMESTIC PRODUCT. THIS REPRESENTS **28.5% OF THE INDUSTRY TOTAL.**



VALUE-ADDED GENERATED BY EACH CODE WITHIN THE WAIKATO REGION



AT A GLANCE

12 Racing Clubs

THOROUGHBRED 8
HARNESS 2
GREYHOUND 2

136 Race Meetings

THOROUGHBRED 60
HARNESS 28
GREYHOUND 48

1,268 Races

THOROUGHBRED 493
HARNESS 252
GREYHOUND 523

2,378 Racing Club
Members

THOROUGHBRED 2,061
HARNESS 250
GREYHOUND 67

68,525 Attendances

THOROUGHBRED 53,420
HARNESS 13,603
GREYHOUND 1,502

*Some totals do not add due to rounding

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	TOTAL
Direct Spending on Training Activities	\$128.5 mil	\$7.6 mil	\$1.9 mil	\$138.0 mil
Direct Spending on Breeding Activities	\$206.5 mil	\$3.9 mil	\$0.8 mil	\$211.2 mil
Direct Spending on Racing & Wagering Activities	\$29.1 mil	\$11.1 mil	\$3.7 mil	\$43.9mil
Total Direct Expenditure	\$364.1 mil	\$22.6 mil	\$6.3 mil	\$393.1 mil
Total Value-Added	\$429.5 mil	\$27.0 mil	\$7.7 mil	\$464.2 mil
Full-Time Equivalent Employment	3,837	244	71	4,152

TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	TOTAL
Breeders	1,008	213	18	1,239
Owners	3,160	618	48	3,826
Trainers	282	73	50	405
Racing Club & Industry Staff	112	43	18	172
Staff employed by participants	1,781	111	46	1,939
Jockeys & Drivers	69	34	0	103
Volunteers	1,147	411	148	1,707
Total participants in New Zealand Racing	7,559	1,503	329	9,391

**RACE MEETINGS
IN THE
WAIKATO
REGION
ATTRACTED
ATTENDANCES
OF 68,525 OR
11.1% OF TOTAL
ATTENDANCES
AT RACE
MEETINGS IN
NEW ZEALAND.**

BAY OF PLENTY

- + There is a total of five (5) racing clubs operating in the region, all of which are thoroughbred clubs.
- + The racing industry in the Bay of Plenty region is responsible for generating more than \$20.8 million in value-added contribution to Gross Domestic Product. This equates to 1.3% of the total impact generated by the New Zealand Racing Industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 187 full-time equivalent (FTE) jobs in the region.
- + There are nearly 1,600 participants in the racing industry in Bay of Plenty.

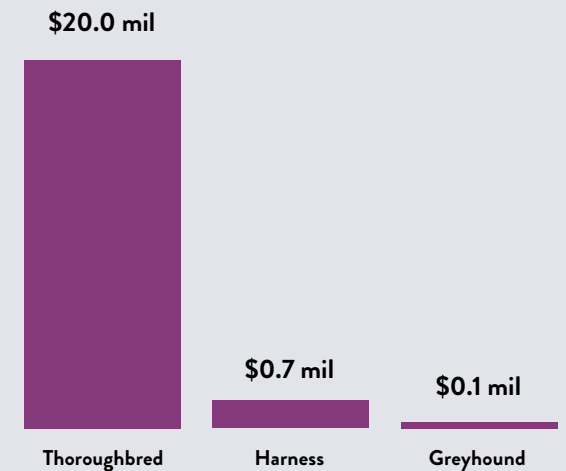
RACING CLUBS IN THE REGION

Thoroughbred

- + Racing Tauranga
- + Whakatane RC
- + Racing Rotorua
- + Rotorua & BOP Hunt
- + Taumarunui RC

THE RACING INDUSTRY IN THE **BAY OF PLENTY REGION** IS RESPONSIBLE FOR GENERATING **\$20.8 MILLION** IN **VALUE-ADDED CONTRIBUTION** TO GROSS DOMESTIC PRODUCT. THIS REPRESENTS **1.3% OF THE INDUSTRY TOTAL.**

VALUE-ADDED GENERATED BY EACH CODE WITHIN THE BAY OF PLENTY REGION



AT A GLANCE

5 Racing Clubs

THOROUGHBRED 5

15 Race Meetings

THOROUGHBRED 14

127 Races

THOROUGHBRED 117

570 Racing Club
Members

THOROUGHBRED 570

21,206 Attendances

THOROUGHBRED 21,206

*Some totals do not add due to rounding

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	TOTAL
Direct Spending on Training Activities	\$4.2 mil	\$0.0 mil	\$0.1 mil	\$4.3 mil
Direct Spending on Breeding Activities	\$0.4 mil	\$0.6 mil	\$0.0 mil	\$1.0 mil
Direct Spending on Racing & Wagering Activities	\$12.4 mil	\$0.0 mil	\$0.0 mil	\$12.4 mil
Total Direct Expenditure	\$16.9 mil	\$0.6 mil	\$0.1 mil	\$17.6 mil
Total Value-Added	\$20.0 mil	\$0.7 mil	\$0.1 mil	\$20.8 mil
Full-Time Equivalent Employment	178	8	1	187

TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	TOTAL
Breeders	140	26	0	166
Owners	715	80	9	804
Trainers	36	0	3	39
Racing Club & Industry Staff	61	0	0	61
Staff employed by participants	238	9	8	255
Jockeys & Drivers	5	0	0	5
Volunteers	230	34	4	268
Total participants in New Zealand Racing	1,425	149	24	1,597

