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Racing industry could save \$11 million a year, taskforce says

The Racing Industry could save more than \$11 million a year – equivalent to a 12 per cent increase in stakes money – by sharing services and adopting a “one industry” approach to delivering racing product, according to a Racing Industry Taskforce report.

The Racing Industry Taskforce comprises some of New Zealand’s most influential and knowledgeable racing personalities and business people - Sir Patrick Hogan, Bill Gianotti, Kevin Hickman and Kerry Hoggard, Guy Sargent, Michael Stiassny, Alistair Sutherland and Andrew Brown.

The report titled “One Racing: A fresh start – a change for good” makes three key recommendations:

- 1 New Zealand Thoroughbred Racing, Harness Racing New Zealand, New Zealand Greyhound Racing Association and the New Zealand Racing Board adopt a shared services model to make more efficient use of people and capital and save \$7 million a year in costs.
- 2 NZ Thoroughbred Racing, Harness Racing NZ, NZ Greyhound Racing Association and NZ Racing Board seek the appropriate legislative environment to establish a new industry body – “Racing and Wagering New Zealand”. A ‘one industry’ approach to delivering racing product will save a further \$4 million per year.
- 3 Establish a Racing Council to manage the transition process.

The proposed changes will make racing more cost-effective, efficient and successful by eliminating duplication of costs and streamlining decision-making.

The end result would be increased returns for industry participants, more stakes money for owners and a more self-sufficient and productive industry capable of making an even greater contribution to New Zealand’s economy.

Taskforce member and New Zealand Thoroughbred Racing Chairman Guy Sargent said the Taskforce worked hard to identify solutions to strengthen the racing industry which is facing increasing challenges from offshore wagering, competition for the entertainment dollar and a changing economic and social environment.

“Racing is a resilient industry with a proud heritage, but it needs to be stronger to compete in today’s global entertainment market.

“While racing contributes more than \$1.5 billion to the economy each year, our governance structure belongs to a bygone era. It’s time for a fresh start.

“If we can make changes that improve returns to industry participants and reduce costs through a shared services unit and simplify decision making through a new governance structure, then why wouldn’t we?” Mr Sargent said.

Taskforce and New Zealand Racing Board Chairman, Michael Stiasny said the report was a blueprint for making a great sport even greater.

“Racing needs strong and decisive leadership, a coherent and consistent vision and strategy, and the ability to implement that strategy quickly.

“The report lays out a framework to enable the racing industry to achieve those goals and secure a sustainable future for the more than 18,000 people employed in the industry.

“The Taskforce Report makes a compelling financial case for change. Savings in the vicinity of \$11 million a year should be seized upon by everyone in the industry,” he said.

The Racing Industry Taskforce was set up in May in response to the NZ Thoroughbred Racing governance review completed in April 2009, which recommended that NZ Thoroughbred Racing integrate both operational management and governance with the NZ Racing Board.

The Taskforce found the racing industry could save at least \$7 million a year if Harness Racing NZ and the NZ Greyhound Racing Association were also involved in the shared services model.

The Board of New Zealand Thoroughbred Racing – who convened the Taskforce – has accepted the recommendations and will now consult widely with its members and industry participants. A vote to decide whether to accept the Industry Taskforce recommendations and begin transition to a shared services model will be held at the NZ Thoroughbred Racing AGM on 22 January 2010 in Wellington.

The Industry Taskforce has sent the Report to Harness Racing New Zealand and the NZ Greyhound Racing Association and asked that they seriously consider the recommendations.

Mr Sargent said he hoped the Taskforce recommendations would have the support of all racing codes.

“The future survival of the racing industry depends on our ability to get maximum benefit from our collective resources, to think strategically and act decisively. We have to take the first step towards that future now. We have to set aside self-interest and respond positively to the Taskforce recommendations. Maintaining the status quo is not an option,” he said.

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