

Size & Scope of New Zealand Racing Industry

*Economic Impacts &
Community Social Benefit*



NEW ZEALAND
RACING BOARD



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Acknowledgements

We wish to acknowledge and thank the following organisations and individuals for their support and assistance in this study:

New Zealand Racing Board
Harness Racing New Zealand
New Zealand Greyhound Racing Association
New Zealand Thoroughbred Racing
New Zealand Thoroughbred Breeders Association
New Zealand Trainers Association Incorporated
New Zealand Equine Research Foundation

Statistics New Zealand
New Zealand Department of Treasury
New Zealand Institute of Economic Research
Massey University
Each of the 69 Thoroughbred Racing Clubs
Each of the 48 Harness Racing Clubs
Each of the 12 Greyhound Racing Clubs

Dr. Sarath Delpachitra, Semetra Pty. Ltd.
Mr. Robert Gardiner & Associates, Essential Elements of
Environmental Communications and Risk Management

Validations & Assumptions

This report relies heavily on the estimates and data provided by many stakeholders and representatives of the industry. In many cases, data did not previously exist, and had to be sourced for the first time. Some data was difficult to gather due to confidentiality reasons, and in these cases reasonable estimates have been formulated in consultation with industry experts. Where reasonable data was unable to be sourced, IER has erred on the side of conservatism and omitted it from this report. In the case of breeding and training data, IER has relied on data provided by Massey University on the Northern Region without audit and in good faith. In the absence of breeding and training data on the Central and Southern regions, IER has utilised the Massey University research and made conservative estimates for these regions.

All financial data received by IER from NZRB, the Code Bodies and Race Clubs has been utilised without any extensive auditing and in good faith. Unless otherwise acknowledged, all asset values are as at June 30 2003, whilst expenditure figures are for the period August 2002 - July 2003. Customer spending estimates were gathered via more than 1,200 surveys on-course at racecourses throughout New Zealand. These surveys were conducted throughout the country, in order to ensure a wide and varied spread of spending patterns had been canvassed.

In determining the economic impact of the Racing Industry in New Zealand, IER consulted with the New Zealand Department of Treasury and Statistics New Zealand, in order to provide a consistent approach to previous reports of a similar nature. The calculation of *value added* contribution to Gross Domestic Product, employment impacts and income impacts, was generated through the use of input/output multipliers provided by the New Zealand Institute of Economic Research. The breakdown of New Zealand into 15 regions for this report was based on the Statistics NZ geographic separation of New Zealand regions.

IER has made every effort to ensure the integrity of the data within this report. By its very nature, forecasting and analysis of economic patterns is uncertain and subject to many interpretations and methodologies. This report is a macro study of the racing industry in New Zealand and further research may need to be undertaken to further validate data on a micro level.

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Overview 1.1 - Key Impacts of New Zealand Racing Industry

Value Added Contribution to GDP - \$1,483 Million

The New Zealand Racing Industry generates more than \$1,483 Million in Value Added to the Country's Gross Domestic Product. This represents approximately 1.3% of New Zealand's total Gross Domestic Product. The initial column of this table 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 \$424 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 \$1,483 Million.

Thoroughbred racing is responsible for the generation of 73% of the racing industry's total value added, with Auckland and Waikato the largest regions. Harness racing is responsible for 22% of the racing industry's total value added, with Canterbury and Auckland the largest regions. Greyhound racing contributes 5% of the total value added, with Canterbury and Auckland also the largest regions.

The table illustrates the proportion of each region's contribution to the racing industry's value added:-

REGION	% of VALUE ADDED
Auckland Region	26.9%
Bay of Plenty Region	2.2%
Canterbury Region	16.9%
Gisborne Region	0.2%
Hawkes Bay Region	2.3%
Manawatu-Wanganui Region	9.6%
Marlborough Region	0.3%
Northland Region	1.1%
Otago Region	4.5%
Southland Region	4.0%
Taranaki Region	2.6%
Tasman-Nelson Region	0.3%
Waikato Region	21.5%
Wellington Region	7.1%
West Coast Region	0.5%
Southland Region	6.6%

Participants in Racing - 40,600 People

More than 40,600 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 operations.

Of these participants, 74% are involved in the production of racing animals including breeding and training operations. The remaining 26% are involved in race club, raceday and TAB operations, with a large number of these people assisting the industry in a variety of voluntary roles.

More than 10,400 people are involved in some capacity at race clubs, with approximately 37% involved on a voluntary basis.

FTE Employment Created - 18,326 Jobs

The work undertaken by the 40,645 participants in the racing industry equates to 18,326 Full Time Equivalent (FTE) jobs. The direct impact on employment generated by the activities of the racing industry, sustains 9,248 full time equivalent (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 18,320 FTE jobs each year.

The thoroughbred industry is responsible for 13,567 FTE, whilst the harness industry generates 4,005 FTE and the greyhound industry 754 FTE.

The generation of these full time equivalent jobs is responsible for more than \$679 Million in wages and salaries paid to people filling these roles.

The Auckland (4,956 FTE) and Waikato (3,986 FTE) regions generate the largest employment impacts from racing

Spending by Raceday Customers - \$54.7 Million

It is estimated that more than 1 Million customers attend race meetings in New Zealand each year. These customers generate significant impacts on the economy with their spending at the racecourse and in the community (off-course).

Customers at New Zealand race meetings spend in excess of \$54 Million as a direct result of racing. More than 30% of all spending is on food & beverages (\$16.3 Million). A further 26% of this spending is on wagering (\$14.7 Million).

Accommodation and transport spending make up the largest components of customer spending in the community associated with attendance at the races.

The table illustrates the average on-course spending per customer at the races in different regions of New Zealand.

REGION	AVERAGE CUSTOMER SPENDING ON-COURSE
Hawkes Bay Region	51.72
Gisborne Region	44.33
Wellington Region	41.82
West Coast Region	38.46
Auckland Region	37.78
Manawatu-Wanganui Region	36.08
Northland Region	33.07
Southland Region	32.49
Canterbury Region	31.54
Taranaki Region	31.26
Waikato Region	29.42
Marlborough Region	29.36
Bay of Plenty Region	28.84
Tasman-Nelson Region	20.31
Otago Region	19.59

Overview 1.1 - Key Impacts of New Zealand Racing Industry

Community Social Benefit

The New Zealand Racing Industry makes a significant contribution to community social benefit, enhancing individual and community well being throughout the nation, and delivering a triple bottom line result, producing economic, social and environmental benefits for New Zealand.

Race Club Community Social Benefit survey results and analysis of racing industry participation data, highlight the racing industry's significant role in the critical areas of community building, family, education and training, health, leisure, employment and environment.

Some of the key indicators of the racing industry's role in building inclusive and welcoming communities and powerful collaborative community partnerships are race club partnerships with:

- 333 community organizations who share race club facilities or resources
- 7,180 corporate suppliers, sponsors and commercial partners
- 243 community events supported by race clubs
- 274 community organizations or charities assisted financially by race clubs
- 3,916 volunteers who participate in clubs

Participation in the racing industry as a hobby owner, trainer or breeder, or as a customer attending the races or other race club events, provides a significant leisure opportunity for many New Zealanders. Some of the key indicators of this leisure contribution are:

- More than 780 race meetings are held each year with an annual attendance in excess of 1,040,000 customers
- Total race club membership exceeding 27,800
- Over 40% of race clubs hold pre or post race day events
- 153 race days have a community leisure theme
- Many leisure events are held at race club facilities on non-race days including:
 - Cross country races
 - Expos
 - Picnic days
 - Craft and agricultural shows

- Pony club
- Sports days
- Fairs
- Car rallies
- Concerts
- Charity Fundraisers

New Zealand Race Clubs have adopted many environmentally friendly practices that support Government and community expectations relating to the protection of the New Zealand environment.

Key initiatives are evident in the areas of water saving, reduction of air pollution, efficient resource use and waste recycling, energy efficient buildings and development of native flora and fauna. These initiatives protect the New Zealand environment and are also delivering operational cost savings for race clubs.

Export Market - More than \$130 Million

Each year, the New Zealand Racing Industry generates more than \$130 Million in export sales of thoroughbreds and harness horses. The largest proportion of money flowing into New Zealand for export of horses originates from the Australasia region.

Overseas buyers spend in excess of \$38 Million purchasing New Zealand bred horses at the various auction sales. The majority of this spending occurs at the Premier Yearling Sales at Karaka in February each year.

Approximately 1,900 thoroughbreds are exported each year to other countries including Australia, Korea, Singapore, Macau and Hong Kong.

Producing Racing Animals - \$799 Million

The various participants who are involved in producing racing animals spend just under \$800 Million each year in the process of preparing thoroughbreds, harness horses and greyhounds for racing.

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. 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 spend more than \$307 Million annually in the preparation of racing animals.

Breeders spend \$491 Million each year providing new racing stock.

Wagering - More than \$1,206 Million

Punters betting with NZRB bet more than \$1,100 Million at off-course TAB agencies and \$77 Million at the racecourse each year. The Canterbury (\$140 Million) and Auckland (\$144 Million) regions generate the largest amount of off-course wagering in New Zealand.

Punters also bet in excess of \$326 Million on racing product from overseas, with a large proportion of this wagering occurring on Australian races.

Returns To Owners - \$53 Million in Prizemoney

New Zealand race clubs return more than \$50 Million annually to owners in the form of prizemoney. This money helps to sustain the owners who drive the industry forward by investing in the stock to provide racehorses, harness horses and greyhounds.

Owners who reside in the Auckland, Wellington and Canterbury regions receive the largest proportion of prizemoney.

Government Wagering Tax - \$60 Million

Government taxes from wagering each year amount to more than \$60 Million, forming an important part of the budget spent on community projects in New Zealand.

Economic Impacts - 2.1 New Zealand Population

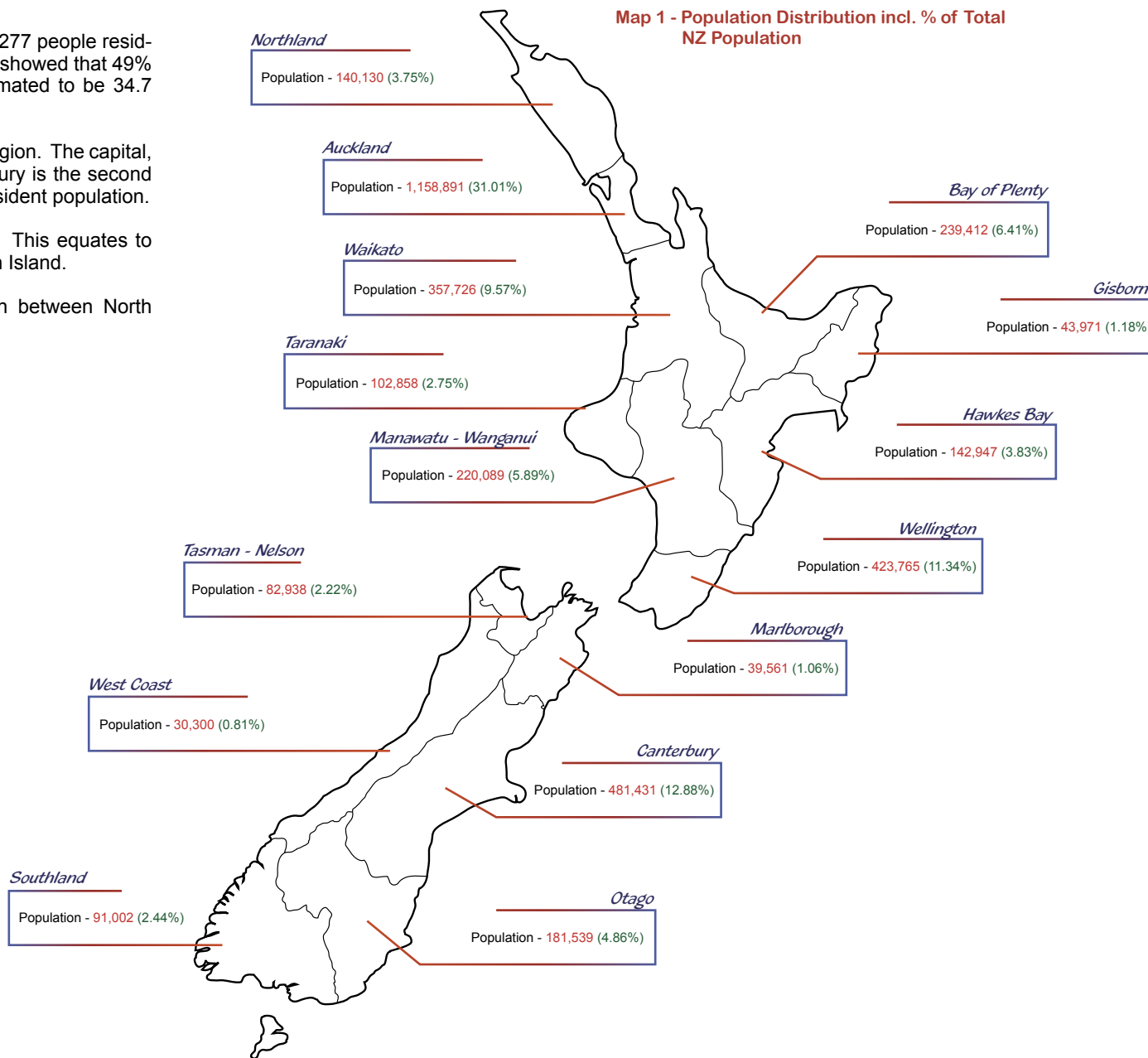
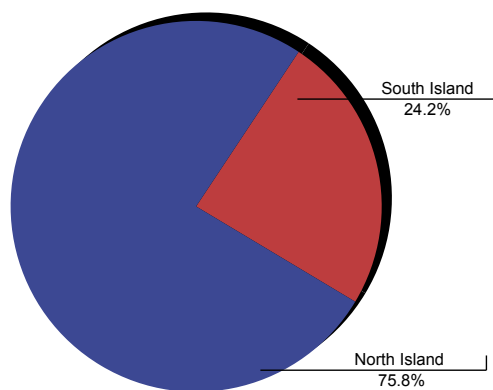
The 2001 national census revealed that there were 3,737,277 people residing in New Zealand. The gender spread of the population showed that 49% were male and 51% female. The median age was estimated to be 34.7 years.

More than 30% of the population resides in the Auckland region. The capital, Wellington, is home to 11.3% of the population. Canterbury is the second largest region in terms of population, with 12.8% of the resident population.

More than 2.8 Million people reside on the North Island. This equates to three times the number of people who reside on the South Island.

The following chart illustrates the population breakdown between North Island and South Island.

Chart 1 - Population Breakdown By Island



Economic Impacts - 2.2 Initial Expenditures Generated by Racing

Initial Expenditures

Each year, the racing industry generates a large amount of spending in the New Zealand Economy. Some of this spending occurs on consumption items within the racing industry and as such does not directly enter the *value added* calculation. 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. It is important to note that whilst owners, jockeys, drivers, stablehands and attendants are not represented in this table, they do in fact provide an economic impact on the economy in their own right.

Table 1 illustrates the initial expenditures generated as well as the adjusted value of these expenditures.

Once the initial expenditures were calculated, it was 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.

Table 1 - Initial Expenditures Generated by Racing

Initial Expenditure Item	Thoroughbred		Harness		Greyhound		Total	
	Initial Expenditure	Adj. Initial Expenditure	Initial Expenditure	Adj. Initial Expenditure	Initial Expenditure	Adj. Initial Expenditure	Initial Expenditure	Adj. Initial Expenditure
Auckland Region	\$136,711,995	\$185,613,847	\$43,788,965	\$42,605,123	\$7,412,619	\$7,497,754	\$187,913,580	\$235,716,724
Bay of Plenty Region	\$24,246,541	\$17,439,977	\$1,499,176	\$1,075,740	\$209,583	\$141,900	\$25,955,300	\$18,657,617
Canterbury Region	\$58,950,317	\$53,360,774	\$92,712,171	\$83,421,057	\$11,126,100	\$10,057,593	\$162,788,588	\$146,839,424
Gisborne Region	\$2,155,962	\$1,534,424					\$2,155,962	\$1,534,424
Hawkes Bay Region	\$27,697,497	\$19,426,243	\$203,219	\$137,417	\$742,141	\$502,058	\$28,642,857	\$20,065,718
Manawatu-Wanganui Region	\$107,656,498	\$74,361,444	\$3,552,526	\$2,679,422	\$8,539,615	\$6,350,491	\$119,748,639	\$83,391,358
Marlborough Region	\$1,059,026	\$781,806	\$2,119,268	\$1,612,208			\$3,178,294	\$2,394,014
Northland Region	\$13,474,553	\$9,370,076	\$423,278	\$303,844			\$13,897,831	\$9,673,921
Otago Region	\$14,734,171	\$17,151,302	\$17,077,163	\$20,078,346	\$1,593,382	\$1,501,566	\$33,404,716	\$38,731,214
Southland Region	\$21,157,331	\$14,791,094	\$27,332,594	\$19,444,912	\$922,054	\$737,127	\$49,411,979	\$34,973,133
Taranaki Region	\$28,475,506	\$19,985,988	\$2,548,457	\$1,862,289	\$560,639	\$379,457	\$31,584,602	\$22,227,735
Tasman-Nelson Region	\$1,392,497	\$941,783	\$2,386,113	\$1,760,115			\$3,778,610	\$2,701,898
Waikato Region	\$251,037,173	\$171,974,038	\$16,636,605	\$11,905,269	\$5,634,201	\$4,277,584	\$273,307,978	\$188,156,891
Wellington Region	\$30,609,674	\$54,073,693	\$2,439,537	\$2,970,501	\$3,491,678	\$4,515,626	\$36,540,890	\$61,559,820
West Coast Region	\$3,006,230	\$2,075,743	\$2,724,741	\$1,875,751	\$728,969	\$493,161	\$6,459,939	\$4,444,655
Total Adjusted Initial Expenditure	\$722,364,971	\$642,882,232	\$215,443,814	\$191,731,994	\$40,960,980	\$36,454,318	\$978,769,765	\$871,068,544

Economic Impacts - 2.3 Value Added Contribution to Gross Domestic Product

Gross Domestic Product - \$1,483 Million

The New Zealand Racing Industry generates more than \$1,483 Million in Value Added to the Country's Gross Domestic Product. This represents approximately 1.3% of New Zealand's total Gross Domestic Product. The initial column of this table 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 \$424 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 \$1,483 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.

The thoroughbred racing industry is responsible for the generation of more than \$1,093 Million in Value Added, or 73% of the Racing Industry total. The Auckland (\$314 Mil), Waikato (\$291 Mil) and Manawatu-Wanganui (\$126 Mil) regions generate the largest amounts across the thoroughbred racing industry. Harness racing is responsible for the generation of \$327 Million in Value Added, or 22% of the Racing Industry total. The Canterbury (\$142 Mil), Auckland (\$72 Mil) and Otago (\$34 Mil) regions generate the largest amounts across the harness racing industry. Greyhound racing is responsible for the generation of \$62 Million in Value Added, or 5% of the Racing Industry total. The Canterbury (\$17 Mil), Auckland (\$12 Mil) and Manawatu-Wanganui (\$10 Mil) regions generate the largest amounts across the greyhound racing industry.

Table 2 - Value Added Contribution to Gross Domestic Product

Value Added Generated by Racing	Thoroughbred Value Added		Harness Value Added		Greyhound Value Added		Total Value Added	
	Initial	Total	Initial	Total	Initial	Total	Direct	Total
Auckland Region	\$89,770,802	\$314,960,731	\$20,642,905	\$72,041,234	\$3,709,550	\$12,780,508	\$114,123,257	\$399,782,473
Bay of Plenty Region	\$8,663,168	\$30,000,389	\$529,820	\$1,836,127	\$68,120	\$240,055	\$9,261,108	\$32,076,570
Canterbury Region	\$26,066,466	\$91,190,570	\$41,002,610	\$142,887,438	\$5,019,526	\$17,245,506	\$72,088,602	\$251,323,515
Gisborne Region	\$764,548	\$2,678,851					\$764,548	\$2,678,851
Hawkes Bay Region	\$9,543,967	\$33,237,498	\$65,980	\$232,512	\$240,992	\$849,461	\$9,850,939	\$34,319,470
Manawatu-Wanganui Region	\$36,093,153	\$126,370,247	\$1,351,277	\$4,623,487	\$3,178,369	\$10,908,898	\$40,622,799	\$141,902,632
Marlborough Region	\$394,867	\$1,374,817	\$828,010	\$2,857,742			\$1,222,877	\$4,232,558
Northland Region	\$4,572,578	\$16,008,366	\$149,400	\$517,109			\$4,721,978	\$16,525,475
Otago Region	\$8,349,526	\$29,186,804	\$9,835,146	\$34,316,960	\$757,376	\$2,584,294	\$18,942,048	\$66,088,058
Southland Region	\$7,219,838	\$25,190,498	\$9,561,026	\$33,200,001	\$378,906	\$1,278,403	\$17,159,769	\$59,668,902
Taranaki Region	\$9,762,991	\$34,072,247	\$926,937	\$3,194,007	\$182,153	\$641,971	\$10,872,081	\$37,908,225
Tasman-Nelson Region	\$452,058	\$1,593,484	\$877,199	\$3,020,974			\$1,329,257	\$4,614,457
Waikato Region	\$83,141,394	\$291,944,263	\$5,873,297	\$20,343,979	\$2,152,963	\$7,344,368	\$91,167,655	\$319,632,610
Wellington Region	\$26,377,723	\$92,162,585	\$1,438,051	\$5,056,249	\$2,276,588	\$7,761,858	\$30,092,362	\$104,980,693
West Coast Region	\$1,046,372	\$3,621,551	\$960,944	\$3,311,121	\$236,722	\$834,403	\$2,244,038	\$7,767,076
Total Value Added Generated	\$312,219,452	\$1,093,592,900	\$94,042,601	\$327,438,941	\$18,201,264	\$62,469,725	\$424,463,317	\$1,483,501,565

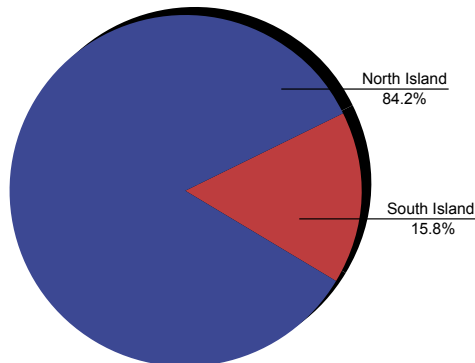
Economic Impacts - 2.3 Value Added Contribution to Gross Domestic Product

Value Added Generated by Racing

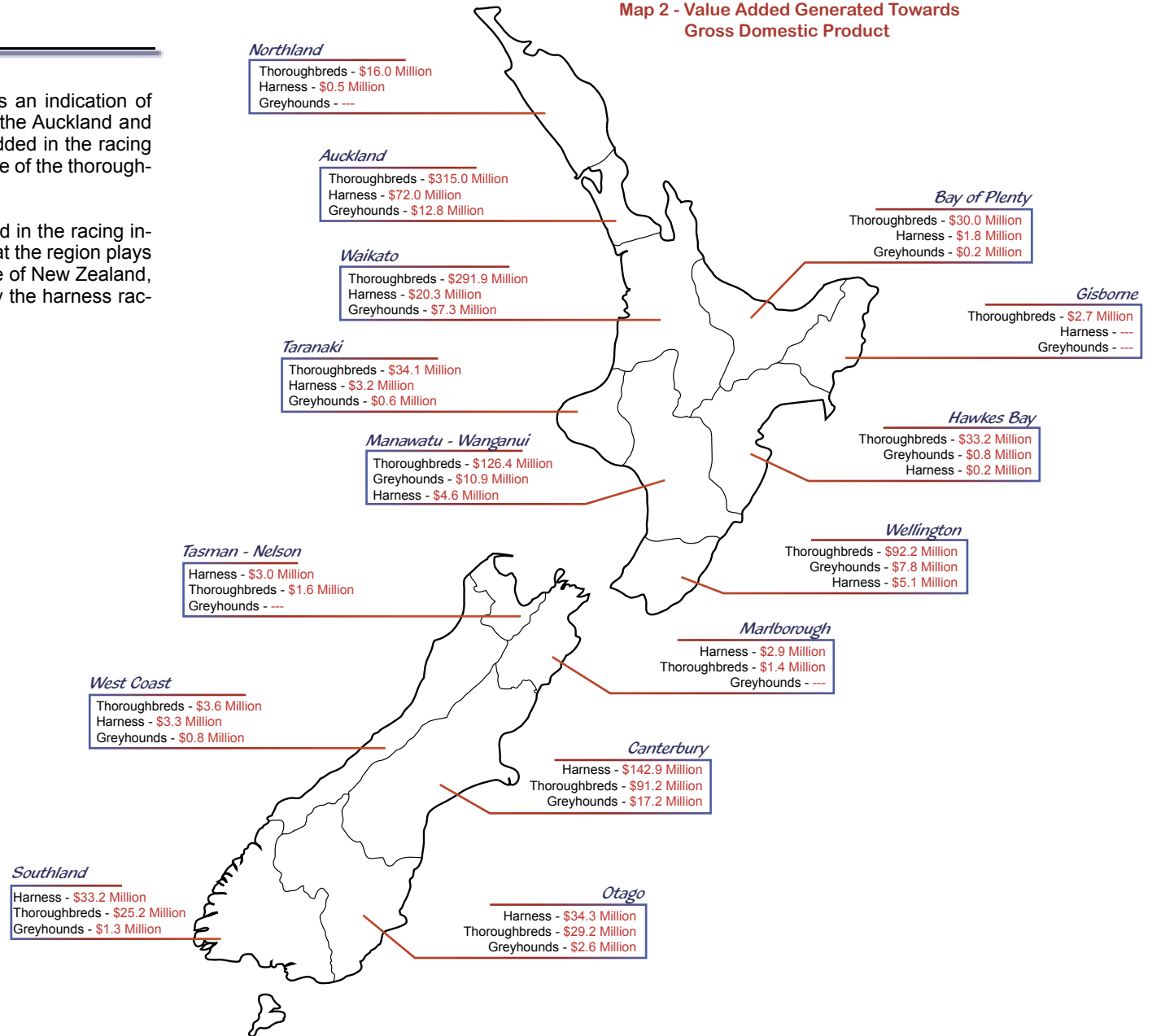
The value added generated by the racing industry, gives an indication of its size in the New Zealand economy. Across all codes, the Auckland and Waikato regions generate the highest amount of value added in the racing industry. One of the major reasons for this is the sheer size of the thoroughbred breeding operations in this region.

Canterbury is the second largest generator of value added in the racing industry. This is largely attributable to the significant role that the region plays in all three codes of racing. It is the harness racing centre of New Zealand, providing more than 43% of all value added generated by the harness racing industry.

Chart 2 - Value Added Generated by Racing By Island



Map 2 - Value Added Generated Towards Gross Domestic Product



Economic Impacts - 2.4 Total Participants in the Racing Industry

Participants in the Racing Industry

The racing industry thrives on the strength of its participants. A chain of action begins with the breeding of racing animals with each participant playing an important part in the outcomes generated. More than 40,000 participants are involved in the racing industry in a full-time, part-time, casual or voluntary capacity. The thoroughbred racing industry supports more than 23,000 participants at various levels of employment. 14,600 participants provide the impetus for the harness racing industry, whilst just under 2,600 participants are involved in greyhound racing.

Breeders and owners are the two largest groups of participants in the industry, which is not surprising as they initiate the beginning of the process of the racing animals from conception to racing.

More than 10,000 participants are involved in producing the racing product, including a large volunteer base (approximately 37%), which is one of the unique aspects of the racing industry, illustrating the importance of the racing industry to the wider community.

Many of the participants in the production of racing animals undertake more than one role. In the thoroughbred industry, many breeders also own racehorses, whilst in the greyhound industry, a large proportion of dual roles exist with many owner/trainers and owner/breeders.

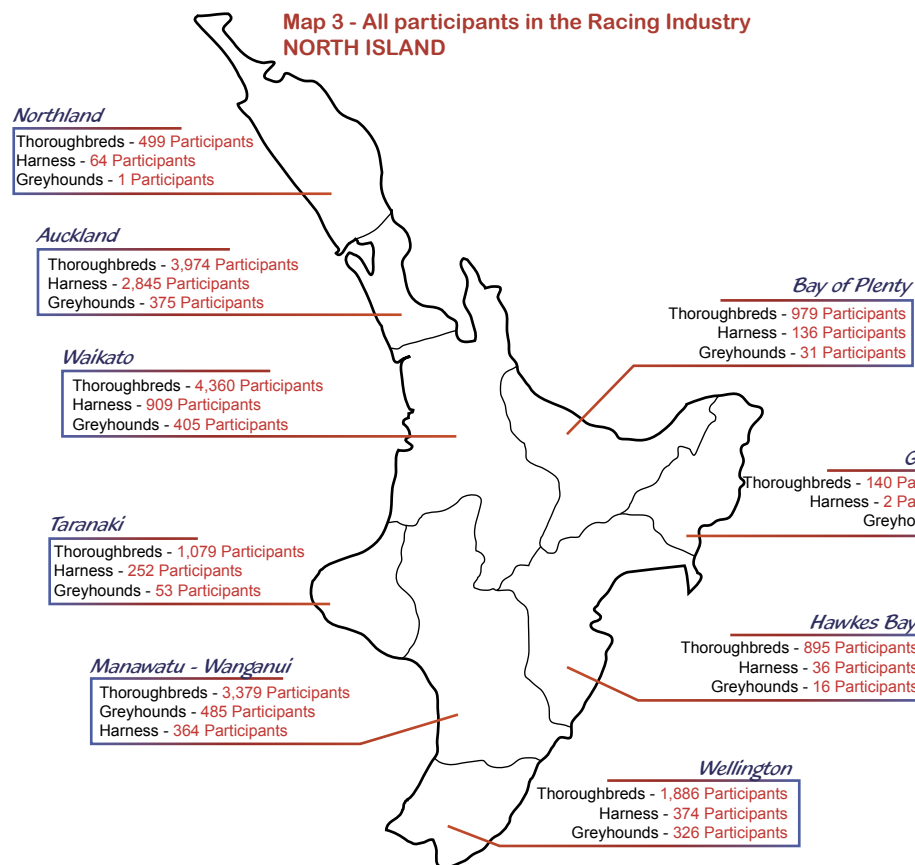
Whilst every effort has been taken to avoid double counting, it is possible that there may be some duplication across some categories within these figures. The Full Time Equivalent employment figures on the following pages provide a more accurate measure of employment generation.