**RACE MEETINGS
IN THE BAY OF
PLENTY REGION
ATTRACTED
ATTENDANCES
OF **21,206** OR
**3.4% OF TOTAL
ATTENDANCES**
AT RACE
MEETINGS IN
NEW ZEALAND.**

GISBORNE/ HAWKES BAY

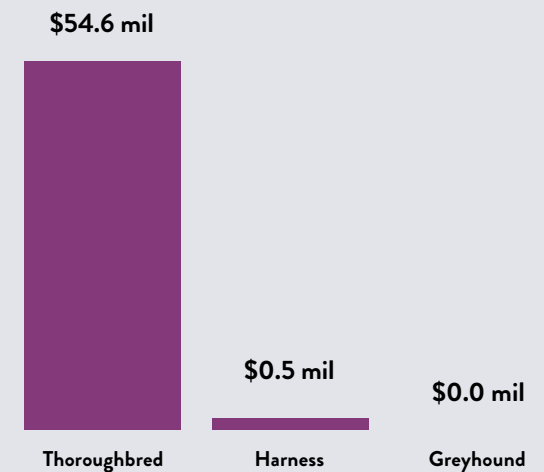
- + There is a total of four (4) racing clubs operating in the region of which all are Thoroughbred clubs.
- + The racing industry in the Gisborne/Hawkes Bay region is responsible for generating more than \$55.0 million in value-added contribution to Gross Domestic Product. This equates to 3.4% of the total impact generated by the New Zealand Racing Industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 511 full-time equivalent (FTE) jobs in the region.
- + There are nearly 2,000 participants in the racing industry in Gisborne/Hawkes Bay.

RACING CLUBS IN THE REGION

- Thoroughbred**
- + Hawkes Bay RI
 - + Poverty Bay Turf Club
 - + Waipukurau JC
 - + Wairoa RC

THE RACING INDUSTRY IN THE **GISBORNE/
HAWKES BAY REGION** IS RESPONSIBLE FOR GENERATING **\$55.0 MILLION** IN **VALUE-ADDED CONTRIBUTION** TO GROSS DOMESTIC PRODUCT. THIS REPRESENTS **3.4% OF THE INDUSTRY TOTAL.**

VALUE-ADDED GENERATED BY EACH CODE WITHIN THE GISBORNE/HAWKES BAY REGION



AT A GLANCE

5 Racing Clubs

THOROUGHBRED 5

46 Race Meetings

THOROUGHBRED 31

371 Races

THOROUGHBRED 254

1,809 Racing Club Members

THOROUGHBRED 1,809

41,722 Attendances

THOROUGHBRED 41,722

*Some totals do not add due to rounding

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	TOTAL
Direct Spending on Training Activities	\$22.1 mil	\$0.4 mil	\$0.0 mil	\$22.5 mil
Direct Spending on Breeding Activities	\$4.8 mil	\$0.0 mil	\$0.0 mil	\$4.8 mil
Direct Spending on Racing & Wagering Activities	\$19.4 mil	\$0.0 mil	\$0.0 mil	\$19.4 mil
Total Direct Expenditure	\$46.3 mil	\$0.4 mil	\$0.0 mil	\$46.6 mil
Total Value-Added	\$54.6 mil	\$0.5 mil	\$0.0 mil	\$55.0 mil
Full-Time Equivalent Employment	488	23	0	511

TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	TOTAL
Breeders	223	10	1	234
Owners	901	59	7	967
Trainers	52	1	2	55
Racing Club & Industry Staff	37	0	0	37
Staff employed by participants	362	4	1	367
Jockeys & Drivers	14	2	0	16
Volunteers	290	15	4	308
Total participants in New Zealand Racing	1,879	91	15	1,985

RACE MEETINGS IN THE GISBORNE/ HAWKES BAY REGION ATTRACTED ATTENDANCES OF 41,722 OR 6.8% OF TOTAL ATTENDANCES AT RACE MEETINGS IN NEW ZEALAND.

TARANAKI/ MANAWATU- WANGANUI

- + There is a total of nineteen (19) racing clubs operating in the region, eleven (11) of which are Thoroughbred clubs, five (5) Harness clubs and three (3) Greyhound racing clubs.
- + The racing industry in the Taranaki/Manawatu-Wanganui region is responsible for generating more than \$135.7 million in value-added contribution to Gross Domestic Product. This equates to 8.3% of the total impact generated by the New Zealand Racing Industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 1,203 full-time equivalent (FTE) jobs in the region.
- + There are more than 7,400 participants in the racing industry in Taranaki/Manawatu-Wanganui.

RACING CLUBS IN THE REGION

Thoroughbred

- + Egmont RC
- + Feilding JC
- + Foxton RC
- + Manawatu RC
- + Marton JC
- + Rangitikei RC
- + Stratford RC
- + Taranaki Racing
- + Wanganui JC
- + Waverley RC
- + Woodville-Pahiatua RC

Harness

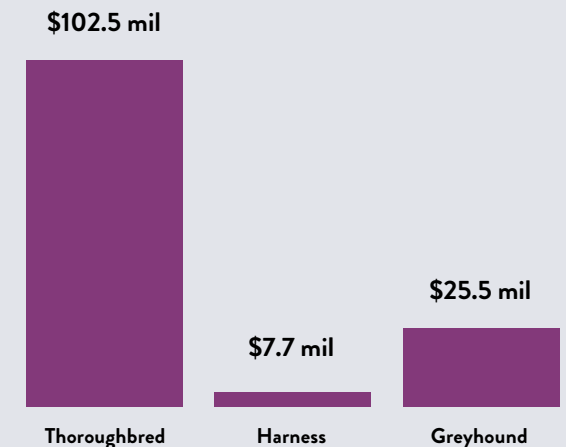
- + Hawera Harness Racing Club
- + Manawatu Harness Racing Club
- + Stratford Trotting Club
- + Taranaki Trotting Club
- + Wanganui Trotting Club

