Size and Scope of the **New Zealand Racing Industry**

NEW ZEALAND RACING BOARD

October 2010

New Zealand Thoroughbred Racing

HARNESS RACING NEW ZEALAND INC

GREYHOUND Racing New Zealand

ier

Focused Thinking

Index & Acknowledgements

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New Zealand Racing Board
New Zealand Thoroughbred Racing
New Zealand Thoroughbred Breeders Association
New Zealand Thoroughbred Racehorse Owners Federation
New Zealand Trainers' Association Inc
Harness Racing New Zealand
NZ Harness Racing Trainers and Drivers Association
New Zealand Standardbred Breeders' Association
New Zealand Greyhound Racing Association
Each of the 123 Thoroughbred, Harness and Greyhound Clubs
Individual trainers from each code who were interviewed by IER

Key Results at a Glance

Jobs & Participants	Total
Breeders	5,553
Trainers	1,927
Owners	27,696
Other Employees	6,237
Participants in the Production of Racing Animals	**41,413**
Raceclub & Industry Staff	5,295
Jockeys & Drivers	1,203
Volunteers	3,272
Wagering Staff	1,550
Participants in the Production of the Racing Product	**11,320**
Total Employment & Participation	**52,732**

"One in every 83 New Zealand residents is employed (paid or unpaid) by the New Zealand Racing Industry"

"There is an average of nearly three race meetings every day, providing entertainment and employment for New Zealand residents"

Racing	Total
Number of Racing Clubs	123
Number of Race Meetings	915
Number of TAB Races	9,906
Number of On-Course Attendances	1.0 mil
Number of Sponsors	3,979
Value of Sponsorships	$11.7 mil

"Between those who are employed directly by racing (52,700) and those who attend the races (1,000,000), a significant proportion of the New Zealand population have a direct involvement with racing.

Racing Animals	Total
Number of Breeding Animals	10,846
Number of Foals & Pups	7,597
Number of Animals in Training	16,235
Total Value of Auction Sales	$57.5 mil
Total Animal Exports	$167.0 mil

"The racing industry is responsible for generating more than $167 million in export revenue for New Zealand. Key markets include Australia and North America"

Wagering (Racing and Sports Betting)	Total
Total TAB Wagering	$1,513.5 mil
Net Wagering Revenue	$269.3 mil
Government Wagering Tax Revenue	$39.9 mil
Racing Industry Share of Wagering Revenue	$84.6 mil

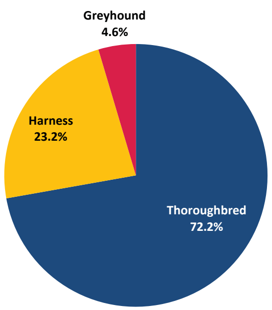
"The Government receives more than $39 million from wagering taxes alone"

Key Results at a Glance

Racing Industry Expenditure	Total
Trainers' Expenditure	$417.6 mil
Breeders' Expenditure	$435.8 mil
Customer Expenditure	$242.7 mil
Total Direct Expenditure	$1,096.1 mil

"The New Zealand Racing Industry generates more than $1,096 mil in direct expenditure. More than 69% of this expenditure occurs in the North Island"

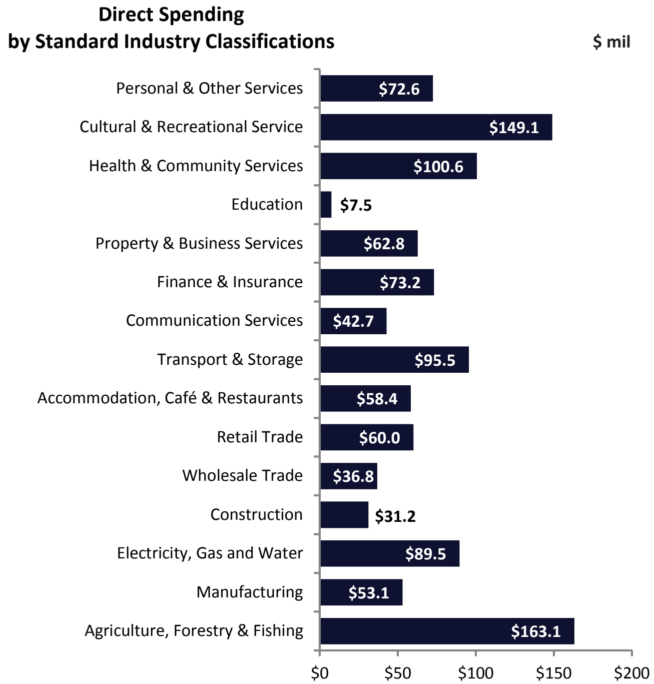
Total Expenditure by Code 2008-09



"Racing contributes more than $1,635 million in value added to the New Zealand economy. The activities of the racing industry sustain the employment of more than 16,930 FTE positions"

Economic Value of Racing in New Zealand	Total
Total Value Added Generated by Racing	$1,635.0 mil
Full Time Equivlent Employment	16,930 FTE

"In economic terms, the New Zealand Racing Industry ($1,635 mil) is comparable in size to the Wine Industry ($1,500 mil) and the Seafood Industry ($1,700 mil)"



"In dollar terms, the racing industry generates its largest portion of expenditure in the Agriculture, Forestry & Fishing sector, followed by Cultural & Recreational Services and Health & Community Services"

Introduction

Background

In 2004, the New Zealand Racing Board commissioned its first, industry wide, assessment of the economic and social importance of thoroughbred, harness and greyhound racing ("racing"). The six month study incorporated data and submissions from all sectors of the industry with the aim of quantifying the importance of, and impact generated, by racing in New Zealand.

The 2004 study found that the New Zealand Racing Industry contributed more than $1,483 million towards the Gross Domestic Product of the nation. This amount represented just over 1.3% of the nations total output in 2003-04.

This report, commissioned by the New Zealand Racing Board on behalf of the entire industry, aims to deliver an updated perspective of racing's position in the economic and social psyche of the nation. Once again, representatives from across the entire industry have been asked to provide the necessary data and information to allow for the completion of this study.

This study incorporates traditional measures adopted by the racing industry, such as racecourse attendances, prizemoney levels, participant registrations and on-course revenues, with other key economic metrics such as employment, total expenditure and taxation contribution

Since the previous report in 2004, it is worth noting two key changes to the environment within which racing finds itself.

1. *Equine Influenza (EI) 2007* - Although New Zealand was spared from the potentially devastating effects of EI entering its horse population, it was not immune to the aftershocks of the EI spread along Australia's eastern seaboard. It is a widely held opinion that the impacts of the EI outbreak in Australia and New Zealand are still being felt.
2. *Global Financial Crisis (GFC) 2008* - Considered by many experts as the worst financial crisis since the Great Depression, the GFC has seriously affected New Zealand over the last 3 years. These challenging financial times have manifested themselves in New Zealand through falling consumer confidence and lower discretionary spending.

Where possible, this study will provide time-series analysis on measures and metrics that were previously published in the initial 2004 study.

All data used in the preparation of this report relates to the 2008-09 financial year.

Definition of the New Zealand Racing Industry

The New Zealand Racing Industry relates to all of the entities, individuals and organisations who play a role in the production and consumption of thoroughbred, harness and greyhound racing. This includes all of those who are employed within the industry as well as those who consume the end product delivered by the industry.

This study does not include 'horse related industries' outside of the racing industry. As such, any prior studies that included these external industries (equestrian, hobby horses etc.) do not fall within the definition if the 'racing industry' for the purposes of this report.

Throughout the report, data has been presented both nationally, as well as within each of 13 regions (based largely on the geographic segmentations used by Statistics New Zealand.)

Study Methodology

This study measures the economic activity generated by the racing industry as a whole in New Zealand. In considering the expenditure impact of the racing industry, it is important to consider the complex internal flows of money that exist between different sectors. Duplicate expenditures have been identified within this monetary framework and excluded from the total exenditure calculations.

Expenditure impacts generated by the racing industry, typically originate from the following sectors:-

- Participants - This comprises those who are responsible for the production of the racing animals, particularly trainers, breeders and owners. As mentioned earlier, care must be taken to extricate duplicate flows from these sectors to ensure that impacts are not double counted.
- Consumers - Through the consumption of the racing product as either an entertainment experience or as a betting industry, consumers generate significant levels of expenditure.

The study also excludes major capital expenditure items that have been incurred during the assessment period. As this study is designed to illustrate the 'annual impact' of the industry, major capital investment cannot be included.

The data used within this report has been gathered from the following sources:-

- Racegoer surveys conducted at more than 95 race meetings across New Zealand, each year since 2005.
- Data supplied by key racing industry stakeholders and entities including; racing clubs, code bodies, participants and the New Zealand Racing Board.
- Data received from racing clubs via the Community and Social Benefit Survey, conducted by IER Pty. Ltd.

- Consultation with key industry stakeholders including:- New Zealand Thoroughbred Breeders, New Zealand Thoroughbred Owners Association, New Zealand Harness Racing Trainers and Drivers Association, among others.
- Annual reports from each of the three codes of racing in New Zealand.

Economic Methodology

The economic methodology 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 group. The majority of expenditures are classified within their relevant ANZSIC codes. However the remainder are classified within ANZSIC code 91 - Sports and Recreation Services.
3. *Economic modelling* - Once the expenditure profiles have been completed and allocated, the economic modelling can be completed. In determining the economic impact of the New Zealand racing industry, IER has consulted with the New Zealand Department of Treasury and Statistics New Zealand, in order to provide a consistent approach to previous reports.

Certainly, the methodology remains the same as the 2004 report, also completed by IER.

The calculation of the industries' value added contribution to Gross Domestic Product, employment impacts, income impacts and some taxation impacts were derived through the use of input-output multipliers.

Specifically, the input-output model is a derivation of the publically 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. In essence, the input-output table outlines the flow on effect that a change in economic activity will have in the rest of the economy.

Throughout the report, reference is often made to expenditure 'in real terms'. In these instances, the comparison between the 2003-04 and 2008-09 data has been made in constant 2003-04 amounts. That is, inflationary or deflationary impacts have been removed for the purposes of this comparison in order to provide an accurate time series comparison.

Limitations of this study

The assessment of industry wide impacts brings with it inherent challenges. These are outlined below:-

- The breeding industry is extremely complex and contains a number of different businesses and finance models. IER has consulted industry experts, reviewed findings from the 2004 Massey University study into the breeding industry and completed its own primary level research in order to best represent this vital sector. Despite this, the analysis within this report is still largely at an aggregate level. This is because of the inherently difficult nature of extracting financial data from:-

  a) a representative of the wide cross-section of businesses and individuals and,

  b) essentially private individuals and organisations are under no obligation to provide information.

  IER believes however that the analysis of the breeding industry within this report is extremely comprehensive.
- Whilst New Zealand has a strong and well run sales market (particularly in the thoroughbred industry), the amount of available information about private sales transactions is limited. Therefore, rather than focusing on the financial impacts of sales transactions, this report focuses on the expenditure of breeders in producing this animal inventory. Assuming that the majority of breeders operate at a profitable level, this may actually understate the economic impacts contained within this report.
- Any comparisons of the New Zealand Racing Industry against ANZSIC sectors is made for indicative purposes only, as racing does not constitute a mutually exclusive sector within the ANZSIC framework.

Disclaimer

IER has prepared this report for the New Zealand Racing Board, for its sole use and within the scope of work set out in the project terms of reference. Much of the data provided by the industry, in particular the Racing Clubs, has been accepted without audit and in good faith.

We do not assume or accept or owe any responsibility or duty of care to any person other than NZRB. We did not, and do not by consenting to publication of this report, assume or accept or owe any responsibility or duty of care to any other person.

Executive Summary

Direct Expenditure - $1,096 mil

In 2008-09, the New Zealand Racing Industry generated direct expenditure of more than $1,096 million. In real terms, this represents a fall of 2.6% when compared to 2003-04. The following table illustrates the direct expenditure contribution made by racing, within each of New Zealand's primary sectors:-

Expenditure Area	Total Expenditure	% of NZ GDP
Agriculture, Forestry & Fishing	$163.1	1.86%
Manufacturing	$53.1	0.23%
Electricity, Gas and Water	$89.5	1.99%
Construction	$31.2	0.35%
Wholesale Trade	$36.8	0.34%
Retail Trade	$60.0	0.63%
Accommodation, Café & Restaurants	$58.4	1.89%
Transport & Storage	$95.5	1.39%
Communication Services	$42.7	0.89%
Finance & Insurance	$73.2	0.67%
Property & Business Services	$62.8	0.17%
Education	$7.5	0.11%
Health & Community Services	$100.6	1.05%
Cultural & Recreational Service	$149.1	4.06%
Personal & Other Services	$72.6	2.89%

The racing industry makes its most significant contributions to the cultural & recreational services sector (4.0%), followed by the personal & other services sector (2.9%) and the electricity, gas & water sector (2.0%).

Gaming Duty & Goods & Services Tax - $39.8 mil

Government taxes from wagering on the racing industry amounted to just under $40 Million, forming an important part of the budget spent on community projects in New Zealand.

Value Added Contribution to GDP - $1,635 mil

The New Zealand Racing Industry contributes more than $1,635 Million towards the Country's GDP. This represents approximately 0.90% of New Zealand's total GDP. In real terms, the economic contribution of the racing industry has fallen by 4.1% since 2003-04.

A recent study identified the comparable GDP contribution of the Wine Industry in New Zealand to be $1,500 million whilst a 2000 report found that the New Zealand Seafood Industry was responsible for $1,700 million in GDP.

Thoroughbred racing is responsible for the generation of 70.7% of the racing industry's total value added, with Auckland and Waikato remaining as the largest regions. Harness racing is responsible for 24.6% of the racing industry's total value added, with Canterbury and Auckland the largest regions. Greyhound racing contributes 4.7% of the total value added, with Canterbury and Manawatu-Wanganui the largest regions.

Proportion of Value Added	2008-09	2003-04
Northland	0.8%	1.1%
Auckland	25.4%	26.9%
Waikato	22.7%	21.5%
Bay of Plenty	3.3%	2.2%
Gisborne/Hawkes Bay	2.0%	2.5%
Taranaki	1.6%	2.6%
Manawatu-Wanganui	6.3%	9.6%
Wellington	7.4%	7.1%
Tasman-Nelson/Marlborough	0.4%	0.6%
West Coast	0.4%	0.5%
Canterbury	21.9%	16.9%
Otago	4.3%	4.5%
Southland	3.7%	6.6%

GDP Per Capita - $359.39

The GDP generated by the New Zealand Racing Industry ($1,643.8 mil) equates to a $359.39 per capita. The following table illustrates the per capita GDP generated in a number of other racing jurisdictions:-

Region	Racing Industry GDP per Capita
Kentucky, USA	$850.60
Louisiana, USA	$543.80
Victoria, AUS	$414.20
New Zealand	$359.39
Colorado, USA	$336.50
Queensland, AUS	$316.56
Australia	$235.26
New South Wales, AUS	$232.98
California, USA	$192.90
South Australia, AUS	$175.10
United Kingdom	$60.34

Participants in Racing - 52,732

More than 52,700 people are involved in some capacity in supporting the racing industry in New Zealand. These people are involved in the production of racing animals, as well as the running of race clubs in both administrative and operational roles, and NZRB and code operations.

Of these participants, 80% are involved in the production of racing animals including breeding and training operations. The remaining 20% are involved in race club, raceday and TAB operations, with a significant number of these people assisting the industry in a variety of voluntary roles.

The number of participants in the racing industry has risen by 12.6% since the 2003-04 report.

FTE Employment Created/Sustained - 16,930

The direct impact on employment generated by the activities of the racing industry sustains more than 8,880 full time equivalent (FTE) positions each year. When the indirect impacts are taken into consideration, the total employment impact rises to more than 16,930 FTE.

This represents a decrease in FTE employment of 7.6% since the 2003-04 study. This indicates that there are more contractor, casual and part time employees in the industry currently, given that the total number of participants has risen considerably since 2003-04.

In context of the entire New Zealand Economy, the New Zealand Racing Industry generates more FTE employment than the forestry & mining sector (11,000 FTE) and the electricity, gas & water sector (9,700 FTE). Manufacturing (217,000 FTE) is the largest employment sector in New Zealand. (1)

Producing Racing Animals - $853.4 mil

The various participants who are involved in producing and preparing racing animals spent just over $853 million in 2008-09.

Much of this spending occurs on the upkeep of stallions, sires, mares, bitches, foals and pups, as well as the cost of training these racing animals. It does however exclude the capital cost of purchasing racing stock. Business and marketing related expenditure is also a large component of the production of racing animals, with many large breeding and training operations around the Country.

Trainers and Owners spend more than $417 Million annually in the preparation of racing animals, whilst breeders spend $446 Million each year delivering new racing stock.

(1) Statistics NZ - Quarterly Employment Survey (Jun 2009)

Racing Club Members - 29,335

Racing clubs provide an important social community for more than 29,000 people. These members not only provide an important revenue stream for racing clubs, they represent those with the strongest psychological connection to races. Many of these members are also investors in the industry through ownership of racehorses and greyhounds.

International Horse Sales & Exports - $224.5 mil

During the 2008-09 racing season, the total value of auction sales in the racing industry was in excess of $104 million. This represents a 23% increasing on the sales amount generated in 2003-04. Of the total sales amount, more than 53% was invested by those travelling from overseas to purchase horses in New Zealand.

These auction sales create significant benefits for the New Zealand economy. The New Zealand economy was boosted by more than $57 million in 2009-10 as a result of auction sales.

Further to the auction sales to international buyers, in 2008-09, more than 1,570 thoroughbreds were exported out of New Zealand. It is estimated by New Zealand Bloodstock that the value of the thoroughbred export market in 2008-09 was around $130 Million. This equates to an 8% increase on the export revenue generated in 2003-04.

It is further estimated that the harness racing industry, in 2008-09, generated more than $37 Million in export sales. This represents a 115% increase in the figures outlined in the 2003-04 report.

This increase has been driven largely by greater yield for exports, as the number of actual horses exported has actually fallen slightly. Approximately 85% of horses are exported to Australia with the remainder heading to North America.

Community Benefits

The New Zealand Racing Industry plays an important role in the environmental and social dimensions of the sport through its community activities, products and services. This contribution to community social benefit enhances both individual and community wellbeing throughout New Zealand.

The three codes of racing in New Zealand have adopted practices that engage both individuals and organisations within their communities in terms of the support for charitable organisations, engaging volunteerism and building community partnerships. Racing Clubs financially support 261 community organisations/charities, whilst 417 community organisations share Racing Club facilities and resources.

Racing Clubs are committed to providing a healthy environment for their employees and customers, with over 96% of Race Clubs providing healthy choice options for both racing participants and customers. All Racing Clubs in New Zealand now have OH&S policies and practices in place to reduce health risks to participants, volunteers, staff and customers. Furthermore, over 97% of Clubs have policies and practices in place to encourage responsible consumption of alcohol and more than 54% Clubs have activities in place to reduce the risk of cancer – including access to shaded areas (98%) and provision of sunscreen (54%).

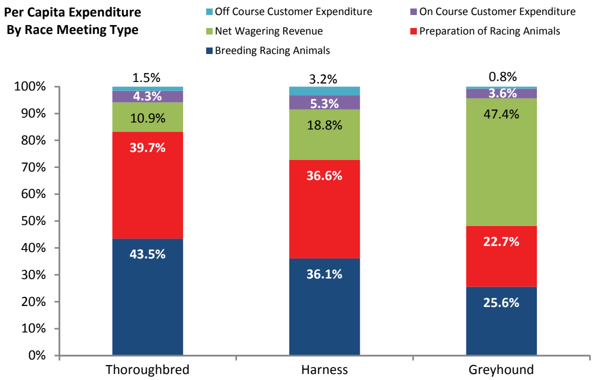
Key environmental initiatives are also evident in terms of environmental changes with a number of Club policies in place to save water and re-use or re-circulate water, save power through the introduction of solar energy and the development of energy efficient buildings, develop native flora and fauna programs and recycle waste such as glass bottles, aluminum cans and food scraps.

Economic Impacts

Direct Spending

In 2008-09, the New Zealand Racing Industry generated more than $1,096 million in direct expenditure. In real tems, this represents a decline of 2.6% compared to the 2003-04 report. Some of this spending occurs on consumption items within the racing industry and as such does not directly enter the value added calculation.

The following chart illustrates the breakdown of this expenditure by code:-



The thoroughbred racing industry is responsible for just over $791 million (72.2%) of this recurrent expenditure. The breeding sector (42.7%) and the training sector (39.0%) make up the largest component of its expenditure impact.

The harness racing industry is responsible for just under $255 million (23.2%) of this recurrent expenditure. The training sector (38.2%) and the breeding sector (33.3%) and make up the largest portions of the expenditure impact.

The greyhound racing industry is responsible for just under $50 million of this recurrent expenditure. Net wagering revenue makes up nearly half of its expenditure impact (47.4%) followed by the breeding sector (25.6%).

Expenditure Area	Thoroughbred	Harness	Greyhound	TOTAL
Breeding Racing Animals	$338.3 mil	$84.7 mil	$12.8 mil	**$435.8 mil**
Preparing Racing Animals	$308.9 mil	$97.2 mil	$11.3 mil	**$417.6 mil**
Net Wagering Revenue	$84.7 mil	$50.0 mil	$23.6 mil	**$158.4 mil**
On Course Customer Expenditure	$44.2 mil	$18.4 mil	$1.8 mil	**$64.3 mil**
Off Course Customer Expenditure	$15.3 mil	$4.4 mil	$0.02 mil	**$19.9 mil**
Total	**$791.6 mil**	**$254.8 mil**	**$49.7 mil**	**$1,096.0 mil**
Proportion of the Industry	**72.2%**	**23.2%**	**4.5%**	

The total direct expenditure impact generated by the racing industry in New Zealand equates to 0.71% of total Gross Domestic Product (GDP).

More than 15% of the racing industry's expenditure occurs in the Agriculture, Forestry & Fishing sector, with a further 14% in the Cultural & Recreation sector and 9% in both Health, Comunity Services and Transport.

When considered in the context of New Zealand's overall GDP, the racing industry contributes most significantly to the Cultural & Recreational Services sector (4.06%), followed by Personal and Other Services (2.89%) and the Electricity, Gas and Water sector (1.99%).

	Direct Expenditure	% of Expenditure	NZ GDP	% of NZ GDP
Agriculture, Forestry & Fishing	$163.1	15%	$8,766	1.86%
Manufacturing	$53.1	5%	$23,445	0.23%
Electricity, Gas and Water	$89.5	8%	$4,502	1.99%
Construction	$31.2	3%	$8,840	0.35%
Wholesale Trade	$36.8	3%	$10,969	0.34%
Retail Trade	$60.0	5%	$9,583	0.63%
Accommodation, Café & Restaurants	$58.4	5%	$3,085	1.89%
Transport & Storage	$95.5	9%	$6,867	1.39%
Communication Services	$42.7	4%	$4,804	0.89%
Finance & Insurance	$73.2	7%	$10,926	0.67%
Property & Business Services	$62.8	6%	$37,379	0.17%
Education	$7.5	1%	$6,885	0.11%
Health & Community Services	$100.6	9%	$9,550	1.05%
Cultural & Recreational Service	$149.1	14%	$3,673	4.06%
Personal & Other Services	$72.6	7%	$2,509	2.89%
Proportion of the Industry	$1,096.0		**155,187**	0.71%

Value Added

In order to estimate the flow on impacts of this expenditure, it is first necessary to adjust the spending for margins, taxes and imports (inter-regional trade).

This step is important in ensuring that expenditures are not calculated more than once in the assessment of value added. This report has been calculated using an 'expenditure' approach where possible when data was able to be ascertained at a disaggregated level. The 'expenditure' approach means that rather than focusing on production and income, the expenses of each participant in the industry are gathered and aggregated.

Once the initial expenditures are calculated, it is important to adjust these values to reflect their impact on the economy more accurately. The regional expenditure data collected for this study had to be adjusted for the retail and wholesale margins, taxes and imports (inter-regional trade) as it is unlikely that all the final expenditures are retained in the regions. Some of the expenditure items considered in this study are subject to GST. Since there was no proper data available on the redistributive impact of GST, the entire GST amount was removed from the relevant expenditure items.

For the purpose of identifying gross retail and wholesale margins, Auckland, Wellington, Christchurch and Otago were assumed to be the satellite regions and the rest as the feeder regions. This assumption facilitated the identification of imports and re-distribution of retail and wholesale margins among regions. The wholesale and retail margins were provided by Statistics New Zealand for all the industrial sectors considered in this study.

This process is used to convert expenditures captured through the surveys to all the participants into basic prices. This is because the import and commodity tax component of all spending represents a leakage out of the regions. Margins are then reallocated to the appropriate satellite region.

Some of the expenditure items may be subjected to taxes such as GST. Front-end taxes must be accounted for before determining the flow on effects throughout the economy.

After taking into account these adjustments within the economic model, the following table illustrates the value added generated by each region:-

Value Added Generated by Racing	Thoroughbred Value Added		Harness Value Added		Greyhound Value Added		Total Value Added	
	Initial	Total	Initial	Total	Inital	Total	Direct	Total
Northland Region	$3.42 mil	$12.08 mil	$0.17 mil	$0.60 mil			$3.59 mil	$12.85 mil
Auckland Region	$92.44 mil	$325.12 mil	$21.78 mil	$76.82 mil	$3.53 mil	$12.50 mil	$117.75 mil	$414.44 mil
Waikato Region	$96.07 mil	$338.07 mil	$6.45 mil	$22.75 mil	$2.74 mil	$9.65 mil	$105.26 mil	$370.47 mil
Bay of Plenty Region	$14.97 mil	$52.82 mil	$0.28 mil	$0.97 mil			$15.25 mil	$53.80 mil
Gisborne/Hawkes Bay Region	$9.11 mil	$32.15 mil	$0.02 mil	$0.07 mil			$9.13 mil	$32.23 mil
Taranaki Region	$6.38 mil	$22.49 mil	$0.94 mil	$3.32 mil	$0.03 mil	$0.10 mil	$7.35 mil	$25.91 mil
Manawatu-Wanganui Region	$22.23 mil	$78.40 mil	$1.78 mil	$6.29 mil	$5.18 mil	$18.28 mil	$29.19 mil	$102.97 mil
Wellington Region	$32.13 mil	$113.27 mil	$1.45 mil	$5.11 mil	$0.89 mil	$3.14 mil	$34.47 mil	$121.51 mil
Total North Island	$276.77 mil	$974.41 mil	$32.87 mil	$115.93 mil	$12.37 mil	$43.67 mil	$322.01 mil	$1,134.18 mil
Tasman-Nelson/Marlborough Region	$0.42 mil	$1.48 mil	$1.52 mil	$5.41 mil			$1.94 mil	$6.89 mil
West Coast Region	$0.57 mil	$2.00 mil	$1.08 mil	$3.85 mil			$1.65 mil	$5.85 mil
Canterbury Region	$37.02 mil	$130.37 mil	$57.07 mil	$201.15 mil	$7.42 mil	$26.05 mil	$101.51 mil	$357.56 mil
Otago Region	$8.62 mil	$30.76 mil	$10.18 mil	$36.31 mil	$1.01 mil	$3.54 mil	$19.80 mil	$70.61 mil
Southland Region	$4.76 mil	$16.96 mil	$11.15 mil	$39.79 mil	$0.90 mil	$3.17 mil	$16.81 mil	$59.92 mil
Total South Island	**$51.38 mil**	**$181.56 mil**	**$81.00 mil**	**$286.50 mil**	**$9.32 mil**	**$32.76 mil**	**$141.70 mil**	**$500.83 mil**
Total Value Added Generated	**$328.15 mil**	**$1,155.97 mil**	**$113.87 mil**	**$402.44 mil**	**$21.69 mil**	**$76.43 mil**	**$463.71 mil**	**$1,635.01 mil**

Contribution to GDP

The New Zealand Racing Industry generates $1,635 million in value added contribution to GDP. This represents 0.90% of New Zealand real GDP for 2008/09. In 2003-04, the New Zealand Racing Industry was responsible for 1.1% of GDP. This indicates that the industry has contracted over the last five years.

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, the entire New Zealand nation). In any period of time, the value added in an industry is essentially, 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 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).

The initial column of the table (opposite page) shows the direct impact on the economy generated by spending within the racing industry. The direct or initial impact of the racing industry amounts to $463 Million. When the indirect impact of the racing industry is included, taking on the flow-on of economic impacts, the total contribution to Gross Domestic Product rises to over $1,635 Million. The flow-on represents the impact that expenditure in the racing industry has in 'down-the-line' industries which indirectly benefit from the economic activity generated.