Table 3 - Participants in the Racing Industry by Type and Code

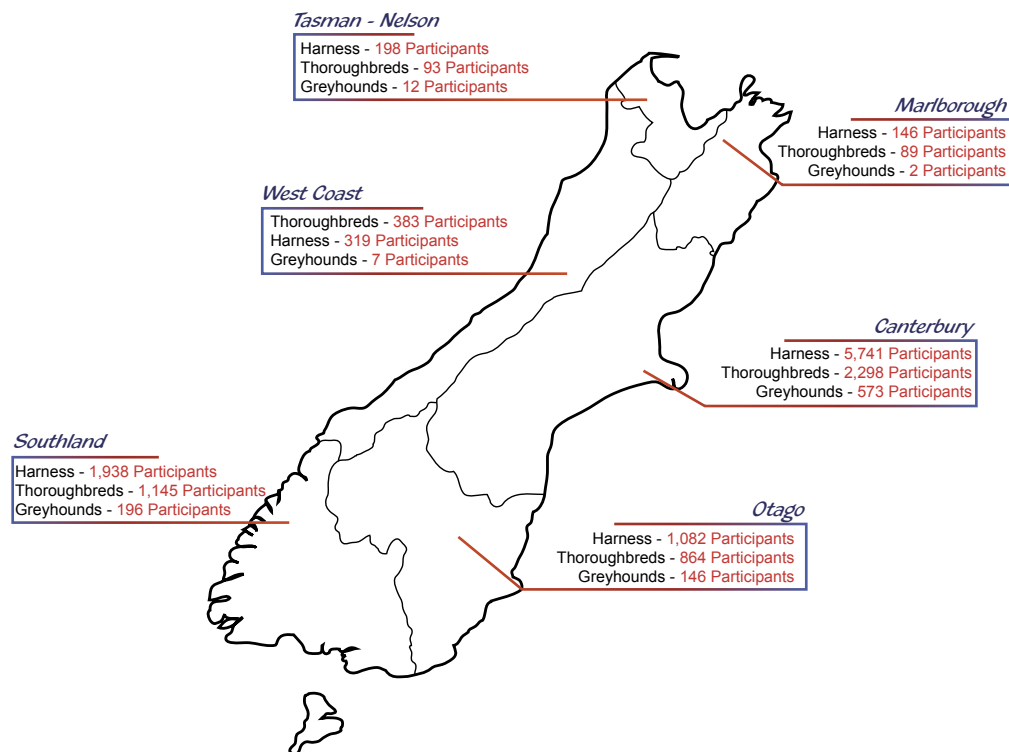
Participant Type	Thoroughbred	Harness	Greyhound	TOTAL
Number of Breeders	3,156	1,981	63	5,200
Number of Breeders Staff	3,855	151	39	4,045
Number of Owners & Syndicate Owners	6,664	5,179	992	12,835
Number of Breeder/Owners	2,801	1,748	91	4,640
Number of Owner/Trainers	696		48	744
Number of Public Trainers	361	414	73	848
Number of Permit to Train Holders	379			379
Number of Licence to Train Holders		871		871
Number of Stablehands	37			37
Number of Attendants		209		209
Number of Handlers			133	133
Number of Trackriders	234			234
Total Participant in Producing Racing Animals	18,183	10,553	1,439	30,175
Number of Jockeys	156			156
Number of Apprentice Jockeys	83			83
Number of Drivers		716		716
Number of Junior Drivers		58		58
Number of Industry Admin Staff	75	44	8	127
Number of Club Secretaries	65	52	13	130
Number of Committee Members	843	610	84	1,537
Number of Full Time Race Club Staff	506	342	76	924
Number of Part Time & Contractor Staff	1,249	871	81	2,201
Number of Volunteer Race Club Staff	996	731	652	2,379
Number of Raceday Drs & Vets	174	72	12	258
Number of Race Club Wagering Staff	601	336	30	967
Number of TAB Off-Course Staff	408	289	237	934
Total Participants in Producing the Racing Product	5,156	4,121	1,193	10,470
Total Number of Participants in the Racing Industry	23,339	14,674	2,632	40,645

Economic Impacts - 2.4 Total Participants in the Racing Industry

The map illustrates the geographic spread of participants in the racing industry across New Zealand:-



Map 4 - All participants in the Racing Industry SOUTH ISLAND



Harness Racing participants make up the largest proportion of all participants on the South Island. In particular, the Canterbury and Southland regions provide for a large amount of the participants in racing, more than 65% of the total number of participants.

Approximately 62% of the participants in racing are located on the North Island. Thoroughbred racing has the largest number of participants in racing on the North Island. The Auckland and Waikato regions provide for more than half of the total number of participants in racing.

Economic Impacts - 2.5 Employment Impact of Racing in New Zealand

Table 4 - FTE Employment Generated by Racing in New Zealand

(FTE) Employment Generated by Racing	Thoroughbred		Harness		Greyhound		Total	
	Initial Jobs	Total Jobs	Initial Jobs	Total Jobs	Initial Jobs	Total Jobs	Initial Jobs	Total Jobs
Auckland Region	1,936	3,918	459	883	85	155	2,480	4,956
Bay of Plenty Region	193	363	12	23	1	3	206	388
Canterbury Region	565	1,124	898	1,752	115	209	1,578	3,085
Gisborne Region	17	32					17	32
Hawkes Bay Region	211	405	1	3	5	11	217	419
Manawatu-Wanganui Region	780	1,575	31	55	73	132	884	1,762
Marlborough Region	9	16	19	33			28	49
Northland Region	99	197	3	6			103	203
Otago Region	182	360	216	419	17	31	415	810
Southland Region	158	312	212	408	9	15	379	736
Taranaki Region	214	420	21	39	4	8	239	466
Tasman-Nelson Region	10	20	20	37			30	57
Waikato Region	1,781	3,652	132	247	51	88	1,964	3,986
Wellington Region	575	1,132	31	63	53	93	660	1,287
West Coast Region	23	42	22	38	5	11	50	90
Total FTE Employment Generated	6,752	13,567	2,077	4,005	419	754	9,248	18,326

Table 5 - Wages & Salaries Generated by Racing in New Zealand

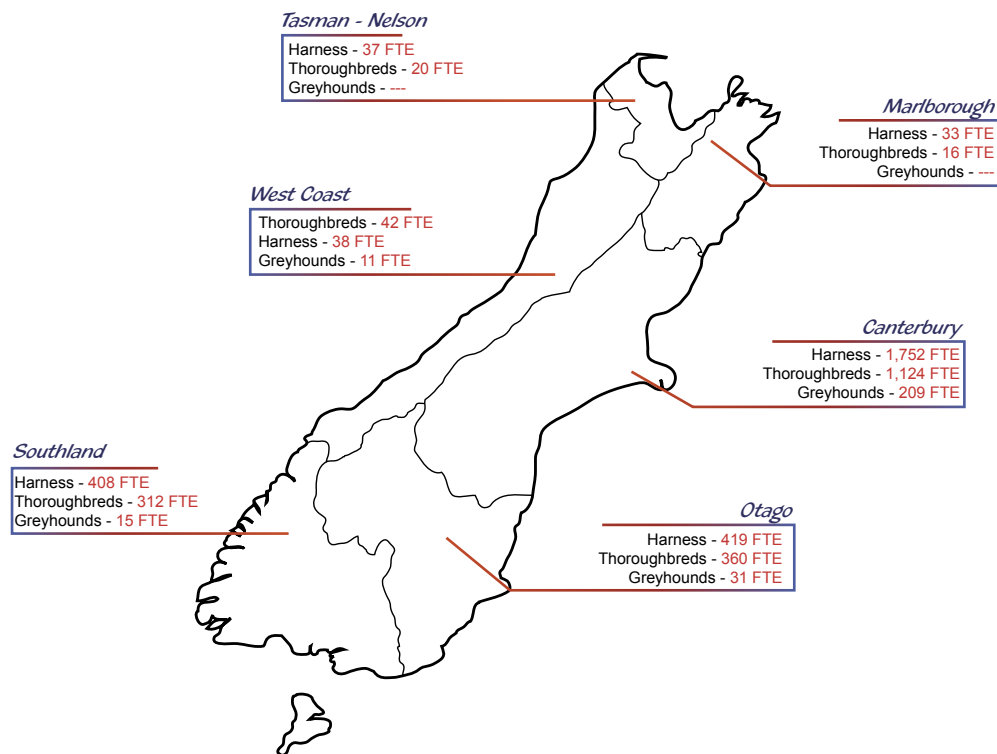
Wages & Salaries Generated by Racing	Thoroughbred		Harness		Greyhound		Total	
	Initial	Total	Initial	Total	Initial	Total	Initial	Total
Auckland Region	\$50,714,208	\$142,465,568	\$11,785,588	\$35,089,007	\$2,039,814	\$6,240,589	\$64,539,611	\$183,795,164
Bay of Plenty Region	\$4,808,738	\$14,197,127	\$290,634	\$846,055	\$38,313	\$103,767	\$5,137,686	\$15,146,948
Canterbury Region	\$14,593,026	\$41,666,283	\$22,945,651	\$66,079,405	\$2,730,939	\$8,273,777	\$40,269,617	\$116,019,465
Gisborne Region	\$432,689	\$1,310,136					\$432,689	\$1,310,136
Hawkes Bay Region	\$5,357,955	\$15,624,131	\$37,119	\$100,525	\$135,556	\$367,137	\$5,530,630	\$16,091,793
Manawatu-Wanganui Region	\$20,166,465	\$56,414,843	\$727,968	\$2,243,336	\$1,717,988	\$5,199,028	\$22,612,421	\$63,857,207
Marlborough Region	\$222,833	\$681,870	\$462,479	\$1,439,883			\$685,312	\$2,121,753
Northland Region	\$2,561,833	\$7,320,402	\$82,448	\$245,264			\$2,644,282	\$7,565,666
Otago Region	\$4,692,858	\$13,465,567	\$5,507,773	\$16,292,534	\$407,652	\$1,257,085	\$10,608,283	\$31,015,187
Southland Region	\$4,011,496	\$11,367,849	\$5,280,741	\$15,252,213	\$199,756	\$646,910	\$9,491,993	\$27,266,971
Taranaki Region	\$5,449,926	\$15,600,863	\$506,345	\$1,520,977	\$102,453	\$277,483	\$6,058,724	\$17,399,323
Tasman-Nelson Region	\$254,281	\$688,692	\$484,861	\$1,459,643			\$739,143	\$2,148,335
Waikato Region	\$46,644,497	\$129,055,571	\$3,278,239	\$9,784,954	\$1,163,773	\$3,675,088	\$51,086,508	\$142,515,614
Wellington Region	\$14,945,178	\$43,164,246	\$813,457	\$2,297,006	\$1,223,912	\$3,833,432	\$16,982,548	\$49,294,684
West Coast Region	\$591,643	\$1,875,626	\$536,763	\$1,678,043	\$133,154	\$360,631	\$1,261,559	\$3,914,300
Total Wages & Salaries Generated	\$175,447,627	\$494,898,772	\$52,740,068	\$154,328,845	\$9,893,310	\$30,234,928	\$238,081,006	\$679,462,545

Economic Impacts - 2.5 Employment Impact of Racing in New Zealand

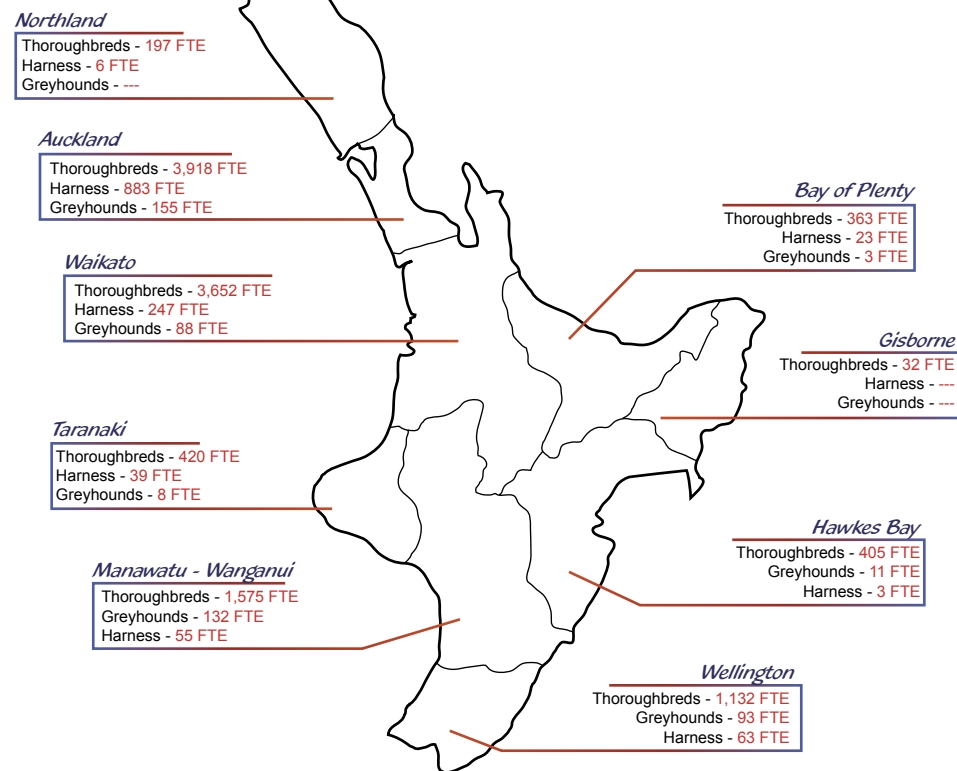
Section 2.4 established that there are approximately 40,000 participants involved in the racing industry in New Zealand. In economic terms, this equates to the equivalent of 18,326 Full Time Equivalent (FTE) jobs. The direct impact on employment generated by the activities of the racing industry, sustains 9,248 full time equivalent (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 18,320 FTE jobs each year.

The thoroughbred industry is responsible for 13,567 FTE, whilst the harness industry generates 4,005 FTE and the greyhound industry 754 FTE.

Map 6 - FTE Employment generated by the Racing Industry SOUTH ISLAND



Map 5 - FTE Employment generated by the Racing Industry NORTH ISLAND



These FTE jobs generate more than \$679 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.

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

The Auckland (4,956 FTE) and Waikato (3,987FTE) regions provide the largest proportion of FTE employment in the racing industry.

Breeding - 3.1 Breeders of Thoroughbreds, Harness Horses & Greyhounds

Table 6 - Number of Breeders in New Zealand

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	534	333	10	877
Bay of Plenty Region	164	23	1	188
Canterbury Region	341	876	16	1,233
Gisborne Region	24			24
Hawkes Bay Region	136	10		146
Manawatu-Wanganui Region	410	34	12	456
Marlborough Region	13	26		39
Northland Region	70	6		76
Otago Region	76	134	2	212
Southland Region	108	243	1	352
Taranaki Region	139	17	7	163
Tasman-Nelson Region	31	37		68
Waikato Region	658	96	10	764
Wellington Region	174	24	3	201
West Coast Region	29	19	1	49
Overseas	249	103		352
TOTAL	3,156	1,981	63	5,200

Table 8 - Number of Dual Role Breeder/Owners in New Zealand

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	523	269	11	803
Bay of Plenty Region	100	19	1	120
Canterbury Region	243	762	31	1,036
Gisborne Region	9			9
Hawkes Bay Region	112	4	3	119
Manawatu-Wanganui Region	433	22	26	481
Marlborough Region	5	16		21
Northland Region	50	5		55
Otago Region	86	142	3	231
Southland Region	124	300	1	425
Taranaki Region	195	19	2	216
Tasman-Nelson Region	8	18		26
Waikato Region	617	92	11	720
Wellington Region	181	31	1	213
West Coast Region	6	13		19
Overseas	109	36	1	146
TOTAL	2,801	1,748	91	4,640

Table 7 - Number of Staff Employed by Breeders in New Zealand

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	703	24	5	732
Bay of Plenty Region	113	1	1	115
Canterbury Region	376	75	15	466
Gisborne Region	10			10
Hawkes Bay Region	168		1	169
Manawatu-Wanganui Region	579	2	9	590
Marlborough Region	5	1		6
Northland Region	70			70
Otago Region	81	12	1	94
Southland Region	131	22		153
Taranaki Region	143	1	1	145
Tasman-Nelson Region	18	2		20
Waikato Region	1,291	6	4	1,301
Wellington Region	157	4	1	162
West Coast Region	11	1		12
TOTAL	3,856	151	38	4,045

Breeding - 3.1 Breeders of Thoroughbreds, Harness Horses & Greyhounds

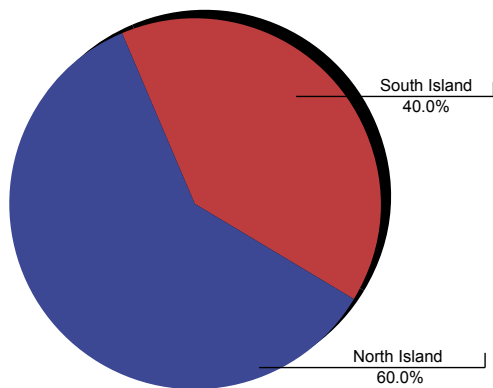
Breeders in New Zealand

Breeders play a significant role in all forms of racing in New Zealand. Through their operations, thoroughbreds, harness horses and greyhound stocks are replenished with a view to providing the best possible quality racing. This is achieved by different means across the codes, however breeders have the important task of keeping Stallions, Sires, Broodmares and Bitches for breeding purposes, as well as looking after the foal crop, and the upbringing of pups in any given year.

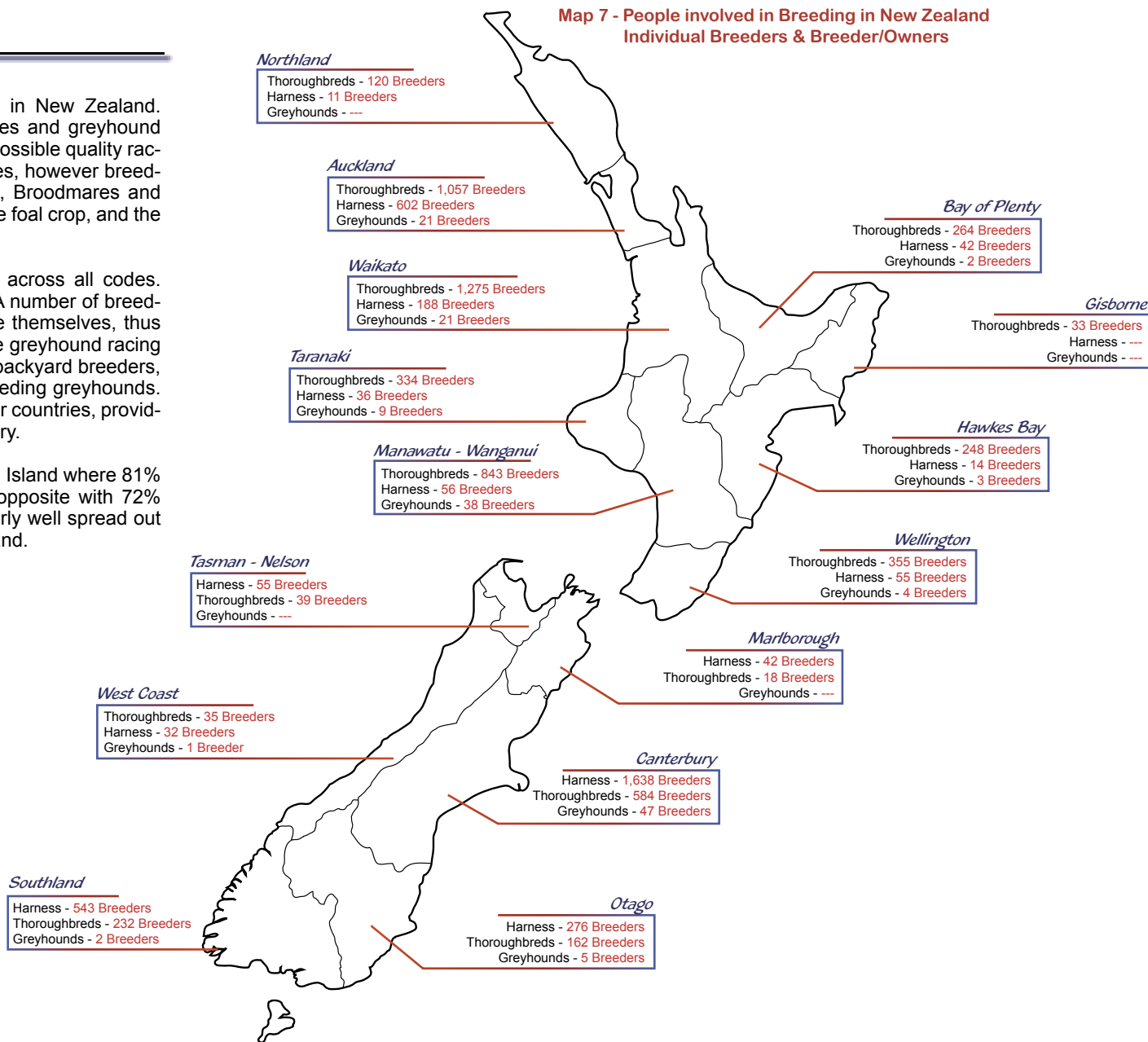
There are more than 9,800 breeders in New Zealand across all codes. Subtle differences do exist however across the codes. A number of breeders decide to keep some or all of their foal crop to race themselves, thus giving rise to dual role participants, breeder/owners. The greyhound racing industry also has a large number of hobby breeders, or backyard breeders, a situation that reflects the cheaper relative costs of breeding greyhounds. Breeders also provide stallions that service mares in other countries, providing additional revenue for the New Zealand racing industry.

Thoroughbred breeders are most prominent on the North Island where 81% are based. Harness breeders are almost exactly the opposite with 72% based on the South Island. Greyhound breeders are fairly well spread out with 63% on the North Island, and 37% on the South Island.

Chart 3 - Location of all Breeders in New Zealand



Map 7 - People involved in Breeding in New Zealand Individual Breeders & Breeder/Owners



Breeding - 3.2 Breeding Animals in New Zealand

Table 9 - Number of Stallions and Sires in New Zealand

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	27	34	11	72
Bay of Plenty Region	1		3	4
Canterbury Region	28	76	26	130
Gisborne Region	1			1
Hawkes Bay Region	12		7	19
Manawatu-Wanganui Region	31	1	20	52
Marlborough Region	1			1
Northland Region	2	1		3
Otago Region	9	5	4	18
Southland Region	13	10	1	24
Taranaki Region	10	1	3	14
Tasman-Nelson Region	1	1		2
Waikato Region	94	4	11	109
Wellington Region	3	1	1	5
West Coast Region	1	1	1	3
Overseas			1	1
TOTAL	234	135	89	458

Table 10 - Number of Broodmares and Bitches in New Zealand

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	1,624	697	17	2,338
Bay of Plenty Region	262	42	3	307
Canterbury Region	869	2,214	52	3,135
Gisborne Region	24			24
Hawkes Bay Region	388	10	5	403
Manawatu-Wanganui Region	1,338	47	32	1,417
Marlborough Region	12	27		39
Northland Region	161	7		168
Otago Region	187	348	4	539
Southland Region	302	634	1	937
Taranaki Region	330	40	5	375
Tasman-Nelson Region	41	59		100
Waikato Region	2,983	186	14	3,183
Wellington Region	363	106	2	471
West Coast Region	25	27	1	53
Overseas	207	116	1	324
TOTAL	9,116	4,560	137	13,813

Table 11 - Number of Foals and Pups in New Zealand

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	943	479	103	1,525
Bay of Plenty Region	150	37	12	199
Canterbury Region	462	1,562	343	2,367
Gisborne Region	12			12
Hawkes Bay Region	216	6	46	268
Manawatu-Wanganui Region	767	50	208	1,025
Marlborough Region	7	17		24
Northland Region	85	6		91
Otago Region	96	260	32	388
Southland Region	171	405	6	582
Taranaki Region	175	19	33	227
Tasman-Nelson Region	17	38		55
Waikato Region	1,717	154	92	1,963
Wellington Region	192	71	13	276
West Coast Region	10	38	6	54
Overseas	136	74	3	213
TOTAL	5,156	3,216	897	9,269

Table 12 - Breeders Total Expenditure on Breeding Activities

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	75,280,195	14,251,337	1,303,132	90,834,664
Bay of Plenty Region	11,968,423	912,393	177,181	13,057,997
Canterbury Region	32,115,061	41,756,150	4,756,682	78,627,894
Gisborne Region	1,028,627			1,028,627
Hawkes Bay Region	17,092,473	173,031	670,639	17,936,143
Manawatu-Wanganui Region	59,230,166	1,036,009	3,018,296	63,284,471
Marlborough Region	474,096	484,262		958,358
Northland Region	7,241,901	160,717		7,402,618
Otago Region	6,905,350	6,620,809	450,888	13,977,047
Southland Region	11,269,951	11,151,352	87,513	22,508,817
Taranaki Region	14,300,625	654,007	476,179	15,430,811
Tasman-Nelson Region	1,391,996	1,073,995		2,465,991
Waikato Region	139,613,193	3,991,070	1,160,909	144,765,172
Wellington Region	15,487,038	1,916,720	186,035	17,589,793
West Coast Region	850,036	665,205	89,883	1,605,124
Overseas				
TOTAL	394,249,131	84,847,058	12,377,337	491,473,526

Breeding - 3.3 Breeding Animals and Expenditures

Breeders Expenditure

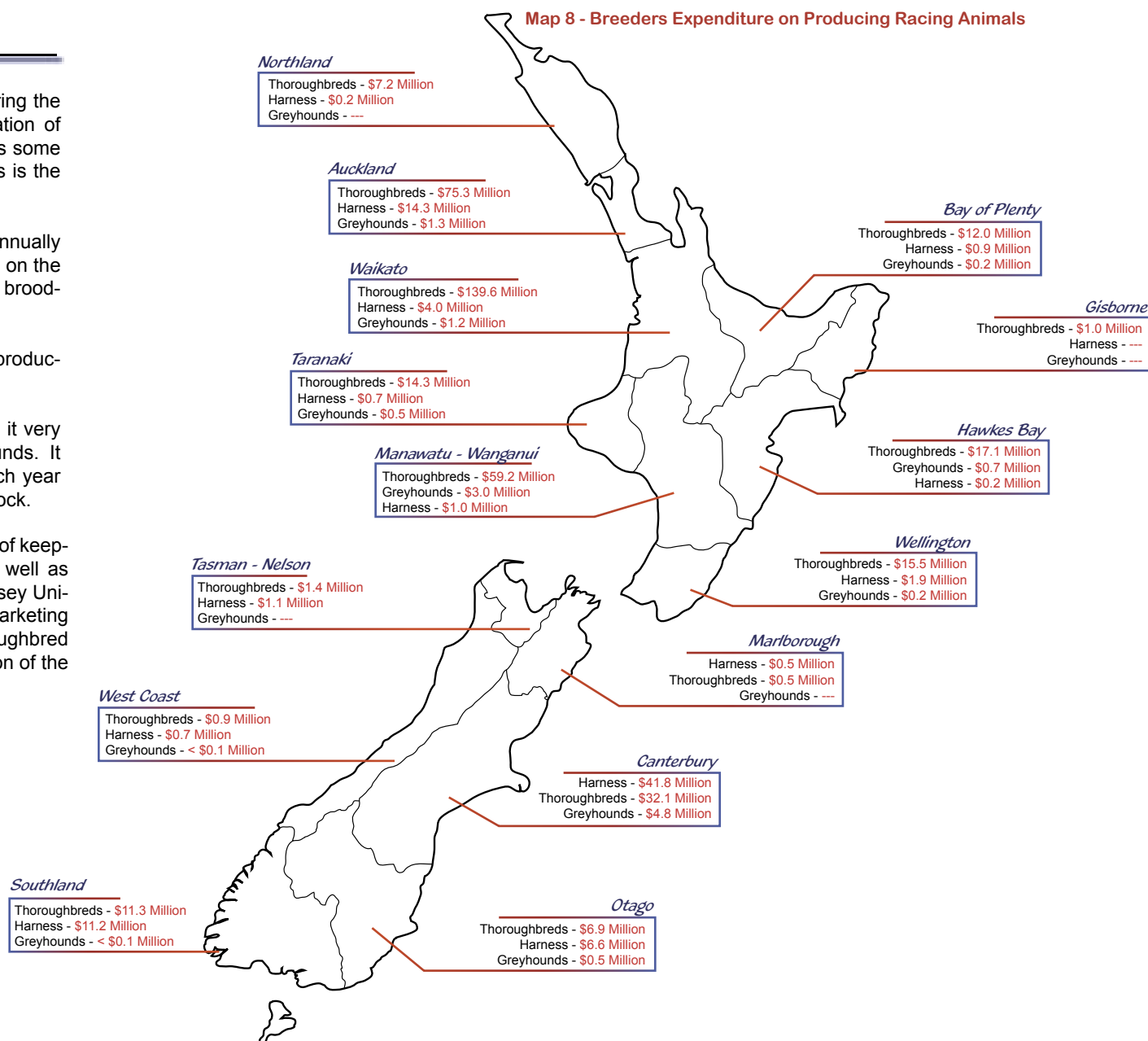
Each year, breeders spend in excess of \$491 Million during the process of providing new racing stock. Whilst importation of thoroughbreds, harness horses and greyhounds provides some new racing stock for New Zealand, the breeding process is the major contributor.

Thoroughbred breeders spend more than \$394 Million annually on the production of foals. Much of this spending occurs on the upkeep of the most important assets, the stallions and broodmares.

Harness breeders spend upwards of \$84 Million on the production of foals to replenish their harness racing stock.

The large number of hobby greyhound breeders, makes it very difficult to accurately assess the cost of breeding greyhounds. It is estimated that breeders spend around \$12 Million each year producing pups in order to replenish greyhound racing stock.

The calculation of breeders expenditure includes the cost of keeping stallions and mares, foaling and weanling costs as well as preparation of yearlings for sales. Data provided by Massey University provides for an estimation of the business and marketing costs associated with breeding in New Zealand. In thoroughbred breeding, these costs are significant in the Northern region of the North Island where the largest studs operate.



Breeding - 3.4 Sales of Thoroughbreds, Harness Horses and Greyhounds

Each year, breeders provide the racing industry with a new crop of foals and pups which will become the race horses and greyhounds of the future. In the thoroughbred racing industry, once the foals have reached age 1 (yearling), many of them are prepared for sale at various auctions. These auction sales have substantial impact on the economy, with local buyers spending millions of dollars and buyers travelling from overseas to purchase the best of the yearlings on offer. Of the yearlings that are not sold, some will be sold privately, and others will be kept and possibly raced by the breeder.

Further investigation of the auction sale process would undoubtedly reveal the true extent of its impacts on the New Zealand economy. In addition to the funds that are injected into the economy through the auction sales, some visitors would extend their trip to take in some tourist attractions. Whilst doing so, they would stimulate the economy through their spending on accommodation, retail, entertainment, travel and shopping.

Thoroughbred racing holds its yearling sales in January, and its 2YO sales in November. The yearling sales for the Harness Racing Industry are held in February/ March each year in Christchurch and Auckland and provide the best opportunity for buyers to find the best young pacers and trotters.

The following table illustrates the sales results in the thoroughbred racing industry.

Table 13 - Value of Auction Sales in New Zealand

Thoroughbred Sales	Local Buyers	Overseas Buyers	Total
Premier Sales	\$18,125,500	\$26,711,500	\$44,837,000
Select Sales	\$8,722,500	\$3,885,000	\$12,607,500
Festival Sales	\$2,704,900	\$377,250	\$3,082,150
2 YO Sales	\$1,878,500	\$4,934,500	\$6,813,000
Other Sales	\$5,486,800	\$2,241,800	\$7,728,600
TOTAL AUCTION SALES	\$36,918,200	\$38,150,050	\$75,068,250

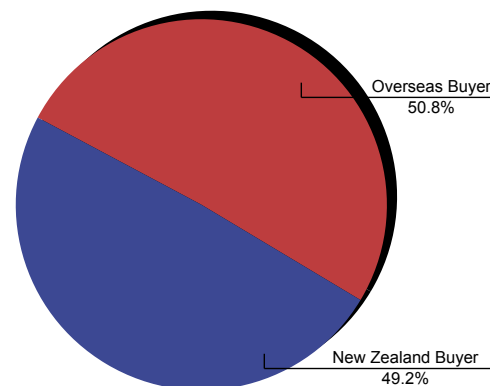
The sale of yearlings and 2YO in the thoroughbred industry, on average, yields more than \$75 Million for the racing industry. It is significant that overall, more than half of these sales are to overseas parties, resulting in the flow of 'new' money into the New Zealand economy. The overseas interest in New Zealand yearlings is underpinned by a strong desire to buy from the premier yearling stocks. 60% of all premier yearling sales are made to overseas buyers. The sales of the select, festival and other grade yearlings and horses are weighted to the local buyers.

It is much more difficult to estimate the value of yearlings, and ready to race horses in private transactions. The value of these transactions vary substantially and to estimate without any further investigation would most likely lead to a figure without justification.

The annual value of harness racing auctions exceeds \$9 million annually. Approximately \$6.7 million worth of sales occur in the Canterbury region during the February-March sales. The remaining \$2.9 Million occurs in the Auckland region. It is estimated that harness horses sold privately may be valued at between \$10,000 and \$12,500 however this is difficult to estimate with any certainty, as it is in the thoroughbred and greyhound racing industries.

As most greyhound sales occur in private sales arrangements it is very difficult to estimate the value of these transactions. It has been estimated that the average pup sold privately may be valued at \$750, whilst a greyhound in training may average \$2,000. As with the thoroughbreds and harness horses, further investigations would be required to provide a more accurate estimate of these values.

Chart 4 - Value of Thoroughbreds sold at Auction by Residency of Purchaser



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 half of all exports crossing the Tasman. Singapore, Malaysia, Korea and Macau are also significant markets. The chart illustrates the average market share of the New Zealand export market.

