

Racing

HIGHLIGHTS

Labour will:

- Pass legislation to stop betting websites that are based offshore avoiding tax in New Zealand and denying revenue to the New Zealand racing industry.

The Issue

Racing is a skilled, vibrant industry with a high profile in New Zealand and contributes significantly to the domestic economy. It has an extremely high value in the export of bloodstock, particularly in new markets such as Hong Kong.

Racing offers employment directly and indirectly to many people across a wide spectrum of society. Labour is committed to working in partnership with the industry to achieve better outcomes in all areas of the racing industry.

When in government, we worked hard to build a good environment for the industry. We removed the income tax liability on offshore stake money and addressed the GST liability due on horses sold for export.

Labour delivered a reduction in taxation to align with other forms of gambling, enabling the industry to have increased funds for stakes, assets, safety measures and other activities.

Labour recognises the need for racing to achieve sustainable growth through maximising strengths and opportunities, attracting new owners, breeders and an enhanced product and will work closely with the industry to facilitate this.

The racing industry makes a significant contribution to New Zealand's GDP, and creates employment and export opportunities, particularly in rural New Zealand. A study by the Melbourne-based economic consultancy IER Pty Ltd (IER) found that in 2008/09 the industry had a significant economic impact on New Zealand's GDP, employment and exports. IER found that, in 2008/09:

- Racing made a direct contribution of \$464 million to GDP, and generated more than \$1,635 million (0.9 per cent) when the indirect impact is included.
- Racing directly sustained 8,877 full-time equivalent (FTE) jobs, and when the indirect impact of racing is taken into account, the total employment increased to 16,934 FTE jobs. More than 52,000 people participated in the racing industry.
- The racing industry generated more than \$167 million in export sales of thoroughbred and standard bred horses.
- Over 261 community organisations or charities are provided financial assistance by racing clubs and over 417 community organisations share racing clubs' facilities.

A Prosperous and Dynamic Sector with huge potential

Labour is committed to building on the good partnership we had developed with the racing industry, and will continue to work closely with the industry to strengthen racing's contribution to economic growth. Labour will ensure that all additional funding to racing contributes to real economic growth to be enjoyed by all stakeholders, through appropriate industry strategies.

Recognising that change must come from within, Labour will convene a round-table discussion of major stakeholders in the industry with a view to strengthening and enhancing the economic viability of racing in New Zealand. We will ensure that a strategic direction is developed and implemented.

Online betting on offshore websites is a major threat to the racing industry and is denying the government revenue. It is estimated that New Zealanders are placing \$300-\$400 million of bets per year on New Zealand racing and other sport on offshore websites, mostly in Australia, that don't pay levies that fund racing or tax to the government. Avoiding these payments allows offshore websites to undercut the TAB's odds but comes at the cost of starving the racing industry of funds.

Labour will:

- Act against the leakage from revenue by strengthening gambling legislation that will ensure NZR and the TAB are not disadvantaged by overseas bookies and agencies which are currently accepting bets without tax or industry levies.

Labour is concerned that some racing clubs use revenue from pokie machines for purposes other than for the social good, and believes that the practice of gambling machine money being applied to stakes should cease and proceeds used only for infrastructure and safety. We do not support proposals to establish pokie machines on racing club premises, and we seek gambling harm minimisation.

Labour will:

- Ensure the robustness of the Integrity Unit, meaning that those appointed to it are of the highest calibre, in order to maintain the integrity of the unit and the industry
- Assist in establishing a Code of Practice for the racing industry, which will be drawn up and agreed upon by all major stakeholders and will link with the current set-up of the Integrity Unit
- Work with the New Zealand Racing Board, the racing code bodies, governments and international racing bodies to ensure that New Zealand is well-placed to respond to any threats to racing's revenue and integrity
- Uphold the position of the New Zealand Racing Board to hold the exclusive rights to racing and sports betting in New Zealand, and for the net proceeds to be returned to sustain New Zealand racing
- Work with the industry to reduce injuries to jockeys, dogs and horses, promote safe practices and provide safe amenities.

Racing is inherently a dangerous occupation. But with the right tools, the risks can be managed and mitigated. Labour is committed to working with the sector to ensure that jockeys ride and horses race in the safest environment possible. A reduction of injuries and safer practices will result in a reduction in ACC levies.

Labour will:

- Support appropriate biosecurity measures to protect the racing industry in all its activities.

Our thoroughbred stock is a precious resource, and in New Zealand we are lucky our industry is free from diseases such as Equine Influenza. Labour will ensure the racing sector and the government have the necessary measures and tools in place to identify and manage biosecurity risks to protect the industry.

Labour will:

- Work with the racing sector to further its industry training and education goals and to attract new owners and breeders into the industry.

Skills development and training is as important in the racing sector as any other sector. We want to see the industry continue to move towards being a high-technology, high-skilled driver of growth. Labour will continue to work with the sector to identify areas for improvement in industry training and education.

Labour recognises the difficulties faced by the racing industry in modernising itself for the 21st century. We will work with all major stakeholders to ensure the revitalisation of a strong economic performer which can do better.