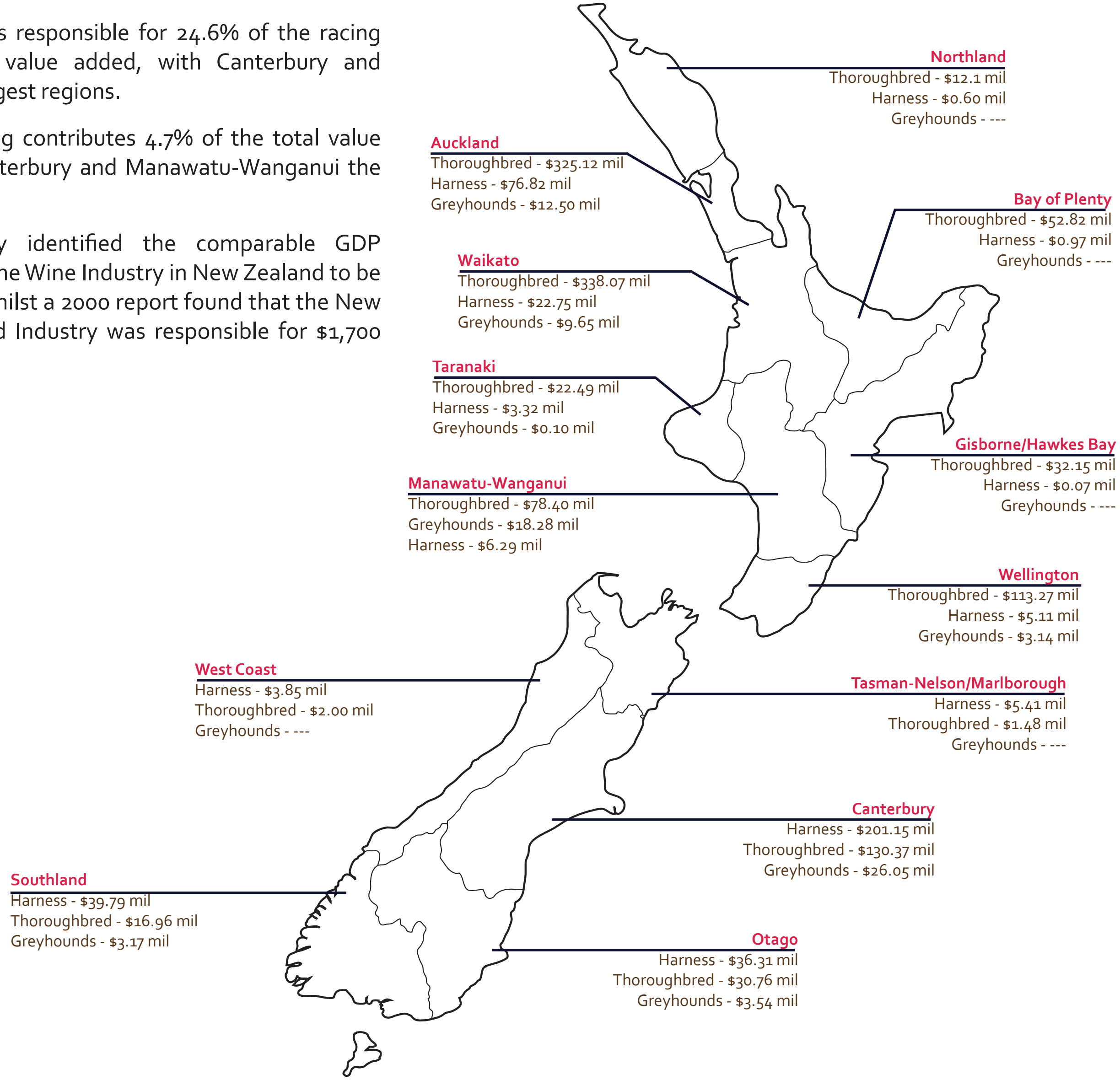
Thoroughbred racing is responsible for the generation of 70.7% of the racing industry's total value added, with Auckland and Waikato remaining as the largest regions.

Harness racing is responsible for 24.6% of the racing industry's total value added, with Canterbury and Auckland the largest regions.

Greyhound racing contributes 4.7% of the total value added, with Canterbury and Manawatu-Wanganui the largest regions.

A recent study identified the comparable GDP contribution of the Wine Industry in New Zealand to be $1,500 million whilst a 2000 report found that the New Zealand Seafood Industry was responsible for $1,700 million in GDP.

Total Contribution to GDP - ($1,635 mil)



Employment & Participation

Participants in the Racing Industry

The racing industry thrives on the strength of its participants. For many participants, the racing industry is their livelihood, their occupation. Breeders kickstart a chain of activity which leads to the production of a racing product that is consumed by audiences on most days of the year.

More than 52,700 people are directly involved in the racing industry in one way or another. This represents an increase of 12.6% since 2004. These participants include paid employees, employers and volunteers.

Although the number of volunteers involved in racing is lower than it was in 2004, it still represents just over 5% of all participants in the racing industry. The involvement of volunteers is an integral part of racing, particularly at regional racetracks.

The role that the racing industry plays in sustaining the livelihood of its participants is illustrated by the fact that more than 41,000 people rely on racing, in part or in totality, for their livelihood.

Many of the participants in the production of racing animals undertake more than one role. For instance, many breeders are also registered owners of racing animals. Whilst every effort has been taken to avoid double counting, it is possible that there is some duplication across some categories within these figures. The Full Time Equivalent employment figures on the following pages provide a more accurate measure of the extent to which the racing industry sustains and stimulates employment in New Zealand.

Participant Type	Thoroughbred	Harness	Greyhound	TOTAL
Number of Breeders	2,702	2,814	37	5,553
Number of Breeders Staff	3,378	422	14	3,814
Number of Owners & Syndicate Owners	14,746	7,039	1,325	23,110
Number of Breeder/Owners	2,297	1,563		3,860
Number of Owner/Trainers	430	(1)	296	726
Number of Public Trainers	361	381	70	812
Number of Permit/Licence to Train Holders	408	707		1,115
Number of Stablehands/Attendants/Handlers	1,623	360	222	2,205
Number of Trackriders	218			218
Total Participants in Producing Racing Animals	**26,163**	**13,286**	**1,964**	**41,413**
Number of F/T Staff	223	136	52	411
Number of P/T Staff	431	219	145	795
Number of Casual/Contractor Staff	1,543	1,279	331	3,153
Number of Volunteer Staff	1,988	841	444	3,272
Number of Jockeys	117			117
Number of Drivers		819		819
Number of Apprentice Jockeys	90			90
Number of Junior Drivers		177		177
Total Participants in Producing the Racing Product	**4,391**	**3,471**	**972**	**8,834**
Industry Administration Staff				936
Totalisator Wagering Staff				1,550
Total Participants in the Racing Industry	**30,554**	**16,757**	**2,936**	**52,732**

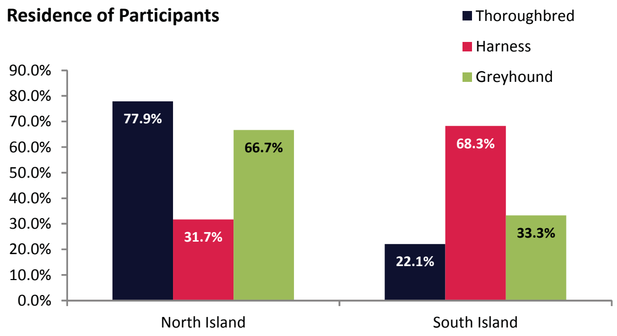
(1) - There are 755 harness participants who both own and train racehorses. They are included within the 'public trainer' and 'licence to train' categories.

Participation in the racing industry has increased over the last 5 years.

- The thoroughbred racing industry sustains the involvement of more than 30,500 participants. This represents an increase of 8.7% since 2004.
- The harness racing industry sustains the involvement of more than 16,700 participants. This represents an increase of 3.2% since 2004.
- The greyhound racing industry sustains the involvement of more than 2,900 participants. This represents an increase of 19.1% since 2004.

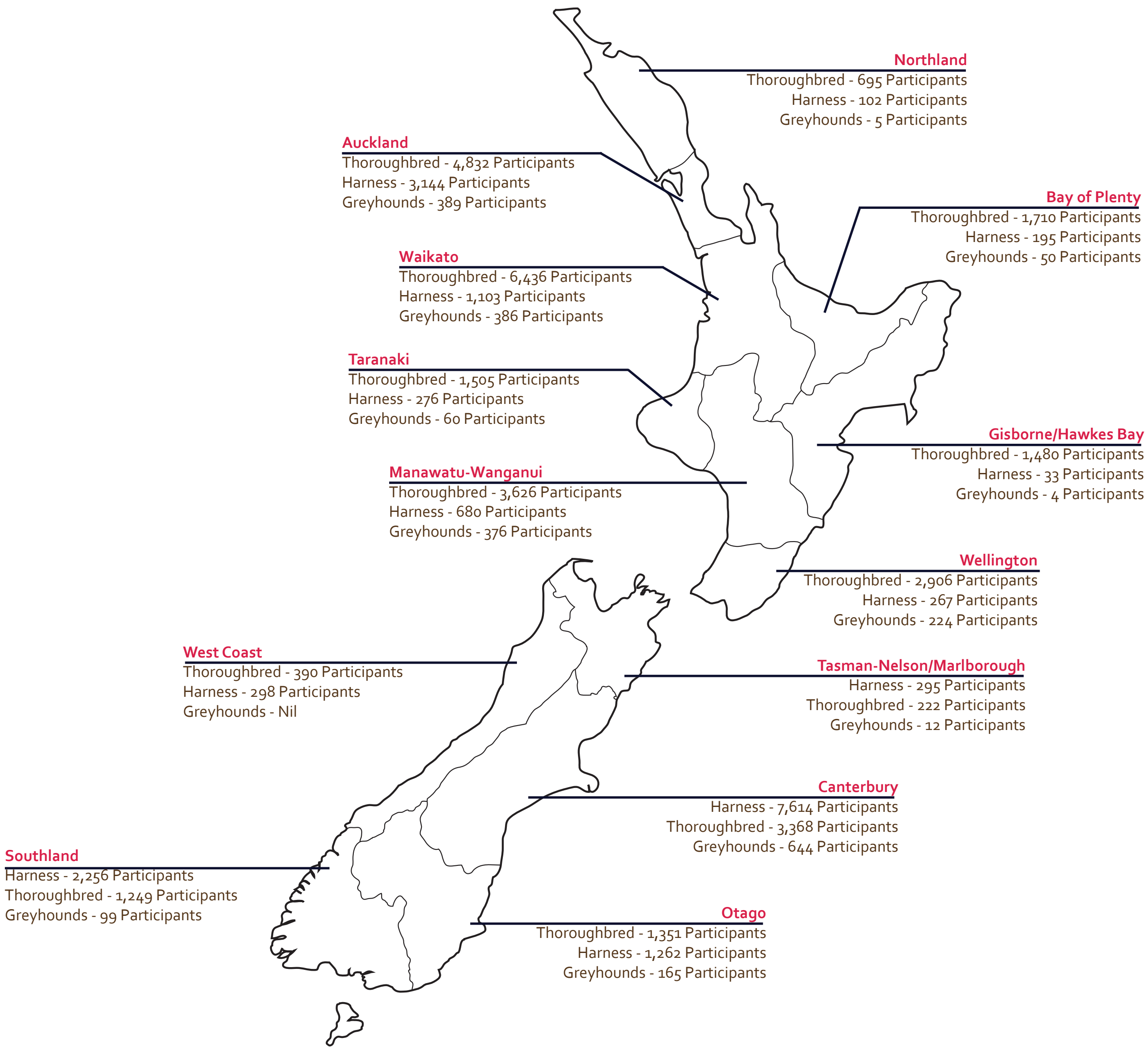
In addition to this, the New Zealand Racing Industry employs nearly 2,500 individuals across its administrative and wagering operations.

The majority of particpants in the thoroughbred and harness racing industries reside in the North Island. However the South Island is home to the majority of harness racing participants.



“Overall participation in the racing industry has grown by more than 12% over the last 6 years, to be more than 52,700.”

Total Number of Participants - (52,732)



Employment & Participation

Employment Generated by Racing	Thoroughbred		Harness		Greyhound		Total	
	Initial	Total	Initial	Total	Inital	Total	Direct	Total
Northland Region	68	123	4	6	0	0	72	133
Auckland Region	1,753	3,402	420	789	75	123	2,248	4,314
Waikato Region	1,777	3,567	126	230	56	97	1,959	3,894
Bay of Plenty Region	284	544	5	10	0	0	289	554
Gisborne/Hawkes Bay Region	181	324	0	1	0	0	181	325
Taranaki Region	129	227	19	33	1	1	149	261
Manawatu-Wanganui Region	427	809	37	63	112	179	576	1,051
Wellington Region	618	1,177	28	53	19	32	665	1,262
Total North Island	5,237	10,173	639	1,185	263	432	6,139	11,794
Tasman-Nelson/Marlborough Region	9	15	32	53	0	0	41	68
West Coast Region	12	20	23	37	0	0	35	57
Canterbury Region	704	1,358	1,082	2,075	154	265	1,940	3,698
Otago Region	170	312	199	368	22	35	391	715
Southland Region	94	170	217	401	20	31	331	602
Total South Island	**989**	**1,875**	**1,553**	**2,934**	**196**	**331**	**2,738**	**5,140**
Total FTE Employment	**6,226**	**12,048**	**2,192**	**4,119**	**459**	**763**	**8,877**	**16,934**

Wages & Salaries Generated by Racing	Thoroughbred		Harness		Greyhound		Total	
Northland Region	$2.04 mil	$5.66 mil	$0.10 mil	$0.27 mil			$2.14 mil	$6.02 mil
Auckland Region	$56.16 mil	$154.97 mil	$13.15 mil	$36.30 mil	$2.08 mil	$5.83 mil	$71.38 mil	$197.10 mil
Waikato Region	$57.90 mil	$158.00 mil	$3.85 mil	$10.55 mil	$1.60 mil	$4.36 mil	$63.35 mil	$172.91 mil
Bay of Plenty Region	$9.03 mil	$24.83 mil	$0.17 mil	$0.46 mil			$9.20 mil	$25.29 mil
Gisborne/Hawkes Bay Region	$5.48 mil	$15.12 mil	$0.01 mil	$0.04 mil			$5.49 mil	$15.16 mil
Taranaki Region	$3.78 mil	$10.40 mil	$0.56 mil	$1.54 mil	$0.02 mil	$0.04 mil	$4.36 mil	$11.98 mil
Manawatu-Wanganui Region	$13.37 mil	$36.78 mil	$1.04 mil	$2.85 mil	$2.98 mil	$8.19 mil	$17.40 mil	$47.82 mil
Wellington Region	$19.57 mil	$54.55 mil	$0.89 mil	$2.45 mil	$0.54 mil	$1.53 mil	$21.00 mil	$58.53 mil
Total North Island	$167.33 mil	$460.31 mil	$19.77 mil	$54.45 mil	$7.22 mil	$19.95 mil	$194.32 mil	$534.82 mil
Tasman-Nelson/Marlborough Region	$0.24 mil	$0.65 mil	$0.88 mil	$2.45 mil			$1.12 mil	$3.10 mil
West Coast Region	$0.33 mil	$0.90 mil	$0.63 mil	$1.75 mil			$0.96 mil	$2.65 mil
Canterbury Region	$22.41 mil	$61.87 mil	$34.52 mil	$95.20 mil	$4.37 mil	$12.07 mil	$61.30 mil	$169.15 mil
Otago Region	$5.03 mil	$14.01 mil	$5.90 mil	$16.28 mil	$0.58 mil	$1.58 mil	$11.50 mil	$31.87 mil
Southland Region	$2.76 mil	$7.60 mil	$6.43 mil	$17.62 mil	$0.50 mil	$1.38 mil	$9.70 mil	$26.60 mil
Total South Island	**$30.76 mil**	**$85.03 mil**	**$48.36 mil**	**$133.30 mil**	**$5.45 mil**	**$15.03 mil**	**$84.58 mil**	**$233.36 mil**
Total Wages & Salaries Generated	**$198.09 mil**	**$545.34 mil**	**$68.14 mil**	**$187.76 mil**	**$12.67 mil**	**$34.98 mil**	**$278.90 mil**	**$768.18 mil**

Total FTE Generated

There are approximately 52,700 participants involved in the racing industry in New Zealand. In economic terms, this equates to the equivalent of 16,934 Full Time Equivalent (FTE) jobs. The direct impact on employment generated by the activities of the racing industry, sustains 8,877 FTE jobs each year. When the indirect impact generated by flow-on of economic benefits to other industries is taken into account, the total employment impact rises to more than 16,930 FTE jobs each year.

The employment sustained by the racing industry represents a 7.6% fall on the levels of employment sustained in 2003-04. Given the growth in participation (12.6%), this is likely to mean that there has been a shift in employment rather than a reduction. It is likely that this decline is representative of growth in part time, casual and contractor employment generation, possibly at the expense of full time employment. This is likely to have been a result of the prevailing economic climate during this period. However, affordability and viability for participants may also play a part in this decline. Certainly, it must be remembered that the headline unemployment rate has grown from 3.9% to 5.0% over that same period.

The thoroughbred industry is responsible for 12,048 FTE, whilst the harness industry generates 4,119 FTE and the greyhound industry 763 FTE.

These FTE jobs generate more than $768 Million in wages and salaries for the people employed in the racing industry as well as in other down-the-line industries that receive increased demand as a result of racing. In real terms, this represents a fall of 1.6% on the result in 2003-04.

Rising wages helped to minimise the fall in total wages and salaries generated by racing, however growth in the non-full time employment sector is likely to have kept overall wages and salaries slightly depressed.

Some examples of the other industries that are stimulated by racing include; retail, tourism, accommodation, transport, entertainment and fashion.

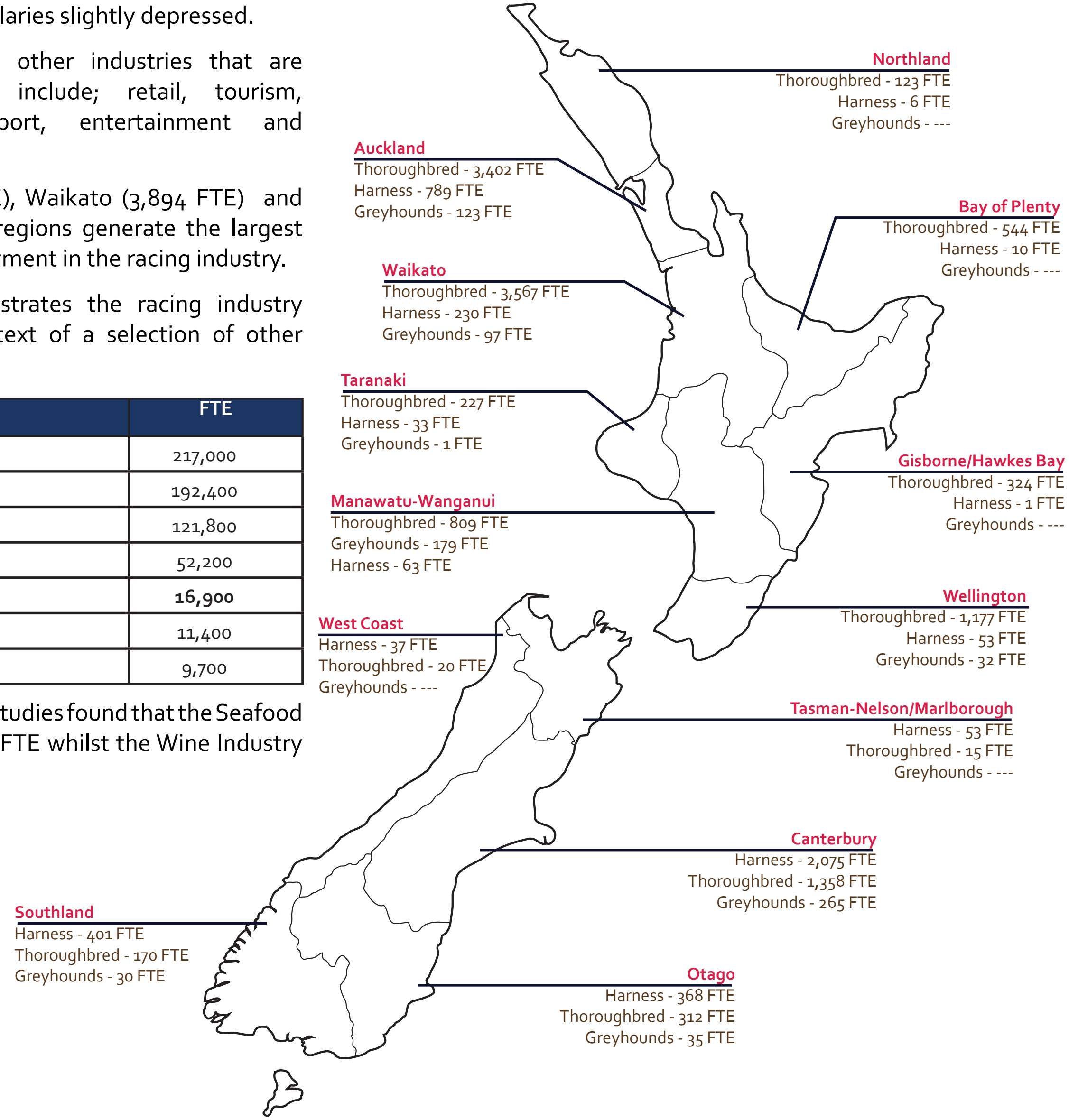
The Auckland (4,314 FTE), Waikato (3,894 FTE) and Canterbury (3,698 FTE) regions generate the largest proportion of FTE employment in the racing industry.

The following table illustrates the racing industry employment in the context of a selection of other sectors in New Zealand:-

Sector/Industry	FTE
Manufacturing	217,000
Health & Community Services	192,400
Construction	121,800
Finance & Insurance	52,200
Racing & Wagering	**16,900**
Forestry & Mining	11,400
Electricity, Gas & Water	9,700

In addition to this, recent studies found that the Seafood Industry employs 26,600 FTE whilst the Wine Industry employs 16,500 FTE.

Total FTE Jobs Sustained - (16,934)



Breeding

Number of Breeders in New Zealand

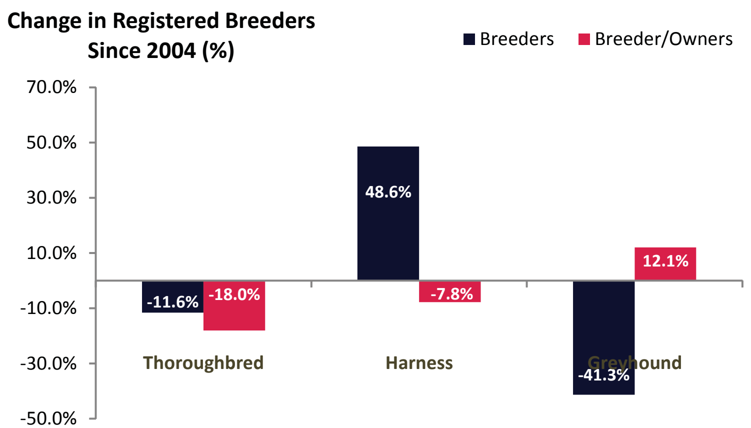
	Thoroughbred	Harness	Greyhound	Total
Northland	56	14		70
Auckland	506	370	5	881
Waikato	630	145	6	781
Bay of Plenty	154	24		178
Gisborne/Hawkes Bay	137	9		146
Taranaki	130	30		160
Manawatu-Wanganui	370	33	10	413
Wellington	190	38		228
North Island	**2,173**	**663**	**21**	**2,857**
Tasman-Nelson/Marlborough	25	43		68
West Coast	9	25		34
Canterbury	307	1,386	12	1,705
Otago	81	236	2	319
Southland	107	461	2	570
South Island	**529**	**2,151**	**16**	**2,696**
Overseas	89	130		219
TOTAL	**2,791**	**2,944**	**37**	**5,772**

Number of dual role Breeder/Owners

	Thoroughbred	Harness	Greyhound	Total
Northland	47	10		57
Auckland	415	229	5	649
Waikato	494	72	6	572
Bay of Plenty	180	12		192
Gisborne/Hawkes Bay	115	2		117
Taranaki	135	16		151
Manawatu-Wanganui	335	19	10	364
Wellington	151	19		170
North Island	**1,872**	**379**	**21**	**2,272**
Tasman-Nelson/Marlborough	0	24		24
West Coast	13	11		24
Canterbury	243	776	71	1,090
Otago	77	145	6	228
Southland	92	228	4	324
South Island	**425**	**1,184**	**81**	**1,690**
Overseas		49		49
TOTAL	**2,297**	**1,612**	**102**	**4,011**

Number of Staff Employed by Breeders in New Zealand

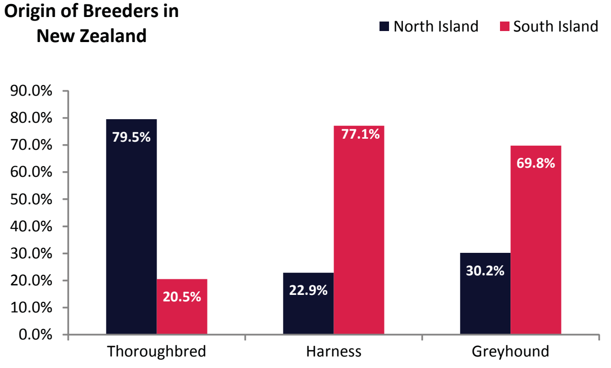
	Thoroughbred	Harness	Greyhound	Total
Northland	70	2		72
Auckland	633	56	2	690
Waikato	928	22	2	952
Bay of Plenty	193	4		196
Gisborne/Hawkes Bay	171	1		173
Taranaki	163	5		167
Manawatu-Wanganui	463	5	5	472
Wellington	238	6		243
North Island	**2,856**	**99**	**8**	**2,896**
Tasman-Nelson/Marlborough	31	6		38
West Coast	11	4		15
Canterbury	384	208	6	598
Otago	101	35		137
Southland	134	69		203
South Island	**661**	**323**	**6**	**990**
Overseas	111	20		131
TOTAL	**3,518**	**422**	**14**	**3,958**



Breeders

The breeding sector provides and replenishes the racing stock for the New Zealand Racing Industry. There are more than 9,700 registered breeders in New Zealand, slightly lower than the number registered in 2004. Defining breeders is, however, a difficult task. At the top end, large stud farms employ many staff and turn out large numbers of foals each year. At the other end of the scale, there are a large number of amateur and hobby breeders also producing racing stock.

Origin of Breeders in New Zealand



As illustrated in the chart above, the majority of thoroughred breeders reside and operate in the North Island. However this is reversed for harness and greyhound racing.

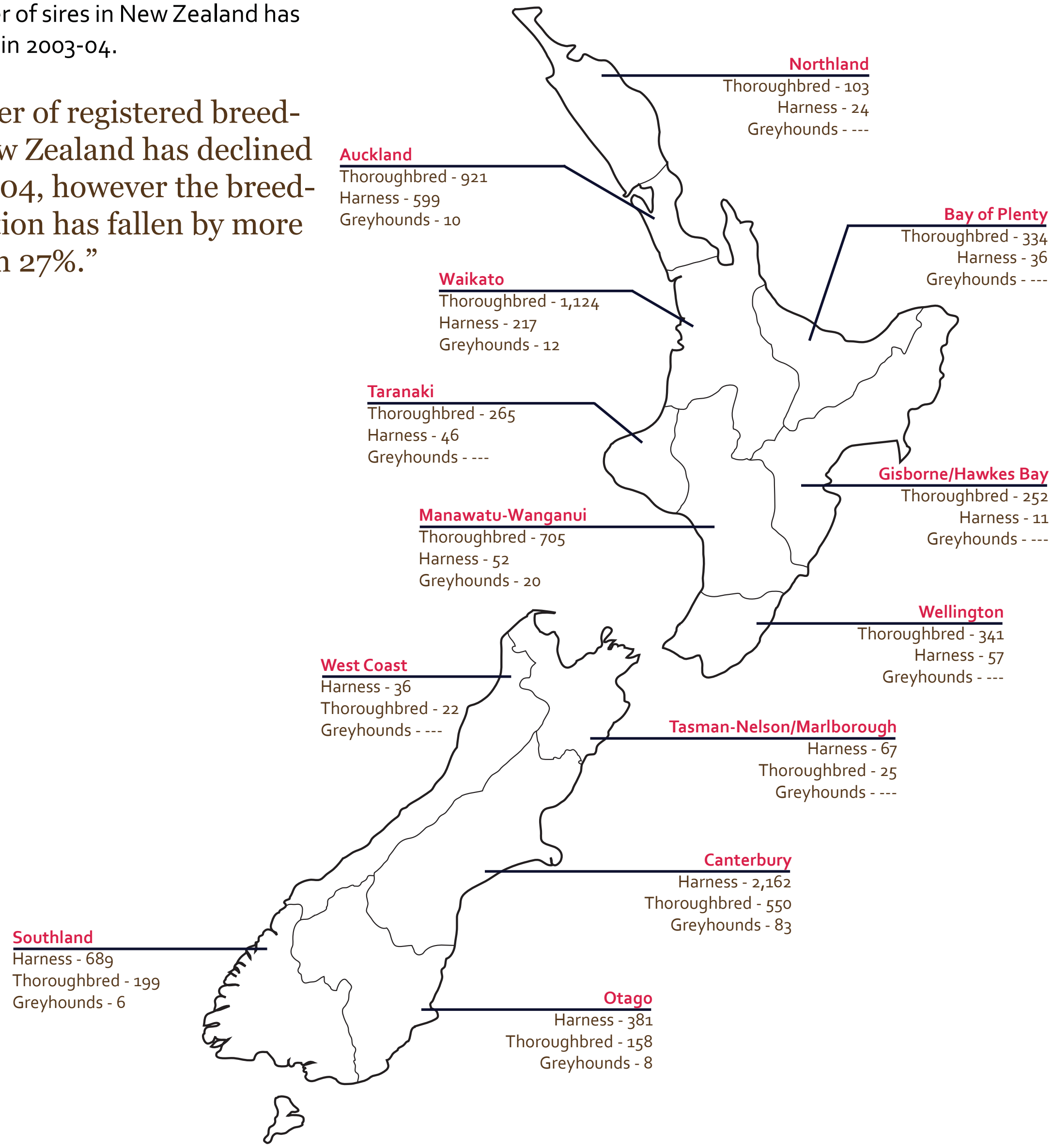
Breeding Animals

Across the entire industry, the number of breeding animals (stallions, sires, broodmares, bitches, foals and pups) has fallen more than 27% since 2003-04 to just over 18,400. The number of breeding animals in the thoroughbred industry have fallen by 25% whilst the number in the standardbred industry have fallen by 28%.