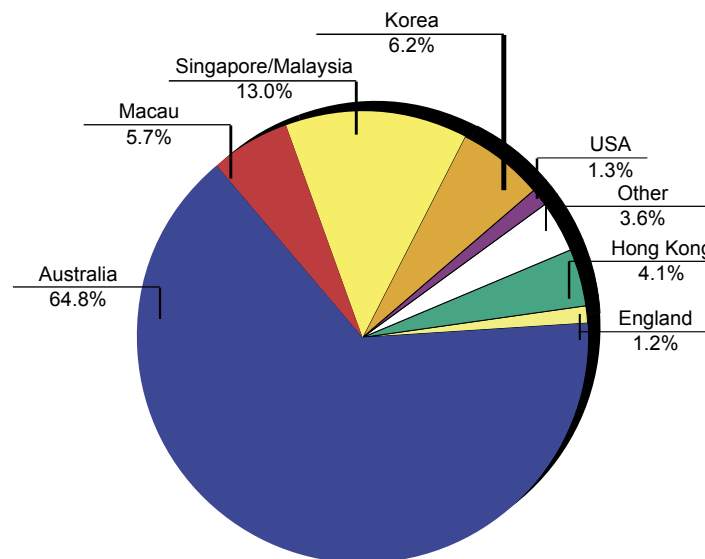
It is estimated by New Zealand Bloodstock that the value of the thoroughbred export market is around \$120 Million. In many cases, once a horse has won a trial, they may become the target of export for other countries trying to strengthen their racing by bringing in New Zealand bred thoroughbreds. The strong reputation held by NZ bred horses helps to drive the export market.

The value of the export market may fluctuate from year to year, depending on a number of variables including foal crops, lots sold at yearling crops, and racehorse form lines.

The harness racing industry is also an exporter of racing stock to international markets. It is estimated that the harness racing industry annually generates more than \$17 Million in export sales. Approximately 5% of the exports are made up by yearlings.

The New Zealand harness export market has been growing in recent years. Approximately 800 harness horses are exported to Australia each year.

Chart 5 - Share of Thoroughbred Export Market Internationally



Training - 4.1 Trainers of Thoroughbreds, Harness Horses & Greyhounds

Table 14 - Number of Registered Public Trainers

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	53	68	11	132
Bay of Plenty Region	13	1	1	15
Canterbury Region	37	195	20	252
Gisborne Region	1			1
Hawkes Bay Region	13		1	14
Manawatu-Wanganui Region	68	7	20	95
Marlborough Region	1	3		4
Northland Region	7	2		9
Otago Region	8	23	1	32
Southland Region	19	62	2	83
Taranaki Region	26	6	1	33
Tasman-Nelson Region		2	1	3
Waikato Region	100	36	11	147
Wellington Region	10	1	1	12
West Coast Region	3	8		11
Overseas	0	0	3	3
TOTAL	359	414	73	846

Table 16 - Number of Permit to Train/Licence To Train Holders

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	55	117		172
Bay of Plenty Region	14	2		16
Canterbury Region	39	354		393
Gisborne Region	1			1
Hawkes Bay Region	13	3		16
Manawatu-Wanganui Region	71	21		92
Marlborough Region	1	12		13
Northland Region	8	9		17
Otago Region	9	89		98
Southland Region	20	134		154
Taranaki Region	28	22		50
Tasman-Nelson Region	1	22		23
Waikato Region	105	68		173
Wellington Region	10	5		15
West Coast Region	4	13		17
TOTAL	379	871		1,250

Table 15 - Number of Registered Owner/Trainers

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	102		7	109
Bay of Plenty Region	26		1	27
Canterbury Region	72		15	87
Gisborne Region	2			2
Hawkes Bay Region	25		1	26
Manawatu-Wanganui Region	130		13	143
Marlborough Region	1			1
Northland Region	14		1	15
Otago Region	16			16
Southland Region	38			38
Taranaki Region	51		1	52
Tasman-Nelson Region	1		1	2
Waikato Region	192		1	193
Wellington Region	19		6	25
West Coast Region	7		1	8
TOTAL	696		48	744

Training - 4.1 Trainers of Thoroughbreds, Harness Horses & Greyhounds

Trainers of Horses & Greyhounds in New Zealand

Each year, owners of thoroughbreds, harness horses and greyhounds employ the services of more than 2,800 trainers. These trainers also employ the services of trackriders, stablehands, attendants, handlers, trial drivers, jockeys, farriers, vets and transport companies.

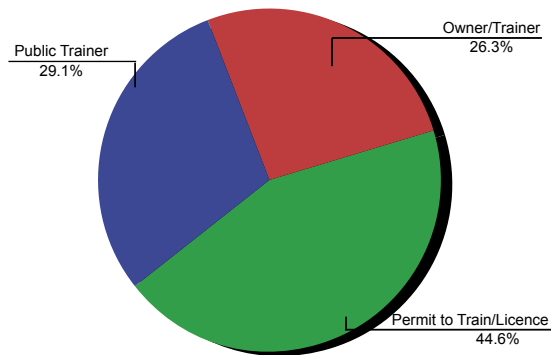
The trainers' income is generally made up of training fees paid by owners and a percentage of prizemoney. Breaking-in of thoroughbreds, harness horses and greyhounds also provides a further source of revenue.

The training service includes:-

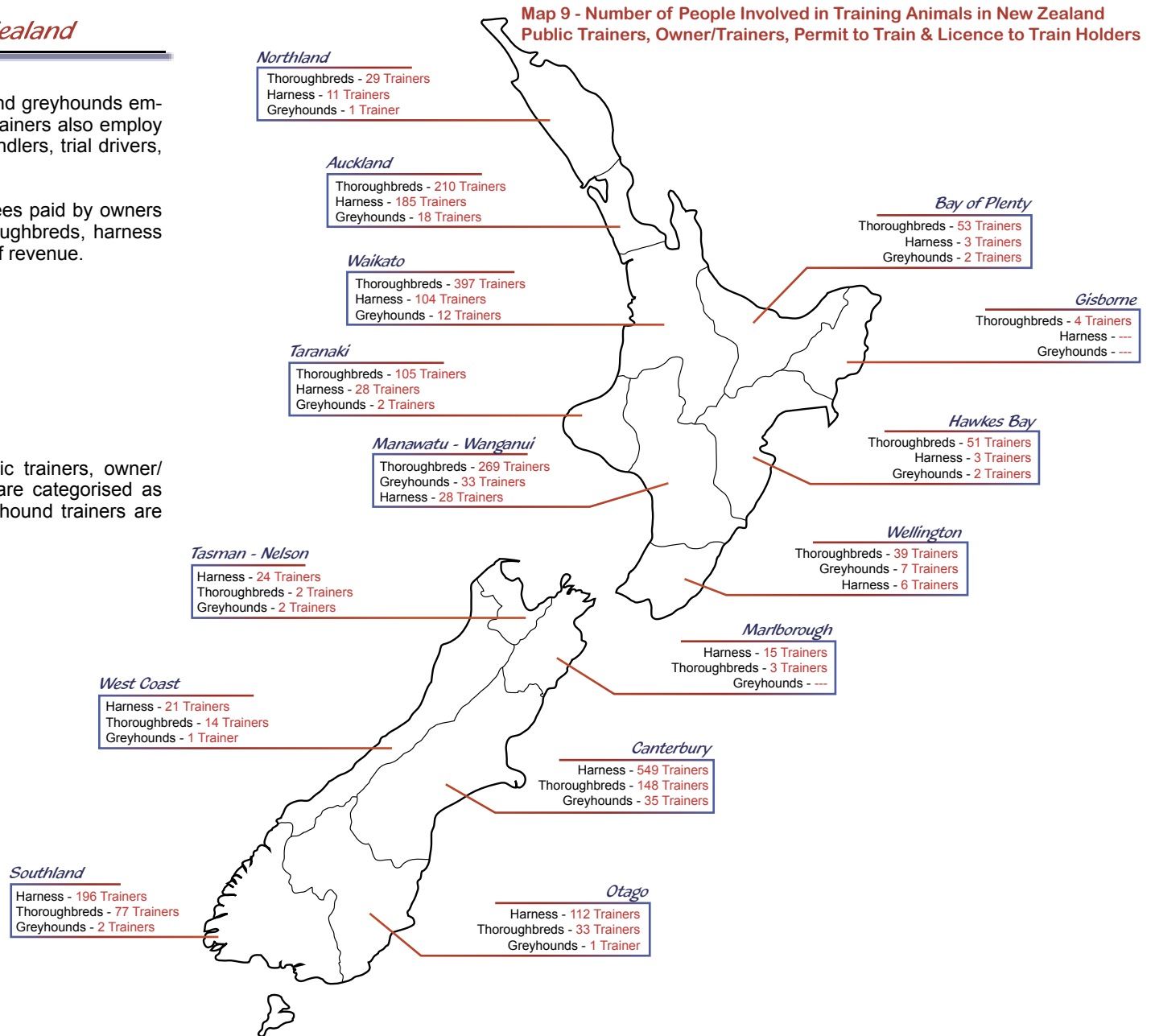
- Breaking in of the racing animal
- Pre race training
- Trialling of the racing animal
- Race day management of the racing animal

Thoroughbred trainers are categorised as either public trainers, owner/trainers or permit to train holders. Harness trainers are categorised as either public trainers or licence to train holders. Greyhound trainers are categorised as public trainers or owner/trainers.

Chart 6 - Breakdown of type of Trainers Across all Codes



Map 9 - Number of People Involved in Training Animals in New Zealand Public Trainers, Owner/Trainers, Permit to Train & Licence to Train Holders



Training - 4.1 Trainers of Thoroughbreds, Harness Horses & Greyhounds

Table 17 - Number of Jockeys & Drivers, (Apprentices & Junior Drivers)

Region	Thoroughbred		Harness Racing		Greyhound		Total	
Auckland Region	25	(5)	96	(19)			121	(24)
Bay of Plenty Region	2		5				7	
Canterbury Region	20	(10)	316	(25)			336	(35)
Gisborne Region							0	
Hawkes Bay Region	1	(4)	1				2	(4)
Manawatu-Wanganui Region	29	(21)	16				45	(21)
Marlborough Region	1		12				13	
Northland Region	1		3	(1)			4	(1)
Otago Region	10	(2)	70	(1)			80	(3)
Southland Region	5		93	(7)			98	(7)
Taranaki Region	4	(8)	19				23	(8)
Tasman-Nelson Region			13				13	
Waikato Region	48	(28)	53	(5)			101	(33)
Wellington Region	2	(1)	5				7	(1)
West Coast Region			14				14	
Overseas	8	(4)					8	(4)
TOTAL	156	(83)	716	(58)	-	-	872	(141)

Table 18 - Number of Stablehands & Attendants

Region	Thoroughbred	Harness Racing	Greyhound	Total
Auckland Region	6	24	16	46
Bay of Plenty Region			2	2
Canterbury Region	4	76	34	114
Gisborne Region				
Hawkes Bay Region	1			1
Manawatu-Wanganui Region	7	8	34	49
Marlborough Region		1	1	2
Northland Region		1		1
Otago Region		18	3	21
Southland Region		43	4	47
Taranaki Region	2	2	11	15
Tasman-Nelson Region				
Waikato Region	17	32	13	62
Wellington Region			14	14
West Coast Region		4	1	5
TOTAL	37	209	133	379

Trainers also call on the services of float operators and farriers whilst they are preparing thoroughbreds, harness horses and greyhounds for racing.

The usage of float operators is more prevalent in the thoroughbred and harness racing industry. Many greyhound trainers own their own trailers or greyhound transport vehicles. There are approximately 16 professional float organisations in New Zealand, which generally provide floating services to the harness and thoroughbred racing industries jointly.

On average, racing horses will have their hooves shod around 12 times a year when in work, with a further one or two re-fittings whilst they are being spelled. There are approximately 64 farrier organisations servicing New Zealand with the highest proportion working in the Manawatu-Wanganui region (25%) and the Wellington region (20%).

Farriers are also employed on a daily basis by race clubs, to be on hand during race meetings in order to attend to horses racing as required.

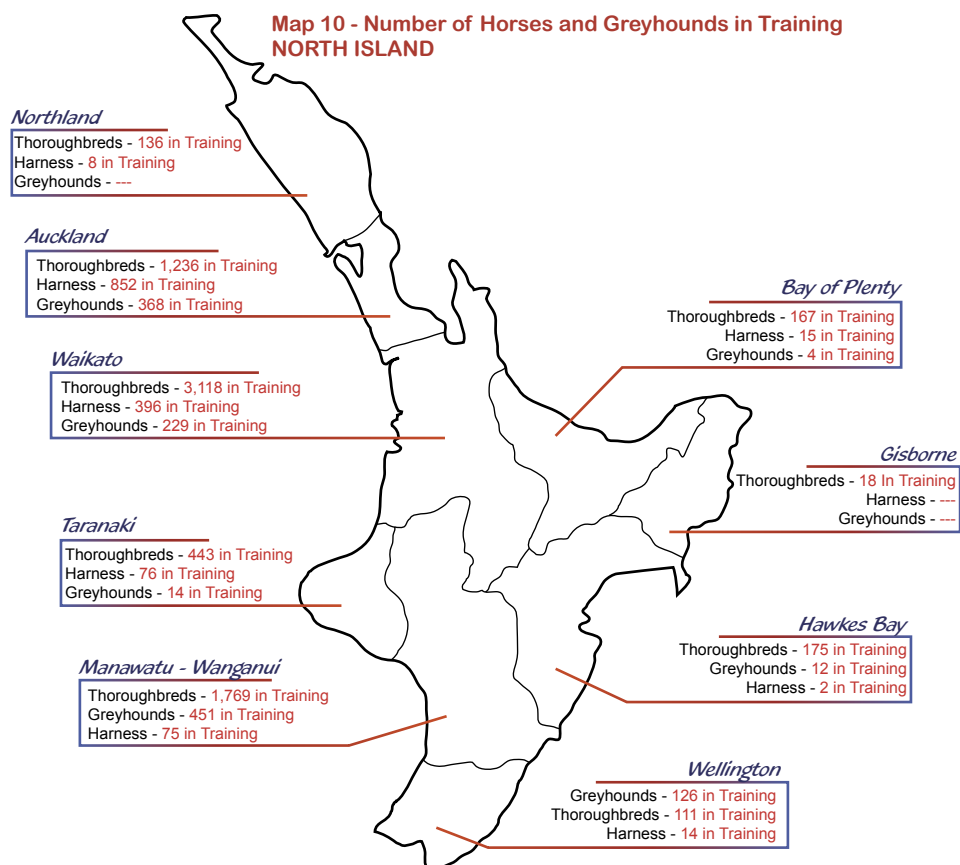
Table 19 - Number of Thoroughbreds, Harness Horses & Greyhounds in Training

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	1,236	852	368	2,456
Bay of Plenty Region	167	15	4	186
Canterbury Region	1,055	2,392	435	3,882
Gisborne Region	18			18
Hawkes Bay Region	175	2	12	189
Manawatu-Wanganui Region	1,769	75	451	2,295
Marlborough Region	8	40		48
Northland Region	136	8		144
Otago Region	272	371	75	718
Southland Region	453	901	65	1,419
Taranaki Region	443	76	14	533
Tasman-Nelson Region		39		39
Waikato Region	3,118	396	229	3,743
Wellington Region	111	14	126	251
West Coast Region	22	35	147	204
TOTAL	8,983	5,216	1,926	16,125

Training - 4.2 Number of Thoroughbreds, Harness Horses & Greyhounds in Training

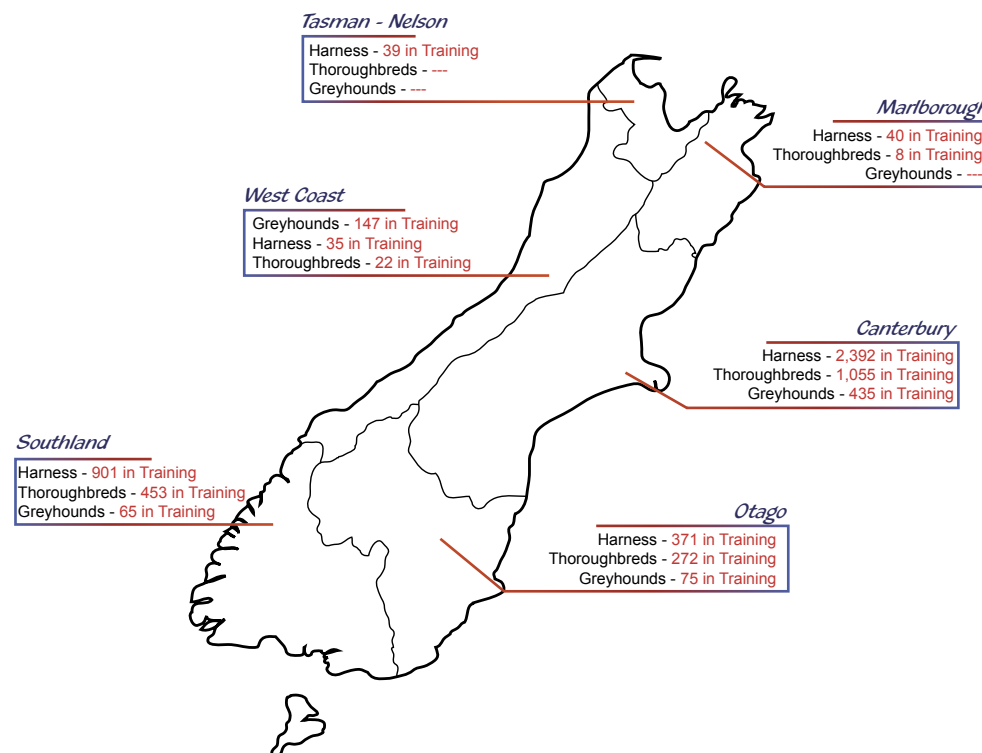
Trainers have the important task every year of preparing more than 8,900 thoroughbreds, 5,200 harness horses and 1,926 greyhounds. It is estimated that thoroughbreds are in full training on average for approximately 8 months of the year, harness horses for approximately 9 months of the year and greyhounds for up to 11 months of every year.

The following chart illustrates the location of thoroughbreds, harness horses and greyhounds in training in the North Island.



80% of all thoroughbreds in training are located on the North Island, a large proportion of which are in the upper part of the North Island around Auckland and the breeding centre of the Waikato region. 64% of all greyhounds in training are also located on the North Island, in particular around the Auckland, Waikato and Manawatu-Wanganui regions.

Map 11 - Number of Horses and Greyhounds in Training SOUTH ISLAND



Harness Racing is the dominant training industry in the South Island. More than 72% of all harness horses in training are located on the South Island. The Canterbury region is home to the highest number of harness horses in training, approximately 63% of the entire South Island population of horses in training.

Training - 4.3 Trainers Expenditure on Thoroughbreds, Harness Horses & Greyhounds

Table 20 - Trainers Expenditure on Training Activities

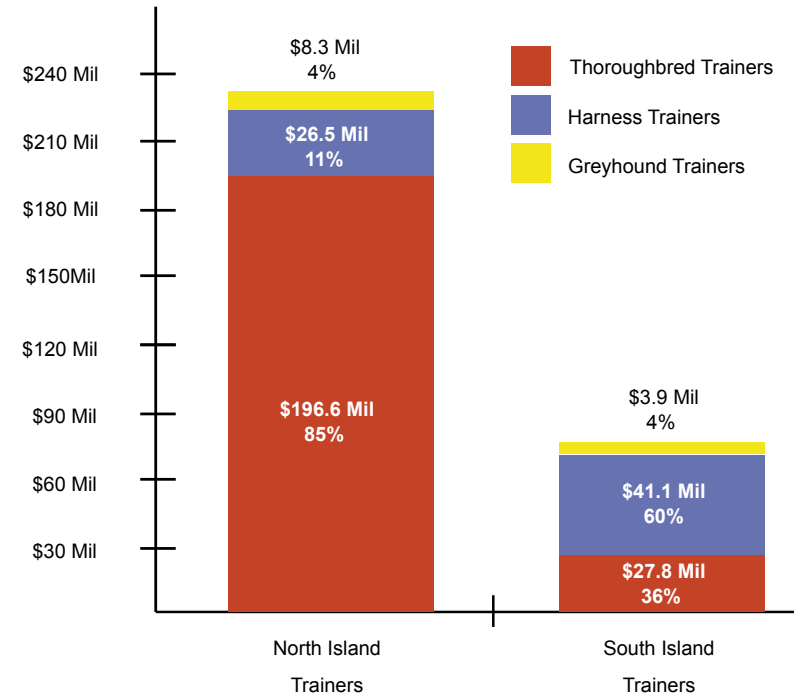
Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	37,842,167	16,115,494	2,895,016	56,852,677
Bay of Plenty Region	5,112,979	283,723	31,468	5,428,170
Canterbury Region	16,201,829	28,829,408	1,889,438	46,920,675
Gisborne Region	386,649			386,649
Hawkes Bay Region	3,759,090	28,857	71,003	3,858,949
Manawatu-Wanganui Region	37,999,026	1,082,132	2,668,528	41,749,686
Marlborough Region	122,857	482,097		604,955
Northland Region	4,163,863	151,319		4,315,182
Otago Region	4,177,154	4,471,451	325,765	8,974,370
Southland Region	6,956,804	10,859,238	282,330	18,098,372
Taranaki Region	9,515,867	1,096,561	82,837	10,695,264
Tasman-Nelson Region		470,045		470,045
Waikato Region	95,462,684	7,490,300	1,801,518	104,754,502
Wellington Region	2,384,337	201,998	745,531	3,331,866
West Coast Region	337,858	421,835	638,500	1,398,193
TOTAL	224,423,164	71,984,458	11,431,933	307,839,555

The above table illustrates trainers expenditure in producing racing animals each year. The calculation of trainers expenditure includes the cost of items such as;

- float fees
- vet fees
- track fees
- farriers fees
- breaking-in fees
- business related costs
- gear & accessories
- registration fees
- nomination & acceptance fees
- training fees
- agistment fees
- sales & marketing related costs

Data provided by Massey University provides for an estimation of the business and marketing costs associated with training in New Zealand.

Chart 7 - Total Trainers Expenditure Per Annum by Code By Island



Training - 4.3 Trainers Expenditure on Thoroughbreds, Harness Horses & Greyhounds

Trainers of Horses & Greyhounds in New Zealand

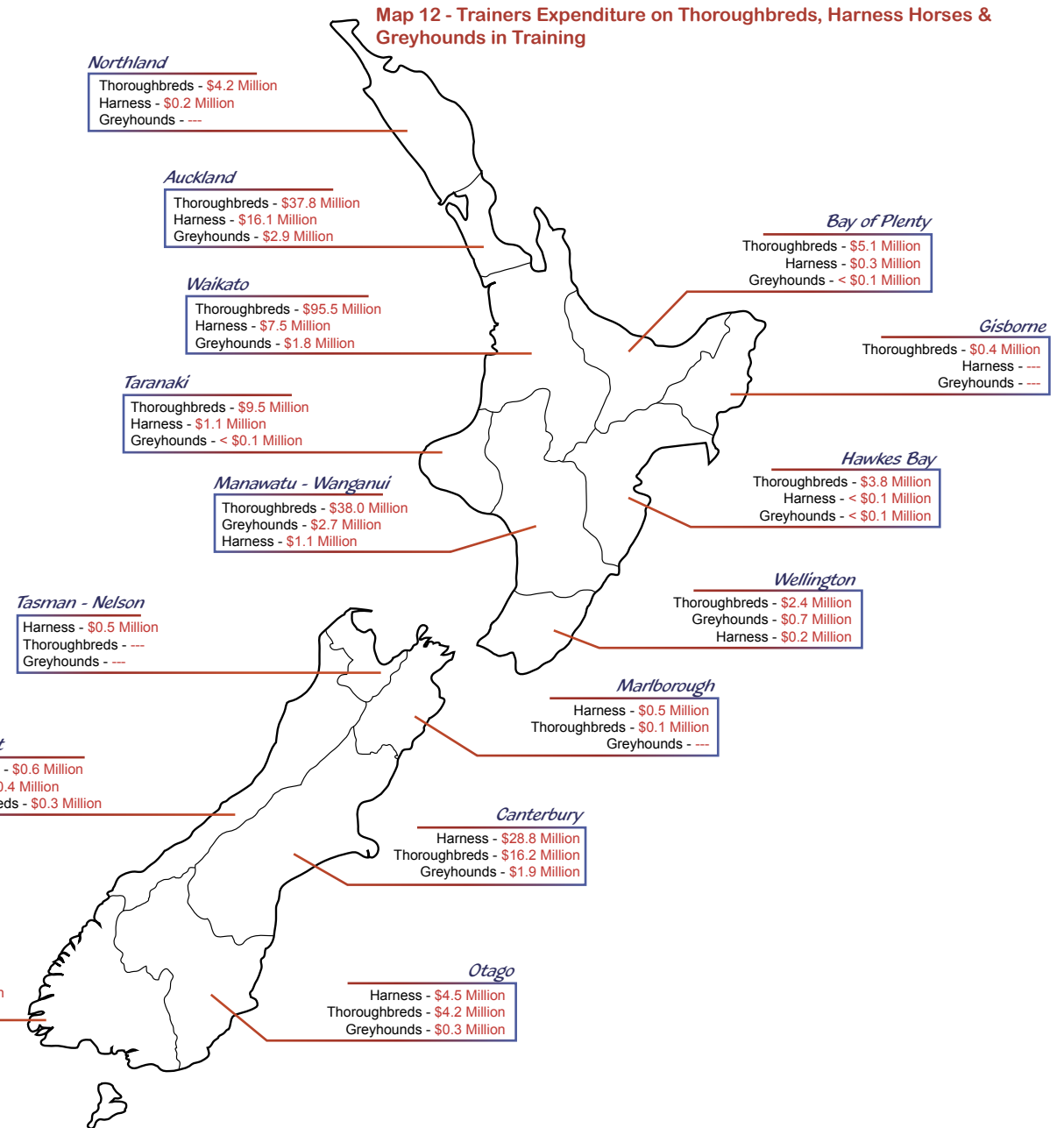
The training of thoroughbreds, harness horses and greyhounds is a service that is provided by the trainer and paid for by the owner. Generally, ownership of racing animals is an activity that is not the sole function of the owner. In other words, the majority of the owners of racing animals use income earned from other sources to fund their involvement as an owner in the racing industry.

The cost of training a thoroughbred for racing differs slightly between the North and South Islands. On average, the main difference between the training fees are contained in the higher cost of feed and agistment in the North Island, higher cost of travel, and a higher daily training fee charged by trainers.

The average cost of training a horse in New Zealand ranges from around \$14,000 to \$20,000 per annum. This does not include the original cost of purchasing the horse, as this is a capital outlay, and therefore does not form part of the day-to-day running expenses.

The average cost of training a harness horse in New Zealand ranges from around \$10,000 to \$15,000 per annum.

The average cost of training a greyhound in New Zealand ranges from \$4,000 to \$7,000 per annum.



Owners - 5.1 Owners of Thoroughbreds, Harness Horses & Greyhounds

Table 21 - Number of Owners & Syndicate Owners of Horses & Greyhounds

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	1,335	1,498	167	3,000
Bay of Plenty Region	302	48	24	374
Canterbury Region	683	1,682	301	2,666
Gisborne Region	29	2		31
Hawkes Bay Region	230	18	10	258
Manawatu-Wanganui Region	856	107	175	1,138
Marlborough Region	18	33	1	52
Northland Region	71	8		79
Otago Region	316	314	38	668
Southland Region	365	652	39	1,056
Taranaki Region	227	48	30	305
Tasman-Nelson Region	30	60	10	100
Waikato Region	743	443	116	1,302
Wellington Region	771	119	77	967
West Coast Region	54	33	4	91
Overseas (When applicable)	633	114		747
TOTAL	6,663	5,179	992	12,834

Table 22 - Number of Owner/Trainers of Horses & Greyhounds

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	102		7	109
Bay of Plenty Region	26		1	27
Canterbury Region	72		15	87
Gisborne Region	2			2
Hawkes Bay Region	25		1	26
Manawatu-Wanganui Region	130		13	143
Marlborough Region	1			1
Northland Region	14		1	15
Otago Region	16			16
Southland Region	38			38
Taranaki Region	51		1	52
Tasman-Nelson Region	1		1	2
Waikato Region	192		1	193
Wellington Region	19		6	25
West Coast Region	7		1	8
Overseas (When applicable)				
TOTAL	696		48	744

Table 23 - Number of Breeder/Owners of Horses & Greyhounds

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	523	269	11	803
Bay of Plenty Region	100	19	1	120
Canterbury Region	243	762	31	1,036
Gisborne Region	9			9
Hawkes Bay Region	112	4	3	119
Manawatu-Wanganui Region	433	22	26	481
Marlborough Region	5	16		21
Northland Region	50	5		55
Otago Region	86	142	3	231
Southland Region	124	300	1	425
Taranaki Region	195	19	2	216
Tasman-Nelson Region	8	18		26
Waikato Region	617	92	11	720
Wellington Region	181	31	1	213
West Coast Region	6	13		19
Overseas (When applicable)	109	36	1	146
TOTAL	2,801	1,748	91	4,640

Public Trainers & Permit to Train Holders have been removed from owner numbers in the interests of caution as it is likely that most of these categories of trainers would also be owners, and if not removed, may therefore result in duplication.

Owners - 5.1 Owners of Thoroughbreds, Harness Horses & Greyhounds

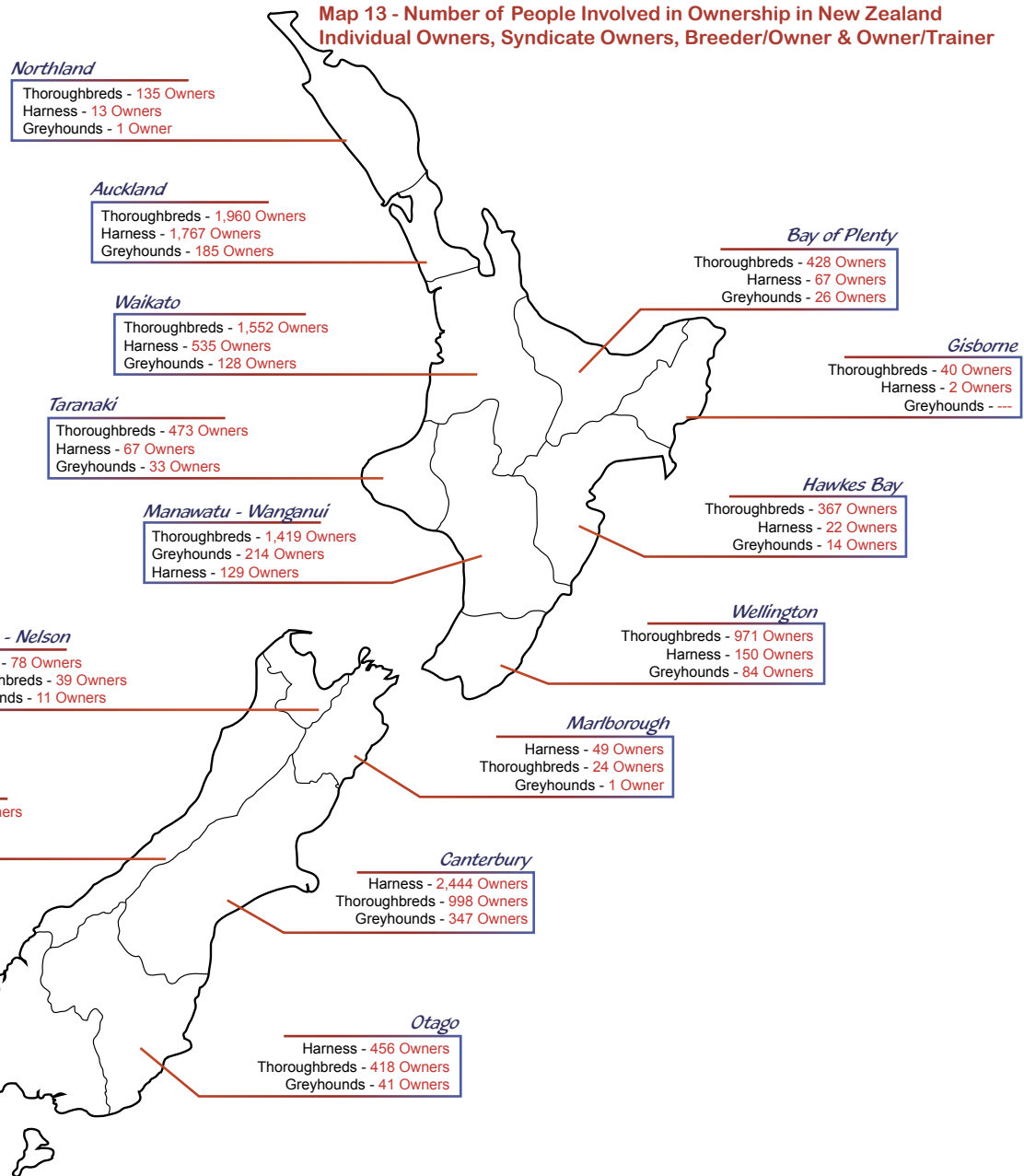
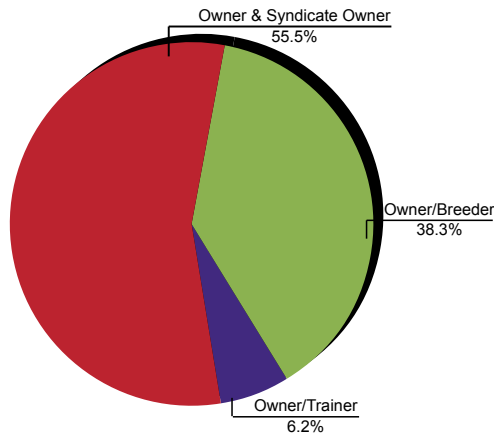
Owners of Horses & Greyhounds in New Zealand

Owners provide much of the capital outlay, and day-to-day funding for the production of racehorses and greyhounds. More than 18,000 individuals are registered as having an ownership interest in thoroughbred, harness or greyhound racing. Just under 56% of registered owners are involved in thoroughbred racing, a further 38% are involved in harness racing with the remaining 6% of owners involved in greyhound racing.