Greyhound

- + Palmerston North GRC
- + Taranaki GRC
- + Wanganui GRC

THE RACING INDUSTRY IN THE **TARANAKI/MANAWATU-WANGANUI REGION** IS RESPONSIBLE FOR GENERATING **\$135.7 MILLION** IN **VALUE-ADDED CONTRIBUTION** TO GROSS DOMESTIC PRODUCT. THIS REPRESENTS **8.3% OF THE INDUSTRY TOTAL.**

VALUE-ADDED GENERATED BY EACH CODE WITHIN THE TARANAKI/MANAWATU-WANGANUI REGION



AT A GLANCE

19 Racing Clubs

THOROUGHBRED 11
HARNESS 5
GREYHOUND 3

180 Race Meetings

THOROUGHBRED 53
HARNESS 22
GREYHOUND 105

2,664 Races

THOROUGHBRED 419
HARNESS 191
GREYHOUND 2,054

14,172 Racing Club
Members

THOROUGHBRED 13,535
HARNESS 455
GREYHOUND 182

64,533 Attendances

THOROUGHBRED 46,677
HARNESS 6,756
GREYHOUND 11,100

*Some totals do not add due to rounding

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	TOTAL
Direct Spending on Training Activities	\$34.7 mil	\$1.4 mil	\$4.7 mil	\$40.9 mil
Direct Spending on Breeding Activities	\$17.1 mil	\$0.8 mil	\$2.3 mil	\$20.1 mil
Direct Spending on Racing & Wagering Activities	\$35.2 mil	\$4.3 mil	\$14.1 mil	\$53.5 mil
Total Direct Expenditure	\$86.9 mil	\$6.5 mil	\$21.0 mil	\$114.4 mil
Total Value-Added	\$102.5 mil	\$5.6 mil	\$28.5 mil	\$135.7 mil
Full-Time Equivalent Employment	916	51	236	1,203

TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	TOTAL
Breeders	693	64	21	778
Owners	2,927	200	50	3,177
Trainers	232	22	80	334
Racing Club & Industry Staff	316	19	63	399
Staff employed by participants	1,343	33	61	1,438
Jockeys & Drivers	52	7	0	59
Volunteers	916	144	181	1,242
Total participants in New Zealand Racing	6,479	490	456	7,426

RACE MEETINGS IN THE TARANAKI/ MANAWATU- WANGANUI REGION

ATTRACTED
ATTENDANCES
OF **64,533** OR
**10.5% OF TOTAL
ATTENDANCES**
AT RACE
MEETINGS IN
NEW ZEALAND.

WELLINGTON

- + There is a total of seven (7) racing clubs operating in the region, five (5) of which are Thoroughbred clubs and two (2) Harness clubs.
- + The racing industry in the Wellington region is responsible for generating more than \$61.2 million in value-added contribution to Gross Domestic Product. This equates to 3.7% of the total impact generated by the New Zealand Racing Industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 524 full-time equivalent (FTE) jobs in the region.
- + There are more than 3,905 participants in the racing industry in Wellington.

RACING CLUBS IN THE REGION

Thoroughbred

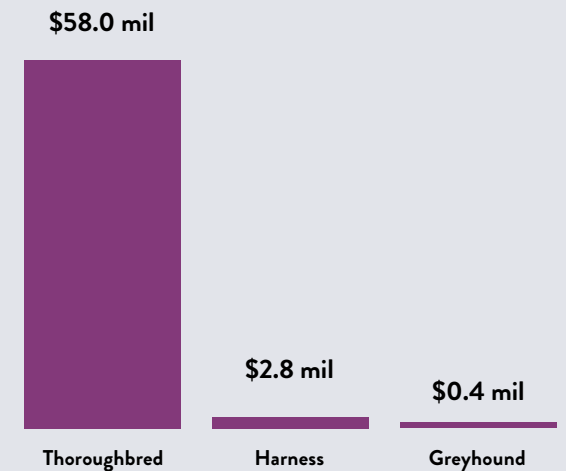
- + Levin RC
- + Masterton RC
- + Otaki Maori RC
- + Wairarapa RC
- + Wellington RC

Harness

- + Kapiti Coast Harness Racing Club
- + Wairarapa Harness Racing Club

THE RACING INDUSTRY IN THE WELLINGTON REGION IS RESPONSIBLE FOR GENERATING **\$61.2 MILLION** IN VALUE-ADDED CONTRIBUTION TO GROSS DOMESTIC PRODUCT. THIS REPRESENTS **3.7% OF THE INDUSTRY TOTAL.**

VALUE-ADDED GENERATED BY EACH CODE WITHIN THE WELLINGTON REGION



AT A GLANCE

7 Racing Clubs

THOROUGHBRED 5
HARNES 2

19 Race Meetings

THOROUGHBRED 16
HARNES 3

140 Races

THOROUGHBRED 137
HARNES 3

1,377 Racing Club
Members

THOROUGHBRED 1,249
HARNES 128

37,159 Attendances

THOROUGHBRED 34,062
HARNES 3,097

*Some totals do not add due to rounding

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	TOTAL
Direct Spending on Training Activities	\$7.6 mil	\$0.2 mil	\$0.3 mil	\$8.0 mil
Direct Spending on Breeding Activities	\$8.7 mil	\$0.9 mil	\$0.0 mil	\$9.6 mil
Direct Spending on Racing & Wagering Activities	\$19.9 mil	\$0.7 mil	\$0.0 mil	\$20.6 mil
Total Direct Expenditure	\$36.2 mil	\$1.8 mil	\$0.3 mil	\$38.2mil
Total Value-Added	\$58.0 mil	\$2.8 mil	\$0.4 mil	\$61.2 mil
Full-Time Equivalent Employment	496	25	4	524

TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	TOTAL
Breeders	277	40	2	319
Owners	1,562	98	27	1,687
Trainers	38	3	2	43
Racing Club & Industry Staff	642	289	64	995
Staff employed by participants	367	16	8	390
Jockeys & Drivers	2	1	0	3
Volunteers	348	95	25	468
Total participants in New Zealand Racing	3,236	541	128	3,905

**RACE MEETINGS
IN THE
WELLINGTON
REGION
ATTRACTED
ATTENDANCES
OF 37,159 OR
6.0% OF TOTAL
ATTENDANCES
AT RACE
MEETINGS IN
NEW ZEALAND.**

REGIONAL SUMMARIES – SOUTH ISLAND

TASMAN-NELSON/ MARLBOROUGH

- + There is a total of three (3) racing clubs operating in the region, one (1) of which is a Thoroughbred club and two (2) Harness clubs.
- + The racing industry in the Tasman-Nelson/Marlborough region is responsible for generating more than \$7.1 million in value-added contribution to Gross Domestic Product. This equates to 0.4% of the total impact generated by the New Zealand Racing Industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 64 full-time equivalent (FTE) jobs in the region.
- + There are over 700 participants in the racing industry in Tasman-Nelson/Marlborough.

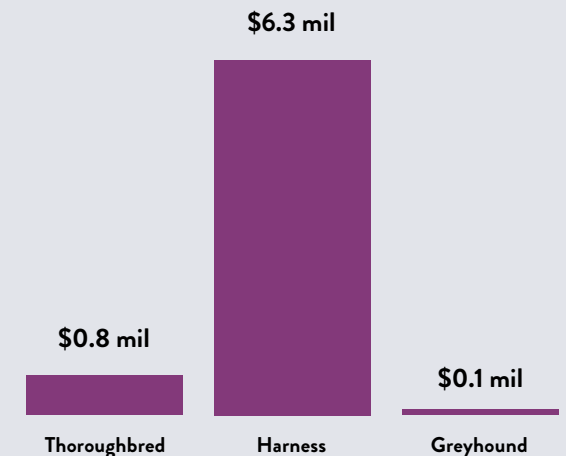
THE RACING INDUSTRY IN THE **TASMAN-NELSON/MARLBOROUGH REGION** IS RESPONSIBLE FOR GENERATING **\$7.1 MILLION IN VALUE-ADDED CONTRIBUTION** TO GROSS DOMESTIC PRODUCT. THIS REPRESENTS **0.4% OF THE INDUSTRY TOTAL.**

RACING CLUBS IN THE REGION

Thoroughbred
+ Marlborough RC

Harness
+ Marlborough Harness Racing Club
+ Nelson Harness Racing Club

VALUE-ADDED GENERATED BY EACH CODE WITHIN THE TASMAN-NELSON/MARLBOROUGH REGION



AT A GLANCE

3 Racing Clubs

THOROUGHBRED 1
HARNESS 2

10 Race Meetings

THOROUGHBRED 2
HARNESS 8

78 Races

THOROUGHBRED 16
HARNESS 62

423 Racing Club
Members

THOROUGHBRED 210
HARNESS 213

10,469 Attendances

THOROUGHBRED 1,827
HARNESS 8,642

*Some totals do not add due to rounding

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	TOTAL
Direct Spending on Training Activities	\$0.1 mil	\$1.7 mil	\$0.0 mil	\$1.8 mil
Direct Spending on Breeding Activities	\$0.0 mil	\$0.6 mil	\$0.1 mil	\$0.7 mil
Direct Spending on Racing & Wagering Activities	\$0.5 mil	\$2.6 mil	\$0.0 mil	\$3.1 mil
Total Direct Expenditure	\$0.6 mil	\$4.9 mil	\$0.1 mil	\$5.6 mil
Total Value-Added	\$0.8 mil	\$6.3 mil	\$0.1 mil	\$7.1 mil
Full-Time Equivalent Employment	7	56	1	64

TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	TOTAL
Breeders	19	56	1	76
Owners	110	181	6	297
Trainers	2	23	0	25
Racing Club & Industry Staff	7	81	0	88
Staff employed by participants	23	31	1	56
Jockeys & Drivers	1	13	0	14
Volunteers	52	131	1	184
Total participants in New Zealand Racing	214	516	10	740

**RACE MEETINGS
IN THE TASMAN-
NELSON/
MARLBOROUGH
REGION**

ATTRACTED
ATTENDANCES
OF **10,469** OR
**1.7% OF TOTAL
ATTENDANCES**
AT RACE
MEETINGS IN
NEW ZEALAND.

WEST COAST & CANTERBURY

- + There is a total of twenty-seven (27) racing clubs operating in the region, nine (9) of which are Thoroughbred clubs, sixteen (16) Harness clubs and two (2) Greyhound racing clubs.
- + The racing industry in the West Coast & Canterbury region is responsible for generating more than \$331.2 million in value-added contribution to Gross Domestic Product. This equates to 20.3% of the total impact generated by the New Zealand Racing Industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 2,941 full-time equivalent (FTE) jobs in the region.
- + There are nearly 16,000 participants in the racing industry in West Coast & Canterbury.