In the greyhound racing industry, the number of breeding animals has fallen by more than half. Of particular note, the number of sires in New Zealand has fallen to 11, down from 89 in 2003-04.

> "Overall the number of registered breeders operating in New Zealand has declined slightly since 2003-04, however the breeding animal population has fallen by more than 27%."

Total Number of Breeders - (5,772)



Breeding

Number of Registered Broodmares & Bitches in New Zealand

	Thoroughbred	Harness	Greyhound	Total
Northland	155	11		166
Auckland	1,162	565	2	1,729
Waikato	2,542	145	40	2,727
Bay of Plenty	216	34		250
Gisborne/Hawkes Bay	370	4		374
Taranaki	247	29		276
Manawatu-Wanganui	677	29	40	746
Wellington	572	74		646
North Island	**5,941**	**891**	**82**	**6,914**
Tasman-Nelson/Marlborough	37	29		66
West Coast	7	28		35
Canterbury	825	1,838	60	2,723
Otago	233	245	2	480
Southland	144	566	2	712
South Island	**1,246**	**2,706**	**64**	**4,016**
Overseas	164	103		267
TOTAL	**7,350**	**3,700**	**146**	**11,196**

Number of Registered Stallions & Sires in New Zealand

	Thoroughbred	Harness	Greyhound	Total
Northland	2			2
Auckland	29	12	2	43
Waikato	58	1	2	61
Bay of Plenty	2			2
Gisborne/Hawkes Bay	8			8
Taranaki	6	1		7
Manawatu-Wanganui	12	1	2	15
Wellington	18			18
North Island	**135**	**15**	**6**	**156**
Tasman-Nelson/Marlborough				0
West Coast				0
Canterbury	27	47	5	79
Otago	5	6		11
Southland	4	3		7
South Island	**36**	**56**	**5**	**97**
Overseas		26		26
TOTAL	**171**	**97**	**11**	**279**

Number of Live Foals & Pups in New Zealand

	Thoroughbred	Harness	Greyhound	Total
Northland	25	6		31
Auckland	777	429	25	1,231
Waikato	1,930	108	110	2,148
Bay of Plenty		28		28
Gisborne/Hawkes Bay	165	1		166
Taranaki	115	17		132
Manawatu-Wanganui	491	20	103	614
Wellington	215	57		272
North Island	**3,718**	**666**	**238**	**4,622**
Tasman-Nelson/Marlborough	21	22		43
West Coast	13	17		30
Canterbury	353	1,316	220	1,889
Otago	100	165	40	305
Southland	85	385	50	520
South Island	**572**	**1,905**	**310**	**2,787**
Overseas	119	69		188
TOTAL	**4,409**	**2,640**	**548**	**7,597**

Total Expenditure by Breeders in New Zealand

	Thoroughbred	Harness	Greyhound	Total
Northland	3,946,016	183,194		4,129,210
Auckland	60,471,692	14,180,039	511,762	75,163,494
Waikato	138,022,278	3,292,948	2,463,417	143,778,642
Bay of Plenty	5,283,936	684,554		5,968,490
Gisborne/Hawkes Bay	13,404,184	51,826		13,456,010
Taranaki	9,777,908	651,594		10,429,502
Manawatu-Wanganui	29,440,811	689,137	2,849,700	32,979,648
Wellington	22,502,548	1,440,590		23,943,137
North Island	**282,849,373**	**21,173,881**	**5,824,879**	**309,848,133**
Tasman-Nelson/Marlborough	697,385	559,671		1,257,056
West Coast	328,814	487,420		816,234
Canterbury	39,455,182	46,318,872	5,747,301	91,521,354
Otago	8,822,337	5,390,831	595,636	14,808,804
Southland	6,155,024	10,830,687	597,237	17,582,948
South Island	**55,458,742**	**63,587,481**	**6,940,173**	**125,986,396**
Overseas				
TOTAL	**338,308,114**	**84,761,362**	**12,765,052**	**435,834,528**

Breeders Expenditure

In 2008-09, breeders in the New Zealand racing industry spent more than $435 million on the production of racing stock. When compared to the figures revealed in the 2003-04 report, total breeding industry expenditure has fallen by 23%. In part, this may be explained by a significant reduction in the number of broodmares domiciled in New Zealand. Furthermore, the foal and pup crops in 2008-09 have fallen by 18% compared to 2003-04.

In calculating the expenditure incurred by breeders, a number of factors must be considered. Essentially, breeders incur costs on the production of racing animals. However, in addition to this breeders also incur costs for:-

- the maintenance of stallions through service fees
- sales commission on yearlings sold at auction
- bloodstock insurance
- business related expenditure
- sales and marketing related expenditure

The expenditure figures outlined in this section have been derived through a combination of industry level consultation and secondary research.

Thoroughbred Breeders

Thoroughbred breeders spend more than $338 million in New Zealand. In real terms, this represents a fall of 25% on the figures outlined in 2003-04. Over that same period, foal production has fallen by 15% whilst the number of broodmares has also fallen by 19%.

Research undertaken within this study revealed that the per horse production costs in a commercial stud are approximately 16% higher than they are on a private study farm. However, it must be acknowledged that whilst private breeders do not incur costs for some rearing costs, they do indirectly incur them through property maintenance and equipment costs.

The following table illustrates the average per horse cost borne by thoroughbred trainers in New Zealand:-

Mare	Commercial Stud	Private Agistment Farm
Empty Mare	$7,121	$6,121
Mare in Foal (No yearling Sale)	$16,222	$13,810
Mare in Foal (Yearling Sale)	$26,617	$22,800

The costs above are based on an 29 month process commencing with the pregnancy and concluding with sale or preparation for racing through training.

The majority of thoroughbred breeding expenditure (83%) occurs in the North Island, with the Waikato region alone contributing 40% of the total thoroughbred breeders expenditure in New Zealand.

Harness Breeders

Harness breeders spend more than $84 million in New Zealand. In real terms, this equates to a fall of 13% on the figures outlined in 2003-04. Foal production has fallen by 18% whilst the number of broodmares has also fallen by 19%.

Thoroughbred and standardbred breeders who set a foal to go to the yearling sales can expect to pay in excess of 64% more than a breeder who keeps their foal or prepares it for other sales options (lease, private sale etc.).

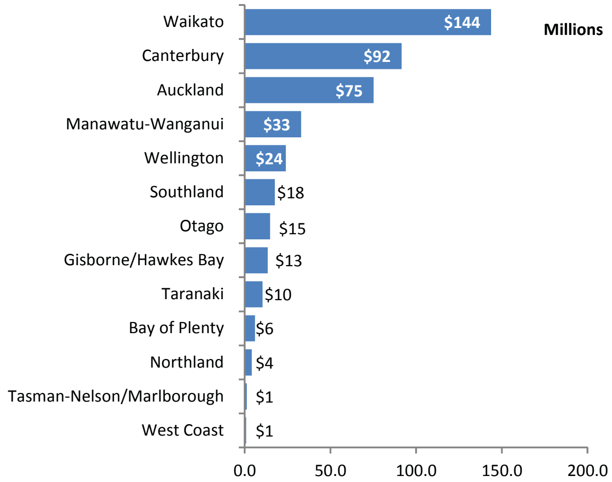
The majority of standardbred breeding expenditure (74%) occurs in the South Island, with the Canterbury region alone contributing 53% of the total standardbred breeders expenditure in New Zealand.

Greyhound Breeders

Estimating the expenditure generated by greyhound breeders is inherently more difficult. The majority of greyhound breeders are more akin to hobby participants than professional businesses. Furthermore, the majority of greyhound breeders (77%) are dually registered as owners. These breeders are likely to breed greyhounds to race for themselves.

It is estimated that greyhound breeders spend more than $12.7 million in New Zealand. In real terms, this equates to a fall of 10% on the figures outlined in 2003-04.

Expenditure by Breeders (Entire Industry)

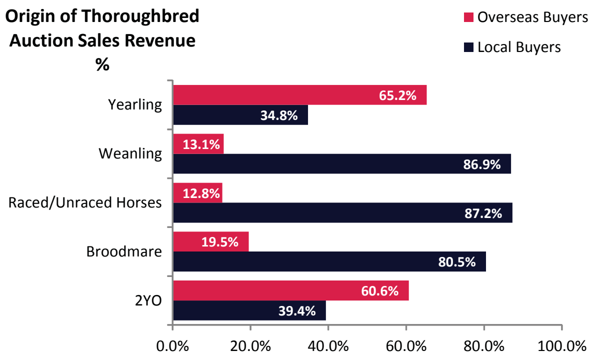


Sales

Breeders yield the majority of their revenue from the auction sales, at which, their yearlings are sold. In some cases however, breeders either keep the animal, or a share in the animal to race themselves. In addition to the auction revenue, stallion owners yield revenue from service fees charged to broodmare owners for the service of their mares.

Horses and greyhounds are bought and sold through official auctions as well as private sales. In the greyhound racing industry, nearly all sales occur privately, making it very difficult to estimate the total value of these transactions. During the 2009-10 racing season, the total value of auction sales in the racing industry was in excess of $104 million. This represents a 23% increasing on the sales amount generated in 2003-04.

Of the total sales amount, more than 53% was invested by those travelling from overseas to purchase horses in New Zealand. Yearling sales are the main source of overseas investment with 65% of the thoroughbred yearling sales revenue originating from overseas buyers.



In 2008-09, thoroughbred auction sales realised more than $91.9 million in revenue. More than 60% of this expenditure was generated by overseas buyers. A further $12.7 million in sales revenue was generated at standardbred auction sales in 2009-10. Just over 24% of this spending originated from overseas buyers.

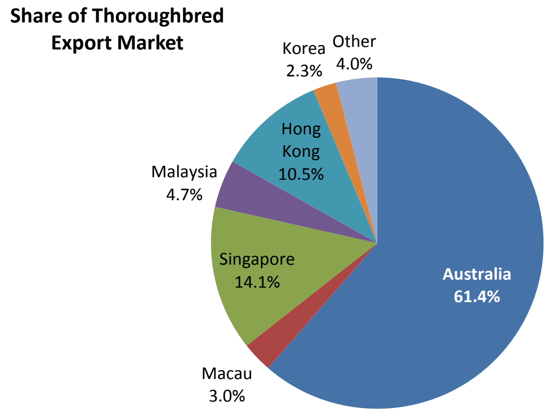
These auction sales create significant benefits for the New Zealand economy. The New Zealand economy was boosted by more than $57 million in 2008-09 as a result of auction sales. Whilst this is offset somewhat by New Zealand breeders who purchase horses from overseas, it is still a significant stimulus for the national economy.

Exports of Thoroughbreds & Harness Horses

Each year, the New Zealand racing industry provides valuable racing stock to a number of export markets. This stock may then be used for breeding or racing depending on the age and type of horse exported.

Australia is the largest export market for New Zealand thoroughbreds with more than 60% of all exports crossing the Tasman. Singapore, Malaysia, Hong Kong and Macau are also significant markets. The value of the export market may fluctuate from year to year, depending on a number of variables including foal crops, lots sold at yearling sales and racehorse formlines.

In 2008-09, more than 1,570 thoroughbreds were exported out of New Zealand. The following chart illustrates the average market share of the New Zealand thoroughbred export market.



It is estimated by New Zealand Bloodstock that the value of the thoroughbred export market in 2008-09 is around $130 Million. This equates to an 8% increase on the export revenue generated in 2003-04. In many cases, once a horse has won a trial, they may become the target of export for other countries trying to strengthen their racing by bringing in New Zealand bred thoroughbreds. The strong reputation held by NZ bred horses helps to drive the export market.

The harness racing industry is also a significant exporter of racing stock to international markets. It is estimated that the harness racing industry, in 2008-09, generated more than $37 Million in export sales. This represents a 115% increase in the figures outlined in the 2003-04 report.

This increase has been driven largely by greater yield for exports, as the number of actual horses exported has actually fallen slightly. Approximately 85% of horses are exported to Australia with the remainder heading to North America.

Training

Number of Public Trainers in New Zealand

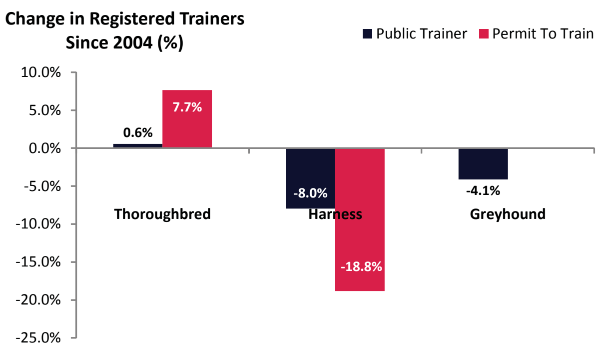
	Thoroughbred	Harness	Greyhound	Total
Northland	8	1		9
Auckland	55	60	10	125
Waikato	118	40	14	172
Bay of Plenty	16	1		17
Gisborne/Hawkes Bay	14			14
Taranaki	13	3		16
Manawatu-Wanganui	61	4	18	83
Wellington	5			5
North Island	290	109	42	441
Tasman-Nelson/Marlborough	0	4		4
West Coast	0	8		8
Canterbury	45	177	26	248
Otago	15	17		32
Southland	11	66	2	79
South Island	71	272	28	371
Overseas	0	0		0
TOTAL	361	381	70	812

Number of 'Permit to Train' Trainers in New Zealand

	Thoroughbred	Harness	Greyhound	Total
Northland	8	6		14
Auckland	55	85		140
Waikato	70	45		115
Bay of Plenty	37	3		40
Gisborne/Hawkes Bay	14	3		17
Taranaki	17	20		37
Manawatu-Wanganui	94	19		113
Wellington	17	6		23
North Island	312	187		499
Tasman-Nelson/Marlborough	2	21		23
West Coast	8	9		17
Canterbury	53	328		381
Otago	14	62		76
Southland	19	100		119
South Island	96	520		616
Overseas				0
TOTAL	408	707		1,115

Number of Owner/Trainers in New Zealand

	Thoroughbred	Harness	Greyhound	Total
Northland	9			9
Auckland	59		38	97
Waikato	113		42	155
Bay of Plenty	22			22
Gisborne/Hawkes Bay	12			12
Taranaki	51			51
Manawatu-Wanganui	71		120	191
Wellington	14		15	29
North Island	351		215	566
Tasman-Nelson/Marlborough	1			1
West Coast	0			0
Canterbury	45		71	116
Otago	16		6	22
Southland	17		4	21
South Island	79		81	160
Overseas				0
TOTAL	430		296	726

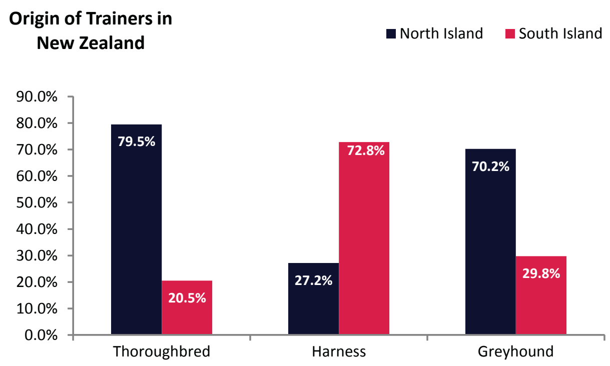


Trainers

In 2008-09, owners of thoroughbred, standardbreds and greyhounds employed the services of more than 2,650 trainers. This represents a decline of just over 6.5% compared to the 2003-04 study. The harness racing industry in particular has recorded the most significant fall in trainer numbers, with public trainers down 8.0% and 'permit to train' trainers down 19%.

Trainers play an important role in the racing 'service' industry. They employ the services of a variety of skilled and unskilled labour in delivering their service. In particular, stablehands, trackriders, farriers and vets are employed by trainers as part of the process of preparing racehorses and greyhounds.

The following chart illustrates the residence of trainers in New Zealand.



Trainers' income is mostly generated through trainers fees charged to owners and a percentage of prizemoney won.

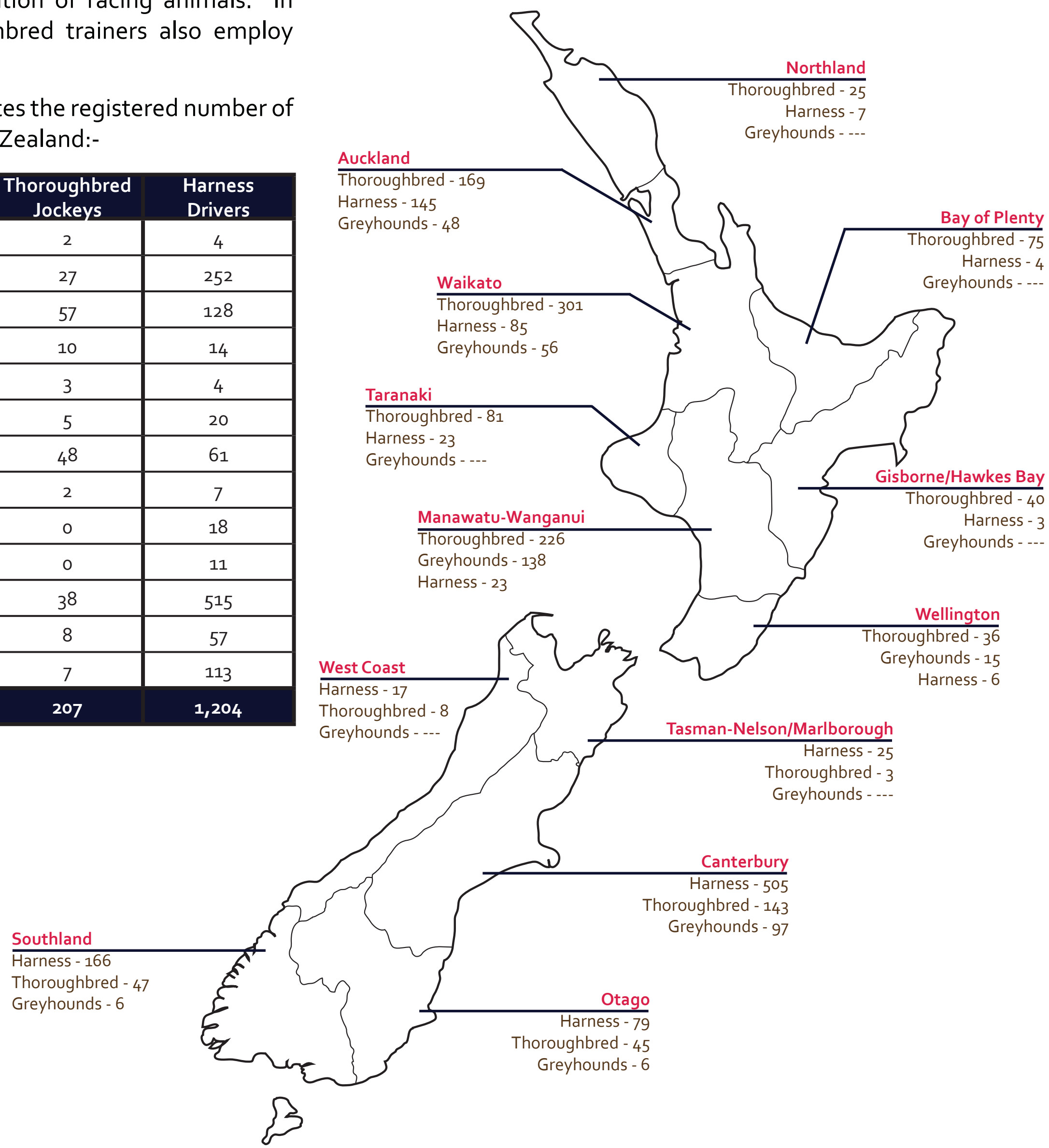
The training service generally incorporates the training, trialling and raceday management of a racehorse or greyhound.

Trainers employ more than 2,200 stablehands/handlers to assist with the preparation of racing animals. In addition to this, thoroughbred trainers also employ more than 210 trackriders.

The following table illustrates the registered number of jockeys and drivers in New Zealand:-

Region	Thoroughbred Jockeys	Harness Drivers
Northland	2	4
Auckland	27	252
Waikato	57	128
Bay of Plenty	10	14
Gisborne/Hawkes Bay	3	4
Taranaki	5	20
Manawatu-Wanganui	48	61
Wellington	2	7
Tasman-Nelson/Marlborough	0	18
West Coast	0	11
Canterbury	38	515
Otago	8	57
Southland	7	113
TOTAL	207	1,204

Total Number of Trainers - (2,653)



Training

Number of Racing Animals in Training

	Thoroughbred	Harness	Greyhound	Total
Northland	113	4		117
Auckland	1,281	754	252	2,287
Waikato	4,400	364	406	5,170
Bay of Plenty	977	3		980
Gisborne/Hawkes Bay	143	1		144
Taranaki	81	47		128
Manawatu-Wanganui	791	93	427	1,311
Wellington	689	7	6	702
North Island	**8,475**	**1,273**	**1,091**	**10,839**
Tasman-Nelson/Marlborough		58		58
West Coast		21		21
Canterbury	1,025	2,229	735	3,989
Otago	116	300	12	428
Southland	125	732	43	900
South Island	**1,266**	**3,340**	**790**	**5,396**
Overseas				
TOTAL	**9,741**	**4,613**	**1,881**	**16,235**

Total Expenditure by Trainers in New Zealand

	Thoroughbred	Harness	Greyhound	Total
Northland	2,397,849	56,316		2,454,165
Auckland	34,849,605	13,609,700	1,287,720	49,747,025
Waikato	119,702,000	6,570,200	2,074,660	128,346,860
Bay of Plenty	23,921,357	48,735		23,970,092
Gisborne/Hawkes Bay	3,034,446	14,079		3,048,525
Taranaki	1,718,812	661,713		2,380,525
Manawatu-Wanganui	19,367,240	1,510,785	2,181,970	23,059,995
Wellington	16,869,821	113,715	30,660	17,014,196
North Island	**221,861,128**	**22,585,243**	**5,575,010**	**250,021,381**
Tasman-Nelson/Marlborough		816,582		816,582
West Coast		295,659		295,659
Canterbury	27,885,125	40,233,450	4,024,125	72,142,700
Otago	2,461,508	4,223,700	61,320	6,746,528
Southland	2,652,488	10,305,828	219,730	13,178,046
South Island	**32,999,121**	**55,875,219**	**4,305,175**	**93,179,515**
Overseas				0
TOTAL	**254,860,249**	**78,460,462**	**9,880,185**	**343,200,896**

Trainers Expenditure

In 2008-09, trainers in the New Zealand racing industry spent more than $343 million on the preparation of racing stock. When compared to the figures revealed in the 2003-04 report, total training industry expenditure has risen by 22%. Whilst the number of animals in work has only risen slightly, it is clear that the cost of training racehorses and greyhounds has increased at a greater rate than inflation.

In calculating the expenditure incurred by trainers, a number of factors must be considered. Firstly, in the full year preparation of a racehorse, there are three distinct stages that occur:-

- Pre-Training
- Spelling
- Full Training

Whilst trainers each have their own philosophies and approaches, a survey of trainers found the following breakdown to be a reasonable estimate of the proportion of the racing season devoted to each category:-

Region	Thoroughbred	Harness	Greyhound
Pre-Training	5.4 weeks	1.4 weeks	-
Spelling	12.2 weeks	11.3 weeks	11.4 weeks
Full Training	30.4 weeks	39.3 weeks	40.6 weeks

At each stage of the training year, owners are charged different fees for service. It is important to acknowledge that in the absence of actual horse by horse activity, these averages have been used as the basis for the calculation of trainer's expenditure.

The expenditure figures outlined in this section have been derived through a combination of industry level consultation and surveying of a sample of thoroughbred, harness and greyhound trainers in New Zealand

Thoroughbred Trainers

Thoroughbred trainers spend more than $254 million in New Zealand. In real terms, this represents an increase of 24% on the figures outlined in 2003-04. Over that same period, the number of horses in work has increase by 8%.

More than 87% of the thoroughbred training expenditure occurs in the North Island, with the Waikato region alone contributing 47% of the total thoroughbred trainers expenditure in New Zealand. The Auckland (47.0%) and Canterbury (10.9%) regions are the next largest thoroughbred training centres in New Zealand.

The average daily training fee, for a horse in full training, is $53 per day.

Harness Trainers

Harness trainers spend more than $78 million in New Zealand. In real terms, this equates to an increase of 21% on the figures outlined in 2003-04, despite the fact that the number of horses in work has fallen by just under 10%.

The majority of standardbred trainers expenditure (71%) occurs in the South Island, with the Canterbury region alone contributing 51% of the total standardbred trainers expenditure in New Zealand. The Auckland (17.3%) and Southland (13.1%) regions are the next largest harness training centres in New Zealand.

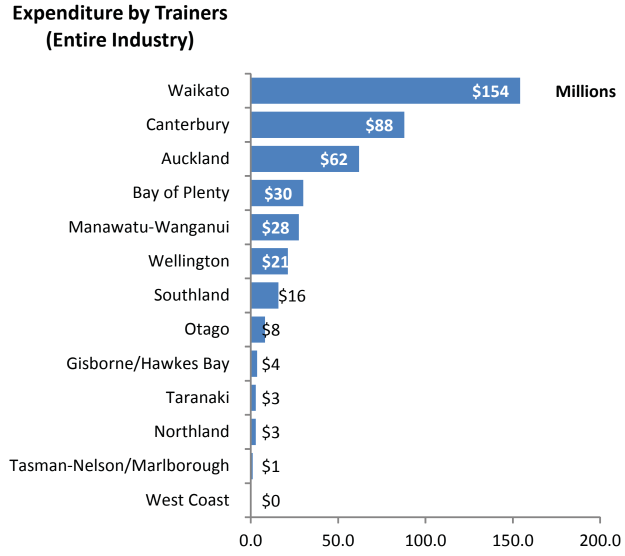
The average daily training fee, for a horse in full training, is $37 per day.

Greyhound Trainers

Greyhound trainers spend just under $10 million in New Zealand. In real terms, this represents a decrease of 17% on the figures outlined in 2003-04. Over that same period, the number of greyhounds in work has also decreased, by just over 2%.

It should be noted however, that the number of trainers has decreased, largely offset by the number of owner/trainers. In the greyhound sector, these owner/trainers effectively reduce their costs as they do not have to pay the training fee. Furthermore, due to the relatively low capital costs of preparing a greyhound, their expenditure is not redirected to property upkeep and equipment.

The average daily training fee, for a greyhound in full training, is $14 per day.