Many owners utilise funds from sources outside racing to subsidise their involvement in racing. This involvement varies from owner to owner with some being involved purely for the love of the sport (hobby owners) and others trying to generate a return on their investment. Returns to owners are provided in the form of prizemoney and subsidies.

Annually, race clubs aim to return up to and over 100% of the money they receive from TAB wagering distributions, to owners in the form of prizemoney. The average owner of a thoroughbred racehorse earns approximately \$5,000 in net prizemoney per starter, whilst the average owner of a harness horse earns around \$4,400 in net prizemoney per starter. The average greyhound owner receives approximately \$1,800 in net prizemoney per starter.

Chart 8 - Breakdown of type of Owners Across all Codes



Owners - 5.2 Thoroughbreds, Harness Horses & Greyhounds Racing Statistics

Table 24 - Number of Starters by Region

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	2,067	967	265	3,299
Bay of Plenty Region	1,396	251		1,647
Canterbury Region	1,075	2,959	422	4,456
Gisborne Region	126			126
Hawkes Bay Region	1,042			1,042
Manawatu-Wanganui Region	1,794	387	345	2,526
Marlborough Region	87	298		385
Northland Region	476	75		551
Otago Region	772	1,458	73	2,303
Southland Region	510	782	65	1,357
Taranaki Region	1,001	271		1,272
Tasman-Nelson Region		234		234
Waikato Region	2,185	868	182	3,235
Wellington Region	1,172		126	1,298
West Coast Region	217	249		466
TOTAL	13,920	8,799	1,478	24,197

Table 26 - Average Starters per Race by Region

Region	Thoroughbred	Harness	Greyhound
Auckland Region	11.4	10.8	7.7
Bay of Plenty Region	11.5	11.5	
Canterbury Region	11.0	12.2	7.8
Gisborne Region	9.5		
Hawkes Bay Region	10.4		
Manawatu-Wanganui Region	11.2	9.8	7.7
Marlborough Region	9.5	13.1	
Northland Region	10.9	9.4	
Otago Region	10.9	11.8	7.7
Southland Region	10.7	11.7	7.7
Taranaki Region	10.6	11.7	
Tasman-Nelson Region		12.5	
Waikato Region	12.1	10.6	7.8
Wellington Region	11.1		7.7
West Coast Region	8.9	12.2	

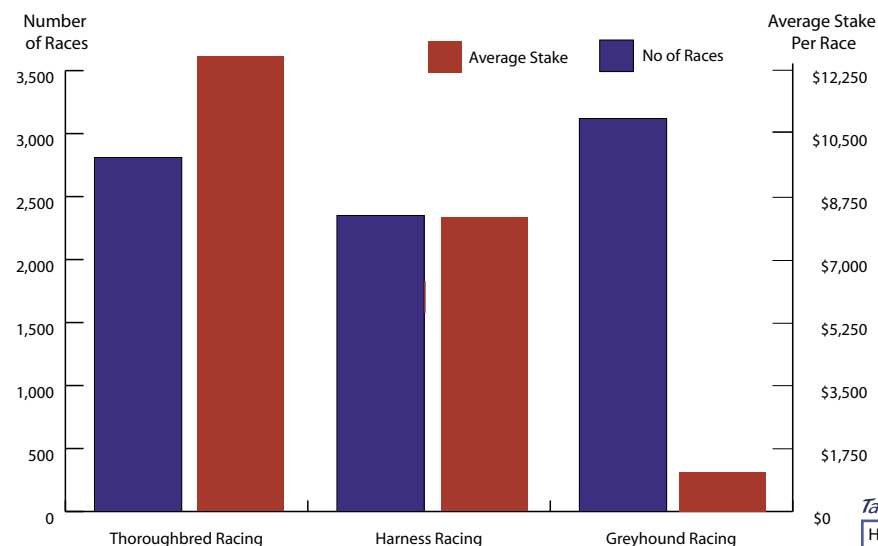
Table 25 - Number of Race Starts by Region

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	5,693	4,487	4,091	14,271
Bay of Plenty Region	2,282	345		2,627
Canterbury Region	3,561	9,339	5,866	18,766
Gisborne Region	180			180
Hawkes Bay Region	1,692			1,692
Manawatu-Wanganui Region	4,869	1,051	4,304	10,224
Marlborough Region	142	630		772
Northland Region	660	75		735
Otago Region	1,706	3,197	1,194	6,097
Southland Region	1,532	3,681	822	6,035
Taranaki Region	1,578	629		2,207
Tasman-Nelson Region		498		498
Waikato Region	4,914	2,423	3,262	10,599
Wellington Region	2,041		3,157	5,198
West Coast Region	417	629		1,046
TOTAL	31,267	26,984	22,696	80,947

Owners - 5.3 Prizemoney Distribution by Region

Race clubs paid out more than \$53 Million in net prizemoney during the 2002-03 racing season. Just over 56% of this prizemoney was paid out to thoroughbred owners, a further 36% to harness owners and the remaining 8% to greyhound owners. The following chart illustrates the average stakes per race by code.

Chart 9 - Average Stakes per Race and Number of Races Per Code

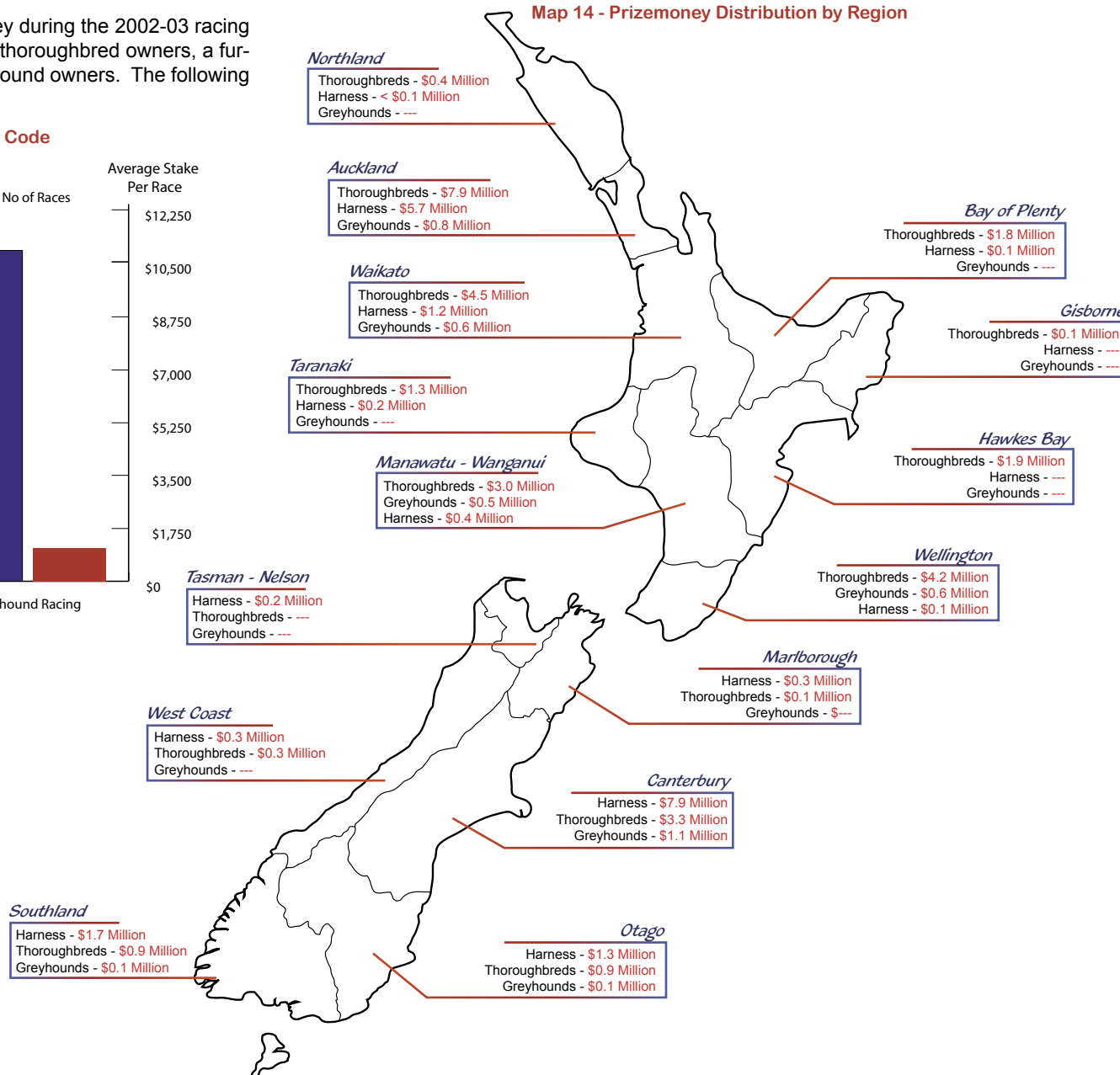


Whilst greyhound racing stakes are significantly lower than the horse racing equivalents, it is important to consider the relative costs of ownership when assessing performance. Greyhound racing ownership is significantly less expensive than thoroughbred or harness ownership.

The map (right) shows the distribution of net prizemoney by each code in each region, i.e. where the distribution and volume of prizemoney winnings is assessed against the residence of the owners.

Net Prizemoney represents the value of prizemoney after removing nominations and acceptance fees charged to owners by clubs.

Map 14 - Prizemoney Distribution by Region



Participants - 6.1 Total Participants in the Production of Racing Animals

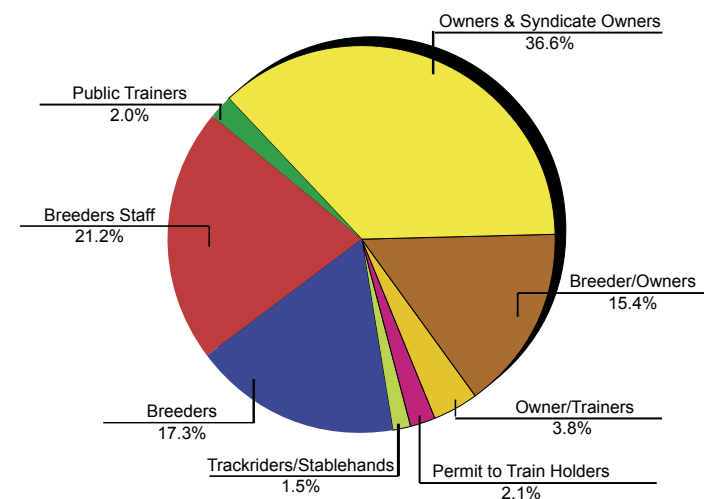
Table 27 - Participants in Thoroughbred Racehorse Production

THOROUGHBRED RACING	Number of Breeders	Number of Breeders Staff	Number of Owners & Syndicate Owners	Number of Breeder/ Owners	Number of Owner/ Trainers	Number of Public Trainers	Number of Permit to Train Holders	Number of Stablehands	Number of Trackriders	Total
Auckland Region	534	703	1,335	523	102	53	55	6	38	3,349
Bay of Plenty Region	164	113	302	100	26	13	14		3	735
Canterbury Region	341	376	683	243	72	37	39	4	30	1,825
Gisborne Region	24	10	29	9	2	1	1			76
Hawkes Bay Region	136	168	230	112	25	13	13	1	2	700
Manawatu-Wanganui Region	410	579	856	433	130	68	71	7	44	2,598
Marlborough Region	13	5	18	5	1	1	1		2	46
Northland Region	70	70	71	50	14	7	8		2	292
Otago Region	76	81	316	86	16	8	9		15	607
Southland Region	108	131	365	124	38	19	20		8	813
Taranaki Region	139	143	227	195	51	26	28	2	6	817
Tasman-Nelson Region	31	18	30	8	1	-	1			89
Waikato Region	658	1,291	743	617	192	100	105	17	72	3,795
Wellington Region	174	157	771	181	19	10	10		3	1,325
West Coast Region	29	11	54	6	7	3	4		-	114
Overseas	249		633	109					12	1,003
Total	3,156	3,856	6,664	2,801	696	359	379	37	237	18,184

More than 18,100 people are involved in the various stages of preparation of thoroughbred racehorses. This preparation involves the breeding of a thoroughbred, the breaking-in stage, the yearling sales, and other auction sales, the training stage and the racing stage. The 10,000 people with ownership interests provide the substantial investment required to produce the highest quality racing stock.

The Waikato (3,795), Auckland (3,349) and Manawatu-Wanganui (2,598) regions account for the largest proportions of participants in the production of racehorses in thoroughbred racing in New Zealand.

Chart 10 - Participants in the Thoroughbred Racehorse Production



Participants - 6.1 Total Participants in the Production of Racing Animals

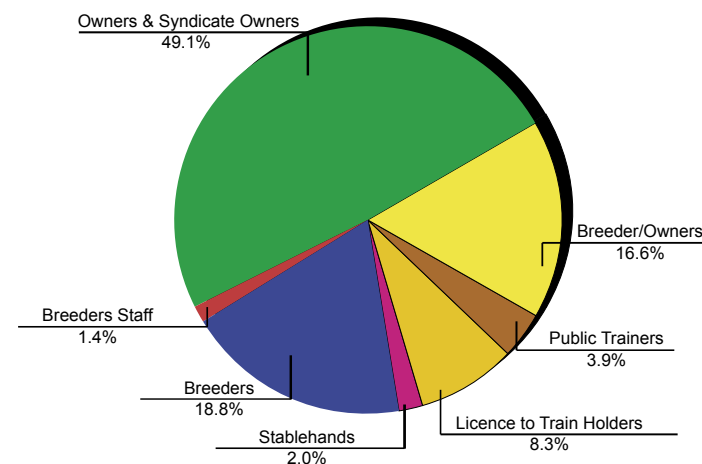
Table 28 - Participants in Harness Horse Production

HARNESS RACING	Number of Breeders	Number of Breeders Staff	Number of Owners & Syndicate Owners	Number of Breeder/Owners	Number of Public Trainers	Number of Licence to Train Holders	Number of Stablehands	Total
Auckland Region	333	24	1,498	269	68	117	24	2,332
Bay of Plenty Region	23	1	48	19	1	2		94
Canterbury Region	876	75	1,682	762	195	354	76	4,021
Gisborne Region			2					2
Hawkes Bay Region	10		18	4		3		35
Manawatu-Wanganui Region	34	2	107	22	7	21	8	201
Marlborough Region	26	1	33	16	3	12	1	92
Northland Region	6		8	5	2	9	1	31
Otago Region	134	12	314	142	23	89	18	732
Southland Region	243	22	652	300			43	1,455
Taranaki Region	17	1	48	19	62	134	2	116
Tasman-Nelson Region	37	2	60	18	6	22		141
Waikato Region	96	6	443	92	2	22	32	773
Wellington Region	24	4	119	31	36	68		184
West Coast Region	19	1	33	13	1	5	4	91
Overseas	103		114	36	8	13		253
Total	1,981	151	5,179	1,748	414	871	209	10,553

More than 10,500 people are involved in the various stages of preparation of harness horses. This preparation involves the breeding of a harness horse, the breaking in stage, the yearling sales, and other auction sales, the training stage and the racing stage. There are more than 6,927 owners involved in this process, with a large proportion of these being part-owners involved in syndicates.

The Canterbury (4,021), Auckland (2,332) and Southland (1,455) regions account for the largest proportions of participants in the production of horses in harness racing in New Zealand.

Chart 11 - Participants in Harness Horse Production



Participants - 6.1 Total Participants in the Production of Racing Animals

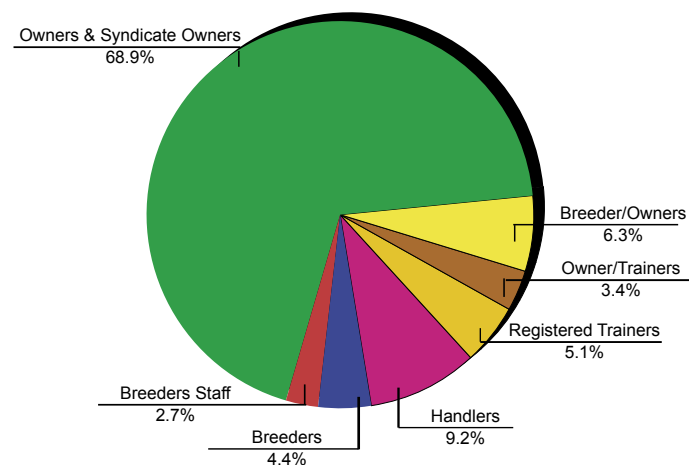
Table 29 - Participants in Greyhound Production

GREYHOUND RACING	Number of Breeders	Number of Breeders Staff	Number of Owners & Syndicate Owners	Number of Breeder/ Owners	Number of Owner/ Trainers	Number of Registered Trainers	Number of Handlers	Total
Auckland Region	10	5	167	11	7	11	16	227
Bay of Plenty Region	1	1	24	1	1	1	2	31
Canterbury Region	16	15	301	31	15	20	34	432
Gisborne Region								
Hawkes Bay Region		1	10	3	1	1		16
Manawatu-Wanganui Region	12	9	175	26	13	20	34	289
Marlborough Region			1				1	2
Northland Region					1			1
Otago Region	2	1	38	3		1	3	48
Southland Region	1		39	1		2	4	47
Taranaki Region	7	1	30	2	1	1	11	53
Tasman-Nelson Region			10		1	1		12
Waikato Region	10	5	116	11	1	11	13	167
Wellington Region	3	1	77	1	6	1	14	103
West Coast Region	1		4		1		1	7
Overseas				1		3		4
Total	63	39	992	91	48	73	133	1,439

1,400 people are involved in the various stages of preparation of greyhounds for racing. This preparation is often undertaken by the dual role participants who own their greyhounds and also train them.

The Canterbury (432), Manawatu-Wanganui (290) and Auckland (227) regions account for the largest proportions of participants in the production of greyhounds in New Zealand.

Chart 12- Participants in Greyhound Production



Participants - 6.1 Total Participants in the Production of Racing Animals

Participants in the Production of Racing Animals

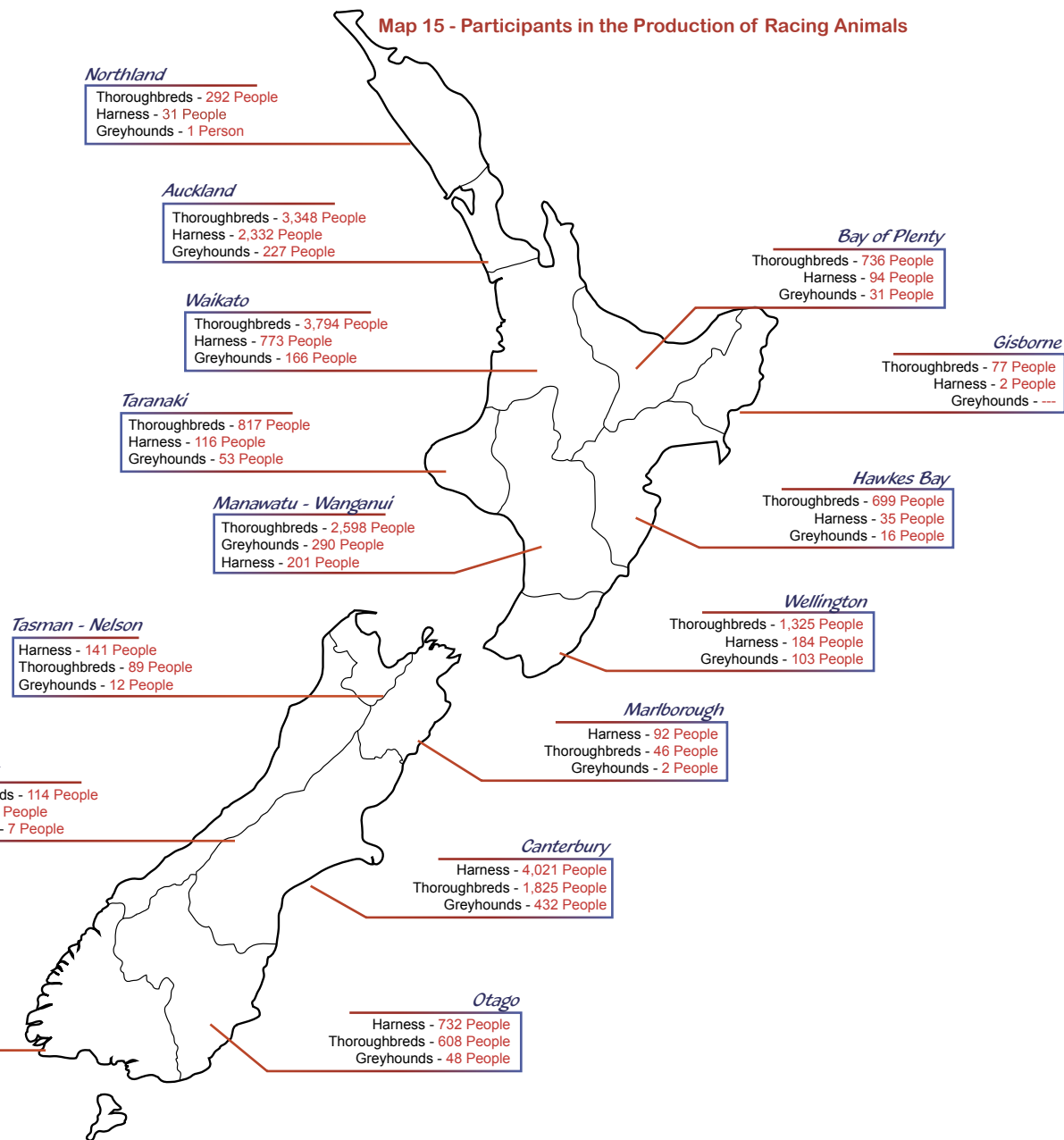
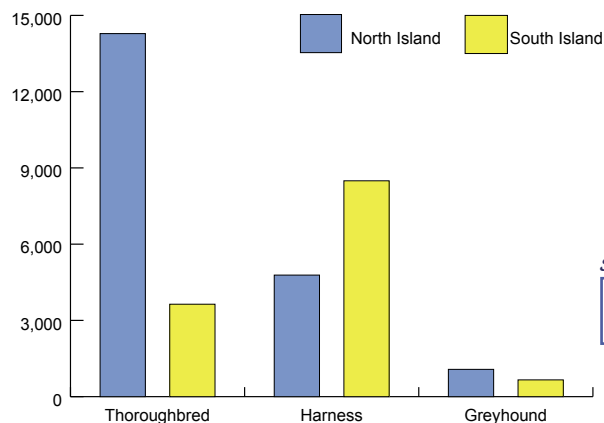
More than 30,000 people are involved in the process of producing thoroughbreds, harness horses and greyhounds for racing. Many of these participants work on a part-time or voluntary basis, however they provide valuable and skilled resources to the industry.

Owners, breeders and trainers provide interlinked services in the production of racing animals, with all three participants providing input into the final product.

Whilst the majority of the owners would not be full time in their role within the industry, it is estimated that perhaps 20-25% of the breeders and trainers are involved in a full time capacity.

The production of racing animals also provides substantial down the line employment for vets, trackriders, stablehands, handlers and farriers.

Chart 13 - Participants in the Production of Racing Animals by Code and by Island



Customers - 7.1 Customers at Thoroughbred, Harness & Greyhound Race Meetings

Table 30 - Number of On-Course Customers

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	157,000	124,700	10,000	291,700
Bay of Plenty Region	37,382	500		37,882
Canterbury Region	67,000	137,450	10,300	214,750
Gisborne Region	3,500			3,500
Hawkes Bay Region	31,750			31,750
Manawatu-Wanganui Region	51,000	1,400	2,590	54,990
Marlborough Region	1,000	2,000		3,000
Northland Region	11,500	800		12,300
Otago Region	29,800	46,700	1,700	78,200
Southland Region	11,350	18,125	1,000	30,475
Taranaki Region	29,200	2,250		31,450
Tasman-Nelson Region		9,000		9,000
Waikato Region	87,618	37,750	15,030	140,398
Wellington Region	81,500	2,500	4,650	88,650
West Coast Region	10,300	6,250		16,550
TOTAL	609,900	389,425	45,270	1,044,595

Table 31 - Average Attendance Per Race Meeting

Region	Thoroughbred
Auckland Region	3204
Bay of Plenty Region	1557
Canterbury Region	2233
Gisborne Region	1750
Hawkes Bay Region	1868
Manawatu-Wanganui Region	1594
Marlborough Region	500
Northland Region	1917
Otago Region	2129
Southland Region	709
Taranaki Region	1825
Tasman-Nelson Region	
Waikato Region	2037
Wellington Region	2717
West Coast Region	2060

Table 32 - Average Attendance Per Race Meeting

Region	Harness
Auckland Region	3118
Bay of Plenty Region	167
Canterbury Region	1883
Gisborne Region	
Hawkes Bay Region	
Manawatu-Wanganui Region	117
Marlborough Region	333
Northland Region	800
Otago Region	1730
Southland Region	585
Taranaki Region	450
Tasman-Nelson Region	2250
Waikato Region	1641
Wellington Region	
West Coast Region	893

Table 33 - Average Attendance Per Race Meeting

Region	Greyhound
Auckland Region	213
Bay of Plenty Region	
Canterbury Region	161
Gisborne Region	
Hawkes Bay Region	
Manawatu-Wanganui Region	55
Marlborough Region	
Northland Region	
Otago Region	94
Southland Region	91
Taranaki Region	
Tasman-Nelson Region	
Waikato Region	418
Wellington Region	122
West Coast Region	

Customers - 7.1 Customers at Thoroughbred, Harness & Greyhound Race Meetings

On-Course Customers at New Zealand Race Meetings

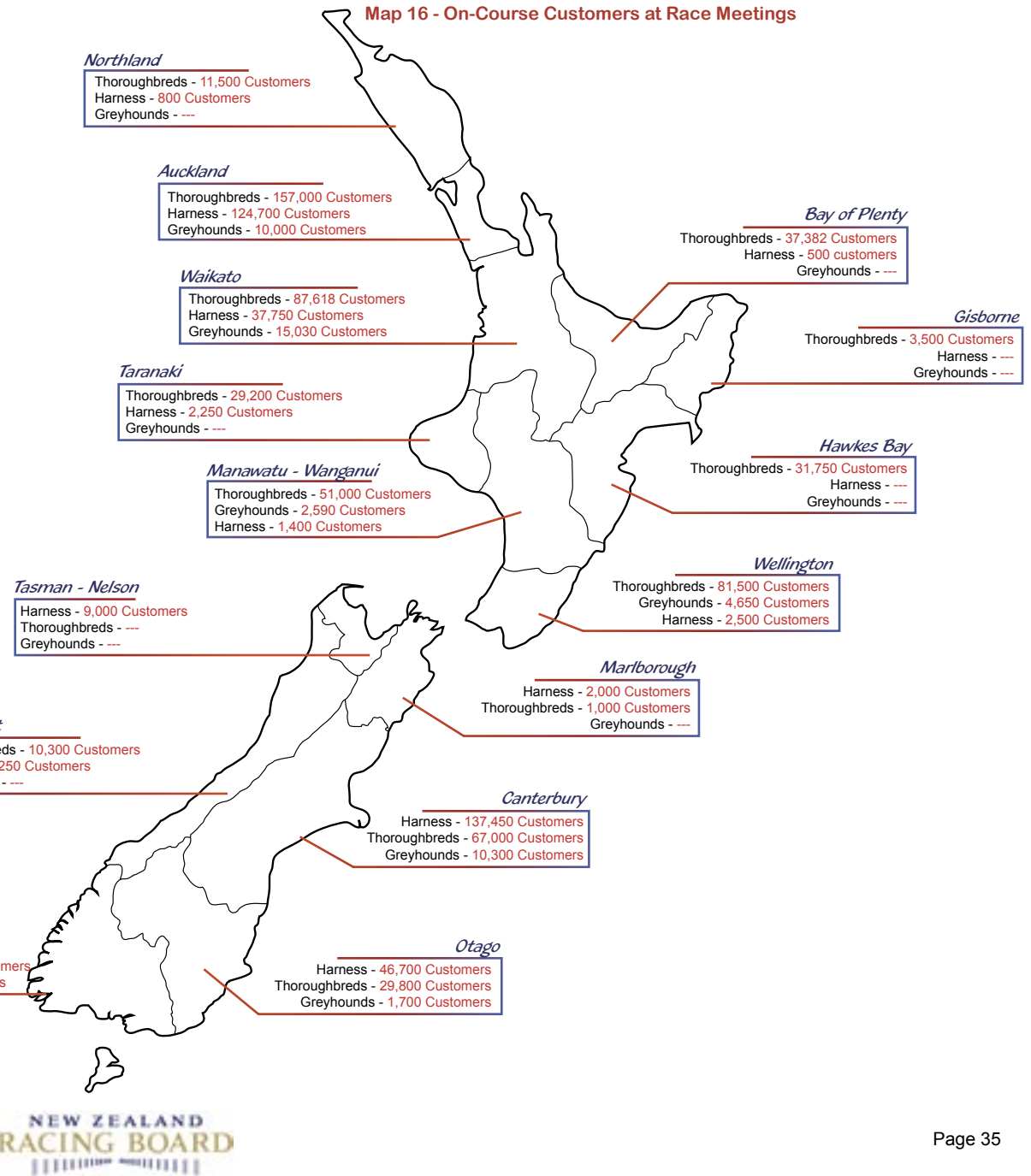
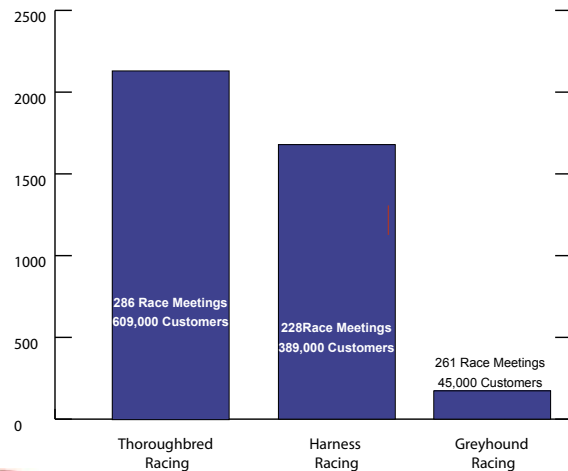
Many race meetings in New Zealand do not charge customers an entry fee. Given the free entry, many clubs also do not keep detailed records on attendances at their race meetings. For this report, race clubs were asked to provide a reasonable estimate of their on-course attendances during the racing season. It is estimated that there were more than 1,040,000 attendances at race meetings across all codes. It is also estimated from survey returns that racegoers across the board average 1.8 attendances to a race meeting per year. This means that more than 570,000 individuals attend racing in New Zealand each year, making it one of the most popular leisure and pastime pursuits in the nation.