RACING CLUBS IN THE REGION

Thoroughbred

- + Ashburton RC
- + Banks Peninsula RC
- + Canterbury JC
- + Greymouth JC
- + Kumara RC
- + Reefton JC
- + South Canterbury Racing Club (Inc)
- + Waimate RC
- + Westland RC

Harness

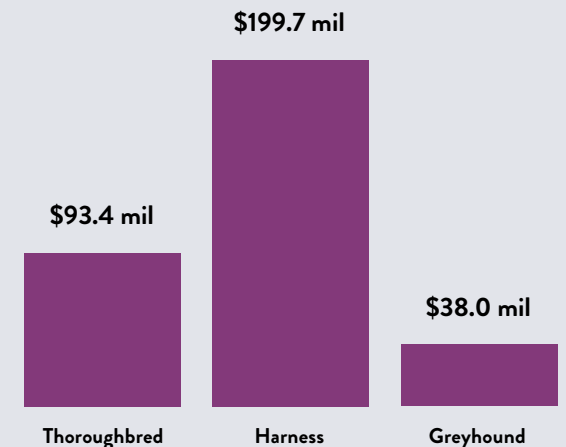
- + Akaroa Trotting Club
- + Amberley Trotting Club
- + Ashburton Trotting Club
- + Banks Peninsula Trotting Club
- + Canterbury Country Harness
- + Cheviot Harness Racing Club
- + Geraldine Trotting Club
- + Hororata Trotting Club
- + Kaikoura Trotting Club
- + Methven Trotting Club
- + New Zealand Metropolitan Trotting Club
- + Rangiora Harness Racing Club
- + Reefton Trotting Club
- + Timaru Harness Racing Club
- + Waimate Trotting Club
- + Westport Trotting Club

Greyhound

- + Ashburton County GRC
- + Christchurch GRC

THE RACING INDUSTRY IN THE **WEST COAST & CANTERBURY REGION** IS RESPONSIBLE FOR GENERATING **\$331.2 MILLION IN VALUE-ADDED CONTRIBUTION** TO GROSS DOMESTIC PRODUCT. THIS REPRESENTS **20.3% OF THE INDUSTRY TOTAL.**

VALUE-ADDED GENERATED BY EACH CODE WITHIN THE WEST COAST & CANTERBURY REGION



AT A GLANCE

27 Racing Clubs

THOROUGHBRED 9
HARNESS 16
GREYHOUND 2

267 Race Meetings

THOROUGHBRED 40
HARNESS 90
GREYHOUND 137

2,926 Races

THOROUGHBRED 356
HARNESS 927
GREYHOUND 1,643

9,036 Racing Club
Members

THOROUGHBRED 4,873
HARNESS 4,065
GREYHOUND 98

156,435 Attendances

THOROUGHBRED 47,292
HARNESS 103,949
GREYHOUND 5,104

*Some totals do not add due to rounding

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	TOTAL
Direct Spending on Training Activities	\$23.1 mil	\$50.5 mil	\$6.5 mil	\$80.2 mil
Direct Spending on Breeding Activities	\$9.5 mil	\$32.6 mil	\$5.0 mil	\$47.1 mil
Direct Spending on Racing & Wagering Activities	\$36.1 mil	\$63.3 mil	\$16.0 mil	\$115.4 mil
Total Direct Expenditure	\$68.7 mil	\$146.4 mil	\$27.5 mil	\$242.7mil
Total Value-Added	\$93.4 mil	\$199.7 mil	\$38.0 mil	\$331.2mil
Full-Time Equivalent Employment	817	1,778	346	2,941

TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	TOTAL
Breeders	348	1,341	39	1,728
Owners	2,216	4,276	104	6,596
Trainers	138	364	73	575
Racing Club & Industry Staff	919	1,045	21	1,985
Staff employed by participants	741	651	67	1,459
Jockeys & Drivers	38	197	0	235
Volunteers	537	2,605	176	3,318
Total participants in New Zealand Racing	4,937	10,480	479	15,896

RACE MEETINGS IN THE WEST COAST & CANTERBURY REGION

ATTRACTED
ATTENDANCES
OF **156,345** OR
**25.4% OF TOTAL
ATTENDANCES**
AT RACE
MEETINGS IN
NEW ZEALAND.

OTAGO & SOUTHLAND

- + There is a total of thirty (30) racing clubs operating in the region, thirteen (13) of which are Thoroughbred clubs, fifteen (15) Harness clubs and two (2) Greyhound racing clubs.
- + The racing industry in the Otago & Southland region is responsible for generating more than \$141.0 million in value-added contribution to Gross Domestic Product. This equates to 8.6% of the total impact generated by the New Zealand Racing Industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 1,239 full-time equivalent (FTE) jobs in the region.
- + There are more than 7,800 participants in the racing industry in Otago & Southland.

RACING CLUBS IN THE REGION

Thoroughbred

- + Beaumont RC
- + Central Otago RC
- + Gore RC
- + Kurow JC
- + Oamaru JC
- + Otago RC
- + Riverton RC
- + Southland RC
- + Tapanui RC
- + Waikouaiti RC
- + Wairio JC
- + Winton JC
- + Wyndham RC

Harness

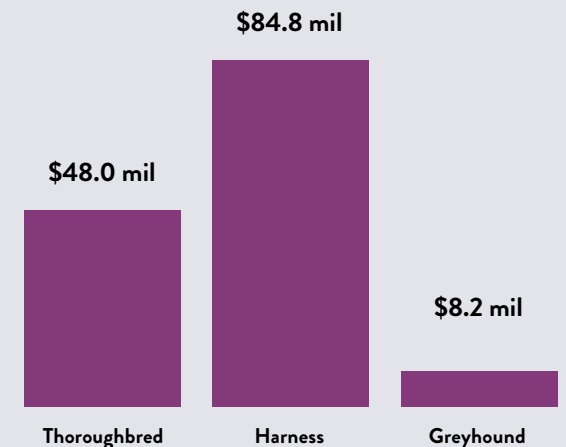
- + Central Otago Trotting Club
- + Forbury Park Trotting Club
- + Gore Harness Racing Club
- + Invercargill Harness Racing Club
- + Kurow Harness Racing Club
- + Northern Southland Trotting Club
- + Oamaru Harness Racing Club
- + Riverton Trotting Club
- + Roxburgh Trotting Club
- + Southern Harness
- + Tuapeka Harness Racing Club
- + Waikouaiti Trotting Club
- + Wairio Trotting Club
- + Winton Harness Racing Club
- + Wyndham Harness Racing Club