Number of people with an ownership interest in New Zealand Racing

	Thoroughbred	Harness	Greyhound	Total
Northland	379	53	5	437
Auckland	3,001	1,998	269	5,268
Waikato	3,715	607	248	4,570
Bay of Plenty	940	91	50	1,081
Gisborne/Hawkes Bay	944	18	4	966
Taranaki	963	110	60	1,133
Manawatu-Wanganui	1,891	156	348	2,395
Wellington	2,100	129	143	2,372
North Island	13,933	3,162	1,127	18,222
Tasman-Nelson/Marlborough	131	131	12	274
West Coast	121	112		233
Canterbury	1,957	3,436	468	5,861
Otago	667	627	55	1,349
Southland	664	1,134	61	1,859
South Island	3,540	5,440	596	9,576
Overseas	479	192		671
TOTAL	17,952	8,794	1,723	28,469

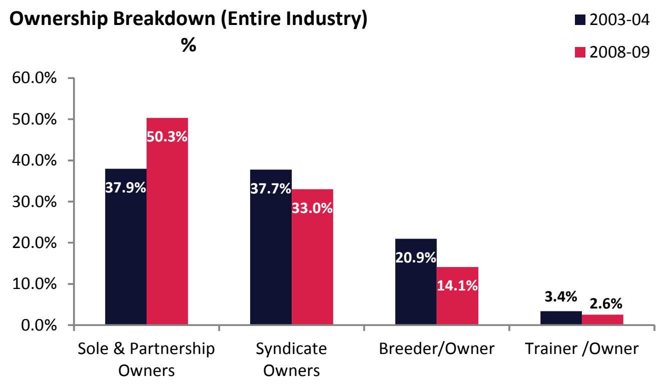
Number of dual role Breeder/Owners

	Thoroughbred	Harness	Greyhound	Total
Northland	47	10		57
Auckland	415	229	5	649
Waikato	494	72	6	572
Bay of Plenty	180	12		192
Gisborne/Hawkes Bay	115	2		117
Taranaki	135	16		151
Manawatu-Wanganui	335	19	10	364
Wellington	151	19		170
North Island	1,872	379	21	2,272
Tasman-Nelson/Marlborough		24		24
West Coast	13	11		24
Canterbury	243	776	71	1,090
Otago	77	145	6	228
Southland	92	228	4	324
South Island	425	1,184	81	1,690
Overseas		49		49
TOTAL	2,297	1,612	102	4,011

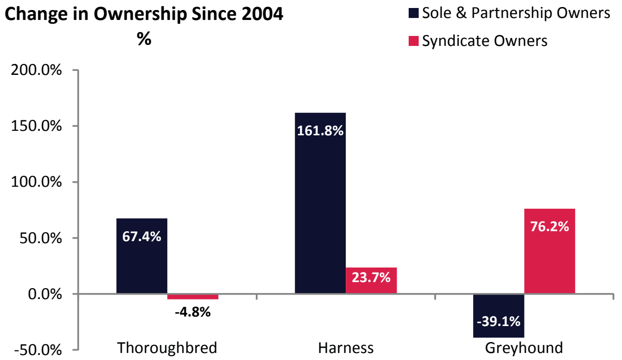
Number of dual role Owner/Trainers

	Thoroughbred	Harness*	Greyhound	Total
Northland	9			11
Auckland	59		38	194
Waikato	113		42	220
Bay of Plenty	22			25
Gisborne/Hawkes Bay	12			13
Taranaki	51			69
Manawatu-Wanganui	71		120	211
Wellington	14		15	35
North Island	351		215	778
Tasman-Nelson/Marlborough	1			19
West Coast				7
Canterbury	45		71	461
Otago	16		6	81
Southland	17		4	133
South Island	79		81	701
Overseas				
TOTAL	430		296	1,479

* included in other categories in both the 2004 and 2010 studies



Owners provide much of the capital outlay and day to day funding for the production of racehorses and greyhounds. In 2008-09 there are nearly 29,000 individuals with an ownership interest in the New Zealand racing industry. This represents a 31% increase from the ownership number reported in 2003-04.



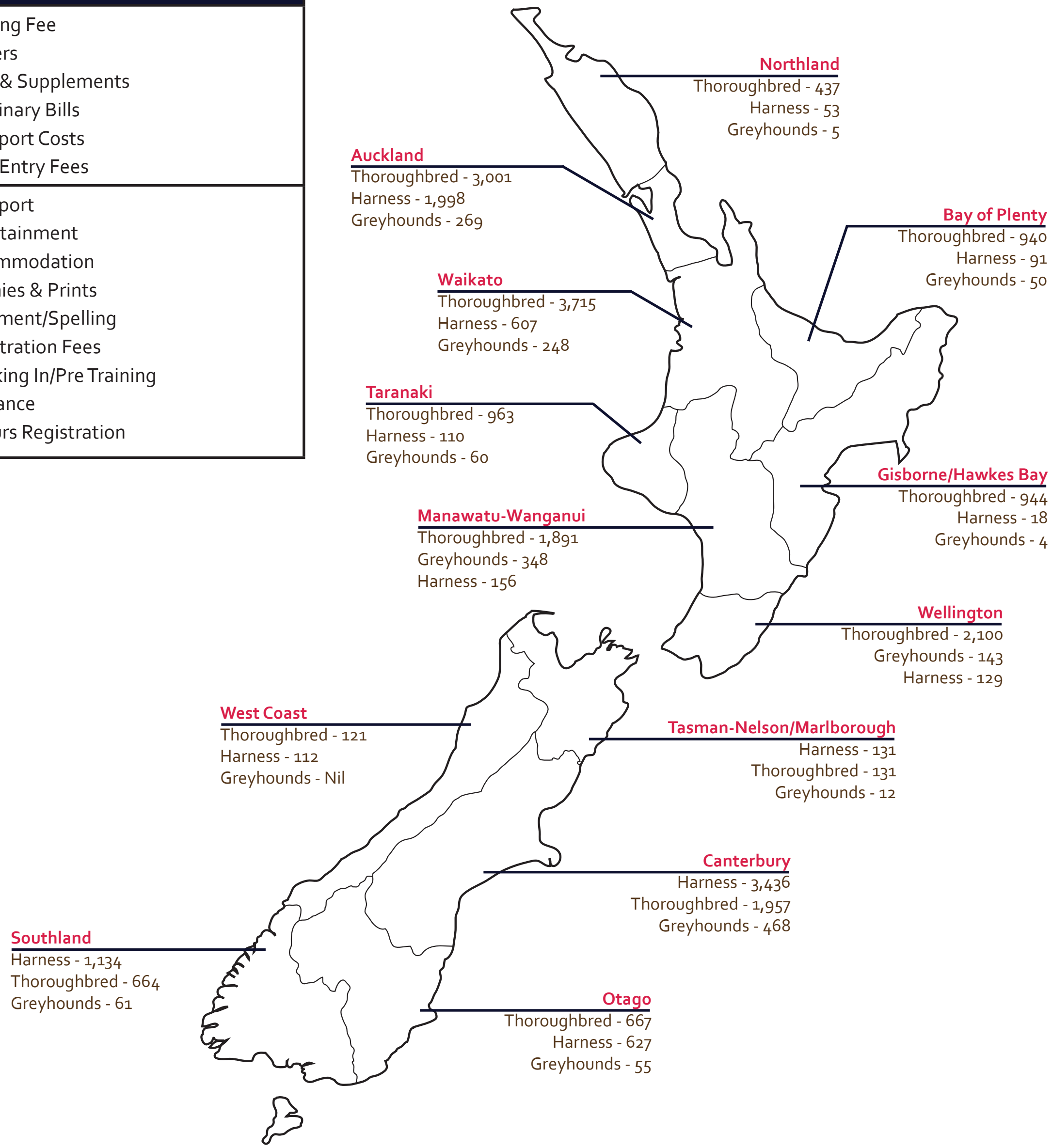
The changes in ownership levels appear to be driven by different segments within each of the codes. Whilst syndicate ownership has fallen slightly in the thoroughbred industry, harness and greyhound racing have both seen growth in this segment. Conversely, the growth in ownership of thoroughbreds and standardbreds has been heavily driven by sole and partnership ownership.

Many owners do not consider their involvement to be a financial investment from which they require a return on investment. This is not to say however, that owners are prepared to continue to fund their involvement if there is dimished opportunities to realise a return. It is important though, to understand that financial returns are often, not the key motivation.

Owners play a significant role in the funding model of the racing industry. It is their investment which kickstarts the activities undertaken by trainers. Generally, the involvement of owners in the industry delivers economic impacts through expenditure on the following items:-

Category	Expenditure Item
Contained in the Trainers Fee (whilst animal is in training)	- Training Fee - Farriers - Feed & Supplements - Veterinary Bills - Transport Costs - Race Entry Fees
Covered by Owners Directly (whilst animal is not in training)	- Transport - Entertainment - Accommodation - Trophies & Prints - Agistment/Spelling - Registration Fees - Breaking In/Pre Training - Insurance - Colours Registration

Total Number of Owners - (28,469)



Ownership

Number of Race Starts

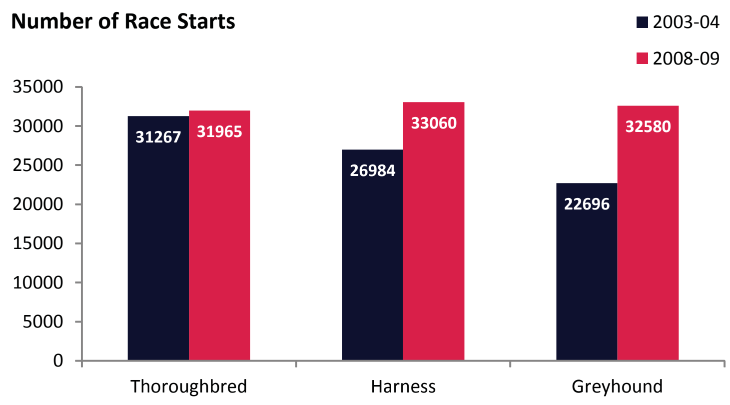
	Thoroughbred	Harness	Greyhound	Total
Northland	1,166	88		1,254
Auckland	5,171	5,450	5,014	15,635
Waikato	5,192	2,816	3,099	11,107
Bay of Plenty	1,724	292		2,016
Gisborne/Hawkes Bay	2,141			2,141
Taranaki	2,131	725		2,856
Manawatu-Wanganui	3,979	1,970	11,328	17,277
Wellington	3,048			3,048
North Island	**24,552**	**11,341**	**19,441**	**55,334**
Tasman-Nelson/Marlborough	239	1,130		1,369
West Coast	233	690		923
Canterbury	3,966	11,267	9,332	24,565
Otago	1,303	3,843	1,737	6,883
Southland	1,672	4,789	2,070	8,531
South Island	**7,413**	**21,719**	**13,139**	**42,271**
Overseas				
TOTAL	**31,965**	**33,060**	**32,580**	**97,605**

Average Starters Per Race

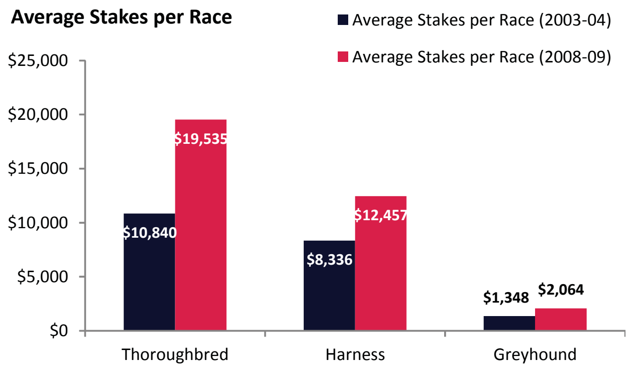
	Thoroughbred	Harness	Greyhound
Northland	10.8	11.0	
Auckland	11.3	10.6	7.8
Waikato	11.9	10.6	7.4
Bay of Plenty	11.6	12.7	
Gisborne/Hawkes Bay	10.9		
Taranaki	10.4	12.1	
Manawatu-Wanganui	11.6	10.6	7.7
Wellington	11.1		
North Island			
Tasman-Nelson/Marlborough	12.0	12.8	
West Coast	8.3	13.5	
Canterbury	10.7	12.5	7.8
Otago	10.2	12.1	7.7
Southland	10.1	11.9	7.7
South Island			

Number of Individual Starters

	Thoroughbred	Harness	Greyhound	Total
Northland	234	88		322
Auckland	1,975	1,080	659	3,714
Waikato	6,269	834	601	7,704
Bay of Plenty	1,069	223		1,292
Gisborne/Hawkes Bay	366			366
Taranaki	391	298		689
Manawatu-Wanganui	1,575	495	1,992	4,062
Wellington	978			978
North Island	**12,857**	**3,018**	**3,252**	**19,127**
Tasman-Nelson/Marlborough	5	448		
West Coast	12	269		281
Canterbury	1,742	1,908	868	4,518
Otago	342	1,305	582	2,229
Southland	342	1,010	552	1,904
South Island	**2,443**	**4,940**	**2,002**	**8,932**
Overseas				0
TOTAL	**15,300**	**7,958**	**5,254**	**28,059**



In 2008-09, the New Zealand Racing Industry provided owners with the opportunity to share in more than $100 million in prizemoney. In real terms, this represents an increase of 61% on the amount on offer in 2004. Just over 56% of this prizemoney was paid out to thoroughbred owners, with a further 35% paid to harness owners and 9% paid to greyhound owners. The following chart illustrates the average stakes per race by code.



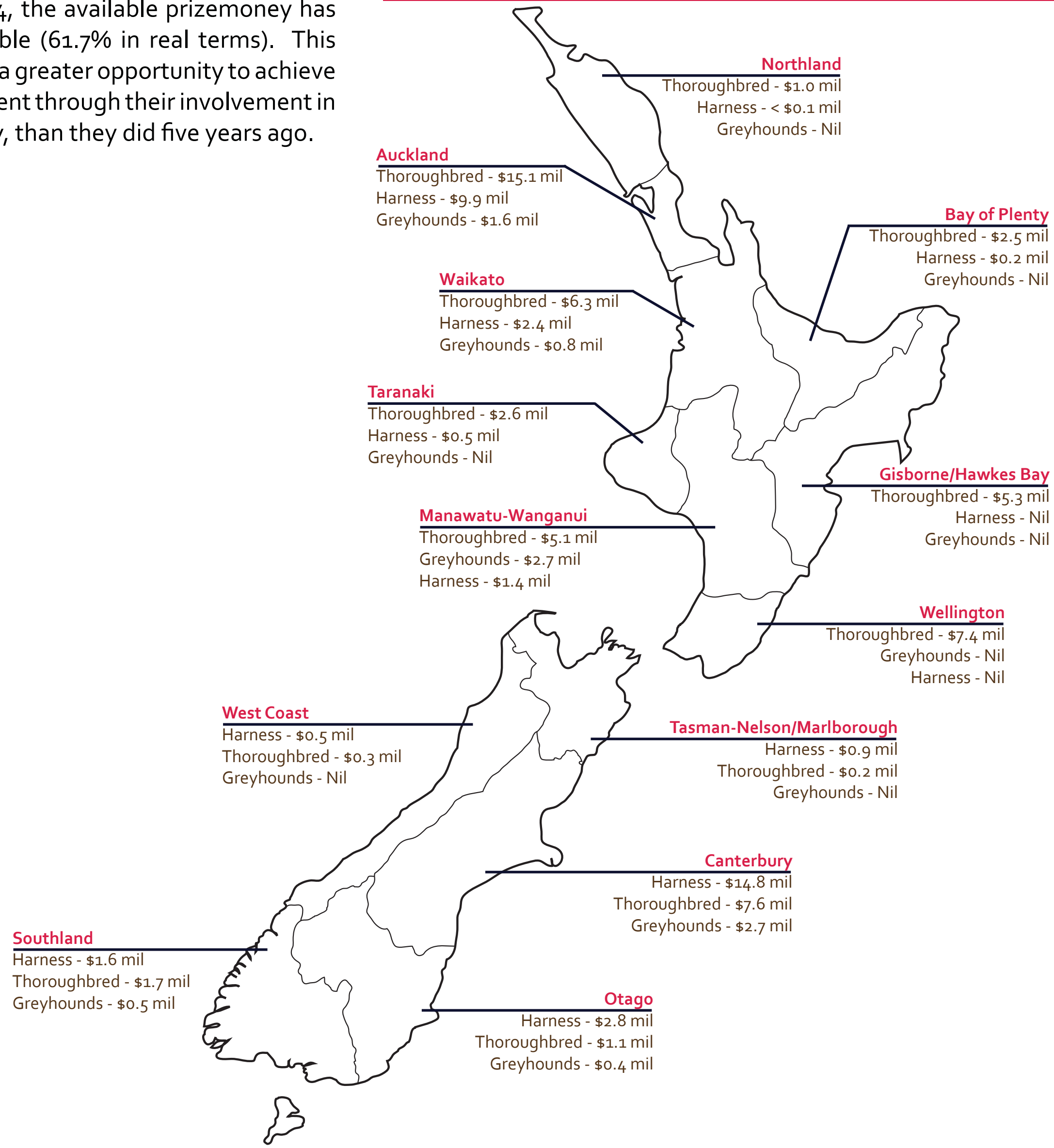
Thoroughbred racing owners have enjoyed growth of nearly 80% in the average stakes available per race, whilst harness owners and greyhound owners have enjoyed increases of 49% and 53% respectively.

In considering the prizemoney on offer, it is important to understand that the cost base for involvement in greyhound racing is considerably less than that of the thoroughbred and harness racing industries.

The map (right) shows the distribution of net prizemoney by each code in each region. Net prizemoney represents the value of prizemoney after removing nomination and acceptance fees charged to owners by clubs.

It is worth noting that whilst the cost of training has risen by about 25% since 2004, the available prizemoney has risen by more than double (61.7% in real terms). This means that owners have a greater opportunity to achieve a return on their investment through their involvement in the racing industry today, than they did five years ago.

Total Prizemoney Paid - ($100.1 million)



Racing Clubs in New Zealand

	Thoroughbred	Harness	Greyhound	Total
Northland	2	1		3
Auckland	4	4	1	9
Waikato	10	3	2	15
Bay of Plenty	4	1		5
Gisborne/Hawkes Bay	4			4
Taranaki	4	3	1	8
Manawatu-Wanganui	7	3	2	12
Wellington	5	2	2	9
North Island	**40**	**17**	**8**	**65**
Tasman-Nelson/Marlborough	1	2		3
West Coast	4	3		7
Canterbury	7	13	2	22
Otago	4	7	1	12
Southland	6	7	1	14
South Island	**22**	**32**	**4**	**58**
Overseas				
TOTAL	**62**	**49**	**12**	**123**

Race Tracks in New Zealand

	Thoroughbred	Harness	Greyhound	Total
Northland	2	1		3
Auckland	3	3	1	7
Waikato	7	3	1	11
Bay of Plenty	3	2		5
Gisborne/Hawkes Bay	4			4
Taranaki	4	3		7
Manawatu-Wanganui	4	4	2	10
Wellington	3			3
North Island	30	16	4	50
Tasman-Nelson/Marlborough	1	2		3
West Coast	4	3		7
Canterbury	7	9	1	17
Otago	4	6	1	11
Southland	4	4	1	9
South Island	20	24	3	47
Overseas				0
TOTAL	50	40	7	97

Number of Race Meetings held in New Zealand

	Thoroughbred	Harness	Greyhound	Total
Northland	10	1		11
Auckland	51	45	64	160
Waikato	75	31	22	128
Bay of Plenty	4	2		6
Gisborne/Hawkes Bay	18			18
Taranaki	22	5		27
Manawatu-Wanganui	42	17	134	193
Wellington	22		4	26
North Island	**244**	**101**	**224**	**569**
Tasman-Nelson/Marlborough	2	8		10
West Coast	4	6		10
Canterbury	38	77	61	176
Otago	20	32	19	71
Southland	17	44	18	79
South Island	**81**	**167**	**98**	**346**
Overseas				
TOTAL	**325**	**268**	**322**	**915**

Number of TAB Races

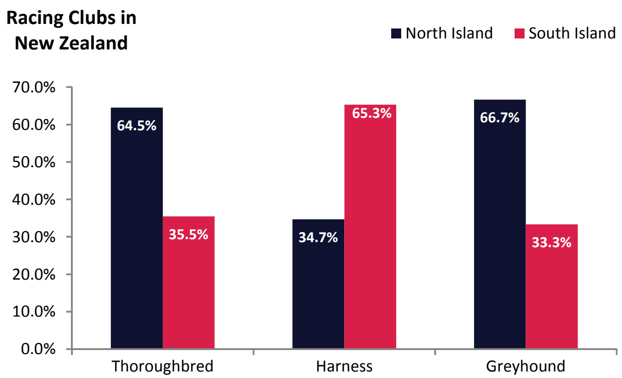
	Thoroughbred	Harness	Greyhound	Total
Northland	108	8		116
Auckland	457	514	642	1,613
Waikato	435	266	416	1,117
Bay of Plenty	149	23		172
Gisborne/Hawkes Bay	196			196
Taranaki	205	60		265
Manawatu-Wanganui	342	186	1,462	1,990
Wellington	275			275
North Island	**2,167**	**1,057**	**2,520**	**5,744**
Tasman-Nelson/Marlborough	20	88		108
West Coast	28	51		79
Canterbury	371	904	1,191	2,466
Otago	128	318	225	671
Southland	166	404	268	838
South Island	**713**	**1,765**	**1,684**	**4,162**
Overseas				
TOTAL	**2,880**	**2,822**	**4,204**	**9,906**

Racing Clubs

There are nearly 100 racetracks in operation across the three codes in New Zealand, although some of these tracks are located at the same (dual code) venues. These tracks are administered and utilised by the 123 racing clubs that operate in New Zealand. There are also a number of Racing Clubs that are managed by group administration bodies.

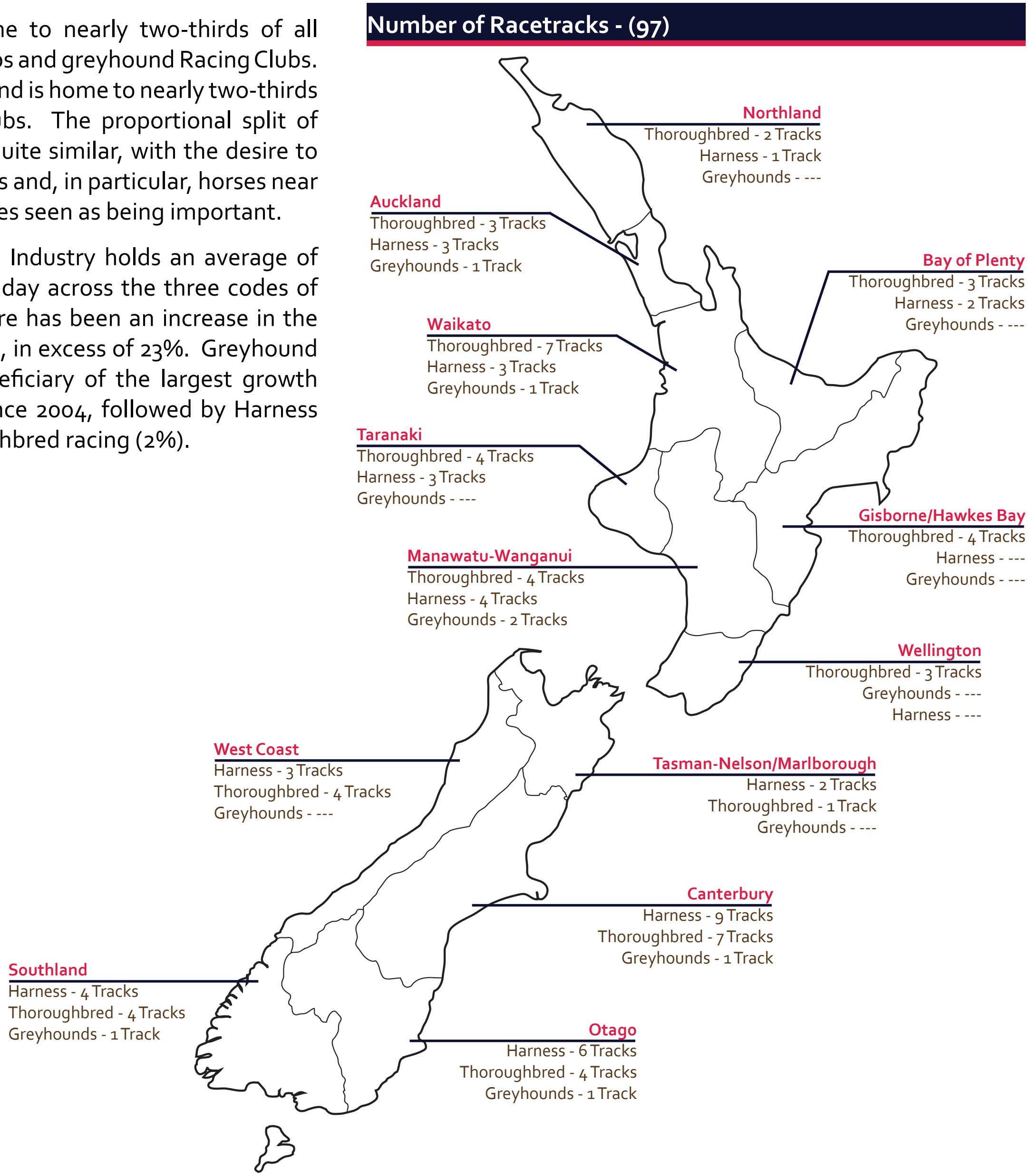
Racing Clubs operate, essentially, to provide an opportunity for owners to race their horses. In addition to this, they also operate to provide value to their Members. A significant portion of Racing Club expenditure is channelled to racehorse and greyhound owners through prizemoney. In addition to this, racing clubs incur expenditure on the operation of the Club as well as the maintenance and upkeep of facilities and infrastructure.

Geographically, the thoroughbred, harness and greyhound Clubs are located as follows:-



The North Island is home to nearly two-thirds of all thoroughbred Racing Clubs and greyhound Racing Clubs. Conversely, the South Island is home to nearly two-thirds of all harness Racing Clubs. The proportional split of owners and trainers are quite similar, with the desire to train and keep greyhounds and, in particular, horses near training and racing facilities seen as being important.

The New Zealand Racing Industry holds an average of 2 to 3 race meetings per day across the three codes of racing. Since 2004, there has been an increase in the number of TAB races held, in excess of 23%. Greyhound racing has been the beneficiary of the largest growth in TAB races (up 44%) since 2004, followed by Harness racing (21%) and Thoroughbred racing (2%).



Number of Sponsors

	Thoroughbred	Harness	Greyhound	Total
Northland	19			19
Auckland	180	80	1	261
Waikato	302	201	8	511
Bay of Plenty	450	111		561
Gisborne/Hawkes Bay	136			136
Taranaki	45	82		127
Manawatu-Wanganui	160	42	180	382
Wellington	90			90
North Island	**1,382**	**516**	**189**	**2,087**
Tasman-Nelson/Marlborough	35	82		117
West Coast	181	117		298
Canterbury	169	366	70	605
Otago	245	85		330
Southland	213	327	3	543
South Island	**843**	**977**	**73**	**1,893**
Overseas				0
TOTAL	**2,225**	**1,493**	**262**	**3,980**

Value of Sponsorships

	Thoroughbred	Harness	Greyhound	Total
Northland	39,957			39,957
Auckland	3,011,000	440,096	1,200	3,453,088
Waikato	1,182,343	299,046	12,000	1,493,389
Bay of Plenty	543,383	21,000		564,383
Gisborne/Hawkes Bay	460,500			460,500
Taranaki	120,000	104,875		224,875
Manawatu-Wanganui	478,832	18,038	155,688	652,558
Wellington	600,000	269,200	2,750	871,950
North Island	**6,436,015**	**1,152,255**	**177,638**	**7,759,908**
Tasman-Nelson/Marlborough	15,000	164,504		179,504
West Coast	59,234	63,000		122,234
Canterbury	656,089	1,954,386	100,000	2,710,475
Otago	183,000	155,929	155,929	494,858
Southland	166,900	258,800	2,000	427,700
South Island	**1,080,223**	**2,596,619**	**257,929**	**3,934,771**
Overseas				
TOTAL	**7,516,238**	**3,748,874**	**429,567**	**11,694,679**

Number of Racing Club Members in New Zealand

	Thoroughbred	Harness	Greyhound	Total
Northland	260			260
Auckland	2,973	969	134	4,076
Waikato	1,450	720	67	2,237
Bay of Plenty	2,630	1,746		4,376
Gisborne/Hawkes Bay	978			978
Taranaki	889	115		1,004
Manawatu-Wanganui	1,456	161	200	1,817
Wellington	2,650	80	27	2,757
North Island	**13,286**	**3,791**	**428**	**17,505**
Tasman-Nelson/Marlborough	77	268		345
West Coast	584	730		1,314
Canterbury	3,001	3,166	116	6,283
Otago	777	783		1,560
Southland	784	1,508	37	2,329
South Island	**5,223**	**6,455**	**153**	**11,831**
Overseas				
TOTAL	**18,508**	**10,246**	**581**	**29,335**

Members and sponsors are two important parts of Racing Clubs throughout New Zealand. Collectively, Racing Clubs in New Zealand report more than 29,300 members, an increase of 5.4% since 2004. These members contribute more than $1 million in revenue to Racing Clubs each year.