Thoroughbred racing is responsible for more than 58% of these attendances, despite only running 37% of all race meetings. The Auckland (157,000) and Waikato (87,618) regions generate the highest attendances in the thoroughbred racing industry.

Harness racing is responsible for approximately 36% of all attendances, whilst running just under 30% of all race meetings. The Canterbury (137,450) and Auckland (124,700) regions generate the highest attendances in the harness racing industry.

Greyhound racing is responsible for 6% of the attendances, whilst running 33% of all race meetings. The Waikato (15,030) and Canterbury (10,300) regions generate the highest attendances in the greyhound racing industry.

Chart 14 - Average Attendance per Race Meeting Across all Codes



Customers - 7.2 Customer Spending at the Races & in the Community

Each year, the racing industry generates significant levels of customer spending both at the races (on-course) and in the community (off-course), as a result of inducing people to attend the races. On-course spending is generated predominantly through wagering, as well as the sales of food & beverages, racebook purchases, pre-booked corporate package tickets, and in some special event cases, raceday entry charges.

Off-course spending can be measured and attributed as being generated by the racing industry, where a link can be proven between the customer spending the money and their visit to the races within the town or region. Customer surveys, and international benchmarks were used to estimate the proportion of people that spend on different off-course items, and to what value they spend.

The following table illustrates the value of customer spending both on-course and off-course as a result of thoroughbred race meetings.

Customers spend in excess of \$34 Million as a result of attending thoroughbred races in New Zealand. Food & Beverages (28%) and wagering (26%) make up more than half of all customer spending.

Chart 15 - Breakdown of Customer Spending THOROUGHBRED RACING

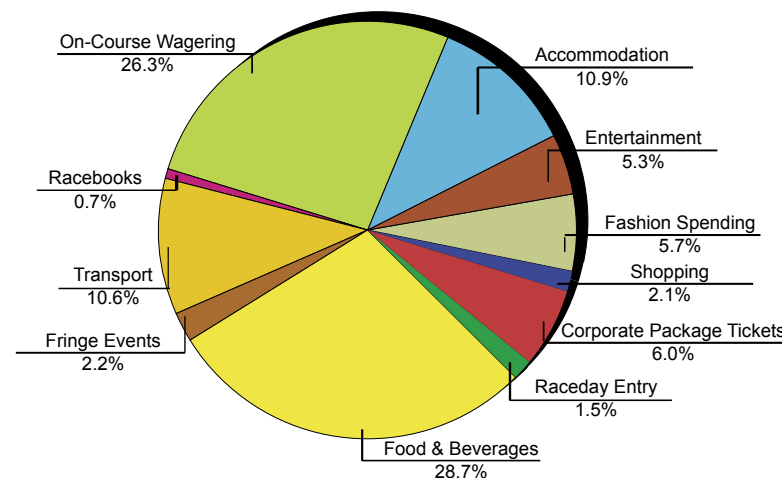


Table 34 - Customer Spending on Thoroughbred Racing

	Corporate Package Tickets	Raceday Entry Charges	Racebook Purchases	Food & Beverage Purchases	On-Course Wagering	Total On-Course Spending	Overnight Accommodation Spending	Fringe Event Spending	Additional Entertainment Spending	Merchandise and Personal Shopping	Transport Spending	Value of Fashion Spending	Total Off-Course Spending
Auckland Region	692,769	220,000	64,689	2,709,694	2,754,814	6,441,966	226,394	691,717	68,452	57,483	395,012	899,511	2,338,569
Bay of Plenty Region	9,710		9,903	484,411	537,359	1,041,383	219,806	120	320,999	239,830	339,858		1,120,613
Canterbury Region	249,700	69,800	17,798	566,552	901,142	1,804,992	884,400	108	187,600	32,857	500,892	38,565	1,644,422
Gisborne Region	48,000			68,796	38,363	155,159	171,500	90			3,693	26,648	201,931
Hawkes Bay Region	33,194	18,688	10,846	944,474	634,996	1,642,198	285,607	1,859	215,900	51,999	237,331	313,969	1,106,665
Manawatu-Wanganui Region	85,500	38,400	50,957	788,256	803,217	1,766,330	168,300	1,200	55,820	13,209	489,753	34,860	763,142
Marlborough Region			2,072	27,440	19,869	49,381	84,000		17,900	5,468	1,914	382	109,664
Northland Region	1,000		3,300	208,720	164,788	377,809	231,840	4,219	26,738	29,986	52,325	21,767	366,875
Otago Region	12,000	2,833	7,790	382,823	231,322	636,767	150,788	81	110,975	29,764	160,324	20,965	472,897
Southland Region		5,000	15,703	127,438	204,738	352,878	46,989	967	27,808	1,797	123,431	9,126	210,118
Taranaki Region	38,700		3,403	498,736	347,502	888,341	155,578	3,744	188,282	66,400		17,101	431,106
Tasman-Nelson Region													
Waikato Region	74,212	9,190	27,792	1,475,908	1,158,127	2,745,229	691,372	73,854	144,800	47,529	597,993	214,641	1,770,189
Wellington Region	871,216	174,508	40,554	1,195,768	1,229,151	3,511,197	305,136	11,424	354,486	124,643	487,207	359,655	1,642,551
West Coast Region		6,237	3,835	282,805	122,262	415,139	186,698	75	134,044	39,777	320,289	9,685	690,568
Total	2,116,001	544,656	258,642	9,761,821	9,147,650	21,828,770	3,808,408	789,458	1,853,804	740,742	3,710,022	1,966,875	12,869,310

Customers - 7.2 Customer Spending at the Races & in the Community

The following table illustrates the value of customer spending both on-course and off-course as a result of harness race meetings.

Customers spend in excess of \$18 Million as a result of attending harness races in New Zealand. At the racecourse, customers spend the highest amounts on food & beverages as well as wagering. Accommodation and transport spending make up nearly two-thirds of all off-course spending. This spending would be made by customers and participants who travel significant distances to attend harness racing meetings. Across the board, approximately 7% of customers indicated that they would spend 1 or more nights in overnight accommodation as a result of attending the races.

The Auckland and Canterbury regions generate the highest customer spending of all harness racing customers.

Chart 16 - Breakdown of Customer Spending
HARNESS RACING

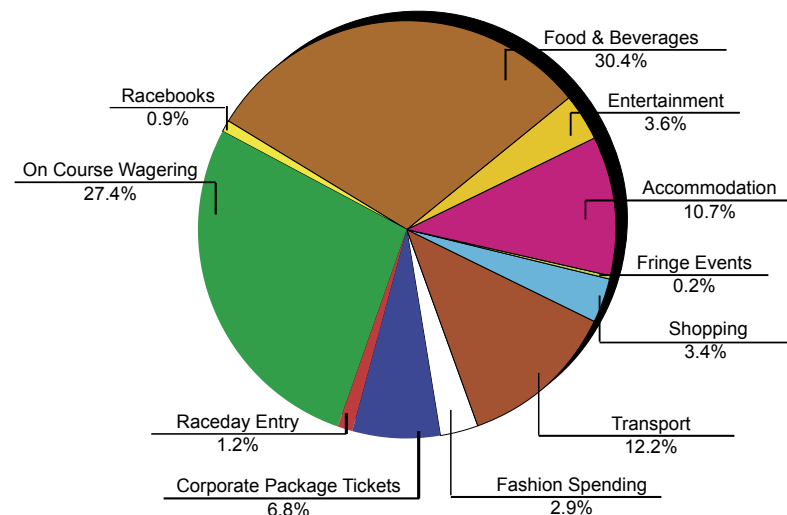


Table 35 - Customer Spending on Harness Racing

	Corporate Package Tickets	Raceday Entry Charges	Racebook Purchases	Food & Beverage Purchases	On-Course Wagering	Total On-Course Spending	Overnight Accommodation Spending	Fringe Event Spending	Additional Entertainment Spending	Merchandise and Personal Shopping	Transport Spending	Value of Fashion Spending	Total Off-Course Spending
Auckland Region	20,000	6,085	34,725	2,602,639	1,591,579	4,255,028	141,223	250	170,028	506,656	595,754	109,997	1,523,908
Bay of Plenty Region				6,468	44,815	51,283							
Canterbury Region	1,202,000	193,312	43,570	1,162,277	2,135,892	4,737,051	870,376	46,755	167,266	58,237	899,600		2,042,234
Gisborne Region													
Hawkes Bay Region													
Manawatu-Wanganui Region			6,895	21,638	53,379	81,912	27,930		5,572	980	19,012		53,494
Marlborough Region	8,000		5,036	29,344	84,391	126,771	156,000		35,800	5,428	3,828	29,014	230,070
Northland Region				14,520	14,487	29,007							
Otago Region		2,663	6,736	598,881	261,937	870,217	554,796		126,706	34,287	420,767	781	1,137,337
Southland Region	2,790		34,480	218,225	373,798	629,293	7,457	1,898	43,863	6,603	116,753		176,574
Taranaki Region			3,806	38,367	52,458	94,631	9,754	30	5,580	4,348	403	18,778	38,893
Tasman-Nelson Region		3,900	2,340	76,255	100,312	182,807							
Waikato Region	30,696	4,340	26,997	782,180	263,144	1,107,357	84,560		70,215	6,430	142,431	16,766	320,402
Wellington Region			500	36,680	24,979	62,159	10,000		8,321	6,345	3,600		28,266
West Coast Region	1,800	6,500	3,365	91,560	118,223	221,448	148,458		45,938	11,907	78,611	374,375	659,289
Total	1,265,286	216,800	168,450	5,679,034	5,119,934	12,448,964	2,010,554	48,933	679,289	641,221	2,280,759	549,711	6,210,467

Customers - 7.2 Customer Spending at the Races & in the Community

The following table illustrates the value of customer spending both on-course and off-course as a result of greyhound race meetings.

Customers spend more than \$1.3 Million as a result of attending greyhound races in New Zealand. More than 85% of this spending occurs on-course, with the majority of the spending on wagering and food & beverages. Through the surveys, it was found that greyhound racing customers do not spend money on corporate package tickets, fringe events or fashion in relation to racing.

The Auckland and Waikato regions clearly generate the highest amounts of spending as a result of greyhound racing in New Zealand.

Chart 17 - Breakdown of Customer Spending
GREYHOUND RACING

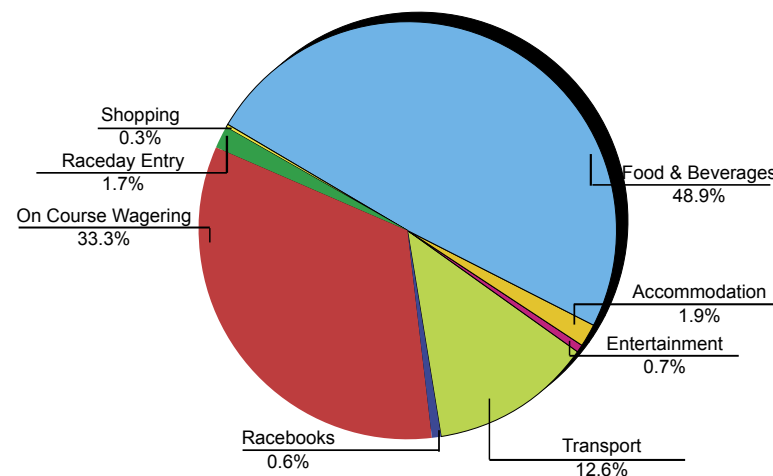


Table 36 - Customer Spending on Greyhound Racing

	Corporate Package Tickets	Raceday Entry Charges	Racebook Purchases	Food & Beverage Purchases	On-Course Wagering	Total On-Course Spending	Overnight Accommodation Spending	Fringe Event Spending	Additional Entertainment Spending	Merchandise and Personal Shopping	Transport Spending	Value of Fashion Spending	Total Off-Course Spending
Auckland Region			850	163,000	158,332	322,182	10,400						10,400
Bay of Plenty Region													
Canterbury Region				125,660	106,127	231,787	2,884				29,318		32,202
Gisborne Region													
Hawkes Bay Region													
Manawatu-Wanganui Region		23,060	6,165	40,031	66,511	135,768	1,347			1,348	25,123		27,818
Marlborough Region													
Northland Region													
Otago Region				18,450	6,873	25,323			2,023	850	64,199		67,072
Southland Region				8,000		8,000	1,000		3,120	862	675		5,657
Taranaki Region													
Tasman-Nelson Region													
Waikato Region			1,988	232,965	43,640	278,593	8,116		2,796	286	5,261		16,498
Wellington Region			545	68,225	65,635	134,405					43,710		43,710
West Coast Region													
Total		23,060	9,548	656,331	447,118	1,136,057	23,747		7,939	3,346	168,286		203,318

Customers - 7.2 Customers Spending at the Races & in the Community

Customer Spending at New Zealand Race Meetings

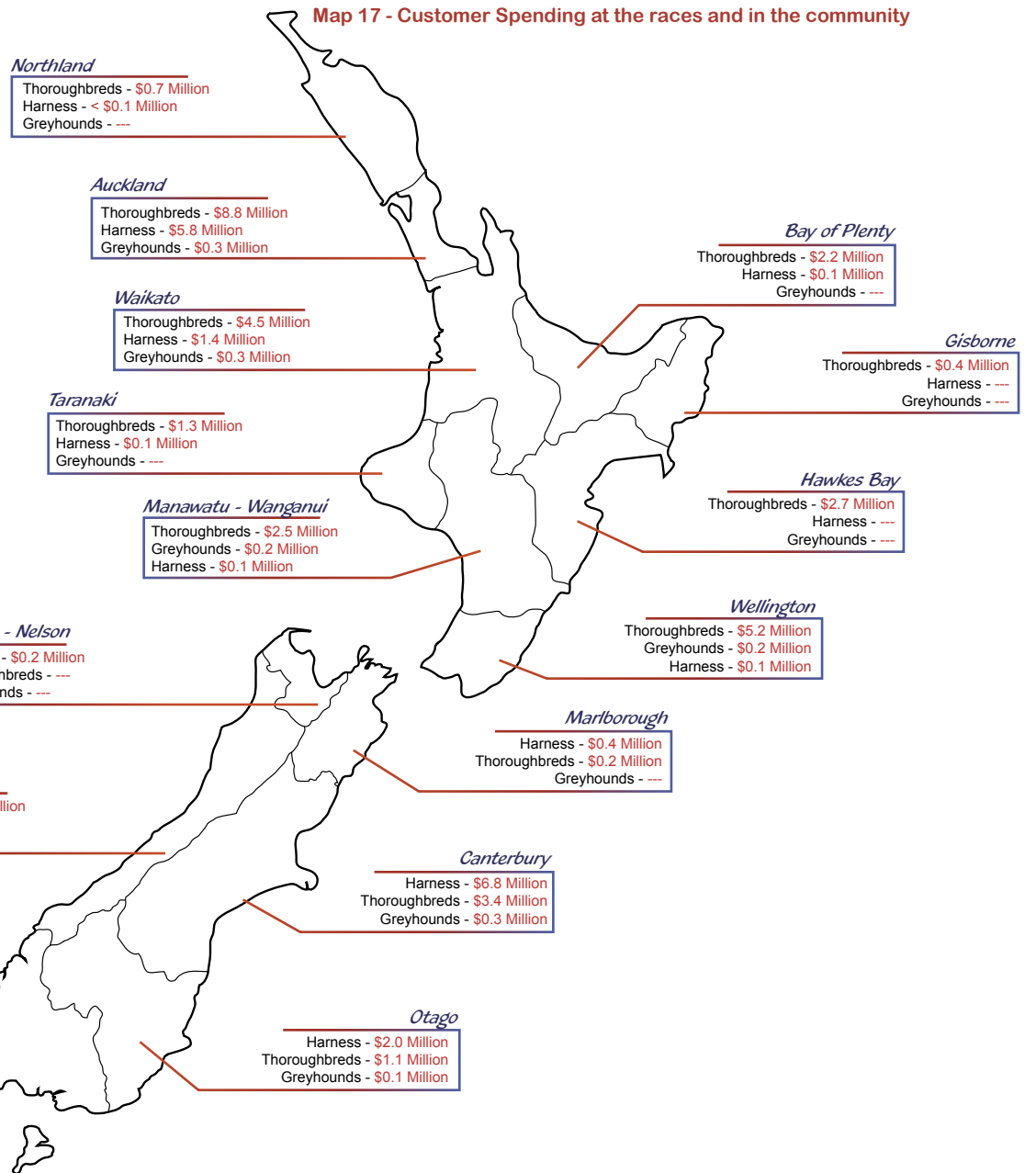
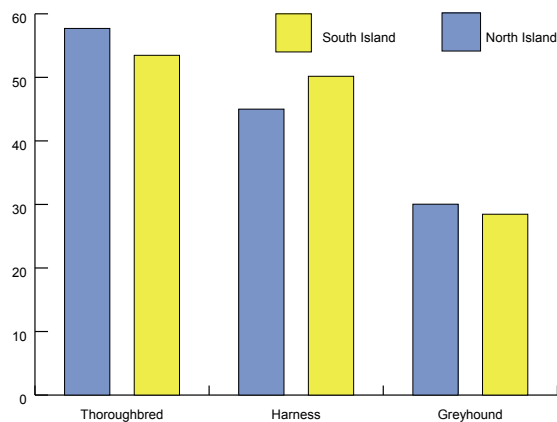
Customers to thoroughbred, harness and greyhound race meetings spend more than \$54 Million on goods and services in relation to their visit to the races. Much of this spending occurs on-course at the racecourse, with wagering and food and beverages generating the greatest amount of spending.

The North Island customers spend 67% of the total amount, which is in proportion to the fact that 65% of the racing customers are in the North Island.

Average spending by customers on-course does not vary significantly between the North and South Islands, however some off-course spending items such as transport and accommodation do appear to vary substantially between the Islands.

The following chart illustrates the spending levels amongst the codes by customers to the three codes.

Chart 18 - Average Spend Per Customer By Code (On-Course & Off Course)



Race Clubs & Code Bodies - 8.1 Race Clubs & Tracks in New Zealand

Table 37 - Race Clubs in New Zealand

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	5	4	1	10
Bay of Plenty Region	5	2		7
Canterbury Region	9	13	2	24
Gisborne Region	1			1
Hawkes Bay Region	3			3
Manawatu-Wanganui Region	11	3	3	17
Marlborough Region	1	1		2
Northland Region	2	1		3
Otago Region	6	6	1	13
Southland Region	7	7	1	15
Taranaki Region	4	3		7
Tasman-Nelson Region		1		1
Waikato Region	8	3	2	13
Wellington Region	3	1	2	6
West Coast Region	4	3		7
TOTAL	69	48	12	129

Table 38 - Number of Race Club Members

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	2,137	1,308	74	3,519
Bay of Plenty Region	610			610
Canterbury Region	1,458	3,352	88	4,898
Gisborne Region	120			120
Hawkes Bay Region	696			696
Manawatu-Wanganui Region	1,871	202	128	2,201
Marlborough Region	80	120		200
Northland Region	670			670
Otago Region	829	1,226	47	2,102
Southland Region	930	2,902	34	3,866
Taranaki Region	738	158		896
Tasman-Nelson Region		190		190
Waikato Region	3,260	720	95	4,075
Wellington Region	2,341	80	54	2,475
West Coast Region	600	695		1,295
TOTAL	16,340	10,953	520	27,813

Table 39 - Race Tracks/ Racecourses in New Zealand

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	3	2	1	6
Bay of Plenty Region	4	2		6
Canterbury Region	6	10	1	17
Gisborne Region	1			1
Hawkes Bay Region	3			3
Manawatu-Wanganui Region	6	2	3	11
Marlborough Region	1	1		2
Northland Region	2	1		3
Otago Region	6	5	1	12
Southland Region	5	5	1	11
Taranaki Region	3	3		6
Tasman-Nelson Region	-	1		1
Waikato Region	6	3	1	10
Wellington Region	2	1	1	4
West Coast Region	4	3		7
TOTAL	52	39	9	100

Table 40 - Value of Memberships

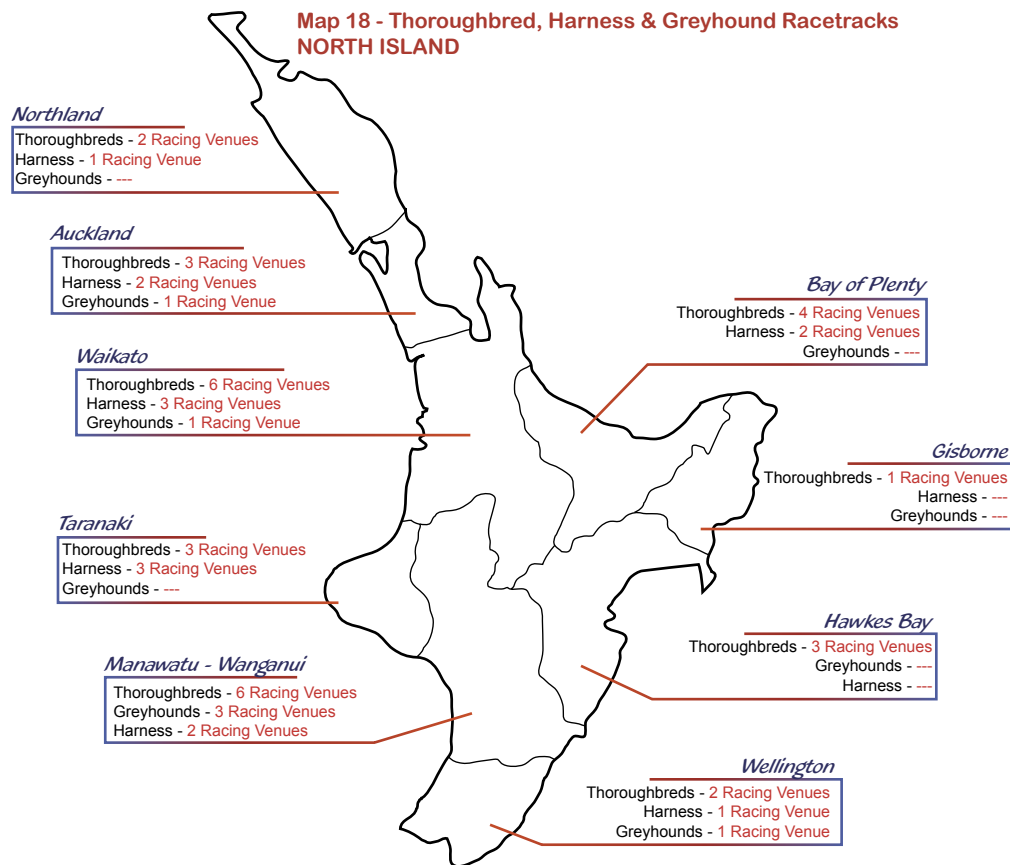
Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	312,969	74,694	1,885	389,548
Bay of Plenty Region	36,999			36,999
Canterbury Region	117,871	183,834	5,825	307,530
Gisborne Region	3,600			3,600
Hawkes Bay Region	28,700			28,700
Manawatu-Wanganui Region	58,555	2,882	1,722	63,159
Marlborough Region	400	1,200		1,600
Northland Region	19,900			19,900
Otago Region	18,100	15,743	400	34,243
Southland Region	17,231	20,612	285	38,128
Taranaki Region	17,125	1,302		18,427
Tasman-Nelson Region		1,900		1,900
Waikato Region	75,776	9,097	1,622	86,495
Wellington Region	36,895	890	1,530	39,315
West Coast Region	5,604	7,550		13,154
TOTAL	749,725	319,704	13,269	1,082,698

Race Clubs & Code Bodies - 8.1 Race Clubs & Tracks in New Zealand

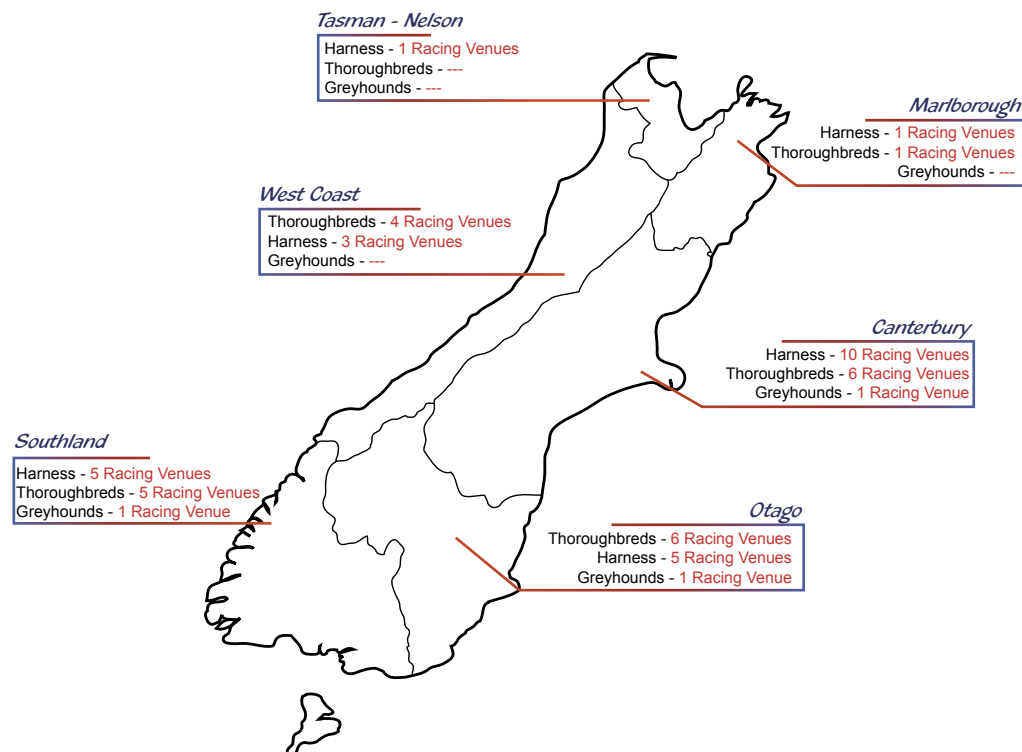
There are 68 racecourses in New Zealand. However, with many dual code tracks around the country, there are actually 100 tracks used by the codes. These racetracks and racecourses are home to 129 thoroughbred, harness and greyhound clubs. Thoroughbred racing is responsible for 52 of these racecourses, harness racing for 39 and greyhound racing for 9.

The 52 thoroughbred racecourses are worth more than \$129 Million in written down asset value, 86% of which is in the North Island. The 39 harness racetracks are worth just under \$62 Million in written down asset value, 58% of which is in the South Island. The 9 greyhound racetracks are worth more than \$2.5 Million, split almost equally between the North and South Islands.

Map 18 - Thoroughbred, Harness & Greyhound Racetracks NORTH ISLAND



Map 19 - Thoroughbred, Harness & Greyhound Racetracks SOUTH ISLAND



Non-Raceday Usage

A survey of all race clubs asked if they utilised their facilities for uses other than race-days. The responses showed that:-

- 47% of all race clubs indicated that they provide their facilities for other events
- 5% of all race clubs indicated that they own a share in gaming machine(s)
- 38% of all race clubs indicated that they share their facilities with other sports clubs
- 34% of all race clubs indicated that they use their land for crops or farming

These additional usages of raceclub facilities can make a significant difference in profitability and awareness in the community. Any usage of race club facilities by commercial organisations can add to the profitability of the club, whilst any community usage can add to the support and goodwill of the club, and generates community benefit.

Race Clubs & Code Bodies - 8.2 Race Meetings held in New Zealand

Table 41 - Number of Race Meetings in New Zealand

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	50	43	47	140
Bay of Plenty Region	18	2		20
Canterbury Region	34	74	64	172
Gisborne Region	2			2
Hawkes Bay Region	17			17
Manawatu-Wanganui Region	33	10	47	90
Marlborough Region	2	4		6
Northland Region	6	1		7
Otago Region	14	26	18	58
Southland Region	16	31	11	58
Taranaki Region	16	5		21
Tasman-Nelson Region		4		4
Waikato Region	43	21	36	100
Wellington Region	30	2	38	70
West Coast Region	5	5		10
TOTAL	286	228	261	775

Table 42 - Number of Jumpout or Workout Races in New Zealand

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	109	515		624
Bay of Plenty Region				
Canterbury Region	52	80	250	382
Gisborne Region				
Hawkes Bay Region	7			7
Manawatu-Wanganui Region	80	5	50	135
Marlborough Region				
Northland Region	8			8
Otago Region	80	180		260
Southland Region	33	52		85
Taranaki Region	111	12		123
Tasman-Nelson Region		30		30
Waikato Region	474	204		678
Wellington Region	26			26
West Coast Region		4		4
TOTAL	980	1,082	300	2,362

Table 43 - Number of Trial or Non-TAB Races in New Zealand

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	217	233	150	600
Bay of Plenty Region	37			37
Canterbury Region	201	72	90	363
Gisborne Region				
Hawkes Bay Region				
Manawatu-Wanganui Region	151	4	15	170
Marlborough Region		40		40
Northland Region				
Otago Region	76	146	60	282
Southland Region		14	100	114
Taranaki Region	74	1		75
Tasman-Nelson Region		30		30
Waikato Region	824	46	585	1,455
Wellington Region	61			61
West Coast Region		6		6
TOTAL	1,641	592	1,000	3,233

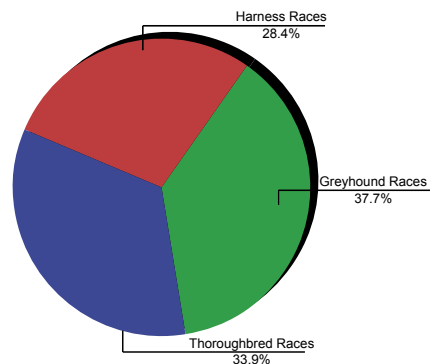
Table 44 - Number of TAB Races Held in New Zealand

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	501	438	527	1,466
Bay of Plenty Region	180	20		200
Canterbury Region	336	766	750	1,852
Gisborne Region	19			19
Hawkes Bay Region	163			163
Manawatu-Wanganui Region	326	98	545	969
Marlborough Region	19	44		63
Northland Region	61	8		69
Otago Region	138	260	152	550
Southland Region	153	315	106	574
Taranaki Region	159	54		213
Tasman-Nelson Region		40		40
Waikato Region	427	212	420	1,059
Wellington Region	285	20	406	711
West Coast Region	51	50		101
TOTAL	2,818	2,325	2,906	8,049

Race Clubs & Code Bodies - 8.2 Race Meetings held in New Zealand

There are more than 8,000 thoroughbred, harness and greyhound races held at over 780 race meetings each year. The majority of these races take TAB betting off-course and on-course, with a small proportion of races classified as equalisator or non-TAB. The following chart illustrates the breakdown of TAB Races amongst the codes.

Chart 19 - Races held in New Zealand By Code



The Auckland, Manawatu-Wanganui and Waikato regions account for 48% of all thoroughbred races held. However in the case of harness racing, two regions in the South Island, Canterbury and Southland account for 46% of all harness races held. More than 66% of all greyhound races held are in the North Island, however Canterbury in the South Island hosts the highest number of greyhound races of any region.

Sponsorship

Each year, thoroughbred, harness and greyhound race clubs aim to attract sponsors not only to their club, but also to sponsor races. The sponsorship revenue that is attracted is used to either top up the clubs funds to help pay its expenses, or to top up the funds with which it distributes returns to owners as prizemoney. Ideally, revenue generated by gate takings, food & beverages, corporate package ticket sales and racebook sales will be enough to cover the cost of operating the club, meaning that over 100% of TAB distribution can be returned to owners. If the raceclub has a surplus in raceday revenue after paying its expenses, it will often pass this on to owners as prizemoney, and is reflected by showing that owners are receiving greater than 100% in returns from the club.

This makes sponsorship a vital component of the race club's operations, as without it, returns to owners may be diminished.