Greyhound

- + Otago GRC
- + Southland GRC

THE RACING INDUSTRY IN THE **OTAGO & SOUTHLAND REGION** IS RESPONSIBLE FOR GENERATING **\$141.0 MILLION IN VALUE-ADDED CONTRIBUTION** TO GROSS DOMESTIC PRODUCT. THIS REPRESENTS **8.6% OF THE INDUSTRY TOTAL.**

VALUE-ADDED GENERATED BY EACH CODE WITHIN THE OTAGO & SOUTHLAND REGION



AT A GLANCE

30 Racing Clubs

THOROUGHBRED 13
HARNESS 15
GREYHOUND 2

159 Race Meetings

THOROUGHBRED 35
HARNESS 70
GREYHOUND 54

1,698 Races

THOROUGHBRED 310
HARNESS 703
GREYHOUND 685

4,601 Racing Club
Members

THOROUGHBRED 1,341
HARNESS 3,179
GREYHOUND 81

74,855 Attendances

THOROUGHBRED 33,005
HARNESS 39,300
GREYHOUND 2,550

*Some totals do not add due to rounding

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	TOTAL
Direct Spending on Training Activities	\$12.6 mil	\$23.5 mil	\$0.3 mil	\$36.4 mil
Direct Spending on Breeding Activities	\$5.1 mil	\$11.1 mil	\$0.2 mil	\$16.4 mil
Direct Spending on Racing & Wagering Activities	\$15.5 mil	\$23.9 mil	\$5.1 mil	\$44.5 mil
Total Direct Expenditure	\$33.2 mil	\$58.5 mil	\$5.6 mil	\$97.3 mil
Total Value-Added	\$48.0 mil	\$84.8 mil	\$8.2 mil	\$141.0 mil
Full-Time Equivalent Employment	416	748	74	1,239

TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	TOTAL
Breeders	230	651	3	884
Owners	1,452	2,062	20	3,534
Trainers	90	174	15	279
Racing Club & Industry Staff	223	196	27	446
Staff employed by participants	486	315	12	813
Jockeys & Drivers	22	79	0	101
Volunteers	454	1,222	133	1,810
Total participants in New Zealand Racing	2,957	4,699	210	7,867

RACE MEETINGS IN THE OTAGO & SOUTHLAND REGION

ATTRACTED
ATTENDANCES
OF **74,855** OR
**12.2% OF TOTAL
ATTENDANCES**
AT RACE
MEETINGS IN
NEW ZEALAND.

ABOUT IER

IER is a leading strategic consulting business specialising in the tourism, events and entertainment industries. For over twenty years, IER has provided economic impact evaluations for both private and Government clients.

In particular, IER has specialised in consulting on a variety of projects related to the racing industries in Australia and New Zealand over this time.

This study constitutes an economic and social impact evaluation of the New Zealand Racing Industry (including the thoroughbred, harness and greyhound racing codes). An understanding of the intricate and sometimes complex flow of money in the racing industry underpins this assessment. IER has recently prepared similar studies for:

- + Racing Queensland (3 Codes)
- + South Australian Racing Industry (3 Codes)
- + Thoroughbred Racing Industry in Country Victoria
- + Northern Territory Thoroughbred Racing Industry
- + Standardbred and Thoroughbred Racing in British Columbia
- + Australian Harness Racing Industry
- + Western Australian Racing Industry (3 Codes)
- + Victorian Racing Industry (3 Codes)
- + Tasmanian Racing Industry (3 Codes)
- + Australian Thoroughbred Racing Industry

The economic modelling for this study was undertaken by Associate Professor Barry Burgan (B Ec (Hons), FINSIA (Fellow)). Barry is a director of Economic Research Consultants Pty Ltd and has extensive experience in the area of economic and financial assessment and policy advice. He has a background in the public and private sectors, academia and has worked on various projects in the area of economic policy, including in the area of economic modelling. In particular, Barry has extensive experience in the use of both computable general equilibrium and input-output models, regional economic development and cost/benefit analysis. He has undertaken a number of these studies and projects with the Sustainable Tourism Cooperative Research Centre.

Barry has undertaken a significant range of studies on special events, with some specific examples including:

- + Size and Scope of the South Australian Racing Industry (2012)
- + Economic and Social Impact Study of Harness Racing in Australia (2012)
- + The Economic Impact of the Melbourne Fringe Festival (2010 & 2011)
- + Analysis of economic impact (CG E modelling exercise) of 2006 Commonwealth Games on the Victorian economy (with KPMG, 2005)

- + Pre-event evaluation of impacts of the Sydney Olympic Games on NSW – with KPMG
- + Size and Scope study of the Victorian Racing Industry (2012)
- + Size and Scope study of the Tasmanian Racing Industry (2012)
- + Economic Impact assessment of the InterDominion (Sydney) 2013 & 2014
- + Annual assessment of the Adelaide Fringe, WomAdelaide and Clipsal 500 (over the last 5-10 years)
- + Size and Scope Study of Thoroughbred Racing Industry in NT
- + Size and Scope of the Western Australian Racing Industry (2014)

Barry provides the economic modelling and advisory services to IER.

