



Revitalising our racing industry

The New Zealand racing industry can trace its roots back over 175 years. We have a history of excellence in breeding, training, jockeys and drivers that we should be proud of.

Unfortunately, the sector has not always received the support or acknowledgement it deserves.

Today, our racing industry employs more than 15,000 people directly and supports many more jobs indirectly. Racing contributes in excess of \$1.6 billion a year to our economy and is a significant export earner. High quality New Zealand bloodstock showcases our country on the international stage, with over half of the Group One winners racing in Hong Kong in 2019 coming via the Karaka sales.

National acknowledges the importance of the racing industry to New Zealand, and will bring a sense of urgency to revitalising this important and productive part of our economy.

Racing has a proud history – and a promising future – if we get it right.

Policy highlights

- Partner with TAB, NZ On Air and the racing sector to explore options to promote New Zealand racing and breeding and recommence Trackside Radio.
- Repeal the RMA and replace it with legislation that enables better utilisation of existing racing assets, while supporting the industry to upgrade our racing infrastructure.
- Encourage the development of modern, fit-for-purpose racing facilities that provide the scale and services to support a profitable industry with improved stakes.
- Support the industry to establish centres of racing excellence, with a focus on education and training, to create a clearer pathway for the next generation of racing leaders to enter the industry.

- Include the racing industry in our proposed Primary Sector Visa, to enable fast-tracked access to international skills, networks and racing knowledge.
- Implement the Racing Industry Act and ensure appropriate appointments are made to the Boards of TAB NZ and Racing NZ who will drive the industry forward.
- Conduct a serious review of the tax and depreciation rules for bloodstock and make adjustments where we find they are acting as a barrier to investment.
- Remove the inconsistencies between the regulation of racing and other forms of gaming.
- Ensure there is opportunity for a series of racing events to feature as part of our planned New Zealand Tourism Festival, to get Kiwis back to the races.

Broadcasting

The broadcasting of racing is important to showcase the sector and meet the demands of the wider public. In recent years we have seen a reduction in the broadcasting of local racing and sport, especially in the radio medium. The suspension of Trackside Radio broadcasts is another example of this loss. National will work with the various organisations to facilitate the reintroduction of this vital service.

We believe that broadcasting organisations should provide local content, including where possible within commercial realities, local sport and racing. We acknowledge that partnerships are vital and with industries like racing we see great potential to work with sector participants to help ensure these services can operate.

National will:

- Partner with TAB, NZ On Air and the racing sector to explore options to promote New Zealand racing and breeding and recommence Trackside Radio.



- Work with the industry and broadcasters to deliver more local racing content across multiple formats.
- Encourage partnerships with sector participants to provide radio and TV programmes that showcase racing.

Racing assets & infrastructure

The New Zealand racing industry has a large infrastructure base. The historic legacy of strong rural communities and the addition of more modern urban facilities means the industry, through the clubs, has significant strategic assets. These assets must be used wisely as they will provide for the development of new generation infrastructure and income to drive the sector's growth.

The industry needs racing assets that are modern, fit-for-purpose and capable of sustaining a profitable racing sector. We also need a strong provincial series of courses that enable training and racing to take place throughout the whole country to maintain a domestic support base and provide the next generation of racing stock and expertise.

We should continue to develop our racing infrastructure with a clear purpose and plan to deliver long term cash-flow and an improved product. The sale and development of assets for short term fixes will not enable a vibrant and successful industry to flourish.

Many clubs are not able to make the most of their assets due to restrictive regulation or consenting processes that are too slow. Enabling these clubs to make their own decisions about their futures will encourage innovation and investment.

Racing infrastructure supports a major sector of our economy and is a significant export earner. We need to treat our racing infrastructure more strategically, to unlock the potential of the industry.

The development of our strategic racing assets will enable the industry to increase racing stakes to make us more competitive with those offered overseas. This will create a cycle that allows our industry to operate on a

profitable basis, encouraging people into the sector.

National wants to support investment in our racing industry and for our racing sector to showcase itself on the world stage.

National will:

- Repeal the Resource Management Act (RMA) and replace it with legislation that enables better utilisation of land and allows for the development of core racing infrastructure.
- Fast track the re-zoning and consenting process for racecourses with underutilised land, to enable our racing industry to consolidate while maximising available capital to develop remaining assets.
- Explore options to use the National Infrastructure Bank to make financing available for the development of strategic racing infrastructure.
- Work with the industry to ensure we have internationally competitive tracks and racing infrastructure.

Racing facilities & careers

As the industry makes appropriate investments, it will be better able to maximise racing facilities to deliver long-term growth and profitability. Modern racing infrastructure needs to be fit-for-purpose and serve as a hub for the wider industry. Racing facilities can also serve multiple purposes – including a strong focus on education and training for the next generation.