Survey returns from each raceclub indicated that across the board, thoroughbred racing has 74% of its races covered by a sponsor, harness racing has 81% of its races covered by a sponsor, and greyhound racing approximately 33% of its races covered by a sponsor.

The figures gathered from the survey returns are consistent with industry figures on returns to owners. Thoroughbred clubs return just under 88% of TAB distribution to owners, meaning that 12% is used to top up the shortfall in raceday and sponsorship revenue. Harness racing returns up to 97% with a number of individual clubs returning more than 100% to owners. Greyhound racing returns 62% to owners.

The table illustrates the value of sponsorship for each code:-

Table 45 - Sponsorship Generated by Code by Region

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	\$1,328,225	\$514,300	\$2,500	\$1,845,025
Bay of Plenty Region	\$484,885			\$484,885
Canterbury Region	\$660,930	\$1,822,206	\$96,000	\$2,579,136
Gisborne Region	\$48,000			\$48,000
Hawkes Bay Region	\$509,023			\$509,023
Manawatu-Wanganui Region	\$528,063	\$27,166	\$23,381	\$578,610
Marlborough Region	\$70,000	\$180,000		\$250,000
Northland Region	\$134,000			\$134,000
Otago Region	\$199,160	\$106,464	\$9,333	\$314,957
Southland Region	\$116,709	\$235,561	\$2,700	\$354,970
Taranaki Region	\$161,726	\$8,814		\$170,540
Tasman-Nelson Region		\$84,090		\$84,090
Waikato Region	\$1,257,474	\$346,109	\$19,600	\$1,623,183
Wellington Region	\$602,607	\$29,000	\$53	\$631,660
West Coast Region	\$61,026	\$55,713		\$116,739
TOTAL	\$6,161,828	\$3,409,423	\$153,567	\$9,724,818

More than 4,900 individual sponsorships provide support to the individual racing clubs in New Zealand. Race clubs in the Waikato, Canterbury and Auckland regions have the most number of sponsors.

Race Clubs & Code Bodies - 8.3 Total Participants in the Production of the Racing Product

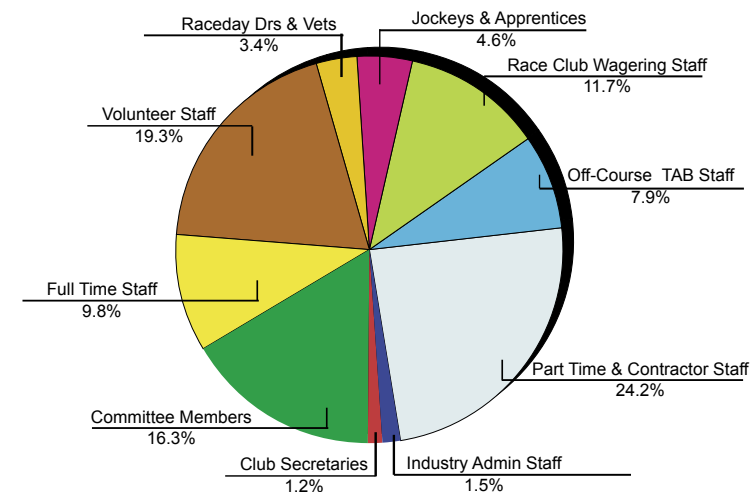
Table 46 - Participants in Producing the Thoroughbred Racing Product

THOROUGHBRED RACING	Number of Industry Admin Staff	Number of Club Secretaries	Number of Committee Members	Number of Full Time Race Club Staff	Number of Part Time & Contractor Staff	Number of Volunteer Race Club Staff	Number of Raceday Drs & Vets	Number of Jockeys	Number of Apprentice Jockeys	Number of Race Club Wagering Staff	Number of TAB Off-Course Staff	TOTAL
Auckland Region	30	3	36	45	142	30	18	25	5	181	111	626
Bay of Plenty Region	2	2	24	6	117	48	6	2		35		242
Canterbury Region	2	7	142	79	27	27	19	20	10	59	81	473
Gisborne Region		1	10	1	45		3			3		63
Hawkes Bay Region		3	38	15	25	53	15	1	4	42		196
Manawatu-Wanganui Region	4	4	106	153	255	90	15	29	21	53	51	781
Marlborough Region		1	16	1	1	20	2	1		1		43
Northland Region		2	26	3	5	152	7	1		11		207
Otago Region	1	6	68	32	35	57	10	10	2	15	20	256
Southland Region	1	7	87	20	71	114	11	5		13		329
Taranaki Region		5	74	15	19	96	17	4	8	23		261
Tasman-Nelson Region												
Waikato Region	4	9	142	59	318	158	30	48	28	76	12	884
Wellington Region	31	7	8	30	127	80	15	2	1	81	133	515
West Coast Region		8	66	47	61	71	6			8		261
Overseas								8	4			12
	75	65	843	506	1,248	996	174	156	83	601	408	5,155

Thoroughbred race clubs employ the services of more than 5,100 persons to run the clubs throughout the year. Whilst not all of these people are employed full time, they each play a vital role in the smooth operation of the club. It is significantly important that more than a third of these participants volunteer their services to the club. This is the backbone on which the industry operates, for without these volunteer services, there would be a massive shortfall in the number of people required to run racing clubs.

The Waikato (804), Manawatu-Wanganui (781) and Auckland (626) regions provide the greatest amount of full-time, part-time and voluntary employment in the thoroughbred racing industry.

Chart 20 - Participants in Thoroughbred Racing



Race Clubs & Code Bodies - 8.3 Total Participants in the Production of the Racing Product

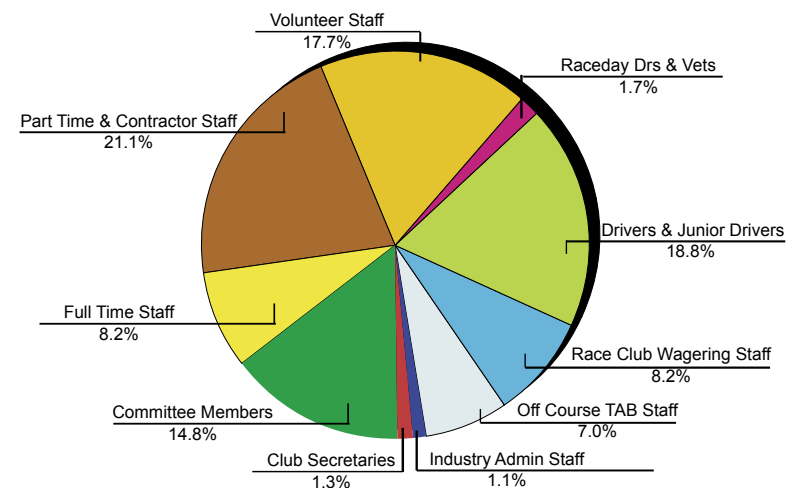
Table 47 - Participants in Producing the Harness Racing Product

HARNESS RACING	Number of Industry Admin Staff	Number of Club Secretaries	Number of Committee Members	Number of Full Time Race Club Staff	Number of Part Time & Contractor Staff	Number of Volunteer Race Club Staff	Number of Raceday Drs & Vets	Number of Drivers	Number of Junior Drivers	Number of Race Club Wagering Staff	Number of TAB Off-Course Staff	TOTAL
Auckland Region	2	5	43	60	46	52	7	96	19	104	79	513
Bay of Plenty Region		1	9	8	5	10	1	5		3		42
Canterbury Region	37	15	211	148	553	199	19	316	25	140	57	1,720
Gisborne Region												
Hawkes Bay Region												
Manawatu-Wanganui Region		3	36	2	19	45	3	17		4	36	165
Marlborough Region		1	12	1	1	20	2	12		6		55
Northland Region		1	9	8	4	5	1	3	1	1		33
Otago Region	2	5	70	28	27	108	8	70	1	17	14	350
Southland Region		7	98	17	87	145	11	93		25		483
Taranaki Region		3	32	5	13	48	6	19	7	3		136
Tasman-Nelson Region		1	6	1	1	40	1	13		7		70
Waikato Region	3	4	31	7	37	8	7	53		17	8	175
Wellington Region		1	8	3	16	7	1	5	5	2	94	142
West Coast Region		5	45	54	62	44	5	14		8		237
Overseas												
	44	52	610	342	871	731	72	716	58	336	289	4,121

Harness race clubs employ the services of more than 4,100 persons to run the clubs throughout the year. Whilst not all of these people are employed full time, they each play a vital role in the smooth operation of the club. Approximately 36% of these people provide their support on a voluntary basis, providing the backbone on which the industry operates.

The Canterbury (1,720), Auckland (513) and Southland (483) regions provide the greatest amount of full-time, part-time and voluntary employment in the harness racing industry.

Chart 21 - Participants in Harness Racing



Race Clubs & Code Bodies - 8.3 Total Participants in the Production of the Racing Product

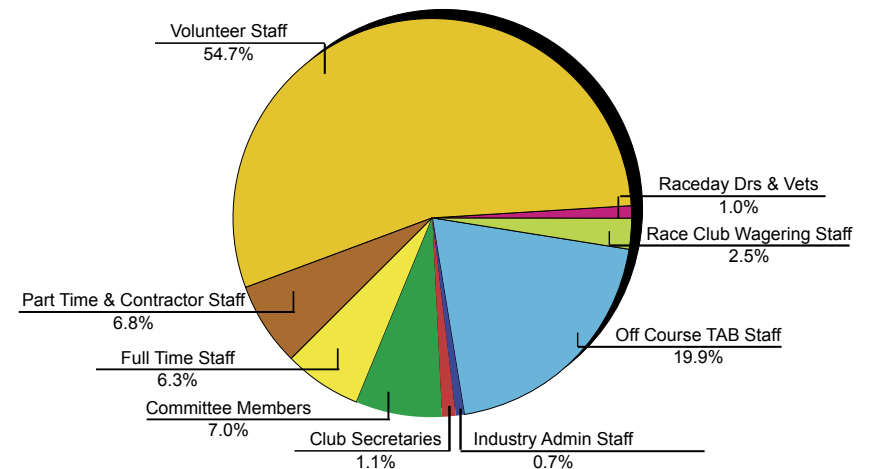
Table 48 - Participants in Producing the Greyhound Racing Product

GREYHOUND RACING	Number of Industry Admin Staff	Number of Club Secretaries	Number of Committee Members	Number of Full Time Race Club Staff	Number of Part Time Race Club Staff	Number of Volunteer Race Club Staff	Number of Raceday Drs & Vets	Number of Race Club Wagering Staff	Number of TAB Off-Course Staff	TOTAL
Auckland Region	1	1	5	1	18	47	1	11	64	149
Bay of Plenty Region										
Canterbury Region	1	2	15	15	14	39	1	7	47	141
Gisborne Region										
Hawkes Bay Region										
Manawatu-Wanganui Region	1	3	22	12	25	94	4	4	30	195
Marlborough Region										
Northland Region										
Otago Region		1	6	8	4	65	1		12	97
Southland Region		1	4	6	3	134	1			149
Taranaki Region										
Tasman-Nelson Region										
Waikato Region	1	3	16	16	10	183	2	3	7	241
Wellington Region	4	2	16	18	11	90	2	4	77	224
West Coast Region										
Overseas										
	8	13	84	76	85	652	12	29	237	1,196

Greyhound race clubs employ the services of nearly 1,200 persons to run the clubs throughout the year. Whilst not all of these people are employed full time, they each play a vital role in the smooth operation of the club. Greyhound racing more than each of the other codes, relies heavily on its volunteer network. Just over 60% of all of its participants provide their services on a voluntary basis.

The Waikato (241), Wellington (224) and Manawatu-Wanganui (195) regions provide the greatest amount of full-time, part-time and voluntary employment in the greyhound racing industry.

Chart 22 - Participants in Greyhound Racing



Race Clubs & Code Bodies - 8.3 Total Participants in the Production of the Racing Product

Participants at Thoroughbred, Harness & Greyhound Clubs

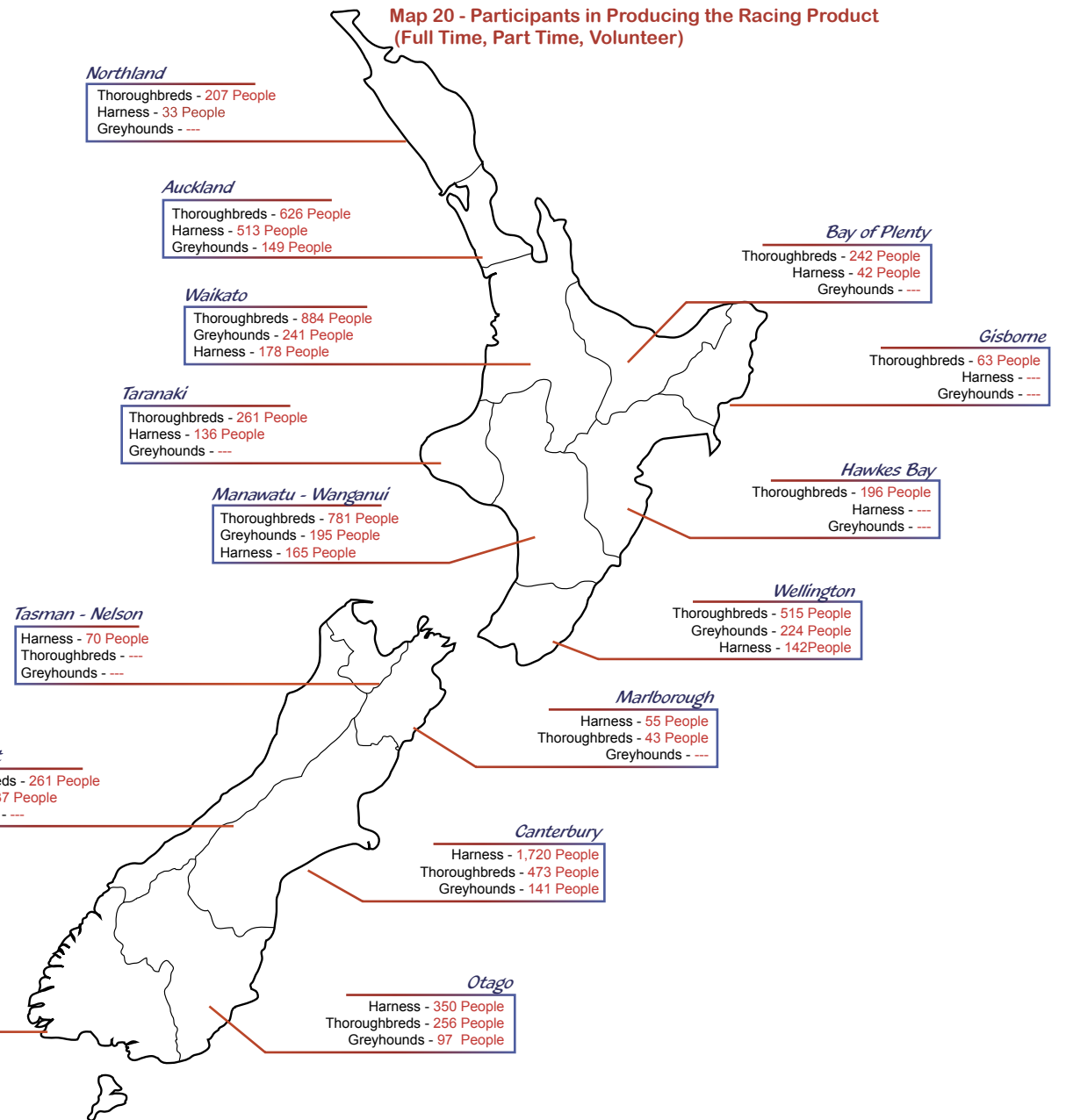
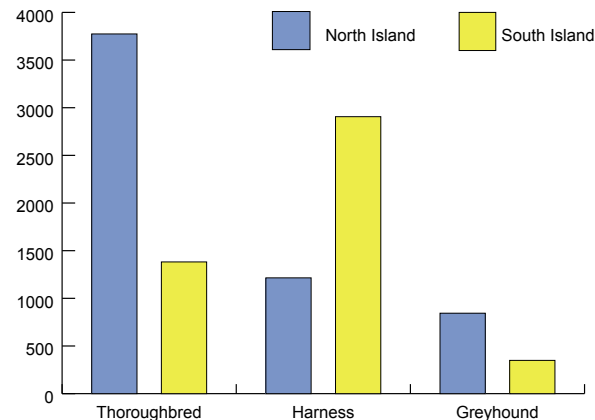
More than 10,000 people provide resource support for the thoroughbred, harness and greyhound clubs in New Zealand. A third of these participants provide voluntary services to the clubs both on raceday and on non-racedays.

It is difficult to estimate the monetary value of this voluntary labour - suffice to say that if the race clubs had to employ the labour that they currently receive on a voluntary basis, many of them simply would not be able to afford it.

The remaining two-thirds of the participants are paid for their employment as either full-time, part-time or casual employees. They provide a myriad of services ranging from gardening to accounting and include the secretaries in charge of running each club.

Many of the volunteers provide their services to the raceclub as an important part of their local community. The history of many communities is tied in with their local racing club, and it is this sense of pride that drives a large proportion of the voluntary support.

Chart 23 - Racing Participants by Code and By Island



Wagering - 9.1 Wagering Impact Generated by Racing

Table 49 - On-Course Totalisator Wagering in New Zealand

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	\$14,537,277	\$8,398,832	\$835,526	\$23,771,635
Bay of Plenty Region	\$2,835,665	\$236,493		\$3,072,158
Canterbury Region	\$4,755,367	\$11,271,200	\$560,037	\$16,586,604
Gisborne Region	\$202,445			\$202,445
Hawkes Bay Region	\$3,350,904			\$3,350,904
Manawatu-Wanganui Region	\$4,238,612	\$281,686	\$350,984	\$4,871,282
Marlborough Region	\$104,850	\$445,333		\$550,183
Northland Region	\$869,595	\$76,449		\$946,044
Otago Region	\$1,220,694	\$1,382,253	\$36,270	\$2,639,217
Southland Region	\$1,080,409	\$1,972,548		\$3,052,957
Taranaki Region	\$1,833,785	\$276,824		\$2,110,609
Tasman-Nelson Region		\$529,353		\$529,353
Waikato Region	\$6,111,490	\$1,388,622	\$230,290	\$7,730,402
Wellington Region	\$6,486,283	\$131,817	\$346,361	\$6,964,461
West Coast Region	\$645,182	\$623,866		\$1,269,048
TOTAL	\$48,272,559	\$27,015,276	\$2,359,468	\$77,647,302

Table 50 - Off-Course Totalisator Wagering in New Zealand

Region	Thoroughbred	Harness	Greyhounds	Total
Auckland Region	\$83,429,681	\$45,253,673	\$15,956,009	\$144,639,363
Bay of Plenty Region	\$26,061,268	\$1,547,011		\$27,608,279
Canterbury Region	\$37,784,283	\$80,925,527	\$22,173,107	\$140,882,917
Gisborne Region	\$1,872,519			\$1,872,519
Hawkes Bay Region	\$21,870,613			\$21,870,613
Manawatu-Wanganui Region	\$41,861,774	\$6,930,175	\$14,328,337	\$63,120,286
Marlborough Region	\$1,252,162	\$3,670,629		\$4,922,791
Northland Region	\$6,874,063	\$502,173		\$7,376,236
Otago Region	\$12,996,066	\$21,584,054	\$3,782,996	\$38,363,116
Southland Region	\$12,289,768	\$24,201,898	\$2,794,073	\$39,285,739
Taranaki Region	\$18,168,131	\$3,696,592		\$21,864,723
Tasman-Nelson Region		\$3,528,738		\$3,528,738
Waikato Region	\$58,817,670	\$19,064,803	\$12,592,040	\$90,474,513
Wellington Region	\$42,839,152	\$1,142,406	\$12,852,343	\$56,833,901
West Coast Region	\$3,732,588	\$4,243,272		\$7,975,860
Overseas (1)	\$282,800,112	\$38,995,484	\$4,905,539	\$326,701,135
Other (2)	\$4,482,953	\$8,426,379	\$1,413,562	\$14,322,894
TOTAL	\$657,132,803	\$263,712,814	\$90,798,006	\$1,011,643,623

Table 51 - Net Wagering Revenue in New Zealand

Region	Thoroughbred	Harness	Greyhound	Total
Auckland Region	\$15,813,762	\$8,577,653	\$3,024,398	\$27,415,813
Bay of Plenty Region	\$4,939,809	\$293,230		\$5,233,039
Canterbury Region	\$7,161,860	\$15,339,110	\$4,202,824	\$26,703,794
Gisborne Region	\$354,929			\$354,929
Hawkes Bay Region	\$4,145,487			\$4,145,487
Manawatu-Wanganui Region	\$7,934,732	\$1,313,587	\$2,715,879	\$11,964,198
Marlborough Region	\$237,342	\$695,753		\$933,095
Northland Region	\$1,302,951	\$95,185		\$1,398,136
Otago Region	\$2,463,352	\$4,091,171	\$717,052	\$7,271,575
Southland Region	\$2,329,476	\$4,587,373	\$529,605	\$7,446,454
Taranaki Region	\$3,443,697	\$700,674		\$4,144,371
Tasman-Nelson Region		\$668,858		\$668,858
Waikato Region	\$11,148,654	\$3,613,657	\$2,386,771	\$17,149,082
Wellington Region	\$8,119,990	\$216,538	\$2,436,110	\$10,772,638
West Coast Region	\$707,497	\$804,295		\$1,511,792
Overseas (1)	\$53,603,630	\$7,391,438	\$929,825	\$61,924,893
Other (2)	\$849,726	\$1,597,186	\$267,935	\$25,005,457 (3)
TOTAL	\$124,556,894	\$49,985,708	\$17,210,399	\$214,043,612 (3)

Net Wagering Revenue relates to the total amount of all TAB wagering not paid out to the punter as winnings. Over the course of a racing season, the net wagering revenue will equate to 18.95% of total TAB wagering turnover. Government wagering tax and racing industry distributions are paid out of the net wagering revenue.

Note:

- (1) - Overseas is turnover on race meetings held overseas and broadcast in New Zealand, primarily Australian races.
- (2) - Other includes turnover of a non-club or code specific nature - For instance: Pick 6 and Six Pack.
- (3) - This total will not equal the total of all codes, as some amount of this total is in an aggregated form as it could not be split into codes

Wagering - 9.1 Wagering Impact Generated by Racing

The Wagering Sector

Each year, customers bet in excess of \$1.2 billion on racing. Off-course, punters wager a little over \$1.1 billion whilst more than \$77 million is bet at the racetrack with the on-course totalisator. The following table illustrates the spread of the wagering dollar on race meetings held within each region.

Table 52 - Total Wagering Turnover in New Zealand

Region	Total of All Wagering	% of Total Wagering in NZ
Auckland Region	\$168,410,998	14.0%
Bay of Plenty Region	\$30,680,437	2.5%
Canterbury Region	\$157,469,522	13.0%
Gisborne Region	\$2,074,964	0.2%
Hawkes Bay Region	\$25,221,517	2.1%
Manawatu-Wanganui Region	\$67,991,568	5.6%
Marlborough Region	\$5,472,974	0.5%
Northland Region	\$8,322,280	0.7%
Otago Region	\$41,002,334	3.4%
Southland Region	\$42,338,696	3.5%
Taranaki Region	\$23,975,332	2.0%
Tasman-Nelson Region	\$4,058,091	0.3%
Waikato Region	\$98,204,915	8.1%
Wellington Region	\$63,798,362	5.3%
West Coast Region	\$9,244,908	0.8%
Overseas	\$326,701,135	27.1%
Other (1)	131,922,894	10.9%
TOTAL	\$1,206,890,927	

The wagering figures in this table are representative of the total off-course turnover on domestic and overseas racing, as well as on-course turnover, fixed odds betting and sports betting.

(1) - Other includes turnover of a non-club or code specific nature - For instance: Pick 6 and Six Pack.

Approximately 27% of wagering on racing in New Zealand is on overseas races. Within New Zealand, race meetings in the Auckland region and Canterbury region generate the highest amount of wagering on racing. From a national perspective, 40% of wagering is on North Island racing product, 21.7% on South Island racing product, with the remainder on overseas and non-code or club specific products such as the pick 6 or six pack.

The wagering on overseas product provides a positive impact in the New Zealand economy by effectively supplementing local racing product with additional racing for punters to bet on. The net revenue from wagering on overseas racing product provides a direct benefit for owners, government and the NZRB in New Zealand.

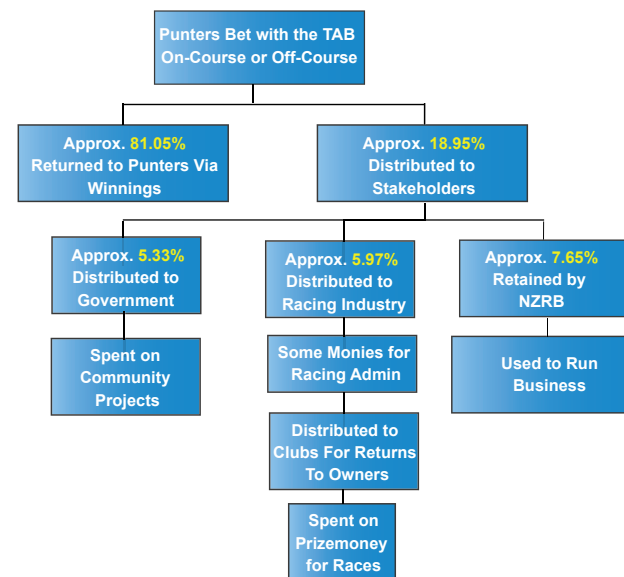
Nearly a third of all wagering on Thoroughbred racing in New Zealand occurs on racing in Auckland (\$97.9 Million), Waikato (\$64.9 Million) and Wellington (\$49.3 Million). These three regions account for more than 58% of all thoroughbred race meetings in New Zealand.

In the case of Harness racing, 60% of all wagering occurs on racing in Canterbury (\$92.1 Million), Auckland (\$53.6 Million) and Southland (\$26.1 Million). This works out to be proportionate to the number of race meetings held in New Zealand, with 62% of harness meetings being in these three regions.

More than 62% of all wagering on Greyhound racing in New Zealand occurs on racing in Canterbury (\$22.7 Million), Auckland (\$16.8 Million) and Manawatu-Wanganui (\$14.7 Million). These regions also account for 60% of all greyhound race meetings.

After dividends are paid out for successful bets, the net wagering revenue is distributed throughout the economy. The following chart illustrates how wagering provides a 'down the line' benefit for the wider economy.

Chart 24 - Wagering Scheme of Distribution



Government taxes from wagering each year amount to some \$60 Million, forming an important part of the budget spent on community projects.

Wagering - 9.2 Distribution of Wagering Revenue

Table 53 - Wagering Distribution

	Net Wagering Surplus (Total Revenue)	Government share of TAB Wagering	Racing Industry Share of Wagering	TAB Share of Wagering
Auckland Region	27,415,813	7,711,448	8,632,078	11,072,287
Bay of Plenty Region	5,233,039	1,471,935	1,647,662	2,113,441
Canterbury Region	26,703,794	7,511,172	8,407,892	10,784,729
Gisborne Region	354,929	99,833	111,752	143,344
Hawkes Bay Region	4,145,487	1,166,032	1,305,238	1,674,217
Manawatu-Wanganui Region	11,964,198	3,365,258	3,767,019	4,831,921
Marlborough Region	933,095	262,459	293,792	376,844
Northland Region	1,398,136	393,264	440,214	564,658
Otago Region	7,271,575	2,045,329	2,289,511	2,936,734
Southland Region	7,446,454	2,094,519	2,344,573	3,007,362
Taranaki Region	4,144,371	1,165,718	1,304,887	1,673,767
Tasman-Nelson Region	668,858	188,135	210,595	270,128
Waikato Region	17,149,082	4,823,649	5,399,519	6,925,914
Wellington Region	10,772,638	3,030,100	3,391,847	4,350,692
West Coast Region	1,511,792	425,233	475,999	610,560
Overseas	61,924,893	17,418,071	19,497,524	25,009,299
Other	25,005,457	7,033,469	7,873,158	10,098,829
	\$214,043,611	\$60,205,624	\$67,393,260	\$86,444,726

The Punters

Racing punters outlay more than \$1 Billion annually on the thoroughbred, harness and greyhound racing in New Zealand. Each year, successful bets return approximately 81.05% of wagering turnover into the punters pocket. In calculating the value added generated by the New Zealand Racing Industry, it is important to factor out the 81.05% return on successful bets, as it is merely money returning directly to the source of its origin. The remaining 18.95% however does provide an increase to Gross Domestic Product as it moves through the race clubs, government and NZRB operations.

Net Wagering Surplus

As mentioned earlier, the net surplus in wagering (after dividends have been paid out) is distributed three ways. The government receives a share of the wagering revenue in the form of taxes. The racing industry receives a share of the wagering revenue by way of distribution agreements. This money is then used to provide prizemoney for owners, and if needed, can be used to help pay for raceclub operating and administration expenses.

Wagering Staff

Each year, more than 1,900 people are employed to operate the tote windows on-course at the races, as well as the tab agencies and outlets at pubs, clubs and other wagering outlets.

The following table shows the distribution of employees around the nation servicing punters betting at the Tote and the TAB.

Table 54 - Wagering Staff in New Zealand

	Thoroughbred Racing		Harness Racing		Greyhound Racing		TOTAL	
	Number of Race Club Wagering Staff	Number of TAB Off-Course Staff	Number of Race Club Wagering Staff	Number of TAB Off-Course Staff	Number of Race Club Wagering Staff	Number of TAB Off-Course Staff	Total Race Club Wagering Staff	Total TAB Off-Course Staff
Auckland	181	111	104	79	11	64	296	254
Bay of Plenty	35		3				38	
Canterbury	59	81	140	57	7	47	206	185
Gisborne	3						3	
Hawkes Bay	42						42	
Manawatu-Wanganui	53	51	4	36	4	30	61	117
Marlborough	1		6				7	
Northland	11		1				12	
Otago	15	20	17	14		12	32	46
Southland	13		25				38	
Taranaki	23		3				26	
Tasman-Nelson			7				7	
Waikato	76	12	17	8	3	7	96	27
Wellington	81	133	2	94	4	77	87	304
West Coast	8		8				16	
	601	408	337	288	30	237	967	933

Wagering - 9.3 Wagering Distribution to Race clubs

Racing Industry Share of Funding

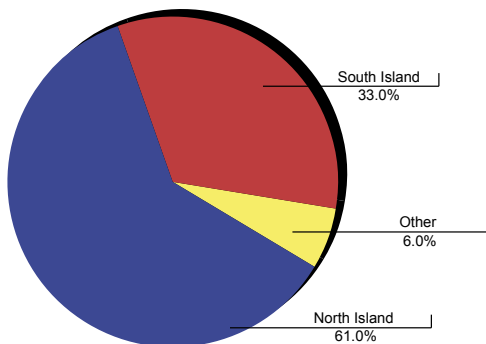
Each of the racing clubs in New Zealand receive funding from the NZRB taken directly from net wagering distribution. This funding is distributed based on an industry funding policy, however clubs also benefit from numerous subsidies and special payments made from this funding. Some examples of these subsidies that provide valuable funding for clubs are Group, Listed and Feature Race Subsidies, and payments made to clubs in relation to betting on their races through Australian TAB's.

Thoroughbred clubs in New Zealand receive around \$34 Million annually from wagering, or 54% of total distributions. More than 80% of this distribution is received by clubs in the North Island.

Harness Clubs receive around \$20 Million annually from wagering, or 32% of total distributions. Approximately 65% of this distribution is received by clubs in the South Island.