DISCLAIMER

This report (Report) has been produced independently by IER as requested by the New Zealand Racing Board (NZRB). The report has been prepared to meet the requirements set out by NZRB within the terms of reference. The information, statements, statistics and commentary (together the 'Information') contained in this Report have been prepared by IER from a combination of publicly available material, data from various stakeholder organisations and from confidential discussions held with participants of the industry. IER has prepared this Report on the information that was received or obtained, on the basis that such information is accurate and, where it is represented to IER as such, complete. The Information contained in this Report has not been subject to an audit.

ECONOMIC METHODOLOGY

The purpose of this study is to measure the contribution made by the three codes of racing towards the New Zealand economy. In this way, it is a generalised measure of the industry's contribution to the national economy.

BASIS OF EVALUATION

This study is based on a consistent methodology to that used by IER in the evaluation of the contribution of racing industry's in other jurisdictions. The modelling is based on assessing the way in which expenditures that underpin the racing industry impact in a whole of economy context¹ through the creation of jobs and incomes.

More specifically, the economic contribution of an industry to the region in which it operates represents the contribution that the industry makes in terms of the generation of gross domestic (or regional product), household income and the employment these incomes support. The racing industry does this in two ways:

- + through the employment and activity, it supports directly within racing (including the impact on the industries that depend on it as a customer); and
- + the flow on effects of that which filters through the economy as a result of this activity

The importance of the expenditures generated by an industry, in the production process, is that they will sustain turnover in local industry, and specifically this will support local jobs and incomes. It is the jobs

and incomes that are taken to be the measure of economic impact or benefit, netting out leakages such as expenditure on imports etc.

In addition to the jobs created with direct suppliers of services to the racing industry, economic activity produces a multiplier effect within the community, extending the spend effect and the impact through various layers of the economy. This is known as the flow-on impact.

The use of multipliers, derived from Input-output tables, is a prominent process for translating direct created expenditure (a final demand stimulus) of industries or projects into jobs and incomes, and for establishing the extent of the flow-on impact. There is some level of academic argument about appropriate models for converting increases in external expenditure (final demand) into regional economic impacts.

The critics of using input-output tables often argue that multipliers are used to overstate the value of an industry – with the term multiplier taken as method of ratcheting up the stated value. This criticism used to be valid when analysts applied turnover multipliers, but is not the case with the more appropriate use of value-added multipliers – which translate the expenditure estimates to national accounting framework measure with a whole of economy context. Indeed, value-added multipliers (the value-added impact (direct and induced) relative to a dollar of created expenditure) are often less than 1x.

Used correctly, multipliers provide a more appropriate measure of economic impact than expenditure. In short, use of these input-output based multipliers allow for reporting with respect to the estimated outcomes of the industry in terms of:

- + the effect of expenditure or turnover on value-added across an economy; and
- + in terms of job creation

These measures ensure that the analysis is consistent with national accounting frameworks.

It should be emphasised that this methodology includes the identification and inclusion of local (New Zealand) resident expenditure associated with racing. The economic impacts determined by this approach do not represent the value that would be lost to the nation if the industry did not exist. Generally, when considering expenditure by locals it is often held that substitution is a significant factor in whether that spending would be lost to the economy. Taking the racing industry as an example, it is likely (under a scenario where it no longer existed) that much of the local resident spend would substitute to other activities. Depending on where this spending occurs the overall economic impact of that spending could be higher or lower than what it was when spent on racing.

What this study calculates is the level of direct and induced employment and income that is linked to people choosing to spend their entertainment dollar

on racing (after allowing for imports which are used in the production process). This could be considered the gross economic impact of the sector, and is therefore a measure of its significance generally. If a similar gross impact was calculated for every other sector of the economy, then the sum of the impacts would be considerably greater than the size of the economy in total. An alternative methodology would be to measure the net economic impact. Such a study would represent the extent to which this industry expenditure is supported by revenues that can be considered new to the region. This would include the supply of services by the local industry to racing activities in other jurisdictions. It would also include the spending made by tourists or visitors to the region whose main reason for visiting is to attend/participate in the races. Finally, it would include industry revenues that locals spend where they would not spend it in the region but for their involvement in the activities of racing. It would also reasonably be expected that some race attendees would attend events in other jurisdictions if they were not available in New Zealand, and that some operators would base their operations in other jurisdictions if this was the case. The information required for this assessment is not available, and as such is out of the scope of this analysis.

¹The modelling methodology estimates the value-added (returns to labour (household incomes) and capital – which is consistent with the national accounting framework concepts of Gross Domestic Product.

²This is measured as gross household income. The modelling process assumes that income taxes on wages are redistributed as welfare payments to other households.

ESTIMATES OF EXPENDITURE BY THE INDUSTRY

This study of the New Zealand racing industry is undertaken by firstly identifying the expenditures generated by the industry and then applying this expenditure to the New Zealand input-output tables. The approach identifies the structural context of expenditure and then applies this to industry sectors from which point it is assumed that the general industry production function can be applied.

The estimated racing industry expenditure is determined at two levels. Firstly, the industry expenditure generated within each code of racing is identified, as well as the region in which this spend occurs. Secondly final expenditures are allocated to industry sector (using ANZSIC codes as defined by the STATS NZ). Expenditure on labour in the racing sector itself is allocated to the recreational cultural sector. By allocating these expenditures in this way, the imports required to support racing industry activity can be estimated for the respective industry sectors, and excluded as they represent a leakage from the economy.