In addition to raceday and wagering revenue, the financial contribution of sponsors is vital to the ongoing viability of Racing Clubs. More then $11.6 million is directed to racing clubs through sponsorship. The number of individual sponsors has contracted over the last 5 years, with the 3,979 sponsors identified in 2008-09 representing a 19% decrease when compared to 2004. However, the average yield from sponsors has increased by 48%.

Attendances

Race meetings across New Zealand generate just over 1 million attendances per year, based on recent 2009-10 figures. On the surface, this appears to be slightly lower than the attendance figures identified in the 2004 report.

In 2004, the majority of Racing Clubs did not charge admission for attendees, nor did they keep accurate records of attendance. In 2004, Racing Clubs were asked to estimate their attendances. Today, many Racing Clubs do charge and record their admissions, meaning that data is much more accurate and reliable.

Aross the board, the average attendance at race meetings in New Zealand is as follows:-

- Thoroughbred Racing - 1,994
- Harness Racing - 1,280
- Greyhound Racing - 150

To put these figures into context, the average attendances in other jurisdictions include:-

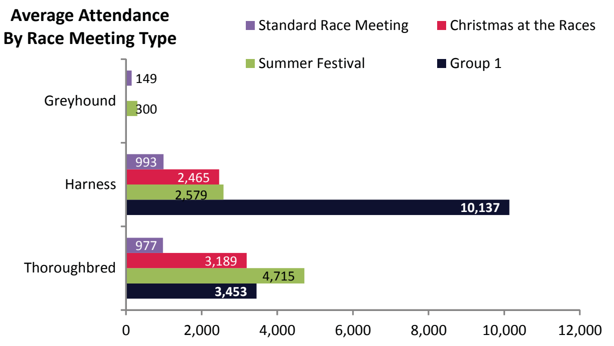
United Kingdom

- 4,500 per thoroughbred race meeting

Australia

- 1,737 per thoroughbred race meeting

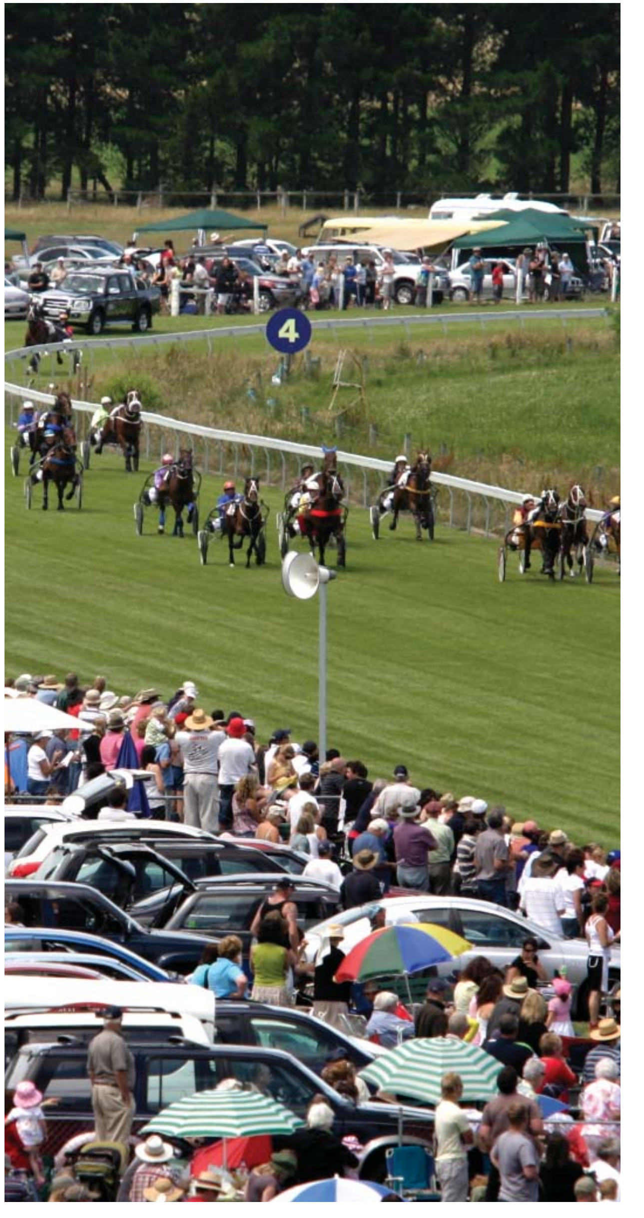
In an effort to grow attendances, significant focus has been placed in recent years on improving the racing experience - particularly through product and brand development. The impact of this can be seen in the following chart:-



In developing the two umbrella brands, Summer Festival (SF) and Christmas at the Races (CATR) over the last three to five years, a number of race meetings have experienced significant attendance growth. A number of the SF and CATR race meetings that now attract in excess of 2,000 per meeting, were formerly 'standard racedays' attracting less than 1,000.

According to figures provided by the New Zealand Racing Board, the largest attended racing codes in New Zealand are:-

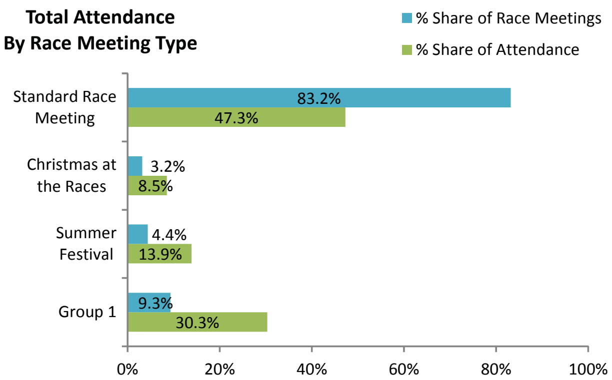
Rank	Region	Code	Total Attendance
1	Canterbury Region	H	154,100
2	Auckland Region	T	126,600
3	Waikato Region	T	82,100
4	Manawatu-Wanganui Region	T	76,846
5	Bay of Plenty Region	T	71,100
6	Canterbury Region	T	65,500
7	Auckland Region	H	65,300
8	Wellington Region	T	59,800
9	Gisborne/Hawkes Bay Region	T	43,500
10	Otago Region	T	35,700



Thoroughbred racing is responsible for just over 62% of all attendances, with harness racing (33%) and greyhound racing (5%) making up the remainder.

The largest attendances at thoroughbred race meetings occur in the Auckland (19.7%) and Waikato (12.7%) regions. More than 45% of all harness racing attendances occur in the Canterbury region with a further 19% in the Auckland region. Greyhounds only race in some of the regions of New Zealand, however the Auckland (32.8%) and Manawatu-Wanganui (30.2%) regions attract the largest attendances.

The following chart illustrates the overall attendances at New Zealand race meetings, segmented by the different racing brands:-

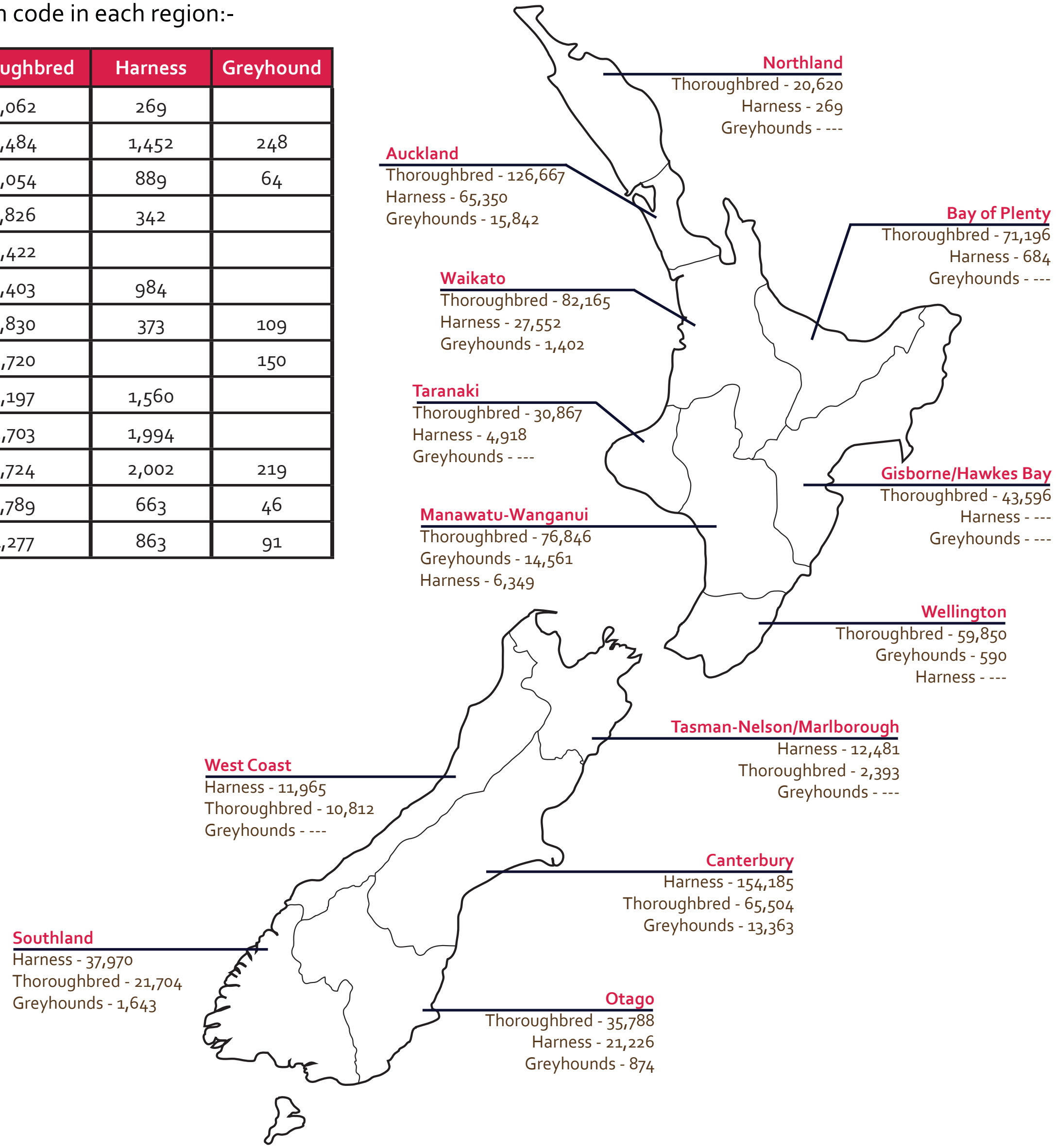


Overall, the Canterbury region has the highest total attendance in the New Zealand Racing Industry (233,000) ahead of Auckland (207,000) and the Waikato (111,000).

The following table illustrates the average attendance per race meeting for each code in each region:-

Region	Thoroughbred	Harness	Greyhound
Northland	2,062	269	
Auckland	2,484	1,452	248
Waikato	2,054	889	64
Bay of Plenty	1,826	342	
Gisborne/Hawkes Bay	2,422		
Taranaki	1,403	984	
Manawatu-Wanganui	1,830	373	109
Wellington	2,720		150
Tasman-Nelson/	1,197	1,560	
West Coast	2,703	1,994	
Canterbury	1,724	2,002	219
Otago	1,789	663	46
Southland	1,277	863	91

Total Attendances at Race Meetings - (1.04 million)



Tourism Impacts

The New Zealand Racing Industry, primarily through its racing carnivals and umbrella brands, is a significant contributor of inter-regional and international tourism throughout the nation.

Whilst inter-regional tourism does not increase the level of GDP at a national level, the dispersal of tourism spending to regions all over the nation is vitally important to regional economies.

Racing has also proven to be a major contributor of international tourism to racing's regions in New Zealand. Some examples of these tourism generating race meetings are outlined below.

New Zealand Cup and Show Week

Held in November each year, the New Zealand Cup and Show Week (NZCSW) includes races hosted by each of the three codes. A study conducted in 2009, found that the NZCSW generated more than $23 million in value added for the Canterbury economy.

From a tourism perspective, the event generated the following benefits:-

Tourism Impact	Measure
Intra-regional visitation (NZ residents from outside Canterbury)	8,000 individuals
International visitation	1,100 individuals
Number of Bed Nights Generated	42,700 nights
Accommodation Sector Spending	$4.7 million

The NZCSW not only attracts tourists to attend the races, it also attracts horse owners in search of the prizemoney and prestige on offer during the carnival. Racing participants who travel to Christchurch (predominantly from other parts of New Zealand and from Australia) are high spending visitors who contribute substantially to local economies.

Such is the power of the NZCSW brand that many local businesses seek to engage the Racing Clubs in corporate support, sponsorship and cooperative marketing initiatives.

The sentiment of one prominant local business owner certainly supports this.

Richard Ballantyne says their partnership with NZ Cup and Show Week is aimed at drawing attention and excitement to the central city leading up to and during the week, with styling sessions, workshops and an in-store fashion show on the 8 October.

"Everyone loves dressing up for the races – and we want to support this with tips and ideas that will ensure all race goers are fitted with the appropriate attire from head to toe."

In recent times, the New Zealand Cup and Show Week has incorporated other events such as the Royal NZ Show and Style NZ - creating an all encompassing celebration around the key race meetings.

Wellington Cup Carnival

The three day Wellington Cup Carnival, held in January each year, is responsible for delivering more than $8 million in economic impact for the Welington economy (based on a study undertaken in 2007). Like the NZCSW, the Wellington Cup Carnival also incorporates a number of fringe events aimed at expanding the footprint of the event brand.

Furthermore, the Wellington Racing Club (host of the Wellington Cup Carnival) has a strong track record of engaging the local business community to support the event with promotional materials in their show windows.

From a tourism perspective, the event generated the following benefits:-

Tourism Impact	Measure
Intra-regional visitation (NZ residents from outside Wellington)	2,250 individuals
International visitation	700 individuals
Number of Bed Nights Generated	10,300 nights
Accommodation Sector Spending	$0.9 million

The large racing carnivals and some marquee race meetings clearly present a significant opportunity for tourism generation. The majority of tourists who attended the 2009 Auckland Cup Week said that the opportunity to have fun, catch up with friends and dress up were their key motivations to visit.

The New Zealand Racing Industry has been able to grow its tourism component over the last five years, primarily through the development of its racing canivals.

Racing's Customers

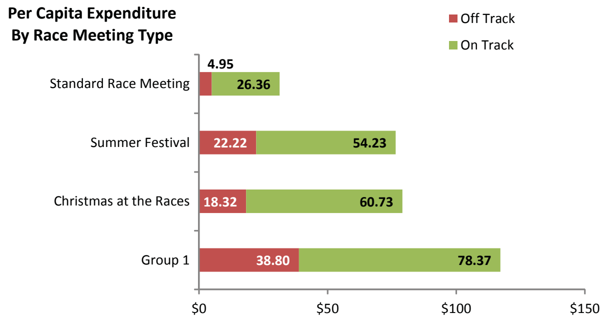
The expenditure power generated by the racing industry, amongst its customers, is driven by a number of key factors:-

- Racing, unlike most other events, has a strong intrinsic link to fashion - particularly amongst Group 1 and Carnival race meetings.
- Racing attracts participant and attendee visitors from outside the Country. Participants, in particular, represent high yield visitors.
- The corporate entertainment product, within the racing product, is a growing segment. Furthermore, it is a high yield segment. In 2003-04, the corporate entertainment segment of the New Zealand Racing Industry, was worth $3.4 million. Today, this has grown by just under 240% to be worth $11.8 million. Like fashion, the corporate entertainment product has a natural synergy with the racing product.

Whilst Racing Clubs rely heavily on their share of net wagering revenue, the last five years has seen a growing focus on developing organic revenues through product and event development on-course.

Customer expenditure can be broadly segmented into on-course expenditure and off-course expenditure. Off-course expenditure is primarily related to Group 1 and Carnival race meetings where the racing product extends out into the community both prior to and after the racing event.

The following chart illustrates the per capita expenditure generated by customers across the different racing products:-

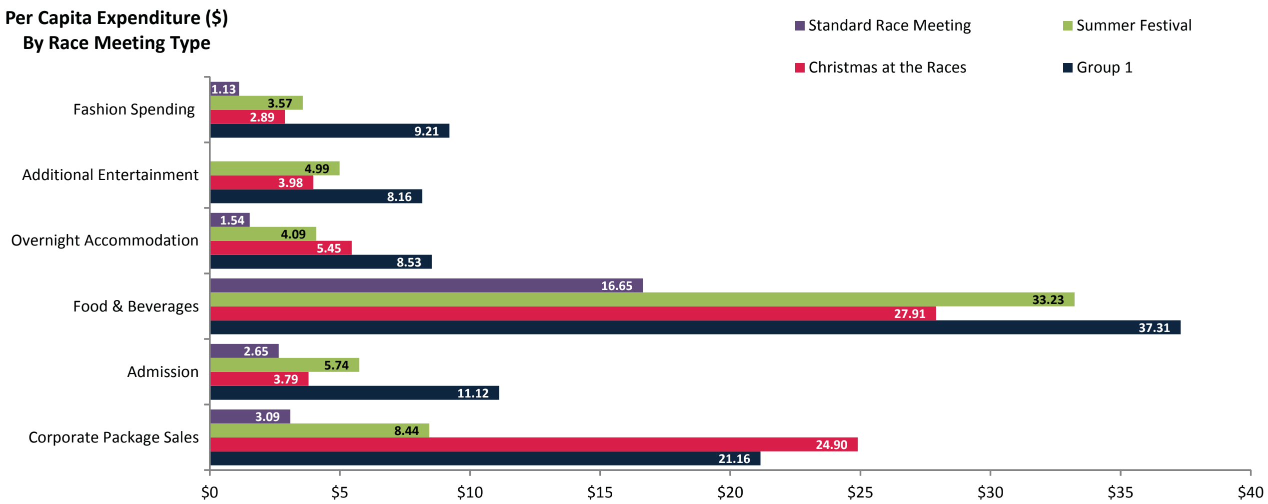


The Group 1 and Carnival race meetings generate in excess of 370% more expenditure than a standard race meeting, whilst the two umbrella brands generate approximately 240% more than a standard race meeting. The following chart illustrates the key differences in expenditure between the different race meeting types. Group 1 and Carnival race meetings motivate significant expenditure on fashion and additional entertainment pre and/or post attendance at the races.

The umbrella brands have managed to increase the consumption of corporate and package admission, particularly through the Christmas at the Races brand which generates significantly more expenditure on this product than a standard race meeting.

Furthermore, it is worth noting that the average Group 1 race meeting generates $38 per person in spending outside the racetrack compared to $5 per person amongst those attending a standard race meeting.

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 dealt with in the section relating to wagering.



Research conducted over the last five years at race meetings across New Zealand reveals that the annual expendture generated by racegoers is in excess of $71.6 million (excluding wagering on the races). This represents an increase of just over 100% (in real terms) on the figures revealed in the 2003-04 study.

Racegoers in the Auckland region generate the highest level of expenditure ($16.92 mil), followed by Canterbury ($16.74 mil) and the Waikato ($7.41 mil).

Across the board, for every $1 of expenditure made by an attendee at the races, a further $0.39 cents is spent in the community on items such as retail, transport and entertainment. This illustrates the flow on impacts generated in local economies as a result of conducting racing events. This is particularly the case with Group 1 and Carnival race meetings, as the table below illustrates:-

Per Person Spend Region	Total On-track Expenditure	Total Off-track Expenditure	Flow Through
Group 1 / Carnival	$78.37	$38.80	$0.50 cts
Christmas at the Races	$60.73	$18.32	$0.30 cts
Summer Festival	$54.23	$22.22	$0.41 cts
Standard Race Meeting	$26.36	$4.95	$0.19 cts

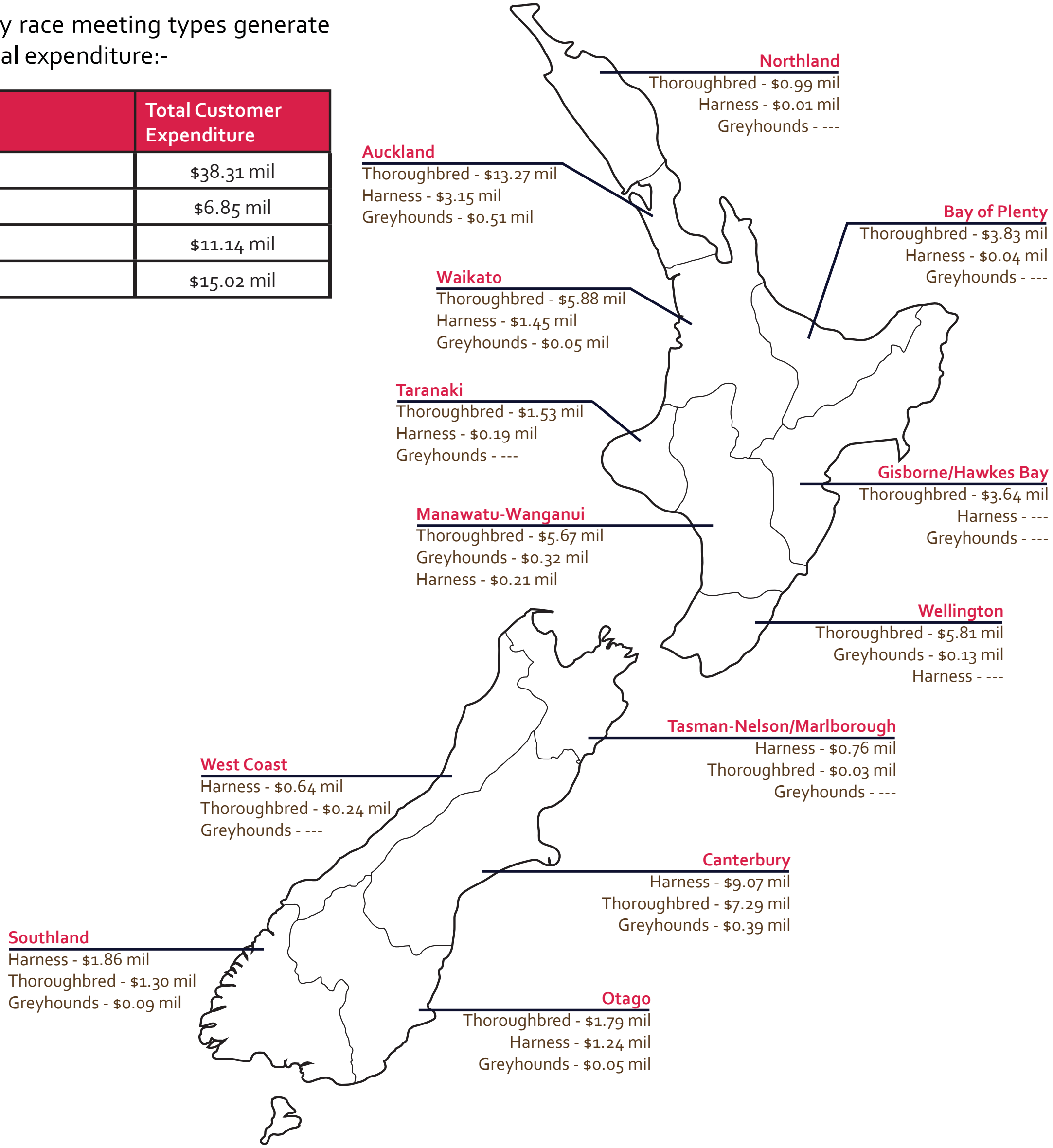
For every dollar spent on-track by attendees at Carnival and Group 1 races, a further $0.50 cents is spent in the community. This is driven largely by the fashion component of the racing celebration.

Christmas at the Races and Summer Festival events, whilst to a lesser extent, also generate considerable flow on impacts to the community. In the case of Summer Festival, the 'racing tourist' is an important and valuable commodity in the racing sector. These people travel outside of thier immediate home towns whilst attending the races. This leads, in some cases, to accommodation and tourism spending being generated. Transport costs are also significant for these people.

In aggregate, the four key race meeting types generate the following levels of total expenditure:-

Region	Total Customer Expenditure
Group 1 / Carnival	$38.31 mil
Christmas at the Races	$6.85 mil
Summer Festival	$11.14 mil
Standard Race Meeting	$15.02 mil

Total Racing Customer Expenditure - ($71.6 million)



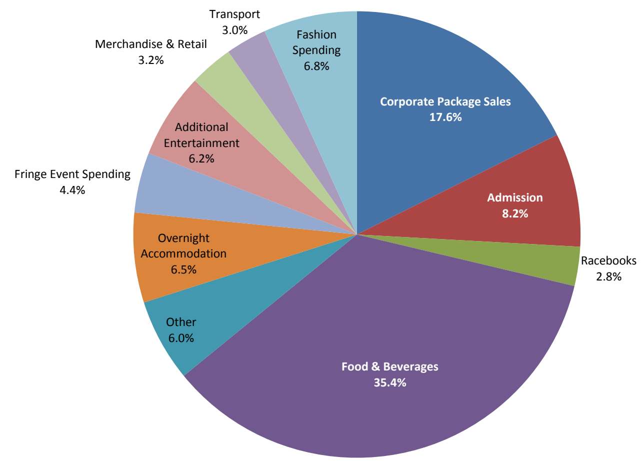
Racing's Customers

Thoroughbred Racing's Customers

Attendees at thoroughbred race meetings throughout New Zealand generated more than $51.2 million during the 2008-09 racing season. In real terms, this represented growth of 61% compared to the 2003-04 racing season. More than 25% of this expenditure occurs in the Auckland region, with a further 14% generated in the Canterbury region. The Waikato (11.5%), Wellington (11.3%) and Manawatu-Wanganui (11.1%) regions are the next largest.

The largest expenditure item reported by thoroughbred racing customers is food & beverages (35.4%) followed by corporate packages (17.6%) and admission (8.2%).

Breakdown of Customer Spending
Thoroughbred Racing



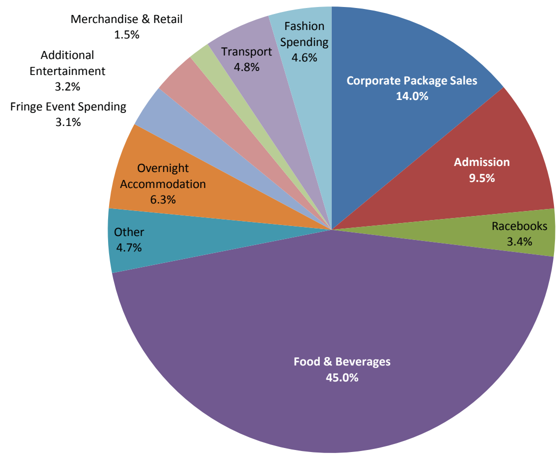
	Corporate Package Sales	Admission	Racebooks	Food & Beverages	Other	Total On-Track Spending	Overnight	Fringe Event Spending	Additional Entertainment	Merchandise & Retail	Transport	Fashion Spending	Total Off-Track Spending	Total
Northland	$0.08 m	$0.04 m	$0.05 m	$0.52 m	$0.10 m	$0.79 m	$0.04 m	$0.04 m	$0.03 m	$0.02 m	$0.04 m	$0.03 m	$0.20 m	$0.99 m
Auckland	$2.24 m	$1.50 m	$0.24 m	$3.94 m	$0.54 m	$8.46 m	$1.15 m	$0.56 m	$0.91 m	$0.40 m	$0.37 m	$1.42 m	$4.81 m	$13.27 m
Waikato	$1.22 m	$0.38 m	$0.14 m	$2.10 m	$0.30 m	$4.15 m	$0.33 m	$0.29 m	$0.43 m	$0.22 m	$0.21 m	$0.25 m	$1.73 m	$5.88 m
Bay of Plenty	$0.72 m	$0.23 m	$0.13 m	$1.40 m	$0.26 m	$2.75 m	$0.21 m	$0.20 m	$0.24 m	$0.16 m	$0.13 m	$0.15 m	$1.08 m	$3.83 m
Gisborne/Hawkes Bay	$0.70 m	$0.26 m	$0.11 m	$1.18 m	$0.21 m	$2.46 m	$0.24 m	$0.20 m	$0.23 m	$0.13 m	$0.11 m	$0.26 m	$1.17 m	$3.64 m
Taranaki	$0.28 m	$0.10 m	$0.06 m	$0.63 m	$0.10 m	$1.17 m	$0.06 m	$0.06 m	$0.07 m	$0.05 m	$0.06 m	$0.06 m	$0.35 m	$1.53 m
Manawatu-Wanganui	$0.99 m	$0.45 m	$0.18 m	$2.32 m	$0.43 m	$4.36 m	$0.26 m	$0.22 m	$0.31 m	$0.18 m	$0.15 m	$0.18 m	$1.31 m	$5.67 m
Wellington	$0.98 m	$0.42 m	$0.15 m	$2.08 m	$0.37 m	$4.00 m	$0.45 m	$0.29 m	$0.36 m	$0.18 m	$0.13 m	$0.40 m	$1.80 m	$5.81 m
North Island	$7.21 m	$3.39 m	$1.06 m	$14.18 m	$2.31 m	$28.15 m	$2.74 m	$1.85 m	$2.59 m	$1.33 m	$1.21 m	$2.75 m	$12.46 m	$40.61 m
Tasman-Nelson/Marlborough	< 0.01 mil	< 0.01 mil	< 0.01 mil	$0.02 m	< 0.01 mil	$0.03 m	< 0.01 mil	< 0.01 mil	< 0.01 mil	< 0.01 mil	< 0.01 mil	< 0.01 mil	$0.01 m	$0.03 m
West Coast	$0.02 m	$0.02 m	$0.02 m	$0.13 m	$0.02 m	$0.21 m	< 0.01 mil	< 0.01 mil	$0.01 m	$0.00 m	$0.01 m	$0.01 m	$0.03 m	$0.24 m
Canterbury	$1.19 m	$0.60 m	$0.25 m	$2.47 m	$0.48 m	$4.99 m	$0.49 m	$0.29 m	$0.45 m	$0.21 m	$0.24 m	$0.62 m	$2.30 m	$7.29 m
Otago	$0.33 m	$0.14 m	$0.08 m	$0.77 m	$0.18 m	$1.50 m	$0.05 m	$0.05 m	$0.06 m	$0.05 m	$0.04 m	$0.05 m	$0.29 m	$1.79 m
Southland	$0.29 m	$0.08 m	$0.04 m	$0.56 m	$0.08 m	$1.05 m	$0.05 m	$0.05 m	$0.05 m	$0.03 m	$0.03 m	$0.04 m	$0.24 m	$1.30 m
South Island	$1.83 m	$0.84 m	$0.39 m	$3.95 m	$0.76 m	$7.77 m	$0.60 m	$0.39 m	$0.57 m	$0.29 m	$0.31 m	$0.72 m	$2.88 m	$10.65 m
Total	$9.04 m	$4.22 m	$1.45 m	$18.14 m	$3.07 m	$35.92 m	$3.33 m	$2.24 m	$3.15 m	$1.62 m	$1.52 m	$3.47 m	$15.34 m	$51.26 m

Harness Racing's Customers

Attendees at harness race meetings throughout New Zealand generated more than $18.6 million during the 2008-09 racing season. In real terms, this represented growth of 15% compared to the 2003-04 racing season. More than 48% of this expenditure occurs in the Canterbury region, with a further 16% generated in the Auckland region. The Southland (10.1%) and Waikato (7.9%) regions are the next largest.