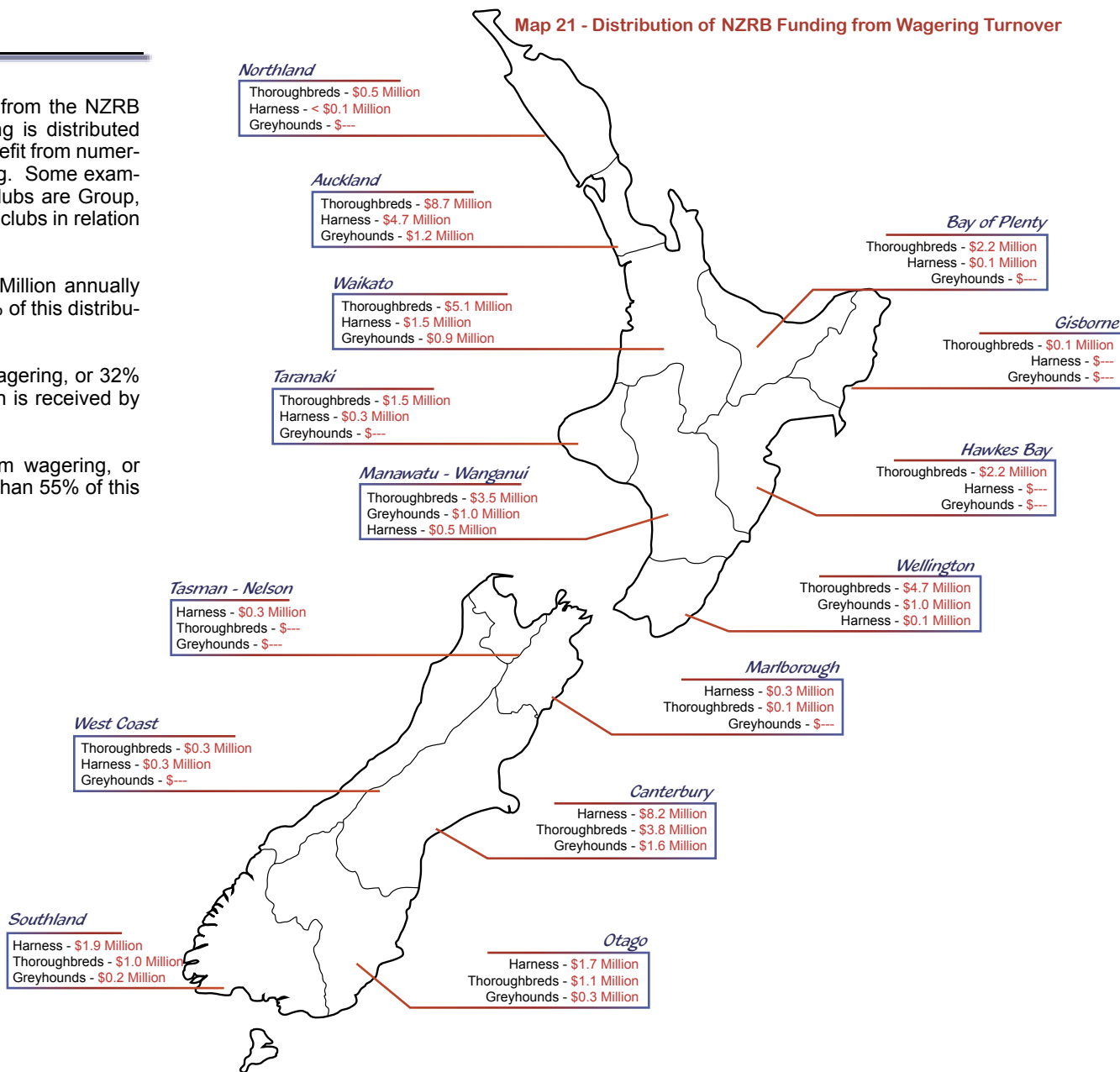
Greyhound Clubs receive around \$7 Million annually from wagering, or 11% of total distributions. The North Island receives more than 55% of this distribution.

Chart 25 - Racing Industry Share of Funding in New Zealand



Note: Other relates to funding provided on a national basis, rather than a regional basis.

Map 21 - Distribution of NZRB Funding from Wagering Turnover



Community Social Benefit - 10.1 Summary of Findings

New Zealand Racing - Producing a Triple Bottom Line Result for New Zealand

The New Zealand Racing Industry makes a significant contribution to community social benefit, enhancing individual and community well being throughout the nation. Whilst the racing industry is a sport, leisure activity, hobby or pastime in many communities, it is also a window to their history and an important community icon.

During this industry study, a Community Social Benefit Survey of New Zealand race clubs was conducted. The information gathered from this survey was assessed in conjunction with racing participation data, to establish the extent of community social benefit generated by racing in New Zealand.

The racing industry was evaluated according to a range of community social benefit indicators, in a number of areas that are considered critical to the wellbeing of individuals and the communities in which they live.

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

The survey indicated that the racing industry has taken responsibility for a 'triple bottom line', producing economic, social and environmental benefits for New Zealand. The racing industry is contributing significantly to key community objectives whilst also achieving industry goals for racing stakeholders.

Community Social Benefit Indicators - Top Seven Results

Community Social Benefit race club survey analysis highlighted prominent indicators of community social benefit, and the top seven indicator results were as follows:

Table 55 - Top 7 Community Social Benefit Indicators

Community Social Benefit Indicators	% of Race clubs
Access to picnic or BBQ areas for families	87.25%
Trained on-site medical staff	87.25%
Policies to promote responsible alcohol consumption	84.31%
Facilities designed for disabled customers	78.43%
Attractions & facilities to support attendance by children	73.53%
Events held by community groups at race tracks	58.82%
Policies to reduce consumption of tobacco	55.88%



Community Building

Race clubs have adopted policies and practices that are contributing to the development of inclusive and welcoming communities, enhanced community belonging and the development of powerful collaborative community partnerships and relationships.

Survey results indicated the following positive initiatives undertaken by race clubs:-

- Support for multi-cultural groups and indigenous groups
- The implementation of equal opportunity policies
- Discounts for disadvantaged groups
- Development of facilities for disabled customers
- Facility sharing with community organizations
- Support of special events for community organizations
- Financial support for community programs and organizations
- Encouragement and support of a large network of volunteers
- Membership opportunities at race clubs

Analysis of the survey responses indicated that the 130 thoroughbred, harness and greyhound race clubs in New Zealand contribute to community building through their partnerships with:-

- 3,916 volunteers who participate in clubs
- 333 community organizations who share race club facilities or resources
- 7,180 corporate suppliers, sponsors and commercial partners
- 243 community events supported by race clubs
- 274 community organizations or charities assisted financially by race clubs
- 27,813 race club members

The survey highlighted many examples of support for community organizations including:-

- Horse Riding Clubs
- Lions clubs
- Rotary clubs
- School Groups
- Dog Clubs
- Cubs / Boy Scouts / Girl Guides
- Army / Cadets
- Car Clubs

Supporting Family Relationships

Race clubs have increasingly developed facilities and activities that enable families to enjoy a 'great day out' together at the races, building stronger family relationships. Survey results illustrated examples of race club family friendly policies and practices, including:-

- Playground areas
- Organized activities for children such as face painting and pony rides
- Picnic / BBQ areas
- Events and attractions for families on race days
- Access for family groups to race club facilities on non race days, including playgrounds and picnic / BBQ areas.

Participation as a hobby owner, trainer or breeder provides great opportunities for family involvement in the racing industry.

Providing Leisure Opportunities

The racing industry provides people with leisure opportunities in many different ways. A hobby owner, trainer, breeder, or a customer attending race meetings all derive leisure benefits from these racing activities. Many race clubs supplement their raceday offerings, through the use of race club facilities on non-race days for community activities and events, providing a significant contribution to the residents of the community.

- More than 780 race meetings are held each year with an annual attendance in excess of 1,040,000 customers
- Total race club membership exceeds 27,800
- Over 40% of race clubs hold pre or post race day events
- 153 race days have a community leisure theme
- Many leisure events are held at race club facilities on non-race days including:
 - Cross country races
 - Picnic days
 - Pony club
 - Fairs
 - Concerts
 - Expos
 - Craft and agricultural shows
 - Sports days
 - Car rallies
 - Charity Fundraisers

Each of these additional usages of the racecourse provides valuable exposure of the race club, and the benefit of additional community leisure facilities.

Supporting Education & Training

Race clubs directly employ staff on a full time or part time basis who are involved in the running of the race club, the conduct of race days and other activities on non-race days.

As part of an ongoing commitment to the education, training and development of the people who are committed to delivering an enjoyable racing experience for industry participants and racing customers, race clubs have adopted a number of initiatives including:

- Support of apprentices and cadets in training
- Further education, career development and training for staff
- Placements for work experience students
- Partnerships with education institutions
- Training and accreditation programs for volunteers

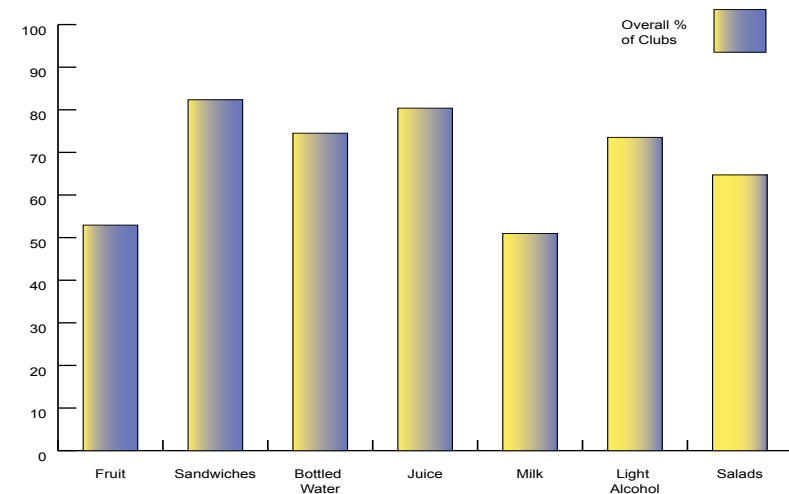
Promoting Healthy Race Club Environments

Public health is an important issue in every community worldwide. Results from the survey indicate that race clubs are committed to providing a healthy environment for their employees and customers. Apart from the health benefits from these policies, there is also the added benefit of enhancing the customer experience at the races.

Examples of practices revealed by the survey include:

- Availability of an expanded range of healthy food choices
- Adherence to Occupational Health and Safety policies
- Policies and procedures to encourage responsible consumption of alcohol including alcohol free areas and low alcohol alternatives
- Policies to reduce tobacco consumption including smoke free areas
- Access to shaded areas
- Partnerships with health bodies
- Display of health messages
- Policies and practices to encourage responsible gambling

Chart 26 - Proportion of Race Clubs providing different types of healthy food choices



Generating Employment

The racing industry is a major source of employment in the New Zealand economy. More than 40,000 people participate in the industry at either full-time, part-time, casual or voluntary levels. The economic activity generated by the racing industry is responsible for sustaining the equivalent of 18,326 full-time jobs. At the initial level, this employment is generated within the racing industry for trainers, breeders, farriers, stablehands, handlers, contractors, veterinarians, jockeys, drivers, trackriders, tab staff, raceday staff and feed merchants. However, this activity also sustains employment down the line in other areas such as retail, education, tourism and transport.

The opportunity of employment in the racing industry and the income earned by those employed, make a significant contribution to the well being of individuals and families in New Zealand.

Protecting the Environment

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.

Some of the policies that race clubs have adopted include:-

- Water saving, and re-circulating e.g. regular maintenance of plumbing, minimal or dual flush toilets, rain water tanks, overnight sprinklers, minimal watering of outer sports fields, removal of auto flushing urinals and composting and mulching of gardens
- Native flora and fauna development e.g. tree planting in sensitive areas, pest eradication programs and preference for native indigenous plants
- Air pollution reduction e.g. composting of horse droppings, planting of trees or shrubs, providing patrons with bus options to the venue, power saving programs

- Reduction in the use of resources and recycling of waste such as glass bottles, aluminum cans and food scraps
- Energy efficient buildings e.g. energy efficient light bulbs, switch off and save computer systems and building insulation

Not only are these measures helping to protect the New Zealand environment, but in some cases they are also helping the race clubs to achieve operational cost savings.



Regional Summaries - 11.1 Northland Region



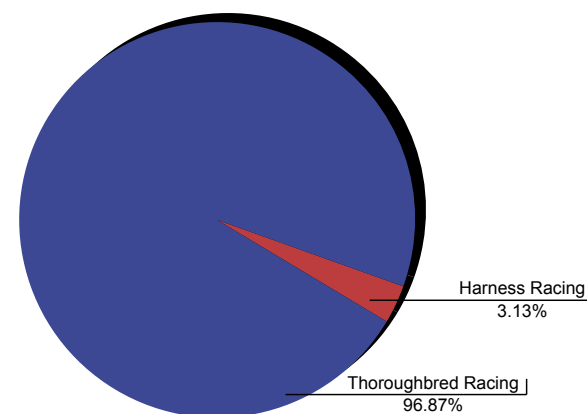
IMPACT ITEM	Thoroughbred	Harness	Greyhound	Total (% NZ Total)
Value Added Contribution to GDP	\$16.00 Mil	\$0.52 Mil	-	\$16.52 Mil (1.1%)
Jobs Created by Racing Industry	197 FTE	6 FTE	-	203 FTE (1.1%)
Income Generated to pay FTE	\$7.32 Mil	\$0.25 Mil	-	\$7.57 Mil (1.1%)
Participants in the Production of Racing Animals	292	31	1	324 (1.1%)
Participants in the Production of the Racing Product	207	33	-	240 (2.3%)
Number of Breeders	120	11	-	131 (1.3%)
Total Expenditure by Breeders in Racing	\$7.24 Mil	\$0.16 Mil	-	\$7.40 Mil (1.5%)
Number of Trainers	30	11	1	42 (1.5%)
Total Expenditure by Trainers in Racing	\$4.16 Mil	\$0.15 Mil	-	\$4.31 Mil (1.4%)
Number of Owners	135	13	1	149 (0.8%)
Number of Race clubs	2	1	-	3 (2.3%)
Number of Racetracks	2	1	-	3 (3.0%)
Number of Races	61	8	-	69 (0.9%)
Number of On-course Customers	11,500	800	-	12,300 (1.2%)
Total On-course Customer Spending	\$0.38 Mil	\$0.03 Mil	-	\$0.41 Mil (1.2%)
Total Off-Course Customer Spending	\$0.37 Mil	-	-	\$0.37 Mil (1.9%)
Total Value of Prizemoney Paid	\$0.37 Mil	\$0.04 Mil	-	\$0.41 Mil (0.8%)

At the 2001 census it was estimated that the resident population of the Northland region was 140,130. A quarter of these residents were aged under 15, higher than the national average. The median income for Northland residents was \$15,200, 18% less than the National average.

The racing industry in the Northland region is responsible for the generation of \$16.5 Million in value added contribution to Gross Domestic Product. 564 people are employed in full-time, part-time, casual or volunteer jobs within the racing industry, roughly 0.4% of the Northland population. These jobs equate to approximately 203 full time equivalent jobs, generating more than \$7.5 Million in wages and salaries for these employees.

Customers spend in excess of \$780,000 as a result of race meetings and events in the Northland region, providing positive impacts for the local retail and tourism industries.

Chart 27 - Racing Industry in Northland Value Added Generated by Code



Regional Summaries - 11.2 Auckland Region



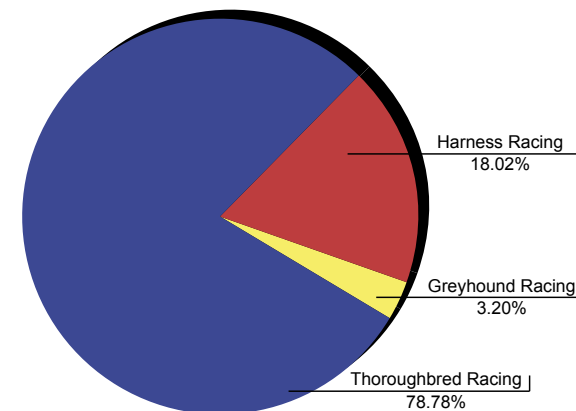
IMPACT ITEM	Thoroughbred	Harness	Greyhound	Total (% NZ Total)
Value Added Contribution to GDP	\$314.96 Mil	\$72.04 Mil	\$12.78 Mil	\$399.78 Mil (27.0%)
Jobs Created by Racing Industry	3,918 FTE	883 FTE	155 FTE	4,956 FTE (27.1%)
Income Generated to pay FTE	\$142.47 Mil	\$35.09 Mil	\$6.24 Mil	\$183.80 Mil (27.1%)
Participants in the Production of Racing Animals	3,348	2,332	227	5,907 (19.6%)
Participants in the Production of the Racing Product	626	513	149	1,288 (12.3%)
Number of Breeders	1,057	602	21	1,680 (17.1%)
Total Expenditure by Breeders in Racing	\$75.28 Mil	\$14.25 Mil	\$1.30 Mil	\$90.83 Mil (18.5%)
Number of Trainers	210	185	18	413 (14.3%)
Total Expenditure by Trainers in Racing	\$37.84 Mil	\$16.12 Mil	\$2.90 Mil	\$56.85 Mil (18.5%)
Number of Owners	1,960	1,767	185	3,912 (21.5%)
Number of Race clubs	5	4	1	10 (7.8%)
Number of Racetracks	3	2	1	6 (6.0%)
Number of Races	501	438	527	1,466 (18.2%)
Number of On-course Customers	157,000	124,700	10,000	291,700 (27.9%)
Total On-course Customer Spending	\$6.44 Mil	\$4.26 Mil	\$0.32 Mil	\$11.02 Mil (31.1%)
Total Customer Spending in the Community	\$2.34 Mil	\$1.52 Mil	\$0.01 Mil	\$3.87 Mil (20.1%)
Total Value of Prizemoney Paid	\$7.95 Mil	\$5.67 Mil	\$0.82 Mil	\$14.44 Mil (26.8%)

At the 2001 census it was estimated that the resident population of the Auckland region was 1,158,891. Around 23% of these residents were aged under 15, comparable to the National average. The median income for Auckland residents was \$21,100, 14% higher than the National average.

The racing industry in the Auckland region is responsible for the generation of \$399.78 Million in value added contribution to Gross Domestic Product. 7,195 people are employed in full-time, part-time, casual or volunteer jobs within the racing industry, roughly 0.6% of the Auckland population. These jobs equate to approximately 4,956 full time equivalent jobs, generating more than \$183.8 Million in wages and salaries for these employees.

Customers spend in excess of \$14 Million as a result of race meetings and events in the Auckland region, providing positive impacts for the local retail and tourism industries.

Chart 28 - Racing Industry in Auckland Value Added Generated by Code



Regional Summaries - 11.3 Waikato Region



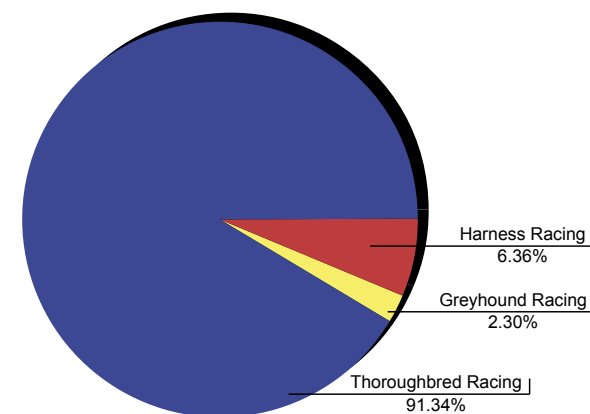
IMPACT ITEM	Thoroughbred	Harness	Greyhound	Total (% NZ Total)
Value Added Contribution to GDP	\$291.94 Mil	\$20.34 Mil	\$7.34 Mil	\$319.63 Mil (21.6%)
Jobs Created by Racing Industry	3,652 FTE	247 FTE	88 FTE	3,987 FTE (22.1%)
Income Generated to pay FTE	\$129.06 Mil	\$9.78 Mil	\$3.68 Mil	\$142.52 Mil (21.0%)
Participants in the Production of Racing Animals	3,794	773	166	4,733 (15.7%)
Participants in the Production of the Racing Product	884	175	241	1,300 (12.4%)
Number of Breeders	1,275	188	21	1,484 (15.1%)
Total Expenditure by Breeders in Racing	\$139.62 Mil	\$3.99 Mil	\$1.16 Mil	\$144.77 Mil (29.5%)
Number of Trainers	396	104	12	512 (17.7%)
Total Expenditure by Trainers in Racing	\$92.46 Mil	\$7.49 Mil	\$1.80 Mil	\$104.75 Mil (34.0%)
Number of Owners	1,522	535	128	2,185 (12.0%)
Number of Race clubs	8	3	2	13 (10.1%)
Number of Racetracks	6	3	1	10 (10.0%)
Number of Races	427	212	420	1,059 (13.2%)
Number of On-course Customers	87,618	37,750	15,030	140,398 (13.4%)
Total On-course Customer Spending	\$2.75 Mil	\$1.12 Mil	\$0.28 Mil	\$4.15 Mil (11.7%)
Total Customer Spending in the Community	\$1.77 Mil	\$0.32 Mil	\$0.02 Mil	\$2.11 Mil (10.9%)
Total Value of Prizemoney Paid	\$4.53 Mil	\$1.25 Mil	\$0.57 Mil	\$6.35 Mil (11.8%)

At the 2001 census it was estimated that the resident population of the Waikato region was 357,726. Around 24% of these residents were aged under 15, comparable to the National average. The median income for Waikato residents was \$18,100, also comparable to the national average.

The racing industry in the Waikato region is responsible for the generation of \$319.6 Million in value added contribution to Gross Domestic Product. 6,033 people are employed in full-time, part-time, casual or volunteer jobs within the racing industry, roughly 1.8% of the Waikato population. These jobs equate to approximately 3,987 full time equivalent jobs, generating more than \$142.5 Million in wages and salaries for these employees.

Customers spend in excess of \$6.2 Million as a result of race meetings and events in the Waikato region, providing positive impacts for the local retail and tourism industries.

Chart 29 - Racing Industry in Waikato Value Added Generated by Code



Regional Summaries - 11.4 Taranaki Region



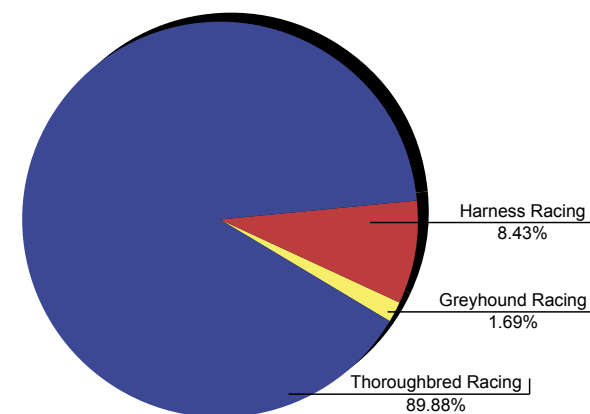
IMPACT ITEM	Thoroughbred	Harness	Greyhound	Total (% NZ Total)
Value Added Contribution to GDP	\$34.07 Mil	\$3.19 Mil	\$0.64 Mil	\$37.91 Mil (2.6%)
Jobs Created by Racing Industry	420 FTE	39 FTE	8 FTE	467 FTE (2.5%)
Income Generated to pay FTE	\$15.60 Mil	\$1.52 Mil	\$0.28 Mil	\$17.40 Mil (2.6%)
Participants in the Production of Racing Animals	817	116	53	986 (3.3%)
Participants in the Production of the Racing Product	261	136	-	397 (3.8%)
Number of Breeders	334	36	9	379 (3.9%)
Total Expenditure by Breeders in Racing	\$14.30 Mil	\$0.65 Mil	\$0.48 Mil	\$15.43 Mil (3.1%)
Number of Trainers	105	28	2	135 (4.7%)
Total Expenditure by Trainers in Racing	\$9.52 Mil	\$1.10 Mil	\$0.08 Mil	\$10.70 Mil (3.5%)
Number of Owners	473	67	33	573 (3.1%)
Number of Race clubs	4	3	-	7 (5.4%)
Number of Racetracks	3	3	-	6 (6.0%)
Number of Races	159	54	-	213 (2.6%)
Number of On-course Customers	29,200	2,250	-	31,450 (3.0%)
Total On-course Customer Spending	\$0.89 Mil	\$0.09 Mil	-	\$0.98 Mil (2.8%)
Total Customer Spending in the Community	\$0.43 Mil	\$0.04 Mil	-	\$0.47 Mil (2.4%)
Total Value of Prizemoney Paid	\$1.23 Mil	\$0.23 Mil	-	\$1.46 Mil (2.7%)

At the 2001 census it was estimated that the resident population of the Taranaki region was 102,858. Around 24% of these residents were aged under 15, comparable to the National average. The median income for Taranaki residents was \$17,300, also comparable to the national average.

The racing industry in the Taranaki region is responsible for the generation of \$37.91 Million in value added contribution to Gross Domestic Product. 1,343 people are employed in full-time, part-time, casual or volunteer jobs within the racing industry, roughly 1.3% of the Taranaki population. These jobs equate to approximately 467 full time equivalent jobs, generating more than \$17.4 Million in wages and salaries for these employees.

Customers spend in excess of \$1.4 Million as a result of race meetings and events in the Taranaki region, providing positive impacts for the local retail and tourism industries.

Chart 30 - Racing Industry in Taranaki Value Added Generated by Code



Regional Summaries - 11.5 Manawatu-Wanganui Region



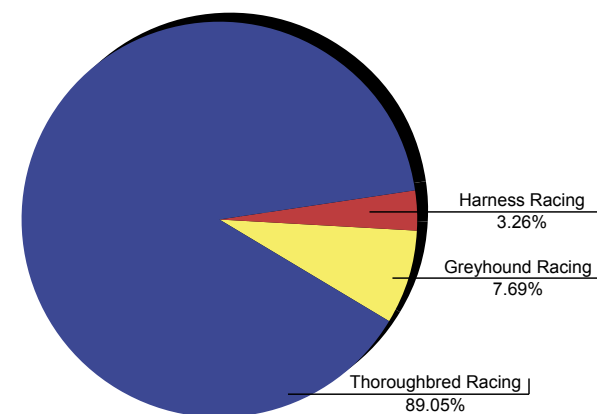
IMPACT ITEM	Thoroughbred	Harness	Greyhound	Total (% NZ Total)
Value Added Contribution to GDP	\$126.37 Mil	\$4.62 Mil	\$10.91 Mil	\$141.90 Mil (9.6%)
Jobs Created by Racing Industry	1,575 FTE	55 FTE	132 FTE	1,762 FTE (9.6%)
Income Generated to pay FTE	\$56.41 Mil	\$2.24 Mil	\$5.20 Mil	\$63.86 Mil (9.4%)
Participants in the Production of Racing Animals	2,598	201	290	3,089 (10.2%)
Participants in the Production of the Racing Product	781	165	195	1,141 (10.9%)
Number of Breeders	843	56	38	937 (9.5%)
Total Expenditure by Breeders in Racing	\$59.23 Mil	\$1.04 Mil	\$3.02 Mil	\$63.28 Mil (12.9%)
Number of Trainers	269	28	33	330 (11.4%)
Total Expenditure by Trainers in Racing	\$38.00 Mil	\$1.08 Mil	\$2.67 Mil	\$41.75 Mil (13.6%)
Number of Owners	1,419	129	214	1,762 (9.7%)
Number of Race clubs	11	3	3	17 (13.2%)
Number of Racetracks	6	2	3	11 (11.0%)
Number of Races	326	98	545	969 (12.1%)
Number of On-course Customers	51,000	1,400	2,590	54,990 (5.3%)
Total On-course Customer Spending	\$1.77 Mil	\$0.08 Mil	\$0.14 Mil	\$1.99 Mil (5.6%)
Total Customer Spending in the Community	\$0.76 Mil	\$0.05 Mil	\$0.03 Mil	\$0.84 Mil (4.4%)
Total Value of Prizemoney Paid	\$3.05 Mil	\$0.41 Mil	\$0.55 Mil	\$4.01 Mil (7.4%)

At the 2001 census it was estimated that the resident population of the Manawatu-Wanganui region was 220,089. Around 23% of these residents were aged under 15, comparable to the National average. The median income for Manawatu-Wanganui residents was \$16,300, about 5% less than the national average.

The racing industry in the Manawatu-Wanganui region is responsible for the generation of \$141.9 Million in value added contribution to Gross Domestic Product. 4,230 people are employed in full-time, part-time, casual or volunteer jobs within the racing industry, roughly 1.9% of the Manawatu-Wanganui populations. These jobs equate to approximately 1,762 full time equivalent jobs, generating more than \$63.8 Million in wages and salaries for these employees.

Customers spend in excess of \$2.8 Million as a result of race meetings and events in the Manawatu-Wanganui region, providing positive impacts for the local retail and tourism industries.

Chart 31 - Racing Industry in Manawatu-Wanganui Value Added Generated by Code



Regional Summaries - 11.6 Wellington Region



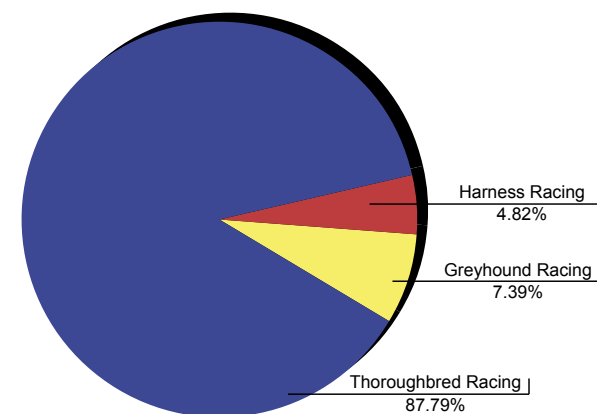
IMPACT ITEM	Thoroughbred	Harness	Greyhound	Total (% NZ Total)
Value Added Contribution to GDP	\$92.16 Mil	\$5.06 Mil	\$7.76 Mil	\$104.98 Mil (7.1%)
Jobs Created by Racing Industry	1,132 FTE	63 FTE	93 FTE	1,288 FTE (7.0%)
Income Generated to pay FTE	\$43.16 Mil	\$2.30 Mil	\$3.83 Mil	\$49.29 Mil (7.3%)
Participants in the Production of Racing Animals	1,325	184	103	1,612 (5.3%)
Participants in the Production of the Racing Product	515	142	224	881 (8.4%)
Number of Breeders	355	55	4	414 (4.2%)
Total Expenditure by Breeders in Racing	\$15.49 Mil	\$1.92 Mil	\$0.19 Mil	\$17.59 Mil (3.6%)
Number of Trainers	39	7	6	52 (1.8%)
Total Expenditure by Trainers in Racing	\$2.38 Mil	\$0.20 Mil	\$0.75 Mil	\$3.33 Mil (1.1%)
Number of Owners	971	150	84	1,205 (6.6%)
Number of Race clubs	3	1	2	6 (4.7%)
Number of Racetracks	2	1	1	4 (4.0%)
Number of Races	285	20	406	711 (8.8%)
Number of On-course Customers	81,500	2,500	4,650	88,650 (8.5%)
Total On-course Customer Spending	\$3.51 Mil	\$0.06 Mil	\$0.13 Mil	\$3.70 Mil (10.4%)
Total Customer Spending in the Community	\$1.64 Mil	\$0.03 Mil	\$0.04 Mil	\$1.71 Mil (8.9%)
Total Value of Prizemoney Paid	\$4.16 Mil	\$0.08 Mil	\$0.61 Mil	\$4.85 Mil (9.0%)

At the 2001 census it was estimated that the resident population of the Wellington region was 423,765. Around 22% of these residents were aged under 15, comparable to the National average. The median income for Wellington residents was \$22,400, about 29% higher than the national average.

The racing industry in the Wellington region is responsible for the generation of \$104.98 Million in value added contribution to Gross Domestic Product. 2,493 people are employed in full-time, part-time, casual or volunteer jobs within the racing industry, roughly 0.5% of the Wellington population. These jobs equate to approximately 1,288 full time equivalent jobs, generating more than \$49.2 Million in wages and salaries for these employees.

Customers spend in excess of \$5.4 Million as a result of race meetings and events in the Wellington region, providing positive impacts for the local retail and tourism industries.