From an industry classification perspective, whilst “recreation services” is the dominant sector, there are significant purchases made from other sectors such as agriculture, business services, property services etc.

ADJUSTMENT OF EXPENDITURES

The expenditure data is converted from purchasers’ prices to basic prices, as the final expenditure data includes margins, taxes and subsidies and all monetary values in the input-output model are expressed as basic values. The prime differences between purchaser prices and basic prices are that:

- + basic values exclude the cost of transport and wholesale and retail trade embedded in the purchase price (and allocate these to the transport and trade sectors).
- + GST will be allocated to Gross Operating Surplus. In the modelling herein this is then considered to support government expenditure (an implied revenue neutral situation).

The New Zealand input output model adopted in this study is the national 2012/13 table produced by the STATS NZ with employment data from 2012/13 from the Labour Force Statistics bulletin. In the modelling it is assumed that economy wide there have been some labour productivity gains since that time, that there have been some real income gains – and the table has been adjusted for inflation over the two year interval.

The core assumptions to make the adjustments from purchaser price distributions to basic values are:

- + The average value added in each of the industry sectors is extracted and then the direct taxes component is deducted and separately identified. It is assumed that the value added coefficient for the arts and recreation sector understates that of the spend for the racing industry as the cultural industry will be dominated by public sector institutions and not for profits – whereas the recreation sector is more commercial.
- + The purchaser price is adjusted for the average margin for wholesale, retail and transport sectors, as identified in the national input output tables.

DISTRIBUTION TO REGIONS

The racing industry is an important generator of economic activity in regional New Zealand with many

services provided out of the regions. To estimate the impact by region, expenditures are distributed to the regions based on the type and industry within which the spending occurs, with adjustments to basic values as applied for total expenditures. This is then converted to the estimated impact by region using a tops down approach – where the flow on multipliers are adjusted for each region based on population size, population density and whether a region includes a major metropolitan centre (it is noted that smaller regions generally have higher import percentages, and as such lower induced multipliers – which is allowed for in a tops down approach).

ACKNOWLEDGEMENTS

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- + New Zealand Racing Board
- + New Zealand Racing Integrity Commission
- + New Zealand Thoroughbred Racing
- + Harness Racing New Zealand
- + Greyhound Racing New Zealand
- + New Zealand Racing Clubs
- + Participants who provided detailed financial data on training and breeding racing animals

DEFINITIONS

The following terms have been used throughout the study and are defined as follows:

+ DIRECT EXPENDITURE - is defined as expenditure associated with producing racing animals (breeding & rearing), preparing racing animals (training), racing customer expenditure and expenditure by the racing industry and racing clubs on operating the industry. Direct expenditure is counted at the point at which it leaves the racing industry and hits the broader economy.

+ DIRECT ECONOMIC IMPACT (VALUE-ADDED) - represents the amount of income included in the direct in-scope expenditure, and therefore is the amount of wages and salaries plus gross operating surplus directly created in supply these services and product, which is also equal to the direct in-scope expenditure less the purchases the provider of the goods and services makes in providing the goods and services

+ INDIRECT ECONOMIC IMPACT (FLOW-ON) - represents the value-added activity generated to support the purchases made in providing the inputs to the providers of the direct services, along with the value-added impact in providing households with goods and services as they spend their wages, and the trickle on effect of this

+ TOTAL VALUE-ADDED - is the sum of the direct value-added plus the flow-on impact. It therefore represents the contribution to Gross Domestic Product resulting from the events and activities of the New Zealand Racing Industry

+ FULL-TIME EQUIVALENT

EMPLOYMENT - is a unit that indicates the workload of an employed person in a way that makes workloads or class loads comparable across various contexts. An FTE of 1.0 is equivalent to a full-time worker (i.e. 38 hours), while an FTE of 0.5 signals half of a full work load (i.e. 19 hours).

+ HOUSEHOLD INCOME - is defined as being wages and salaries (before tax) earned from employment generated by the racing industry

+ PARTICIPANTS IN RACING - is defined as being the number of employees (full-time, part-time and casual), participants and volunteers directly involved in the greyhound racing industry. Does not include down-the-line suppliers of goods and services

+ INPUT-OUTPUT MODELLING - is the economic modelling used to determine the economic outputs within this study. It is an economy wide model, which shows the inter-linkages between industry sectors in the economy. Therefore, the change in economic circumstances (specifically a change in final demand), for one sector of the economy can be traced through to its effect on other sectors.

The analysis has been undertaken in a consistent format and with consistent assumptions to evaluations of other projects and studies of the horse racing industry (for consistency and comparative purposes).

An input-output model, as used herein is an economy wide model which shows the inter-linkages between industry sectors in the economy. Therefore, the change in economic circumstances (specifically a change in final demand) for one sector of the economy (e.g. through a major project) can be traced through to its effect on other sectors, allowing a more comprehensive look at the effects of the project. It is based on assumptions that all changes in final demand can be met by the economy without constraint.

A computable general equilibrium (CGE) model is also an economy wide model and has a similar outcome, but differs from input-output models in that it includes supply side and macro-economic constraints, thereby limiting the extent that the change in final demand will be fully captured in other sectors (because of market limitations).

The labour market is in effect the most significant constraining factor. At the national level, such constraints will be critical, and as such national impacts are best assessed in this framework. However, at a regional level, where supply constraints in the labour market are demonstrably small (responded to by immigration) and there are also limited capital market constraints - the estimates of jobs and GSP outcomes are of a similar order of magnitude at the national level. Both models would generally show a project in one region causing a positive effect in that region. A CGE model would show that project causing negative impacts in other regions to heavily offset the gains. In this analysis, we are clearly concerned with the impacts on the national economy.



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