The largest expenditure item reported by harness racing customers is food & beverages (45.0%) followed by overnight corporate package sales (14.0%) and admission (9.5%). The development of some of the larger events (i.e. NZ Trotting Cup and the Harness Jewels) have been the primary driver of the significant level of off-track spending.

Breakdown of Customer Spending
Harness Racing



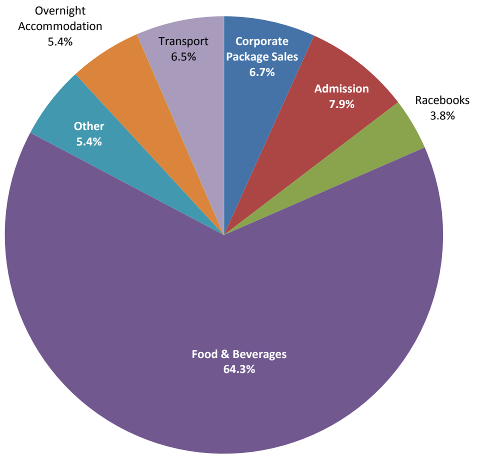
	Corporate Package Sales	Admission	Racebooks	Food & Beverages	Other	Total On-Track Spending	Overnight	Fringe Event Spending	Additional Entertainment	Merchandise & Retail	Transport	Fashion Spending	Total Off-Track Spending	Total
Northland	< 0.01 mil	< 0.01 mil	< 0.01 mil	< 0.01 mil	< 0.01 mil	$0.01 m	< 0.01 mil	< 0.01 mil	< 0.01 mil	< 0.01 mil	< 0.01 mil	< 0.01 mil	$0.00 m	$0.01 m
Auckland	$0.52 m	$0.30 m	$0.12 m	$1.40 m	$0.20 m	$2.54 m	$0.19 m	$0.14 m	$0.02 m	$0.02 m	$0.10 m	$0.13 m	$0.60 m	$3.15 m
Waikato	$0.24 m	$0.14 m	$0.05 m	$0.68 m	$0.06 m	$1.17 m	$0.08 m	$0.04 m	$0.03 m	$0.02 m	$0.07 m	$0.07 m	$0.31 m	$1.48 m
Bay of Plenty	< 0.01 mil	< 0.01 mil	< 0.01 mil	$0.02 m	< 0.01 mil	$0.03 m	< 0.01 mil	< 0.01 mil	< 0.01 mil	< 0.01 mil	< 0.01 mil	< 0.01 mil	$0.01 m	$0.04 m
Gisborne/Hawkes Bay														
Taranaki	$0.03 m	$0.02 m	$0.01 m	$0.10 m	$0.01 m	$0.17 m	$0.01 m	$0.01 m	$0.00 m	$0.00 m	< 0.01 mil	< 0.01 mil	$0.02 m	$0.19 m
Manawatu-Wanganui	$0.02 m	$0.02 m	$0.01 m	$0.11 m	$0.01 m	$0.17 m	$0.01 m	$0.01 m	< 0.01 mil	< 0.01 mil	$0.01 m	$0.01 m	$0.03 m	$0.21 m
Wellington														
North Island	$0.82 m	$0.48 m	$0.19 m	$2.31 m	$0.29 m	$4.10 m	$0.29 m	$0.20 m	$0.06 m	$0.04 m	$0.18 m	$0.21 m	$0.97 m	$5.06 m
Tasman-Nelson/Marlborough	$0.04 m	$0.09 m	$0.03 m	$0.37 m	$0.02 m	$0.55 m	$0.04 m	$0.03 m	$0.02 m	$0.03 m	$0.04 m	$0.04 m	$0.20 m	$0.76 m
West Coast	$0.05 m	$0.06 m	$0.02 m	$0.32 m	$0.03 m	$0.48 m	$0.03 m	$0.03 m	$0.02 m	$0.01 m	$0.04 m	$0.03 m	$0.16 m	$0.64 m
Canterbury	$1.38 m	$0.81 m	$0.30 m	$3.88 m	$0.38 m	$6.76 m	$0.66 m	$0.22 m	$0.40 m	$0.17 m	$0.44 m	$0.42 m	$2.31 m	$9.07 m
Otago	$0.10 m	$0.13 m	$0.06 m	$0.55 m	$0.09 m	$0.94 m	$0.07 m	$0.03 m	$0.04 m	$0.02 m	$0.08 m	$0.07 m	$0.30 m	$1.24 m
Southland	$0.20 m	$0.20 m	$0.05 m	$0.94 m	$0.05 m	$1.43 m	$0.09 m	$0.06 m	$0.05 m	$0.02 m	$0.12 m	$0.09 m	$0.43 m	$1.86 m
South Island	$1.78 m	$1.29 m	$0.45 m	$6.07 m	$0.58 m	$10.16 m	$0.89 m	$0.38 m	$0.53 m	$0.25 m	$0.72 m	$0.64 m	$3.40 m	$13.57 m
Total	$2.60 m	$1.77 m	$0.64 m	$8.38 m	$0.87 m	$14.26 m	$1.18 m	$0.58 m	$0.59 m	$0.29 m	$0.89 m	$0.85 m	$4.37 m	$18.63 m

Greyhound Racing's Customers

Attendees at greyhound race meetings throughout New Zealand generated more than $1.5 million during the 2008-09 racing season. In real terms, this represented growth of 46% compared to the 2003-04 racing season. More than 37% of this expenditure occurs in the Auckland region, with a further 28% generated in the Canterbury region and 24% in the Manawatu-Wanganui region.

The largest expenditure item reported by greyhound customers is food & beverages (64.3%) followed by admission (7.9%) and transport (6.7%).

Breakdown of Customer Spending
Greyhound Racing



	Corporate Package Sales	Admission	Racebooks	Food & Beverages	Other	Total On-Track Spending	Overnight	Fringe Event Spending	Additional Entertainment	Merchandise & Retail	Transport	Fashion Spending	Total Off-Track Spending	Total
Northland														
Auckland	$0.05 m	$0.06 m	$0.03 m	$0.35 m	$0.02 m	$0.50 m	$0.03 m				$0.04 m		$0.06 m	$0.57 m
Waikato	$0.01 m	$0.01 m	$0.00 m	$0.03 m	$0.00 m	$0.05 m	$0.00 m				$0.00 m		$0.00 m	$0.05 m
Bay of Plenty														
Gisborne/Hawkes Bay														
Taranaki														
Manawatu-Wanganui	$0.00 m	$0.02 m	$0.01 m	$0.27 m	$0.02 m	$0.32 m	$0.03 m				$0.03 m		$0.06 m	$0.38 m
Wellington														
North Island	$0.06 m	$0.09 m	$0.04 m	$0.64 m	$0.05 m	$0.87 m	$0.06 m				$0.07 m		$0.13 m	$1.00 m
Tasman-Nelson/Marlborough														
West Coast														
Canterbury	$0.04 m	$0.02 m	$0.01 m	$0.28 m	$0.03 m	$0.39 m	$0.02 m				$0.03 m		$0.04 m	$0.43 m
Otago	$0.00 m	$0.00 m	$0.02 m	$0.02 m	$0.00 m	$0.04 m	$0.00 m				$0.00 m		$0.00 m	$0.04 m
Southland	$0.00 m	$0.00 m	$0.00 m	$0.03 m	$0.00 m	$0.04 m	$0.00 m				$0.00 m		$0.01 m	$0.04 m
South Island	$0.05 m	$0.03 m	$0.02 m	$0.33 m	$0.03 m	$0.46 m	$0.02 m				$0.03 m		$0.05 m	$0.51 m
Total	$0.10 m	$0.12 m	$0.06 m	$0.97 m	$0.08 m	$1.33 m	$0.08 m	$0.00 m	$0.00 m	$0.00 m	$0.10 m	$0.00 m	$0.18 m	$1.51 m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XXXX

Wagering

On-Course Totalisator Wagering in New Zealand

	Thoroughbred	Harness	Greyhound	Total
Northland	1,243,660	172,377		1,416,037
Auckland	11,581,433	7,172,254	1,224,680	19,978,367
Waikato	6,055,515	1,638,477	100,232	7,794,224
Bay of Plenty	3,056,084			3,056,084
Gisborne/Hawkes Bay	3,788,396			3,788,396
Taranaki	2,377,458	334,801	8,891	2,721,150
Manawatu-Wanganui	3,904,903	479,835	870,527	5,255,265
Wellington	5,646,457	101,336	200,461	5,948,254
North Island	**37,653,906**	**9,899,080**	**2,404,791**	**49,957,777**
Tasman-Nelson/Marlborough	154,710	1,045,934		1,200,644
West Coast	669,552	767,049		1,436,601
Canterbury	4,935,035	10,642,664	1,292,573	16,870,272
Otago	1,882,516	1,338,740	51,394	3,272,650
Southland	1,310,121	2,358,907	80,905	3,749,933
South Island	**8,951,934**	**16,153,294**	**1,424,872**	**26,530,100**
Overseas				
TOTAL	**46,605,840**	**26,052,374**	**3,829,663**	**76,487,877**

Off-Course Totalisator Wagering in New Zealand

	Thoroughbred	Harness	Greyhound	Total
Northland	11,345,801	889,198		12,234,999
Auckland	78,607,107	45,693,482	20,506,366	144,806,955
Waikato	69,672,594	22,761,284	13,479,739	105,913,617
Bay of Plenty	28,240,368			28,240,368
Gisborne/Hawkes Bay	29,482,051			29,482,051
Taranaki	25,794,347	3,867,053	322,581	29,983,981
Manawatu-Wanganui	47,964,053	10,178,163	37,906,294	96,048,510
Wellington	42,488,487	1,497,868	2,325,850	46,312,205
North Island	**333,594,808**	**84,887,048**	**74,540,830**	**493,022,686**
Tasman-Nelson/Marlborough	2,009,609	7,947,179		9,956,788
West Coast	3,862,667	6,262,070		10,124,737
Canterbury	45,830,994	90,447,474	30,292,593	166,571,061
Otago	19,464,331	26,066,704	5,747,132	51,278,167
Southland	14,840,249	31,777,337	6,967,243	53,584,829
South Island	**86,007,850**	**162,500,764**	**43,006,968**	**291,515,582**
Overseas	378,980,140	82,630,077	48,444,052	510,054,269
TOTAL	**798,582,798**	**330,017,889**	**165,991,850**	**1,294,592,537**

Net Wagering in New Zealand

	Thoroughbred	Harness	Greyhound	Total
Northland	2,287,998	194,239		2,482,236
Auckland	16,390,788	9,672,950	4,236,417	30,300,154
Waikato	13,762,762	4,464,473	2,647,384	20,874,619
Bay of Plenty	5,687,790			5,687,790
Gisborne/Hawkes Bay	6,046,543			6,046,543
Taranaki	5,119,920	768,822	64,620	5,953,361
Manawatu-Wanganui	9,426,620	1,950,115	7,559,451	18,936,186
Wellington	8,748,003	292,610	492,498	9,533,111
North Island	67,470,423	17,343,208	15,000,370	99,814,001
Tasman-Nelson/Marlborough	393,341	1,645,488		2,038,829
West Coast	823,682	1,286,132		2,109,814
Canterbury	9,226,175	18,496,665	6,157,455	33,880,294
Otago	3,879,558	5,014,429	1,130,409	10,024,396
Southland	2,935,154	6,245,977	1,374,020	10,555,151
South Island	17,257,910	32,688,691	8,661,884	58,608,484
Overseas (1)	68,875,526	15,118,991	9,444,055	93,438,572
Other (2)				17,389,373
TOTAL	**153,603,859**	**65,150,889**	**33,106,309**	**269,250,430** (3)

Net Wagering Revenue relates to total betting turnover less net dividends (payouts to punters for successful bets). On average, it equates to 17.79% of wagering turnover in 2008/09. Government wagering taxes and racing industry distributions are paid out of the net wagering revenue.

Note:

(1) Turnover on overseas racing which is broadcast in New Zealand and offered as a betting product to New Zealand residents.
(2) Includes turnover of a non-club specific nature. (i.e. Pick 6)
(3) Total will not equal the sum of all codes, as some of this revenue cannot be split into region or code and therefore can only be recorded on a national basis.
(4) Offcourse turnover is not an indication of regional spend. Rather, it is an indication of national spend on meetings hosted in a particular region.

In 2008/09, customers bet more than $1,513 million with the TAB operated by the New Zealand Racing Board. Nearly $1,371 million is bet on and off course, with the remainder wagered on sport. The following table illustrates the spread of wagering activity across the nation.

Region	Total of all Wagering	% of Total Wagering
Northland	$13,651,036	0.9%
Auckland	$164,785,322	10.9%
Waikato	$113,707,841	7.5%
Bay of Plenty	$31,296,452	2.1%
Gisborne/Hawkes Bay	$33,270,447	2.2%
Taranaki	$32,705,131	2.2%
Manawatu-Wanganui	$101,303,775	6.7%
Wellington	$52,260,459	3.5%
Tasman-Nelson/Marlborough	$11,157,432	0.7%
West Coast	$11,561,338	0.8%
Canterbury	$183,441,333	12.1%
Otago	$54,550,817	3.6%
Southland	$57,334,762	3.8%
Overseas	$510,054,270	33.7%
Other	$142,378,598	9.4%
Total	**$1,513,459,013**	

The Canterbury (12.1%) and Auckland (10.9%) regions contribute the largest amount of wagering turnover within New Zealand. This has been consistent over the last five years. The most significant growth in the wagering market has been on overseas content. In 2004/05, wagering in New Zealand on overseas racing content was just over 27% of all wagering turnover. In 2008/09, this had risen to 33.7%. In part, this significant growth is the outcome of the co-mingled pooling arrangements that have been created between New Zealand and Australia.

The North Island contributes just under 36% of all wagering turnover, with the South Island contributing a further 21%.

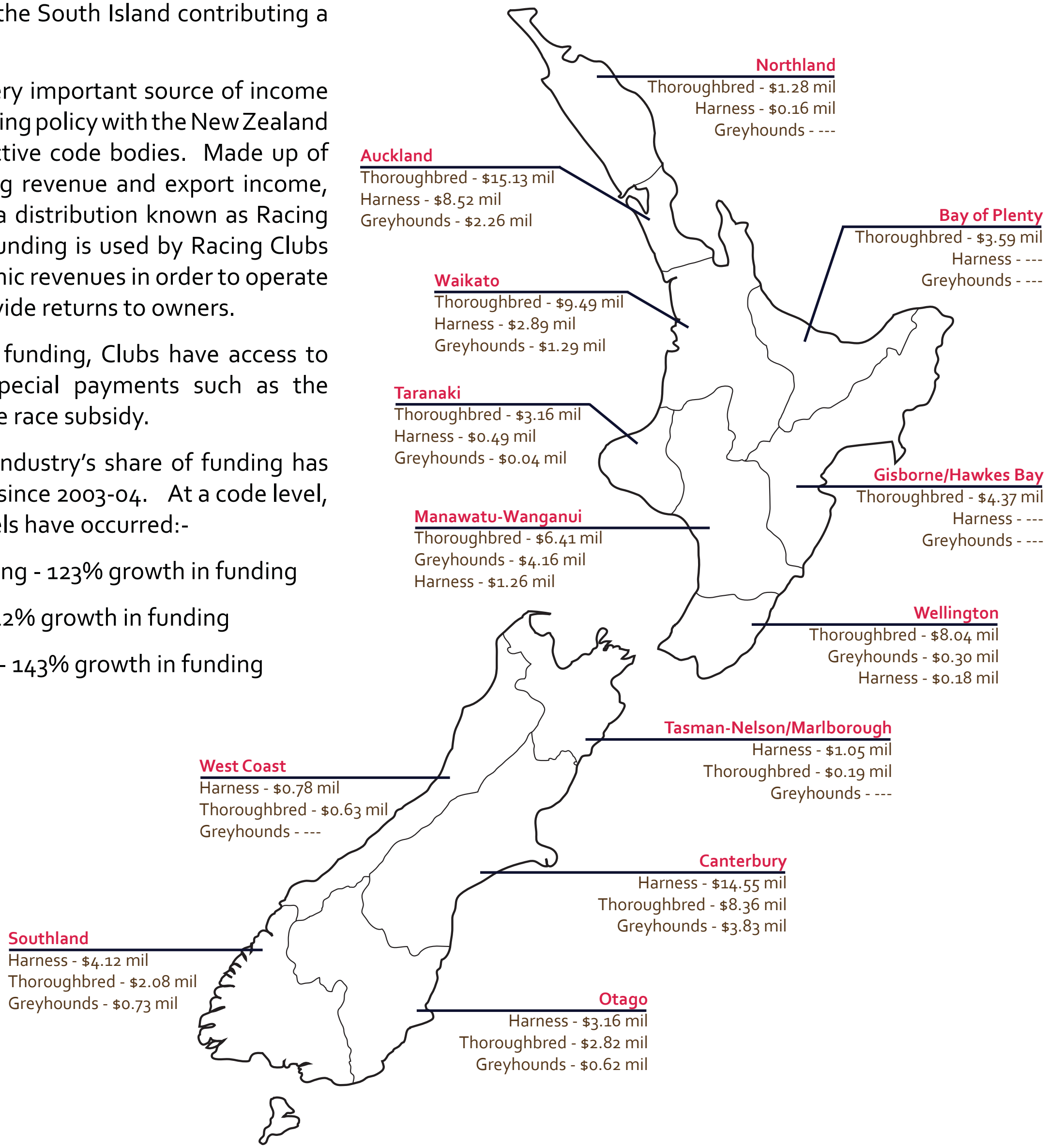
Racing Clubs receive a very important source of income through the industry funding policy with the New Zealand Racing Board and respective code bodies. Made up of a portion of net wagering revenue and export income, the racing clubs receive a distribution known as Racing Industry Funding. This funding is used by Racing Clubs to supplement their organic revenues in order to operate their business and to provide returns to owners.

In addition to the direct funding, Clubs have access to various subsidies and special payments such as the Group, Listed and Feature race subsidy.

The value of the racing industry's share of funding has risen by more than 125% since 2003-04. At a code level, the following growth levels have occurred:-

- Thoroughbred Racing - 123% growth in funding
- Harness Racing - 112% growth in funding
- Greyhound Racing - 143% growth in funding

Total Racing Industry Funding - ($137.5 million)



Community & Social Benefits

Introduction

The New Zealand Racing Industry plays an important role in the environmental and social dimensions of the sport through its community activities, products and services. This contribution to community social benefit enhances both individual and community wellbeing throughout New Zealand.

The economic activity generated by the New Zealand Racing Industry compliments the social and environmental impacts in terms of demonstrating the sports commitment and performance against the triple bottom line. This is highlighted within the racing industry throughout New Zealand where racing is a profession, a sport, leisure activity, hobby and volunteer activity.

The development of the triple bottom line is critically important in providing opportunities for families and supporting 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 protects and enhances racing's image and reputation. This in turn provides the industry with a greater opportunity to foster the support of customers, corporates and government as well as building pride and increased satisfaction with internal stakeholders.

The sport also demonstrates a rich cultural significance and heritage throughout New Zealand. The historical elements of the racetracks throughout the country are an important part of the fabric of many local communities. These racecourses and Clubs are the focal point for the achievements of some of New Zealand's great sportsmen, racing identities and horses.

The industry Size and Scope Study included a social impact survey which was completed by over 80% of New Zealand's Racing Clubs and group administration centres. The information gathered from this survey provided valuable insights in determining the extent of the social and environmental benefits generated by racing in New Zealand.

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 which develops stronger family relationships
- Education and training – supporting the education, training and development of participants and race club staff and volunteers
- Health – commitment to policies that support priority community health objectives
- Leisure – providing enjoyable leisure opportunities for hobby owners, trainers and breeders, race day customers and other race club event attendees
- Employment – creating a major source of employment and a variety of career opportunities for the New Zealand community
- Environment – adoption of many environmentally friendly practices that support Government and community expectations relating to the protection of the New Zealand environment

Community Building

The three codes of racing in New Zealand have adopted practices that engage both individuals and organisations within their communities in terms of the support for charitable organisations, engaging volunteerism and building community partnerships.

The survey results highlighted the following positive initiatives highlighted by Clubs: -

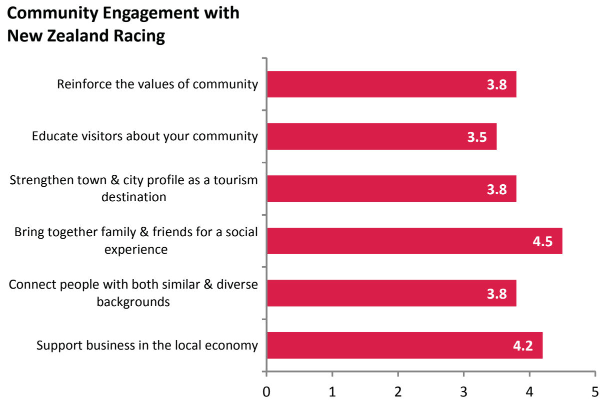
- Over 261 community organisations or charities are assisted financially by Racing clubs
- Over 5,923 corporate suppliers, sponsors and commercial partners engage with Racing Clubs
- Over 417 community organisations share the Racing Club facilities and resources
- Racing clubs currently engage more than 3272 volunteers who participate in the Club
- 29,400 Racing Club Members, 11,398 Guest Members and over 1,400 Life Memberships

Racing plays an important role in fostering a sense of worth and belonging to a large number of racing volunteers in New Zealand, in total over 3270 individuals. These volunteers assume roles in areas such as administration, hospitality, racing operations and preparations for raceday – many of these individuals form part of the Clubs committees.

Committee Volunteers at Motukarara Races operating the car park and gate entry

In addition to the above-mentioned community organisations, IER found that Racing Clubs financially assist over 250 community organisations and charities. Club organised functions raise significant funds for community organisations and charities through activities such as raffles and auctions. Furthermore, many regional clubs engage local community organisations and charities to undertake such activities as supplying food and beverages, operational duties (gate attendants), racecourse cleanliness etc. Some of the charitable organisations identified by Clubs include:

- St. Johns Ambulance
- Lions and Rotary Clubs
- Riding for the Disabled
- NZ Blind Foundation
- Make a Wish Foundation
- Red Cross
- Heart Foundations
- Westpac Helicopter
- RSA's
- Cancer Societies
- Ronald McDonald House
- Cystic Fibrosis
- Kidney Kids
- Alzheimer's Associations
- Hospices
- Locals Schools
- Diabetes Youth NZ
- NZ Breast Cancer Foundation
- Sporting Clubs
- Life Education
- Local Hospitals
- NZ Family and Foster Care
- Western Star
- Child Health and Safety



1 = Not at all, 5 = To a great extent

The survey asked Clubs how much they believed racing in their town or city has the ability to impact a number of key metrics in terms of community engagement. All indicators were positive; significantly, it was revealed that Clubs believed to 'bring together family and friends for a social experience' (4.5) and to 'support businesses in the local economy' (4.2) were their greatest strengths.

Supporting Family Relationships

The development of a number of franchise brands with strong 'family' attributes by the New Zealand Racing Board has impacted positively on families becoming increasingly involved in racing. Summer Festival and Christmas at the Races (Children's Theme) have been specifically targeted to attract families to the races to enjoy an entertaining and social day out. Over the past 5 years the number of Summer Festival Meetings has grown from 23 to 41 and attendances have increased by 42% to 144k.

Families enjoying a Summer Festival raceday at Omakau Races

Racing Clubs themselves have increasingly developed activities and facilities that enable families to enjoy a social day at the races. Many clubs actively promote services and amenities for families including parent's room, baby change tables, jumping castles and rides, giveaways and live stage shows etc. These events have the ability to bring families together to build stronger family relationships. The survey indicated positive initiatives undertaken by clubs including: -

- Over 37% of Clubs offer special discounts for family group attendance
- 17% of Clubs offer a junior membership with an average over 80 members per club
- Over 30% of Clubs offer events for families and children on non-racedays (e.g. National Children's Day Out, Cross Country Events, Athletics etc)
- Examples of activities and attractions available include: -
    - Children's "fashions on the field"
    - Face painting
    - Magicians
    - Play grounds
    - Children's entertainers
    - Rock Climbing
    - Summer Festival activities

Three headed t-Shirt Races - Summer Festival race meeting in Tauranga

IER's survey also identified 'building stronger family relationships' as a key motivator to owning and/or training racing horses or greyhounds. Racing a horse or greyhound can bring together both family and friends to enjoy an interest in racing and can create a positive, enjoyable and entertaining social environment.

Providing Leisure Opportunities

With large and restricted use of their facilities, the majority of Racing Clubs have engaged with community organisations to share their facilities and resources. Some of the 417 organisations identified by clubs include: -

- Pony and Equestrian Clubs
- A & P Societies
- Riding for Disabled
- Rotary and Lions Clubs
- Athletic and Running Clubs
- Scouts and Girl Guides
- Darts and Bridge Clubs
- NZ Youth Centre's
- Rugby, Golf and Cricket Clubs
- Primary, Secondary Schools and Colleges
- New Zealand Defense Force
- Fire Brigades and Police
- St. Johns Ambulance
- Churches
- Police Dog Training
- Local Councils
- Markets
- Friendship and Probus Clubs
- Campervan Associations
- Marching Teams
- Walking Clubs
- Boxing and Taekwondo Clubs
- Axeman's Clubs

Education and Training

Racing Clubs and participants directly employ staff on a full-time or part-time basis. Race Club employees are involved in running the club, the conduct of racedays and other activities on non-racedays. As a commitment to delivering an enjoyable experience for racing participants and customers, race clubs have adopted a number of initiatives.

- On average, at any onetime each Club has 1 member of their staff participating in further education, career development and training programs
- Over 73% of Clubs have policies and practices in place to teach and encourage responsible gambling
- 17% of Clubs have partnerships with primary, secondary, trade and tertiary institutions
- A third of Clubs (30%) have placements available for work experience students at their Racing Clubs
- Over the past five years the NZRB has conducted extensive workshops for Club participants to up-skill in areas of event management, catering, packaging and pre-selling and business development.

Participants in the industry have access to the New Zealand Equine Industry Training Organisation, which was established in July 1992 when the government passed the Industry Training Act. This act formally established a framework for industry to take control of the development, implementation and administration of industry training programmes. The Members of the New Zealand Equine Industry Training Organisation include the NZRB, the three code bodies of racing and participant groups. The Industry Training Organisation is responsible for delivering a variety of courses to the thoroughbred, harness and greyhound codes of the New Zealand Racing Industry. These services include National Certificates in courses such as farriery, stablehands, breeding, racecourse maintenance etc.