Modern facilities would enable the industry to move towards a centre of excellence model, and provide better opportunities for world class training and education. The hub concept may provide opportunities for tiering of stakes, and internationally competitive facilities.

National will support the sector through the education system to develop better career pathways and encourage more young people to pursue a career in racing.



National will:

- Work with the industry to enable racing assets to be developed into modern facilities that will better serve the racing sector.
- Support industry to develop its training facilities, where those from New Zealand and abroad with the aptitude and physical requirements can learn at the highest level.
- Develop clearer educational pathways for young people interested in a career in the racing industry, with industry-aligned qualifications under the NZQA framework, and enhanced secondary-to-tertiary partnerships.
- Return responsibility for organising vocational training to Industry Training Organisations, and work with the racing sector to ensure vocational pathways in the racing sector are industry-led, fit-for-purpose and able to deliver the skills needed for future growth.

Access to skills

New Zealand has the best breeders, the best trainers, the best strappers, the best jockeys, the best drivers, the best veterinarians and the best supporters and owners in the world. Racing is an international industry with many of our best now overseas delivering on the world stage. To continue to be the best, we must also be open to new ideas and new people who are passionate about the sector and want to make racing their career.

National has proposed a new Primary Sector Visa to provide a fast-track mechanism for businesses in the primary sector industries to access the skilled people from overseas they need to thrive. We believe racing is a key component of our primary sector, and want to back them to grow and continue to deliver value for New Zealand and to serve as an engine of job creation.

National will:

- Include the racing and breeding industries in our proposed Primary Sector Visa, to enable access to international jockeys, stallion managers, stud staff and other industry personnel if and when necessary.

Governance & regulation

National supported the development of the Racing Industry Act and did the work in select committee to redesign the initial proposals to ensure it was fit for purpose and acceptable to industry.

The Racing Industry Act establishes Racing New Zealand as a consultative forum for the three racing codes – greyhound, harness and thoroughbred – and to enable collaboration with other industries. It also sets out the governance regulations around TAB New Zealand, which is tasked with providing wagering services to the racing and sport industries, and developing and implementing programmes to reduce problem gambling.

National will implement the reforms in a manner that ensures the industry is set up for success.

We will also address inconsistencies in anti-money laundering regulations that mean racing is not on an equal footing with other gaming industries.

National will:

- Ensure the Racing Industry Act is successfully implemented during the next term of Parliament.
- Work closely with Racing New Zealand and Sport NZ to ensure appropriate appointments are made to the boards of TAB New Zealand and Racing New Zealand.
- Address anti-money laundering regulations with a view to ensuring racing is on an equal footing with other forms of gaming.

Investment in our breeding sector

New Zealand has a history of exceptional breeding. To continue this proud history we need investment in the next generation of bloodlines. The tax treatment of the breeding sector, including rules around expenses and depreciation, has been a long standing issue for the racing sector.



Historically, rules that were not fit for purpose have discouraged investment, and resulted in fewer high quality stallions being brought into New Zealand. New Zealand has the best environment in the world to raise horses and our tax rules need to support continual investment in the very best stallions for the future.

We will conduct a thorough review of the current tax policy settings for the racing industry and make adjustments where we find they are acting as a barrier to investment. We want the racing sector to grow and continue to contribute to our economy, so will make sure that our tax and investment regimes are not holding the sector back.

National will:

- Conduct a serious review of the tax treatment and depreciation rules around bloodstock and the racing sector to ensure they are fit for purpose and allow for investment that grows the sector and maximises our exports.
- This review will specifically consider:
 - Making the first three years of a new stallion's servicing fees tax exempt, to encourage investment in new, high-quality stallions.
 - Options around the carry-over of expenses of fillies as they enter the breeding industry.
 - Consistent treatment of proportionate shareholdings so owners can claim the individual share of GST and depreciation expenses.

Getting Kiwis back to the races

National has announced its plan to reboot the domestic tourism sector. As part of this, we're launching the New Zealand Tourism Festival.

Modelled on the REAL New Zealand Festival that ran for six weeks during Rugby World Cup 2011, with over 1200 events in 86 towns and centres across the country, the New Zealand Tourism Festival will do this again at a bigger scale to support our regional economies.

Authorised by G Hamilton, 41 Pipitea Street, Wellington.

The New Zealand Tourism Festival is a unique opportunity to get Kiwis back to our tracks, and for a new generation of New Zealanders to discover the thrill and excitement of a day at the races.

National will:

- Launch the New Zealand Tourism Festival to showcase the regions of New Zealand and encourage domestic tourism.
- Ensure there is opportunity for racing events to feature as part of our planned New Zealand Tourism Festival, to re-energise the racing sector around the country and get Kiwis back to the races.