The racing industry has the ability to offer modestly skilled and underprivileged residents the opportunity to involve themselves in meaningful pursuits. Many stables, kennels and breeding farms are supported by many volunteers and employees on the minimum wage – their input not only provides valuable support to the trainers and breeders in New Zealand, but also helps to keep these people occupied.

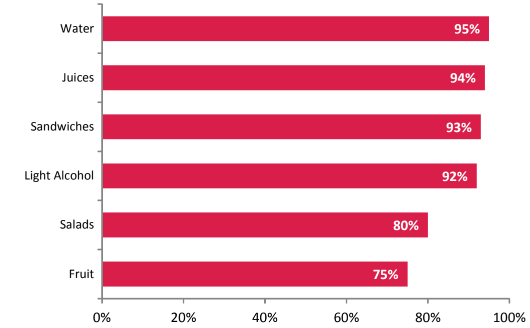
Promoting Healthy Race Club Environments

Customers are seeking healthier food and beverage options when enjoying a day or night at the races, a trend that is prevalent at most sporting events. IER found that New Zealand Race Clubs are committed to providing a healthy environment for their employees and customers.

Examples of practices revealed by Racing Clubs include:

- Over 96% of Race Clubs provide healthy choice options for both racing participants and customers
- 100% of Race Clubs have OH&S policies and practices in place to reduce health risks to participants, volunteers, staff and customers
- Over 97% of Clubs have policies and practices in place to encourage responsible consumption of alcohol
- 50% of Clubs have policies and practices in place to reduce the consumption of tobacco. Only 17% of Clubs sell cigarettes on-course.
- Over 54% Clubs have policies and practices in place to reduce the risk of cancer – examples include access to shaded areas (98%), provision of sunscreen (54%) etc
- Over 28% of Clubs have partnerships with health bodies and associations.
- Over 96% of Clubs have trained on-site medical staff available to assist participants, volunteers, staff and customers if required
- A quarter of Clubs restrict alcohol from being brought onto the racecourse by patrons and a further 19% restrict the BYO of alcohol at major race meetings

Top six healthy food choices provided by Clubs



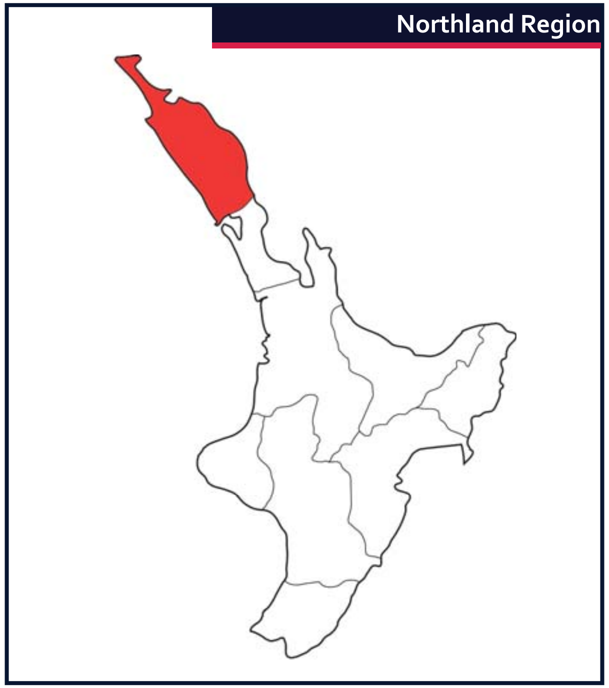
Healthy Food Options at A Christmas at The Races event in Invercargill

Race Clubs manage major facilities and events involving large numbers of customers. Community and Government expectations on race Clubs relating to environmentally friendly practices and policies, have led to the adoption of a number of important initiatives that have a positive impact on the New Zealand environment.

Race Clubs are actively implementing policies and practices in key areas that impact on the environment. These include:

- A number of Clubs have policies in place to save water and re-use or re-circulate water, in areas where water is not plentiful
- A number of Clubs have policies in place to save power through the introduction of solar energy and the development of energy efficient buildings. Some Clubs stated they have solar powered horse safety gates and others having solar powered paddock water and fences
- One in eight Clubs (12.5%) have policies and programs to develop native flora and fauna. Examples include developing the centre of the racecourse into a wildlife reserve, developing beatification programs at racecourses, including planting native trees and plants throughout the racecourse
- Over 40% of Clubs have programs in place to reduce or re-use resources and recycling of waste such as glass bottles, aluminum cans and food scraps

Regional Summary - Northland Region



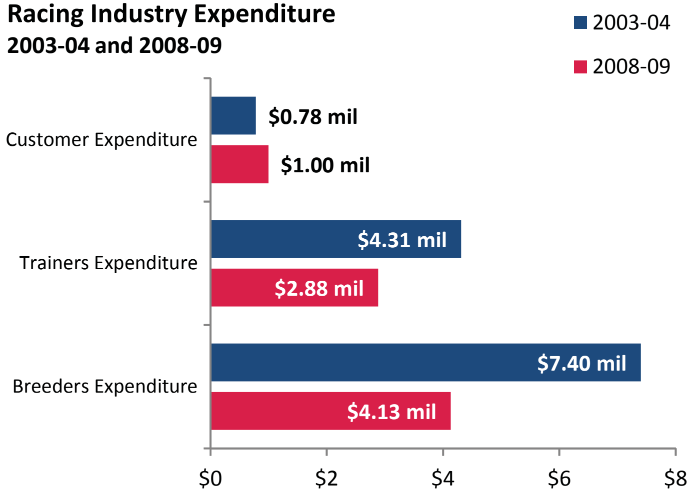
Key Measure	Thoroughbred	Harness	Greyhound	Total
Participation				
Number of Racing Clubs	2	1		3
Number of Race Meetings	10	1		11
Number of Breeders	103	24		127
Number of Trainers	25	7		32
Number of Owners	379	53	5	437
Number of Customers	20,620	269	0	20,889
Total Participants in Racing	695	102	5	802
Expenditure Impacts				
Breeders Expenditure	$3.95 mil	$0.18 mil		$4.13 mil
Trainers Expenditure	$2.81 mil	$0.07 mil		$2.88 mil
Customer Expenditure	$0.99 mil	$0.01 mil		$1.00 mil
Total Direct Spending	$10.08 mil	$0.46 mil		$10.54 mil
Economic Impacts				
Value Added Contribution to GDP	$12.08 mil	$0.60 mil		$12.68 mil
FTE Employment Sustained	123	6		129
Wages & Salaries Generated	$5.66 mil	$0.27 mil		$5.93 mil
% Value Added by Code	95.3%	4.7%		

The racing industry in the Northland region is responsible for the generation of more than $12.68 million in value added contribution to GDP. In real terms, this equates to a 33.2% decrease when compared to the 2003-04 report.

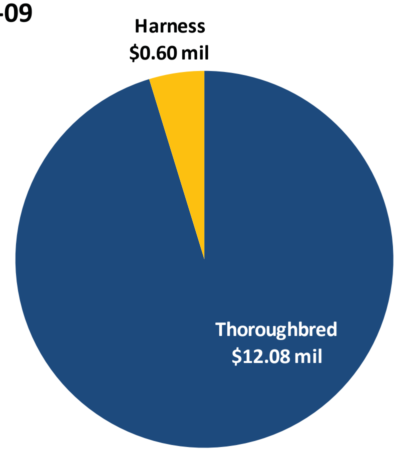
The activities of the racing industry in the Northland region are supported by more than 802 full time, part time, casual and volunteer participants. This equates to more than 129 full time equivalent jobs, generating more than $5.93 million in wages and salaries for these employees.

Customers spend more than $1.00 million as a result of attending race meetings in the Northland region, providing significant positive impacts for the local economy.

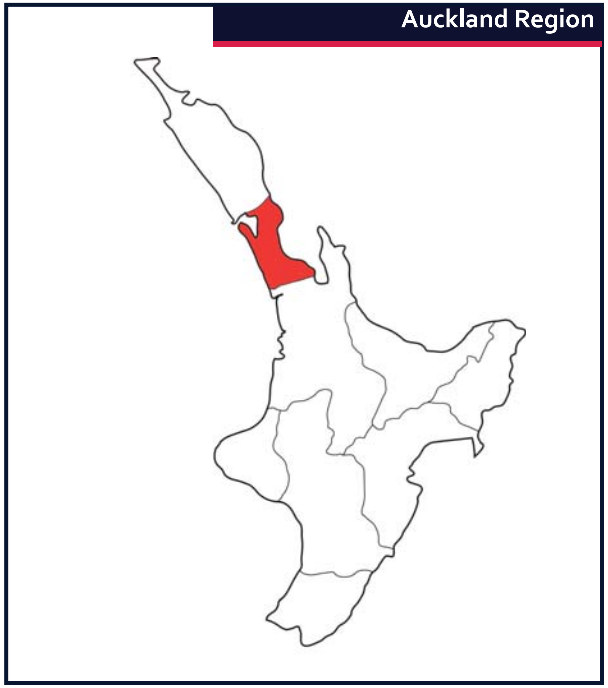
Racing Industry Expenditure 2003-04 and 2008-09



Value Added by Racing Code 2008-09



Regional Summary - Auckland Region



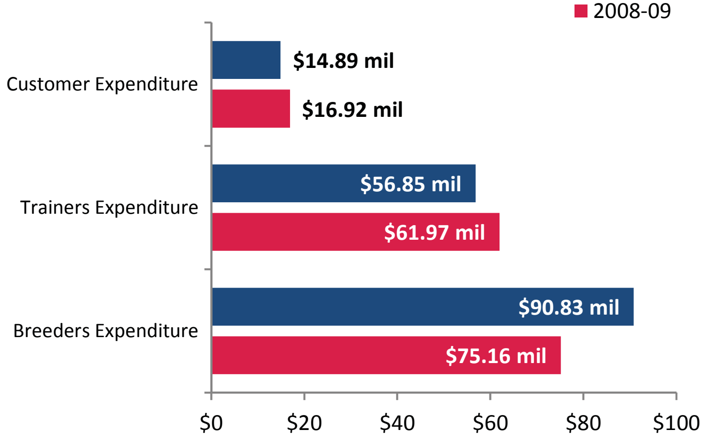
Key Measure	Thoroughbred	Harness	Greyhound	Total
Participation				
Number of Racing Clubs	4	4	1	9
Number of Race Meetings	51	45	64	160
Number of Breeders	921	599	10	1,530
Number of Trainers	169	145	48	362
Number of Owners	3,001	1,998	269	5,268
Number of Customers	126,667	65,350	15,842	207,859
Total Participants	4,832	3,144	389	8,364
Expenditure Impacts				
Breeders Expenditure	$60.47 mil	$14.18 mil	$0.51 mil	$75.16 mil
Trainers Expenditure	$43.41 mil	$17.08 mil	$1.48 mil	$61.97 mil
Customer Expenditure	$13.27 mil	$3.15 mil	$0.51 mil	$16.92 mil
Total Direct Spending	**$139.89 mil**	**$44.58 mil**	**$6.80 mil**	**$188.27 mil**
Economic Impacts				
Value Added Contribution to GDP	$325.12 mil	$76.82 mil	$12.50 mil	$414.44 mil
FTE Employment Sustained	3,402	789	123	4,314
Wages & Salaries Generated	$154.97 mil	$36.30 mil	$5.83 mil	$197.10 mil
% Value Added by Code	**78.4%**	**18.5%**	**3.0%**	

The racing industry in the Auckland region is responsible for the generation of more than $414.44 million in value added contribution to GDP. In real terms, this equates to a 9.8% decrease when compared to the 2003-04 report.

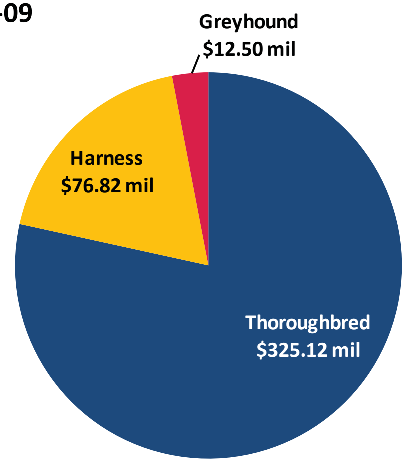
The activities of the racing industry in the region are supported by more than 8,364 full time, part time, casual and volunteer participants. This equates to more than 4,314 full time equivalent jobs, generating more than $197.10 million in wages and salaries for these employees.

Customers spend more than $16.92 million as a result of attending race meetings in the region, providing significant positive impacts for the local economy.

Racing Industry Expenditure
2003-04 and 2008-09



Value Added by Racing Code
2008-09



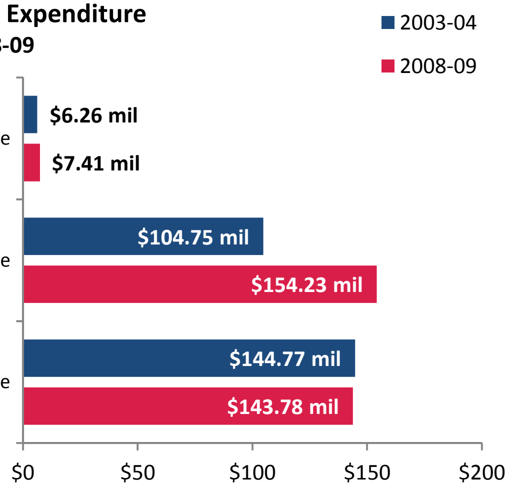
Key Measure	Thoroughbred	Harness	Greyhound	Total
Participation				
Number of Racing Clubs	10	3	2	15
Number of Race Meetings	40	31	22	93
Number of Breeders	1,124	217	12	1,353
Number of Trainers	301	85	56	442
Number of Owners	3,715	607	248	4,570
Number of Customers	82,165	27,552	1,402	111,119
Total Participants	6,436	1,103	386	7,924
Expenditure Impacts				
Breeders Expenditure	$138.02 mil	$3.30 mil	$2.46 mil	$143.78 mil
Trainers Expenditure	$143.58 mil	$8.21 mil	$2.43 mil	$154.23 mil
Customer Expenditure	$5.88 mil	$1.48 mil	$0.05 mil	$7.41 mil
Total Direct Spending	$302.44 mil	$17.76 mil	$7.62 mil	$327.82 mil
Economic Impacts				
Value Added Contribution to GDP	$338.07 mil	$22.75 mil	$9.65 mil	$370.47 mil
FTE Employment Sustained	3,567	230	97	3,984
Wages & Salaries Generated	$158.00 mil	$10.55 mil	$4.36 mil	$172.91 mil
% Value Added by Code	91.3%	6.1%	2.6%	

The racing industry in the Waikato region is responsible for the generation of more than $370.47 million in value added contribution to GDP. In real terms, this equates to a 0.8% increase when compared to the 2003-04 report.

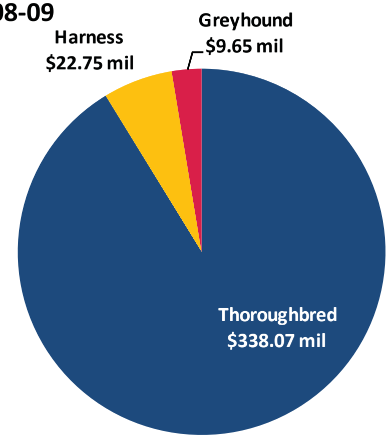
The activities of the racing industry in the region are supported by more than 7,924 full time, part time, casual and volunteer participants. This equates to more than 3,894 full time equivalent jobs, generating more than $172.91 million in wages and salaries for these employees.

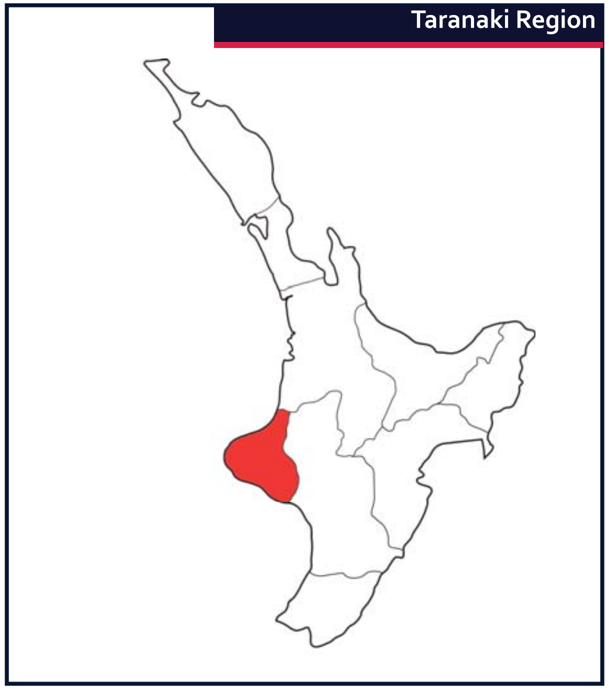
Customers spend more than $7.41 million as a result of attending race meetings in the region, providing significant positive impacts for the local economy.

Racing Industry Expenditure
2003-04 and 2008-09



Value Added by Racing Code
2008-09



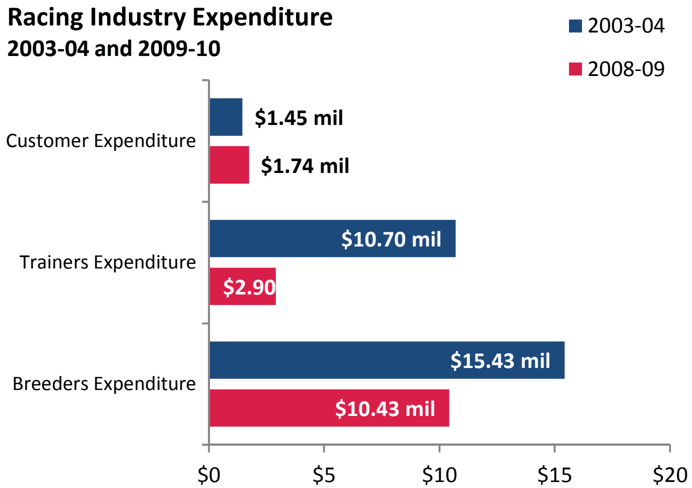


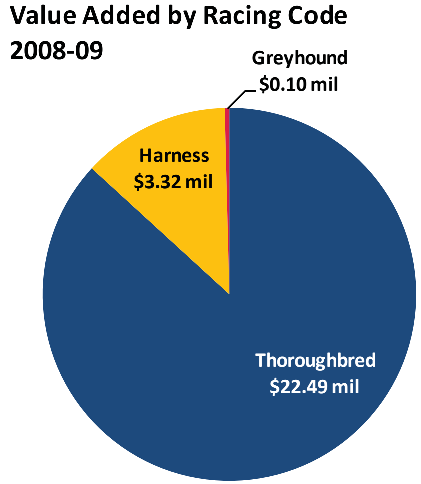
Key Measure	Thoroughbred	Harness	Greyhound	Total
Participation				
Number of Racing Clubs	4	3	1	8
Number of Race Meetings	22	5	4	28
Number of Breeders	265	46		311
Number of Trainers	81	23		104
Number of Owners	963	110	60	1,133
Number of Customers	30,867	4,918	525	36,310
Total Participants	1,505	276	60	1,840
Expenditure Impacts				
Breeders Expenditure	$9.78 mil	$0.65 mil		$10.43 mil
Trainers Expenditure	$2.07 mil	$0.83 mil		$2.90 mil
Customer Expenditure	$1.53 mil	$0.19 mil	$0.02 mil	$1.74 mil
Total Direct Spending	**$18.64 mil**	**$2.55 mil**	**$0.06 mil**	**$21.25 mil**
Economic Impacts				
Value Added Contribution to GDP	$22.49 mil	$3.32 mil	$0.10 mil	$25.91 mil
FTE Employment Sustained	227	33	1	261
Wages & Salaries Generated	$10.40 mil	$1.54 mil	$0.04 mil	$11.98 mil
% Value Added by Code	**86.8%**	**12.8%**	**0.4%**	

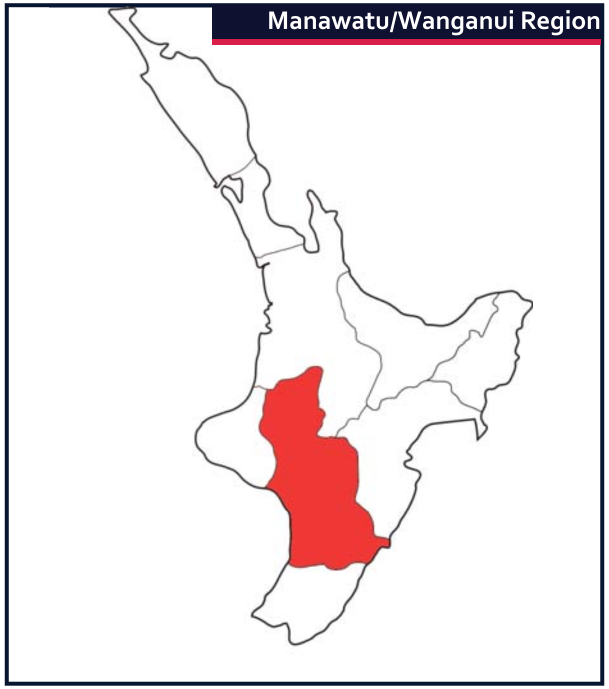
The racing industry in the Taranaki region is responsible for the generation of more than $25.91 million in value added contribution to GDP. In real terms, this equates to a 40.5% decrease when compared to the 2003-04 report.

The activities of the racing industry in the Taranaki region are supported by more than 1,840 full time, part time, casual and volunteer participants. This equates to more than 261 full time equivalent jobs, generating more than $11.98 million in wages and salaries for these employees.

Customers spend more than $1.74 million as a result of attending race meetings in the Taranaki region, providing significant positive impacts for the local economy.





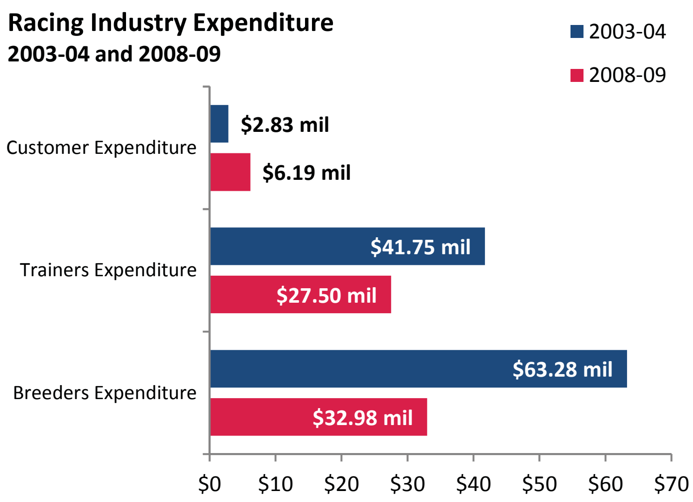


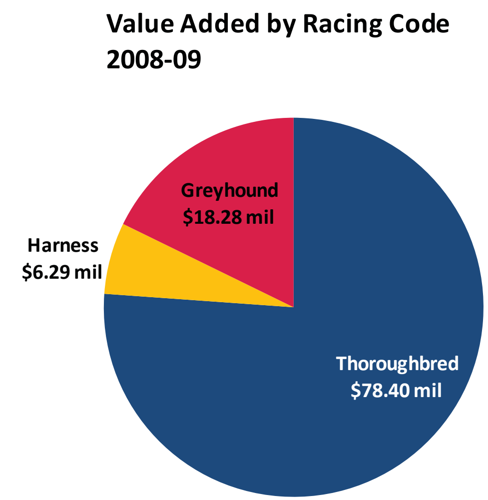
Key Measure	Thoroughbred	Harness	Greyhound	Total
Participation				
Number of Racing Clubs	7	3	2	12
Number of Race Meetings	42	17	134	193
Number of Breeders	705	52	20	777
Number of Trainers	226	23	138	387
Number of Owners	1,891	156	348	2,395
Number of Customers	76,846	6,349	14,561	97,756
Total Participants	3,626	376	680	4,681
Expenditure Impacts				
Breeders Expenditure	$29.44 mil	$0.69 mil	$2.85 mil	$32.98 mil
Trainers Expenditure	$23.28 mil	$1.84 mil	$2.38 mil	$27.50 mil
Customer Expenditure	$5.67 mil	$0.21 mil	$0.32 mil	$6.19 mil
Total Direct Spending	$68.31 mil	$4.70 mil	$13.32 mil	$86.33 mil
Economic Impacts				
Value Added Contribution to GDP	$78.40 mil	$6.29 mil	$18.28 mil	$102.97 mil
FTE Employment Sustained	809	63	179	1,051
Wages & Salaries Generated	$36.78 mil	$2.85 mil	$8.19 mil	$47.82 mil
% Value Added by Code	**76.1%**	**6.1%**	**17.8%**	

The racing industry in the Manawatu-Wanganui region is responsible for the generation of more than $102.97 million in value added contribution to GDP. In real terms, this equates to a 36.9% decrease when compared to the 2003-04 report.

The activities of the racing industry in the region are supported by more than 4,681 full time, part time, casual and volunteer participants. This equates to more than 1,051 full time equivalent jobs, generating more than $47.82 million in wages and salaries for these employees.

Customers spend more than $6.19 million as a result of attending race meetings in the region, providing significant positive impacts for the local economy.





Regional Summary - Wellington Region

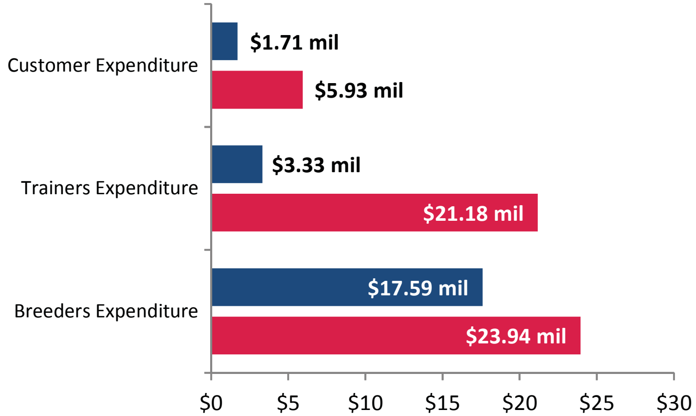
Key Measure	Thoroughbred	Harness	Greyhound	Total
Participation				
Number of Racing Clubs	5	2	2	9
Number of Race Meetings	22	4	8	34
Number of Breeders	341	57		398
Number of Trainers	36	6	15	57
Number of Owners	2,100	129	143	2,372
Number of Customers	59,850	300	599	60,749
Total Participants	2,906	224	267	3,396
Expenditure Impacts				
Breeders Expenditure	$22.50 mil	$1.44 mil		$23.94 mil
Trainers Expenditure	$21.01 mil	$0.14 mil	$0.04 mil	$21.18 mil
Customer Expenditure	$5.81 mil	$0.01 mil	$0.13 mil	$5.93 mil
Total Direct Spending	$58.71 mil	$2.14 mil	$0.55 mil	$61.40 mil
Economic Impacts				
Value Added Contribution to GDP	$113.27 mil	$5.11 mil	$3.14 mil	$121.51 mil
FTE Employment Sustained	809	53	32	1,262
Wages & Salaries Generated	$54.55 mil	$2.45 mil	$1.53 mil	$58.53 mil
% Value Added by Code	93.2%	4.2%	2.6%	

The racing industry in the Wellington region is responsible for the generation of more than $121.51 million in value added contribution to GDP. In real terms, this equates to a 0.7% increase when compared to the 2003-04 report.

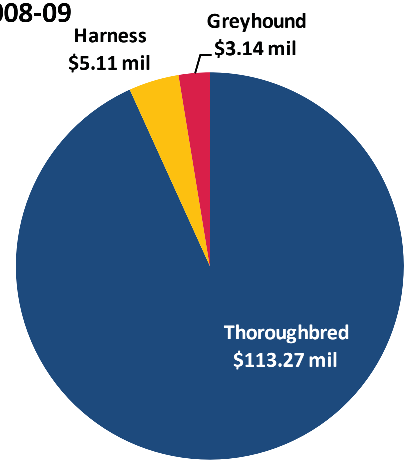
The activities of the racing industry in the region are supported by more than 3,396 full time, part time, casual and volunteer participants. This equates to more than 1,262 full time equivalent jobs, generating more than $58.53 million in wages and salaries for these employees.

Customers spend more than $5.93 million as a result of attending race meetings in the region, providing significant positive impacts for the local economy.

Racing Industry Expenditure 2003-04 and 2008-09



Value Added by Racing Code 2008-09



Regional Summary - Gisborne/Hawkes Bay Region

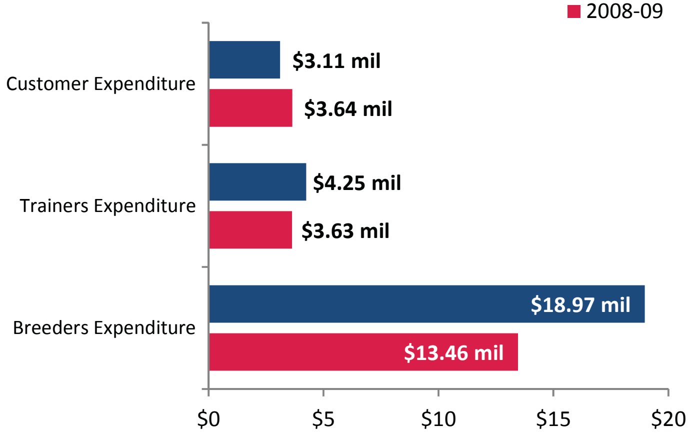
Key Measure	Thoroughbred	Harness	Greyhound	Total
Participation				
Number of Racing Clubs	4			4
Number of Race Meetings	18			18
Number of Breeders	252	11		263
Number of Trainers	40	3		43
Number of Owners	944	18	4	966
Number of Customers	43,596			43,596
Total Participants	1,480	33	4	1,517
Expenditure Impacts				
Breeders Expenditure	$13.40 mil	$0.05 mil		$13.46 mil
Trainers Expenditure	$3.61 mil	$0.02 mil		$3.63 mil
Customer Expenditure	$3.64 mil			$3.64 mil
Total Direct Spending	$27.20 mil	$0.07 mil		$27.27 mil
Economic Impacts				
Value Added Contribution to GDP	$32.15 mil	$0.07 mil		$32.23 mil
FTE Employment Sustained	324	1		325
Wages & Salaries Generated	$15.12 mil	$0.04 mil		$15.16 mil
% Value Added by Code	99.8%	0.2%		

The racing industry in the Gisborne-Hawkes Bay region is responsible for the generation of more than $32.23 million in value added contribution to GDP. In real terms, this equates to a 24.2% decrease when compared to the 2003-04 report.

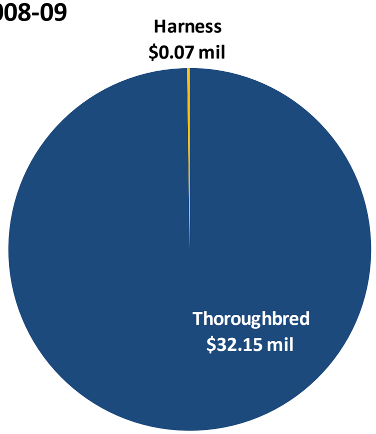
The activities of the racing industry in the Gisborne-Hawkes Bay region are supported by more than 1,516 full time, part time, casual and volunteer participants. This equates to more than 325 full time equivalent jobs, generating more than $15.16 million in wages and salaries for these employees.

Customers spend more than $3.64 million as a result of attending race meetings in the Gisborne Hawkes-Bay region, providing significant positive impacts for the local economy.

Racing Industry Expenditure 2003-04 and 2008-09



Value Added by Racing Code 2008-09



Regional Summary - Bay of Plenty Region

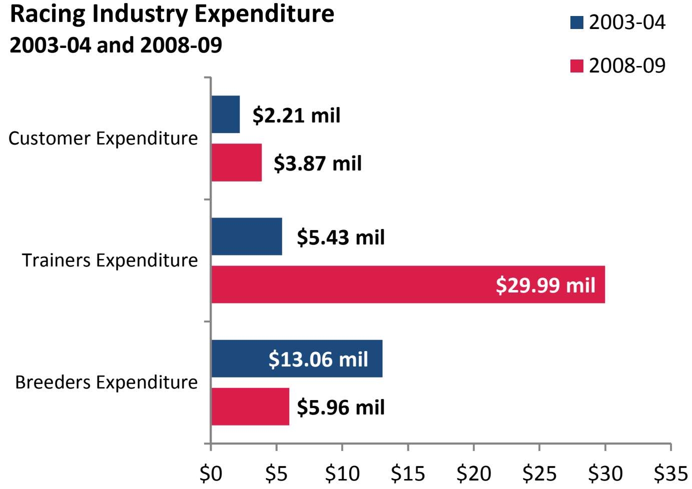
The racing industry in the Bay of Plenty region is responsible for the generation of more than $53.80 million in value added contribution to GDP. In real terms, this equates to a 45.9% increase when compared to the 2003-04 report.

The activities of the racing industry in the region are supported by more than 1,954 full time, part time, casual and volunteer participants. This equates to more than 554 full time equivalent jobs, generating more than $25.29 million in wages and salaries for these employees.

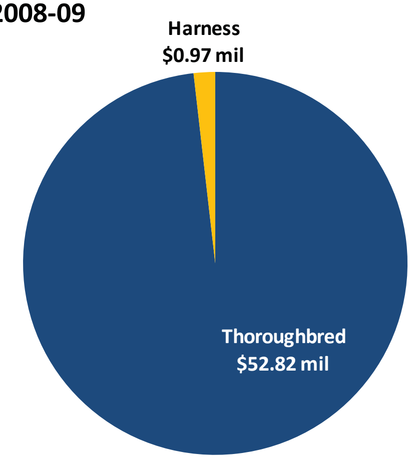
Customers spend more than $3.87 million as a result of attending race meetings in the region, providing significant positive impacts for the local economy.

Key Measure	Thoroughbred	Harness	Greyhound	Total
Participation				
Number of Racing Clubs	4	1		5
Number of Race Meetings	39	2		41
Number of Breeders	334	36		370
Number of Trainers	75	4		79
Number of Owners	940	91	50	1,081
Number of Customers	71,196	684		71,880
Total Participants	1,710	195	50	1,954
Expenditure Impacts				
Breeders Expenditure	$5.28 mil	$0.68 mil		$5.96 mil
Trainers Expenditure	$29.93 mil	$0.06 mil		$29.99 mil
Customer Expenditure	$3.83 mil	$0.04 mil		$3.87 mil
Total Direct Spending	$45.36 mil	$0.87 mil		$446.22 mil
Economic Impacts				
Value Added Contribution to GDP	$52.82 mil	$0.97 mil		$53.80 mil
FTE Employment Sustained	544	10		554
Wages & Salaries Generated	$24.83 mil	$0.46 mil		$25.29 mil
% Value Added by Code	98.2%	1.8%		

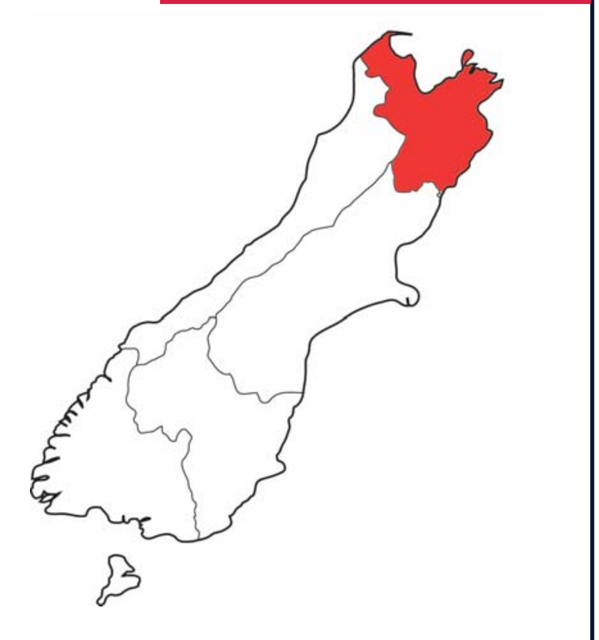
Racing Industry Expenditure
2003-04 and 2008-09



Value Added by Racing Code
2008-09



Tasman-Nelson/Marlborough Region



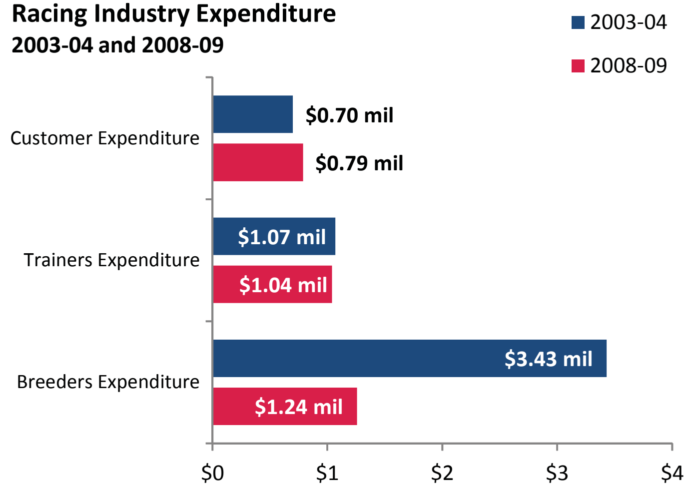
Key Measure	Thoroughbred	Harness	Greyhound	Total
Participation				
Number of Racing Clubs	1	2		3
Number of Race Meetings	2	8		10
Number of Breeders	25	67		92
Number of Trainers	3	25		28
Number of Owners	131	131	12	274
Number of Customers	2,393	12,481		14,874
Total Participants	**222**	**295**	**12**	**530**
Expenditure Impacts				
Breeders Expenditure	$0.70 mil	$0.56 mil		$1.26 mil
Trainers Expenditure		$1.04 mil		$1.04 mil
Customer Expenditure	$0.03 mil	$0.76 mil		$0.79 mil
Total Direct Spending	$1.14 mil	$4.17 mil		$5.31 mil
Economic Impacts				
Value Added Contribution to GDP	$1.48 mil	$5.41 mil		$6.89 mil
FTE Employment Sustained	15	53		68
Wages & Salaries Generated	$0.65 mil	$2.45 mil		$3.10 mil
% Value Added by Code	21.4%	78.6%		

The racing industry in the Tasman-Nelson/ Marlborough region is responsible for the generation of more than $6.89 million in value added contribution to GDP. In real terms, this equates to a 32.2% decrease when compared to the 2003-04 report.

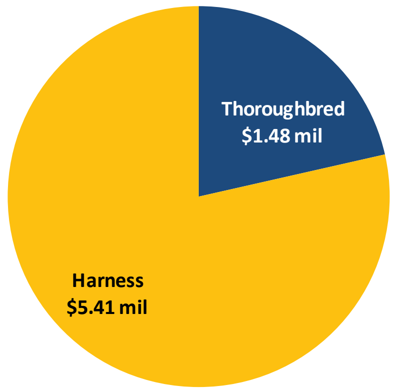
The activities of the racing industry in the region are supported by more than 530 full time, part time, casual and volunteer participants. This equates to more than 68 full time equivalent jobs, generating more than $3.10 million in wages and salaries for these employees.

Customers spend more than $0.79 million as a result of attending race meetings in the region, providing significant positive impacts for the local economy.

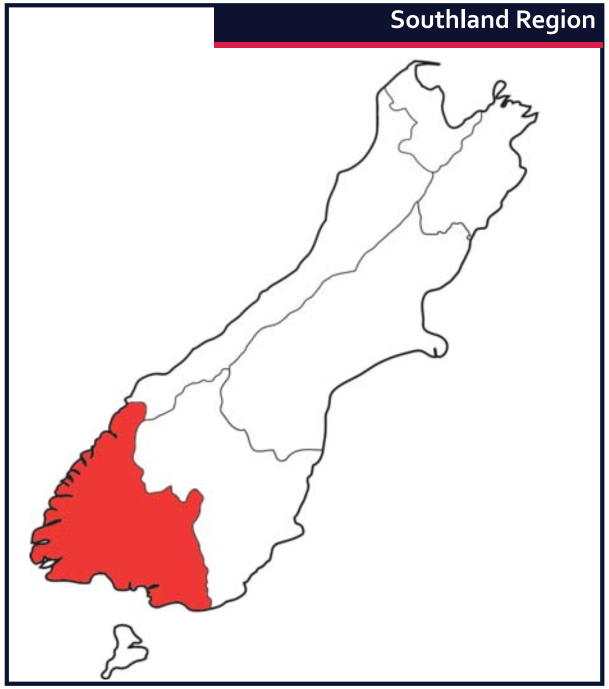
Racing Industry Expenditure
2003-04 and 2008-09



Value Added by Racing Code
2008-09



Regional Summary - Southland Region

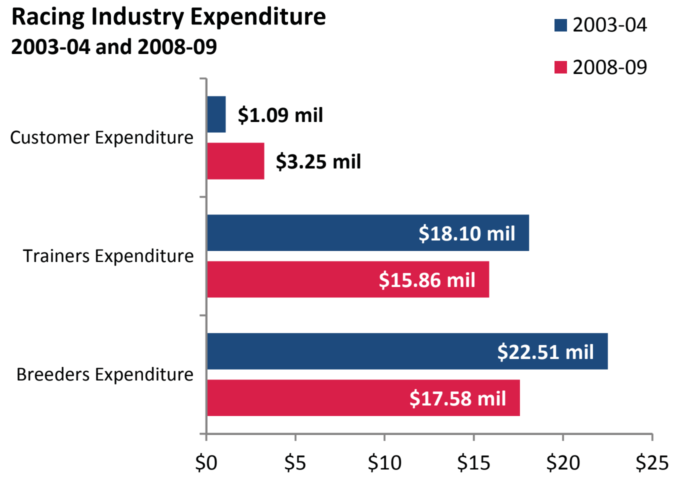


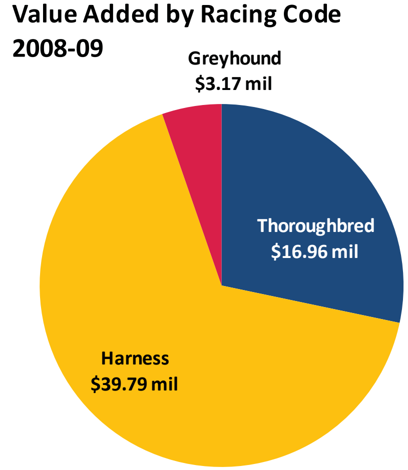
The racing industry in the Southland region is responsible for the generation of more than $59.92 million in value added contribution to GDP. In real terms, this equates to a 12.6% decrease when compared to the 2003-04 report.

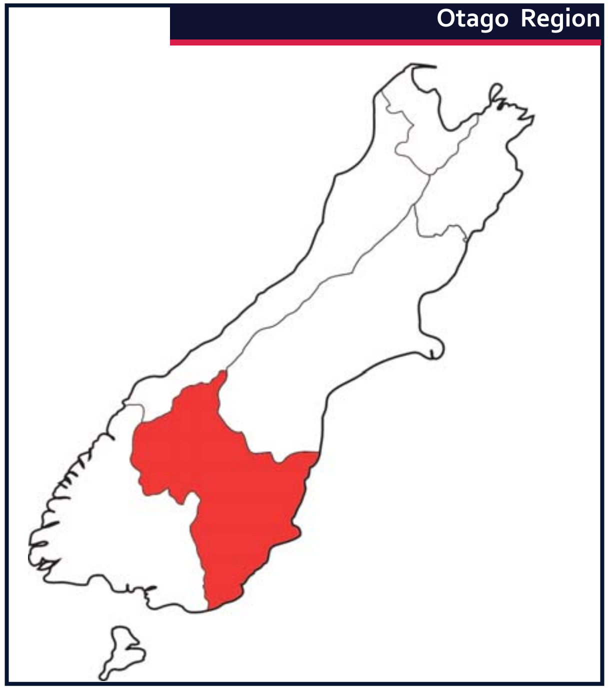
The activities of the racing industry in the Southland region are supported by more than 3,604 full time, part time, casual and volunteer participants. This equates to more than 602 full time equivalent jobs, generating more than $26.60 million in wages and salaries for these employees.

Customers spend more than $3.25 million as a result of attending race meetings in the Southland region, providing significant positive impacts for the local economy.

Key Measure	Thoroughbred	Harness	Greyhound	Total
Participation				
Number of Racing Clubs	6	7	1	14
Number of Race Meetings	17	44	18	79
Number of Breeders	199	689	6	894
Number of Trainers	47	166	6	219
Number of Owners	664	1,134	61	1,859
Number of Customers	21,704	37,970	1,643	61,317
Total Participants	1,249	2,256	99	3,604
Expenditure Impacts				
Breeders Expenditure	$6.16 mil	$10.83 mil	$0.60 mil	$17.58 mil
Trainers Expenditure	$3.13 mil	$12.49 mil	$0.24 mil	$15.86 mil
Customer Expenditure	$1.30 mil	$1.86 mil	$0.09 mil	$3.25 mil
Total Direct Spending	**$13.70 mil**	**$31.71 mil**	**$2.26 mil**	**$47.66 mil**
Economic Impacts				
Value Added Contribution to GDP	$16.96 mil	$39.79 mil	$3.17 mil	$59.92 mil
FTE Employment Sustained	170	401	31	602
Wages & Salaries Generated	$7.60 mil	$17.62 mil	$1.38 mil	$26.60 mil
% Value Added by Code	**28.3%**	**66.4%**	**5.3%**	







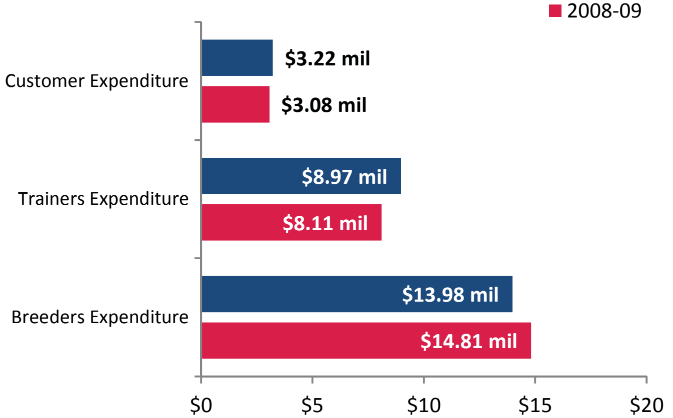
Key Measure	Thoroughbred	Harness	Greyhound	Total
Participation				
Number of Racing Clubs	4	7	1	12
Number of Race Meetings	20	32	19	71
Number of Breeders	158	381	8	547
Number of Trainers	45	79	6	130
Number of Owners	667	627	55	1,349
Number of Customers	35,788	21,226	874	57,888
Total Participants	1,351	1,262	165	2,779
Expenditure Impacts				
Breeders Expenditure	$8.82 mil	$5.39 mil	$0.60 mil	$14.81 mil
Trainers Expenditure	$2.92 mil	$5.12 mil	$0.07 mil	$8.11 mil
Customer Expenditure	$1.79 mil	$1.24 mil	$0.05 mil	$3.08 mil
Total Direct Spending	$17.62 mil	$16.93 mil	$1.99 mil	$36.53 mil
Economic Impacts				
Value Added Contribution to GDP	$30.76 mil	$36.31 mil	$3.54 mil	$70.61 mil
FTE Employment Sustained	312	368	35	715
Wages & Salaries Generated	$14.01 mil	$16.28 mil	$1.58 mil	$31.87 mil
% Value Added by Code	43.6%	51.4%	5.0%	

The racing industry in the Otago region is responsible for the generation of more than $70.61 million in value added contribution to GDP. In real terms, this equates to a 7.0% decrease when compared to the 2003-04 report.

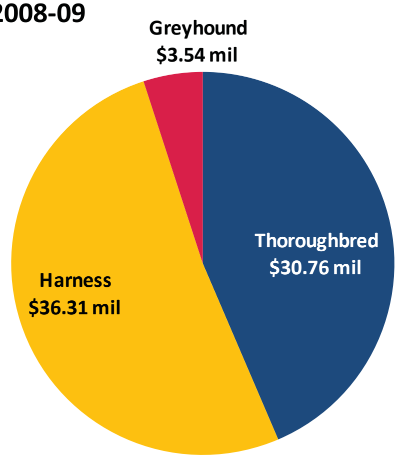
The activities of the racing industry in the Otago region are supported by more than 2,779 full time, part time, casual and volunteer participants. This equates to more than 715 full time equivalent jobs, generating more than $31.87 million in wages and salaries for these employees.

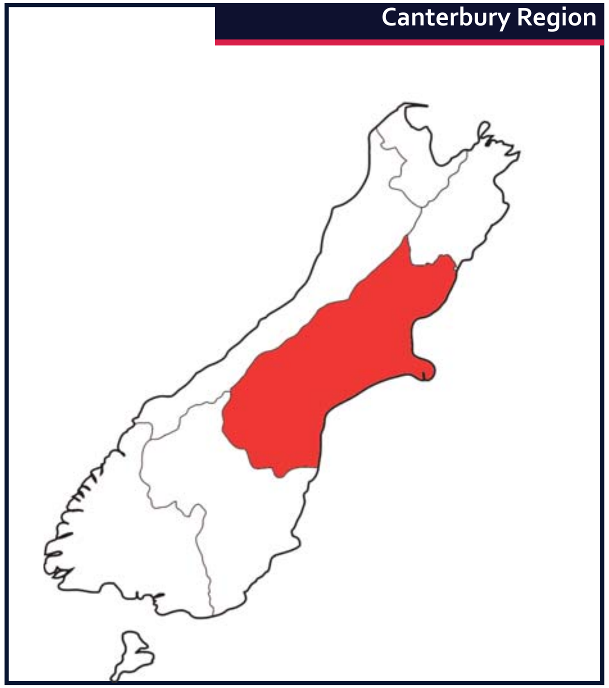
Customers spend more than $3.08 million as a result of attending race meetings in the Otago region, providing significant positive impacts for the local economy.

Racing Industry Expenditure 2003-04 and 2008-09



Value Added by Racing Code 2008-09



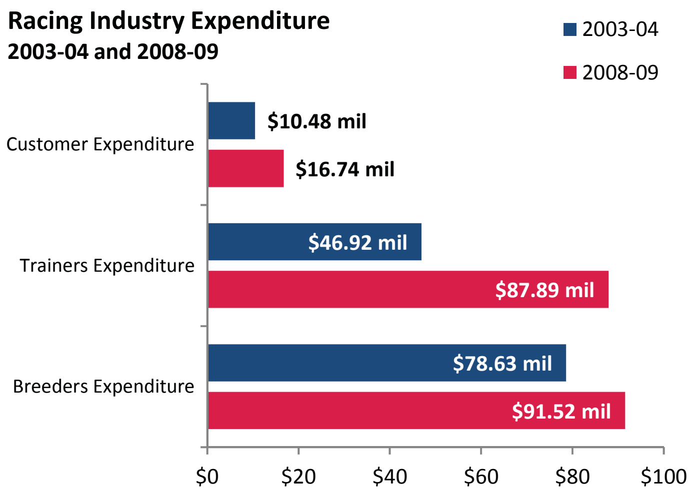


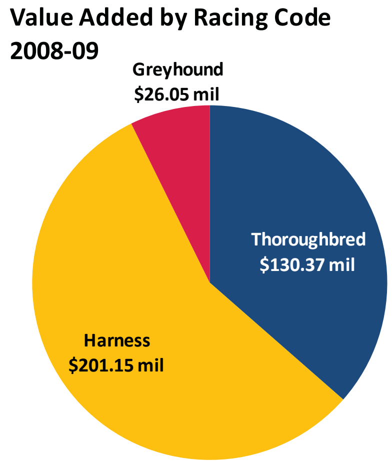
Key Measure	Thoroughbred	Harness	Greyhound	Total
Participation				
Number of Racing Clubs	7	13	2	22
Number of Race Meetings	38	77	61	176
Number of Breeders	550	2,162	83	2,795
Number of Trainers	143	505	97	745
Number of Owners	1,957	3,436	468	5,861
Number of Customers	65,504	154,185	13,363	233,052
Total Participants	3,368	7,614	644	11,626
Expenditure Impacts				
Breeders Expenditure	\$39.46 mil	\$46.32 mil	\$5.75 mil	\$91.52 mil
Trainers Expenditure	\$33.22 mil	\$50.00 mil	\$4.68 mil	\$87.89 mil
Customer Expenditure	\$7.29 mil	\$9.07 mil	\$0.39 mil	\$16.74 mil
Total Direct Spending	**\$90.00 mil**	**\$126.01 mil**	**\$17.12 mil**	**\$233.13 mil**
Economic Impacts				
Value Added Contribution to GDP	\$130.37 mil	\$201.15 mil	\$26.05 mil	\$357.56 mil
FTE Employment Sustained	1,358	2,075	265	3,698
Wages & Salaries Generated	\$61.87 mil	\$95.20 mil	\$12.07 mil	\$169.15 mil
% Value Added by Code	**36.5%**	**56.3%**	**7.3%**	

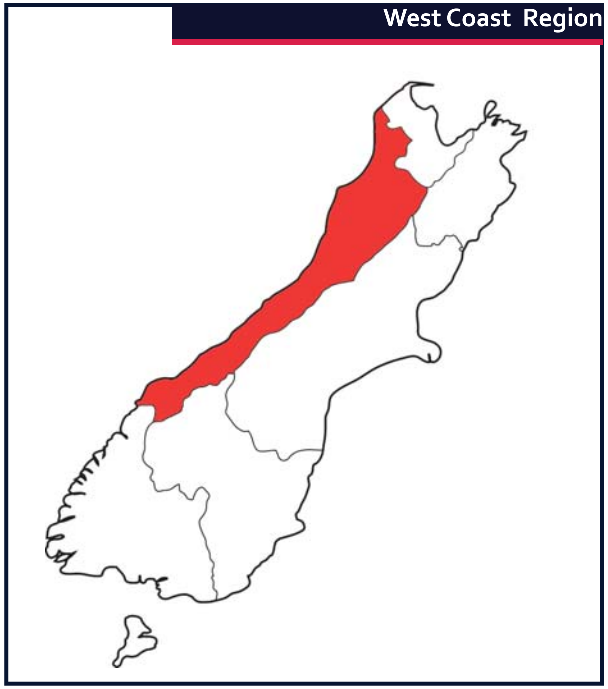
The racing industry in the Canterbury region is responsible for the generation of more than \$357.56 million in value added contriburtion to GDP. In real terms, this equates to a 23.8% increase when compared to the 2003-04 report.

The activities of the racing industry in the Canterbury region are supported by more than 11,626 full time, part time, casual and volunteer participants. This equates to more than 3,698 full time equivalent jobs, generating more than \$169.15 million in wages and salaries for these employees.

Customers spend more than \$16.74 million as a result of attending race meetings in the Canterbury region, providing significant positive impacts for the local economy.







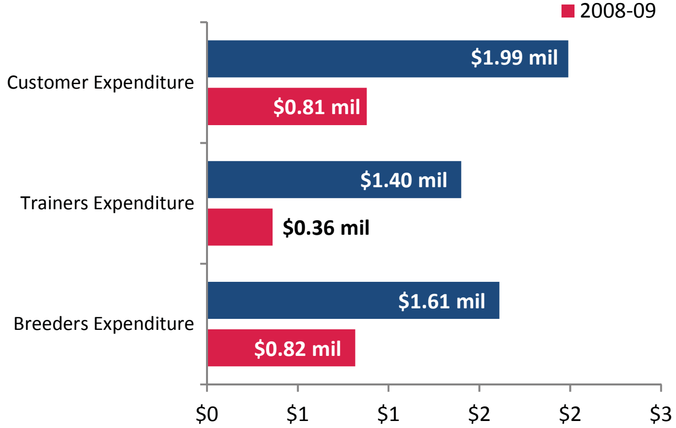
Key Measure	Thoroughbred	Harness	Greyhound	Total
Participation				
Number of Racing Clubs	4	3		7
Number of Race Meetings	4	6		10
Number of Breeders	22	36		58
Number of Trainers	8	17		25
Number of Owners	121	112		233
Number of Customers	10,812	11,965		22,777
Total Participants	390	298		688
Expenditure Impacts				
Breeders Expenditure	$0.33 mil	$0.49 mil		$0.82 mil
Trainers Expenditure		$0.36 mil		$0.36 mil
Customer Expenditure	$0.24 mil	$0.64 mil		$0.88 mil
Total Direct Spending	$1.46 mil	$2.85 mil		$4.31 mil
Economic Impacts				
Value Added Contribution to GDP	$2.00 mil	$3.85 mil		$5.85 mil
FTE Employment Sustained	20	37		57
Wages & Salaries Generated	$0.90 mil	$1.75 mil		$2.65 mil
% Value Added by Code	34.2%	65.8%		

The racing industry in the West Coast region is responsible for the generation of more than $5.85 million in value added contribution to GDP. In real terms, this equates to a 34.4% decrease when compared to the 2003-04 report.

The activities of the racing industry in the West Coast region are supported by more than 688 full time, part time, casual and volunteer participants. This equates to more than 57 full time equivalent jobs, generating more than $2.65 million in wages and salaries for these employees.

Customers spend more than $0.88 million as a result of attending race meetings in the West Coast region, providing significant positive impacts for the local economy.

Racing Industry Expenditure 2003-04 and 2008-09



Value Added by Racing Code 2008-09