Chart 32 - Racing Industry in Wellington
Value Added Generated by Code



Regional Summaries - 11.7 Hawkes Bay Region



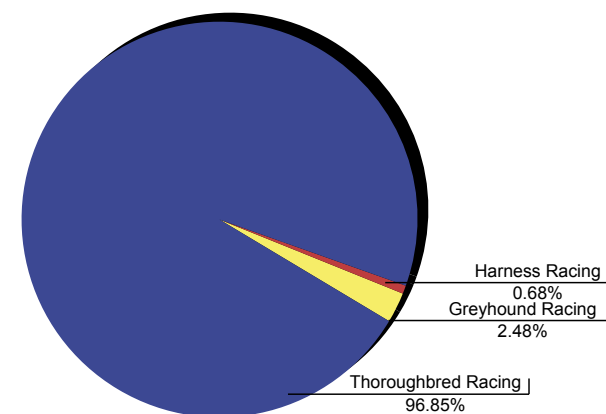
IMPACT ITEM	Thoroughbred	Harness	Greyhound	Total (% NZ Total)
Value Added Contribution to GDP	\$33.24 Mil	\$0.23 Mil	\$0.85 Mil	\$34.32 Mil (2.3%)
Jobs Created by Racing Industry	405 FTE	3 FTE	11 FTE	419 FTE (2.3%)
Income Generated to pay FTE	\$15.62 Mil	\$0.10 Mil	\$0.37 Mil	\$16.09 Mil (2.4%)
Participants in the Production of Racing Animals	699	35	16	750 (2.5%)
Participants in the Production of the Racing Product	196	-	-	196 (1.9%)
Number of Breeders	248	14	3	265 (2.7%)
Total Expenditure by Breeders in Racing	\$17.09 Mil	\$0.17 Mil	\$0.67 Mil	\$17.94 Mil (3.7%)
Number of Trainers	51	3	2	56 (1.9%)
Total Expenditure by Trainers in Racing	\$3.76 Mil	\$0.03 Mil	\$0.07 Mil	\$3.86 Mil (1.3%)
Number of Owners	367	22	14	403 (2.2%)
Number of Race clubs	3	-	-	3 (2.3%)
Number of Racetracks	3	-	-	3 (3.0%)
Number of Races	163	-	-	163 (2.0%)
Number of On-course Customers	31,750	-	-	31,750 (3.0%)
Total On-course Customer Spending	\$1.64 Mil	-	-	\$1.64 Mil (4.6%)
Total Customer Spending in the Community	\$1.11 Mil	-	-	\$1.11 Mil (5.8%)
Total Value of Prizemoney Paid	\$1.87 Mil	-	-	\$1.87 Mil (3.5%)

At the 2001 census it was estimated that the resident population of the Hawkes Bay region was 142,947. Around 25% of these residents were aged under 15, higher than the National average. The median income for Hawkes Bay residents was \$16,700, about 10% lower than the national average.

The racing industry in the Hawkes Bay region is responsible for the generation of \$34.3 Million in value added contribution to Gross Domestic Product. 946 people are employed in full-time, part-time, casual or volunteer jobs within the racing industry, roughly 0.7% of the Hawkes Bay population. These jobs equate to approximately 419 full time equivalent jobs, generating more than \$16.0 Million in wages and salaries for these employees.

Customers spend in excess of \$2.7 Million as a result of race meetings and events in the Hawkes Bay region, providing positive impacts for the local retail and tourism industries.

Chart 33 - Racing Industry in Hawkes Bay
Value Added Generated by Code



Regional Summaries - 11.8 Gisborne Region



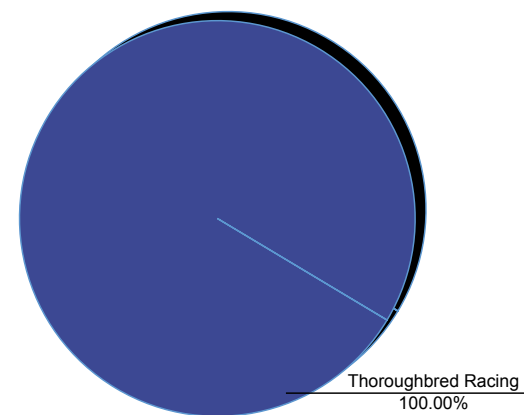
IMPACT ITEM	Thoroughbred	Harness	Greyhound	Total (% NZ Total)
Value Added Contribution to GDP	\$2.68 Mil	-	-	\$2.68 Mil (0.2%)
Jobs Created by Racing Industry	32 FTE	-	-	32 FTE (0.2%)
Income Generated to pay FTE	\$1.31 Mil	-	-	\$1.31 Mil (0.2%)
Participants in the Production of Racing Animals	77	2	-	79 (0.3%)
Participants in the Production of the Racing Product	63	-	-	63 (0.6%)
Number of Breeders	33	-	-	33 (0.3%)
Total Expenditure by Breeders in Racing	\$1.03 Mil	-	-	\$1.03 Mil (0.2%)
Number of Trainers	5	-	-	5 (0.2%)
Total Expenditure by Trainers in Racing	\$0.39 Mil	-	-	\$0.39 Mil (1.2%)
Number of Owners	40	2	-	42 (0.2%)
Number of Race clubs	1	-	-	1 (0.8%)
Number of Racetracks	1	-	-	1 (1.0%)
Number of Races	19	-	-	19 (0.2%)
Number of On-course Customers	3,500	-	-	3,500 (0.3%)
Total On-course Customer Spending	\$0.16 Mil	-	-	\$0.16 Mil (0.5%)
Total Customer Spending in the Community	\$0.20 Mil	-	-	\$0.20 Mil (1.0%)
Total Value of Prizemoney Paid	\$0.09 Mil	-	-	\$0.09 Mil (0.2%)

At the 2001 census it was estimated that the resident population of the Gisborne region was 43,971. Around 28% of these residents were aged under 15, higher than the National average. The median income for Gisborne residents was \$15,300, about 17% lower than the national average.

The racing industry in the Gisborne region is responsible for the generation of more than \$2.68 Million in value added contribution to Gross Domestic Product. 142 people are employed in full-time, part-time, casual or volunteer jobs within the racing industry, roughly 0.3% of the Gisborne population. These jobs equate to approximately 32 full time equivalent jobs, generating more than \$1.3 Million in wages and salaries for these employees.

Customers spend in excess of \$0.3 Million as a result of race meetings and events in the Gisborne region, providing positive impacts for the local retail and tourism industries.

Chart 34 - Racing Industry in Gisborne
Value Added Generated by Code



Regional Summaries - 11.9 Bay of Plenty Region



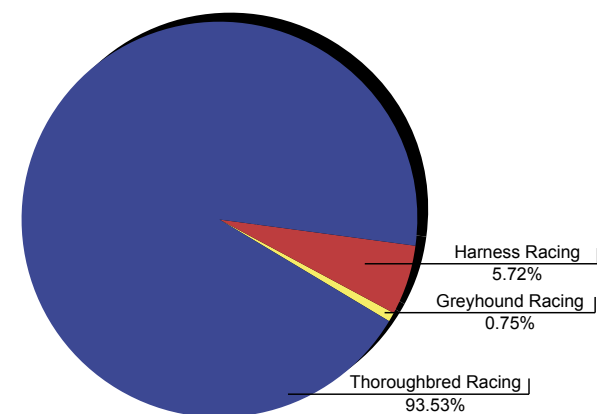
IMPACT ITEM	Thoroughbred	Harness	Greyhound	Total (% NZ Total)
Value Added Contribution to GDP	\$30.00 Mil	\$1.84 Mil	\$0.24 Mil	\$32.08 Mil (2.2%)
Jobs Created by Racing Industry	363 FTE	23 FTE	3 FTE	388 FTE (2.1%)
Income Generated to pay FTE	\$14.20 Mil	\$0.85 Mil	\$0.10 Mil	\$15.15 Mil (2.2%)
Participants in the Production of Racing Animals	736	94	31	861 (2.9%)
Participants in the Production of the Racing Product	242	42	-	284 (2.7%)
Number of Breeders	264	42	2	308 (3.1%)
Total Expenditure by Breeders in Racing	\$11.97 Mil	\$0.91 Mil	\$0.18 Mil	\$13.06 Mil (2.7%)
Number of Trainers	54	3	2	59 (2.0%)
Total Expenditure by Trainers in Racing	\$5.11 Mil	\$0.28 Mil	\$0.03 Mil	\$5.43 Mil (1.8%)
Number of Owners	428	67	26	521 (2.9%)
Number of Race clubs	5	2	-	7 (5.4%)
Number of Racetracks	4	2	-	6 (6.0%)
Number of Races	180	20	-	200 (2.5%)
Number of On-course Customers	37,382	500	-	37,882 (3.6%)
Total On-course Customer Spending	\$1.04 Mil	\$0.05 Mil	-	\$1.09 Mil (3.1%)
Total Customer Spending in the Community	\$1.12 Mil	-	-	\$1.12 Mil (5.8%)
Total Value of Prizemoney Paid	\$1.81 Mil	\$0.08 Mil	-	\$1.89 Mil (3.5%)

At the 2001 census it was estimated that the resident population of the Bay of Plenty region was 239,412. Around 24% of these residents were aged under 15, higher than the National average. The median income for Bay of Plenty residents was \$16,800, about 9% lower than the national average.

The racing industry in the Bay of Plenty region is responsible for the generation of \$32.08 Million in value added contribution to Gross Domestic Product. 1,145 people are employed in full-time, part-time, casual or volunteer jobs within the racing industry, roughly 0.5% of the Bay of Plenty population. These jobs equate to approximately 388 full time equivalent jobs, generating more than \$15.1 Million in wages and salaries for these employees.

Customers spend in excess of \$2.2 Million as a result of race meetings and events in the Bay of Plenty region, providing positive impacts for the local retail and tourism industries.

Chart 35 - Racing Industry in Bay of Plenty Value Added Generated by Code



Regional Summaries - 11.10 Tasman-Nelson Region



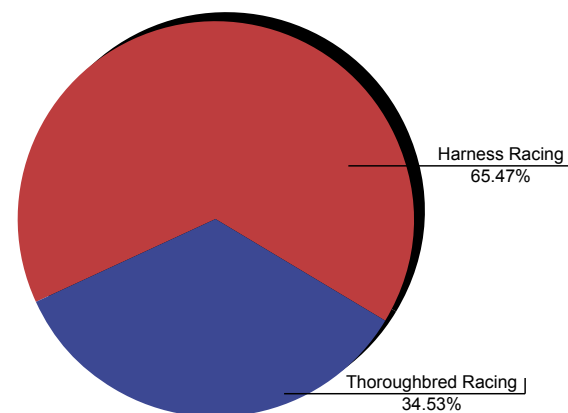
IMPACT ITEM	Thoroughbred	Harness	Greyhound	Total (% NZ Total)
Value Added Contribution to GDP	\$1.59 Mil	\$3.02 Mil	-	\$4.61 Mil (0.3%)
Jobs Created by Racing Industry	20 FTE	37 FTE	-	57 FTE (0.3%)
Income Generated to pay FTE	\$0.69 Mil	\$1.46 Mil	-	\$2.15 Mil (0.3%)
Participants in the Production of Racing Animals	89	141	12	242 (0.8%)
Participants in the Production of the Racing Product	-	70	-	70 (0.7%)
Number of Breeders	39	55	-	94 (1.0%)
Total Expenditure by Breeders in Racing	\$1.39 Mil	\$1.07 Mil	-	\$2.47 Mil (0.5%)
Number of Trainers	2	24	2	28 (1.0%)
Total Expenditure by Trainers in Racing	-	\$0.47 Mil	-	\$0.47 Mil (0.2%)
Number of Owners	39	78	11	128 (0.7%)
Number of Race clubs	-	1	-	1 (0.8%)
Number of Racetracks	-	1	-	1 (1.0%)
Number of Races	-	40	-	40 (0.5%)
Number of On-course Customers	-	9,000	-	9,000 (0.9%)
Total On-course Customer Spending	-	\$0.18 Mil	-	\$0.18 Mil (0.5%)
Total Customer Spending in the Community	-	-	-	- (-)
Total Value of Prizemoney Paid	-	\$0.20 Mil	-	\$0.20 Mil (0.4%)

At the 2001 census it was estimated that the resident population of the Tasman-Nelson region was 82,938. Around 22% of these residents were aged under 15, comparable to the National average. The median income for Tasman-Nelson residents was \$16,600, about 9% lower than the national average.

The racing industry in the Tasman-Nelson region is responsible for the generation of \$4.61 Million in value added contribution to Gross Domestic Product. 312 people are employed in full-time, part-time, casual or volunteer jobs within the racing industry, roughly 0.5% of the Tasman-Nelson population. These jobs equate to approximately 57 full time equivalent jobs, generating more than \$2.1 Million in wages and salaries for these employees.

Customers spend in excess of \$0.18 Million as a result of race meetings and events in the Tasman-Nelson region, providing positive impacts for the local retail and tourism industries.

Chart 36 - Racing Industry in Tasman-Nelson
Value Added Generated by Code





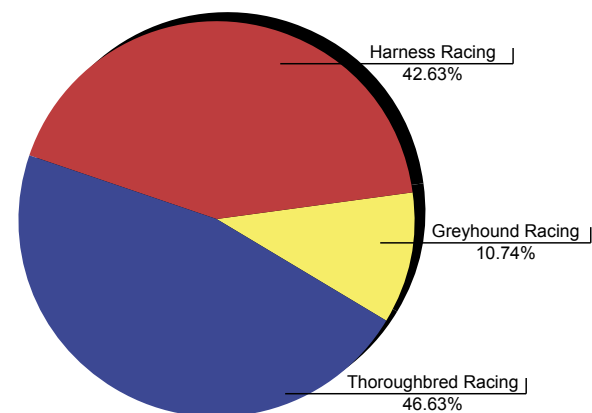
IMPACT ITEM	Thoroughbred	Harness	Greyhound	Total (% NZ Total)
Value Added Contribution to GDP	\$3.62 Mil	\$3.31 Mil	\$0.83 Mil	\$7.77 Mil (0.5%)
Jobs Created by Racing Industry	42 FTE	38 FTE	11 FTE	91 FTE (0.5%)
Income Generated to pay FTE	\$1.88 Mil	\$1.68 Mil	\$0.36 Mil	\$3.91 Mil (0.6%)
Participants in the Production of Racing Animals	114	91	7	212 (0.7%)
Participants in the Production of the Racing Product	261	237	-	498 (4.7%)
Number of Breeders	35	32	1	68 (0.7%)
Total Expenditure by Breeders in Racing	\$0.85 Mil	\$0.67 Mil	\$0.09 Mil	\$1.61 Mil (0.3%)
Number of Trainers	14	21	1	36 (1.2%)
Total Expenditure by Trainers in Racing	\$0.34 Mil	\$0.42 Mil	\$0.64 Mil	\$1.40 Mil (0.5%)
Number of Owners	67	46	5	118 (0.6%)
Number of Race clubs	4	3	-	7 (5.4%)
Number of Racetracks	4	3	-	7 (7.0%)
Number of Races	51	50	-	101 (1.3%)
Number of On-course Customers	10,300	6,250	-	16,550 (1.6%)
Total On-course Customer Spending	\$0.42 Mil	\$0.22 Mil	-	\$0.64 Mil (1.8%)
Total Customer Spending in the Community	\$0.69 Mil	\$0.66 Mil	-	\$1.35 Mil (7.0%)
Total Value of Prizemoney Paid	\$0.31 Mil	\$0.28 Mil	-	\$0.59 Mil (1.1%)

At the 2001 census it was estimated that the resident population of the West Coast region was 30,300. Around 22% of these residents were aged under 15, comparable with the National average. The median income for West Coast residents was \$14,600, about 20% lower than the national average.

The racing industry in the West Coast region is responsible for the generation of \$7.77 Million in value added contribution to Gross Domestic Product. 710 people are employed in full-time, part-time, casual or volunteer jobs within the racing industry, roughly 2.3% of the West Coast population. These jobs equate to approximately 91 full time equivalent jobs, generating more than \$3.9 Million in wages and salaries for these employees.

Customers spend in excess of \$1.9 Million as a result of race meetings and events in the West Coast region, providing positive impacts for the local retail and tourism industries.

Chart 37 - Racing Industry in West Coast Value Added Generated by Code



Regional Summaries - 11.12 Southland Region



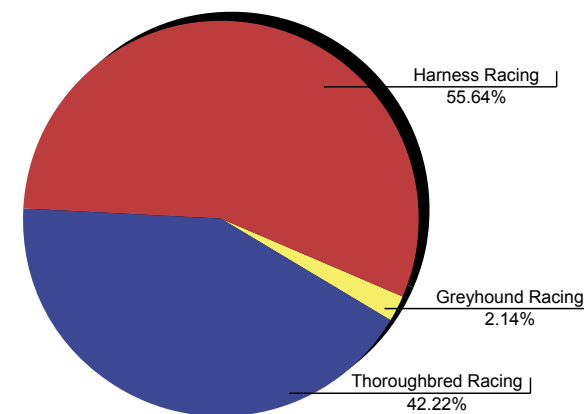
IMPACT ITEM	Thoroughbred	Harness	Greyhound	Total (% NZ Total)
Value Added Contribution to GDP	\$25.19 Mil	\$33.20 Mil	\$1.28 Mil	\$59.67 Mil (4.0%)
Jobs Created by Racing Industry	312 FTE	408 FTE	15 FTE	735 FTE (4.0%)
Income Generated to pay FTE	\$11.37 Mil	\$15.25 Mil	\$0.65 Mil	\$27.27 Mil (4.0%)
Participants in the Production of Racing Animals	812	1,455	47	2,314 (7.7%)
Participants in the Production of the Racing Product	329	483	149	961 (9.2%)
Number of Breeders	232	543	2	777 (7.9%)
Total Expenditure by Breeders in Racing	\$11.27 Mil	\$11.15 Mil	\$0.09 Mil	\$22.51 Mil (4.6%)
Number of Trainers	77	196	2	275 (9.5%)
Total Expenditure by Trainers in Racing	\$6.96 Mil	\$10.86 Mil	\$0.28 Mil	\$18.10 Mil (5.9%)
Number of Owners	527	952	40	1,519 (8.3%)
Number of Race clubs	7	7	1	15 (11.6%)
Number of Racetracks	5	5	1	11 (11.0%)
Number of Races	153	315	106	574 (7.1%)
Number of On-course Customers	11,350	18,125	1,000	30,475 (2.9%)
Total On-course Customer Spending	\$0.35 Mil	\$0.63 Mil	\$0.01 Mil	\$0.99 Mil (2.8%)
Total Customer Spending in the Community	\$0.21 Mil	\$0.18 Mil	\$0.01 Mil	\$0.40 Mil (2.1%)
Total Value of Prizemoney Paid	\$0.88 Mil	\$1.71 Mil	\$0.11 Mil	\$2.70 Mil (5.0%)

At the 2001 census it was estimated that the resident population of the Southland region was 91,002. Around 23% of these residents were aged under 15, comparable with the National average. The median income for Southland residents was \$17,800, about 4% lower than the national average.

The racing industry in the Southland region is responsible for the generation of \$59.67 Million in value added contribution to Gross Domestic Product. 3,275 people are employed in full-time, part-time, casual or volunteer jobs within the racing industry, roughly 3.6% of the Southland population. These jobs equate to approximately 735 full time equivalent jobs, generating more than \$27.2 Million in wages and salaries for these employees.

Customers spend in excess of \$1.3 Million as a result of race meetings and events in the Southland region, providing positive impacts for the local retail and tourism industries.

Chart 38 - Racing Industry in Southland Value Added Generated by Code





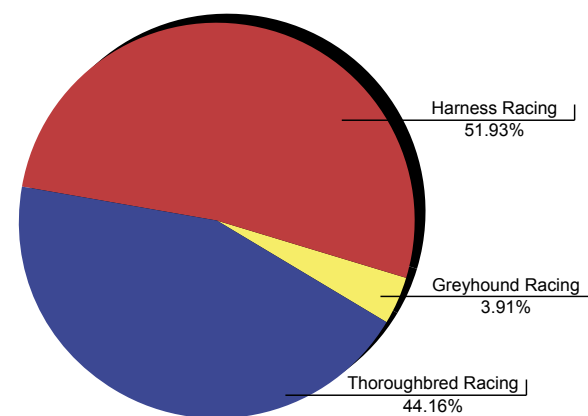
IMPACT ITEM	Thoroughbred	Harness	Greyhound	Total (% NZ Total)
Value Added Contribution to GDP	\$29.19 Mil	\$34.32 Mil	\$2.58 Mil	\$66.10 Mil (4.5%)
Jobs Created by Racing Industry	360 FTE	419 FTE	31 FTE	810 FTE (4.4%)
Income Generated to pay FTE	\$13.47 Mil	\$16.29 Mil	\$1.26 Mil	\$31.02 Mil (4.6%)
Participants in the Production of Racing Animals	608	732	48	1,388 (4.6%)
Participants in the Production of the Racing Product	256	350	97	703 (6.7%)
Number of Breeders	162	276	5	443 (4.5%)
Total Expenditure by Breeders in Racing	\$6.91 Mil	\$6.62 Mil	\$0.45 Mil	\$13.98 Mil (2.8%)
Number of Trainers	34	112	1	147 (5.1%)
Total Expenditure by Trainers in Racing	\$4.18 Mil	\$4.47 Mil	\$0.33 Mil	\$8.97 Mil (2.9%)
Number of Owners	418	456	41	915 (5.0%)
Number of Race clubs	6	6	1	13 (10.1%)
Number of Racetracks	6	5	1	12 (12.0%)
Number of Races	138	260	152	550 (6.8%)
Number of On-course Customers	29,800	46,700	1,700	78,200 (7.5%)
Total On-course Customer Spending	\$0.64 Mil	\$0.87 Mil	\$0.03 Mil	\$1.54 Mil (4.3%)
Total Customer Spending in the Community	\$0.47 Mil	\$1.14 Mil	\$0.07 Mil	\$1.68 Mil (8.7%)
Total Value of Prizemoney Paid	\$0.93 Mil	\$1.31 Mil	\$0.12 Mil	\$2.36 Mil (4.4%)

At the 2001 census it was estimated that the resident population of the Otago region was 181,539. Around 19% of these residents were aged under 15, much lower than the National average. The median income for Otago residents was \$15,700, about 15% lower than the national average.

The racing industry in the Otago region is responsible for the generation of \$66.1 Million in value added contribution to Gross Domestic Product. 2,091 people are employed in full-time, part-time, casual or volunteer jobs within the racing industry, roughly 1.2% of the Otago population. These jobs equate to approximately 810 full time equivalent jobs, generating more than \$31.0 Million in wages and salaries for these employees.

Customers spend in excess of \$3.2 Million as a result of race meetings and events in the Otago region, providing positive impacts for the local retail and tourism industries.

Chart 39 - Racing Industry in Otago Value Added Generated by Code



Regional Summaries - 11.14 Canterbury Region



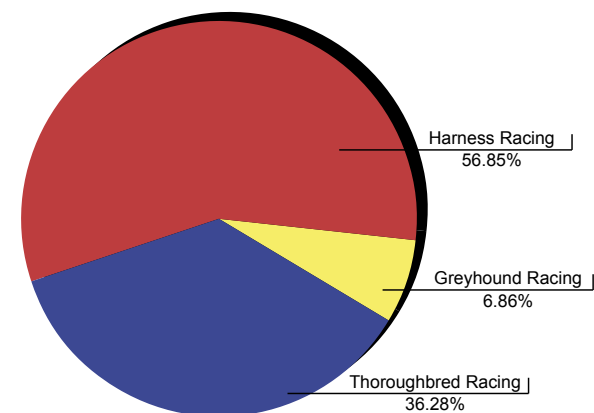
IMPACT ITEM	Thoroughbred	Harness	Greyhound	Total (% NZ Total)
Value Added Contribution to GDP	\$91.19 Mil	\$142.89 Mil	\$17.25 Mil	\$251.32 Mil (16.9%)
Jobs Created by Racing Industry	1,124 FTE	1,752 FTE	209 FTE	3,085 FTE (16.8%)
Income Generated to pay FTE	\$41.67 Mil	\$66.08 Mil	\$8.27 Mil	\$116.02 Mil (17.1%)
Participants in the Production of Racing Animals	1,825	4,021	432	6,278 (20.8%)
Participants in the Production of the Racing Product	473	1,720	141	2,334 (22.3%)
Number of Breeders	584	1,638	47	2,269 (23.1%)
Total Expenditure by Breeders in Racing	\$32.12 Mil	\$41.76 Mil	\$4.76 Mil	\$78.63 Mil (16.0%)
Number of Trainers	148	549	35	732 (25.3%)
Total Expenditure by Trainers in Racing	\$16.20 Mil	\$28.83 Mil	\$1.89 Mil	\$46.92 Mil (15.2%)
Number of Owners	998	2,444	347	3,789 (20.1%)
Number of Race clubs	9	13	2	24 (18.6%)
Number of Racetracks	6	10	1	17 (17.0%)
Number of Races	336	766	750	1,852 (23.0%)
Number of On-course Customers	67,000	137,450	10,300	214,750 (20.6%)
Total On-course Customer Spending	\$1.80 Mil	\$4.74 Mil	\$0.23 Mil	\$6.77 Mil (19.1%)
Total Customer Spending in the Community	\$1.64 Mil	\$2.04 Mil	\$0.03 Mil	\$3.71 Mil (19.2%)
Total Value of Prizemoney Paid	\$3.26 Mil	\$7.88 Mil	\$1.13 Mil	\$12.27 Mil (22.8%)

At the 2001 census it was estimated that the resident population of the Canterbury region was 481,431. Around 20% of these residents were aged under 15, lower than the National average. The median income for Canterbury residents was \$17,600, about 4% lower than the national average.

The racing industry in the Canterbury region is responsible for the generation of \$251.32 Million in value added contribution to Gross Domestic Product. 8,612 people are employed in full-time, part-time, casual or volunteer jobs within the racing industry, roughly 1.8% of the Canterbury population. These jobs equate to approximately 3,085 full time equivalent jobs, generating more than \$116.0 Million in wages and salaries for these employees.

Customers spend in excess of \$10.4 Million as a result of race meetings and events in the Canterbury region, providing positive impacts for the local retail and tourism industries.

Chart 40 - Racing Industry in Canterbury
Value Added Generated by Code



Regional Summaries - 11.15 Marlborough Region



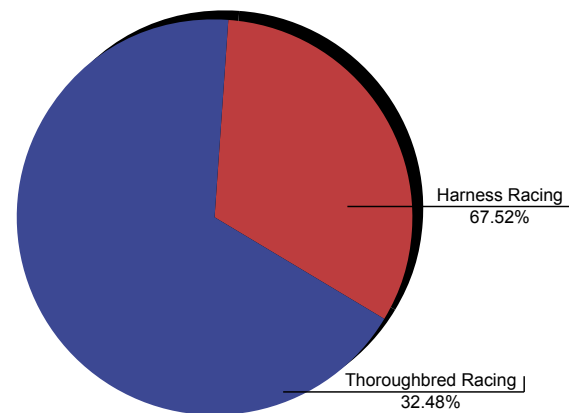
IMPACT ITEM	Thoroughbred	Harness	Greyhound	Total (% NZ Total)
Value Added Contribution to GDP	\$1.37 Mil	\$2.86 Mil	-	\$4.23 Mil (0.3%)
Jobs Created by Racing Industry	16 FTE	33 FTE	-	49 FTE (0.3%)
Income Generated to pay FTE	\$0.68 Mil	\$1.44 Mil	-	\$2.12 Mil (0.3%)
Participants in the Production of Racing Animals	92	46	2	140 (0.5%)
Participants in the Production of the Racing Product	43	55	-	98 (0.9%)
Number of Breeders	18	42	-	60 (0.6%)
Total Expenditure by Breeders in Racing	\$0.47 Mil	\$0.48 Mil	-	\$0.96 Mil (0.2%)
Number of Trainers	3	15	-	18 (0.6%)
Total Expenditure by Trainers in Racing	\$0.12 Mil	\$0.48 Mil	-	\$0.60 Mil (0.2%)
Number of Owners	24	49	1	74 (0.4%)
Number of Race clubs	1	1	-	2 (1.6%)
Number of Racetracks	1	1	-	2 (2.0%)
Number of Races	19	44	-	63 (0.8%)
Number of On-course Customers	1,000	2,000	-	3,000 (0.3%)
Total On-course Customer Spending	\$0.05 Mil	\$0.13 Mil	-	\$0.18 Mil (0.5%)
Total Customer Spending in the Community	\$0.11 Mil	\$0.23 Mil	-	\$0.34 Mil (1.8%)
Total Value of Prizemoney Paid	\$0.11 Mil	\$0.25 Mil	-	\$0.36 Mil (0.7%)

At the 2001 census it was estimated that the resident population of the Marlborough region was 39,561. Around 21% of these residents were aged under 15, lower than the National average. The median income for Marlborough residents was \$17,000, about 8% lower than the national average.

The racing industry in the Marlborough region is responsible for the generation of \$4.2 Million in value added contribution to Gross Domestic Product. 238 people are employed in full-time, part-time, casual or volunteer jobs within the racing industry, roughly 0.6% of the Marlborough population. These jobs equate to approximately 49 full time equivalent jobs, generating more than \$2.1 Million in wages and salaries for these employees.

Customers spend in excess of \$0.5 Million as a result of race meetings and events in the Marlborough region, providing positive impacts for the local retail and tourism industries.

Chart 41 - Racing Industry in Marlborough
Value Added Generated by Code



INPUT OUTPUT MODELLING AND DEFINITIONS

The purpose of this appendix is to describe the methodology used to identify the economic impact of the New Zealand Racing Industry. The economic impact was estimated using the Input-Output (IO) modelling technique which has been widely used in Australia, New Zealand and many other countries. For a detailed description of the IO technique see Regional Input-Output Study by Statistics New Zealand, July 2003 (www.stats.govt.nz/domino/external/web/aboutsnz.nsf)

IO models play a vital role in the system of national accounts. These models are based on an IO table (often referred to as the transaction table) that shows, in value terms, the supply and usage of goods and services within an economy or a region over a particular period. A row of an IO table exhibits usage by dependent industries and final demand categories of the output of each industry. The transaction table gives details of primary and intermediate inputs used in each industry. The table is balanced, as total inputs into each industry must be equal to total outputs. The advantage of using an IO table is that it allows the calculation of a set of disaggregated multipliers to measure the economic impact of an economic stimulus, such as unit increase in final demand on output, income and employment. The increase in final demand is normally measured in value, such as an increase of one dollar in sales to final demand by an industry.

The IO tables generate two types of multipliers. Type I multipliers measure the direct and indirect effects (on income or output) resulting from a unit increase in final demand for a particular industry. Type I multipliers take account of static income effects. Type II multipliers account for the flow-on effects of subsequent rounds of resulting consumer spending, in addition to direct and indirect effects of the initial increase in final demand. Therefore, Type II multipliers take account of induced income effects.

The value added multipliers measure the increase in the value of the output. The value added by the industry is the value of output less the value of inputs and is equivalent to the industry's contribution to the gross regional (or domestic or national) product. GRP (Gross Regional Product) or GDP (Gross Domestic Product) is considered the most reliable measure of economic value added. Input-output models have been commonly used in many previous studies (See for example, Queensland racing: An assessment of its economic contribution to Queensland, KPMG, July 1998; Size and Scope of the Australian Thoroughbred Racing Industry, IER, December 2001, commissioned by ARB; 2003 America's Cup Economic Impact Study, Market Economics, October 2003).

The income multipliers measure the impact of the change in final demand on the amount of additional wages, salaries and supplements paid to labour (a component of value added). For instance an increase in the economic activities in the racing industry will increase the output of the recreation industry. It may also result indirectly in income being generated in other industries such as food manufacturing and transport services, as the products of those industries are required as additional input to the recreation industry.

The employment multipliers measure the impact of the increase in final demand on the level of employment, ie. the number of jobs created as a result of a unit increase in final demand. The unit increase in final demand is normally expressed in \$million. The employment impact is defined by the number of full-time jobs created for \$million increase in final demand.

ADJUSTMENTS MADE BEFORE MEASURING ECONOMIC ACTIVITIES

There are no official regional input-output (IO) tables compiled in New Zealand. Most economic reports depend on the data inputs from the national input-output tables of Statistics New Zealand, and assumptions that are made in developing regional input-output tables.

The New Zealand Institute of Economic Research (NZIER) is considered as one of the major developers of IO tables in New Zealand. They use the common programming language called "GAMS" for the development of IO tables. GAMS has the capacity to aggregate and disaggregate IO tables and to generate desired technical coefficients and multipliers.

This study estimated economic impacts using input-output (I/O) tables developed by the New Zealand Institute of Economic Research (NZIER). An input-output model of the New Zealand economy was used to answer a hypothetical question: "What economic contributions are made to the regional and national economies by the current levels of economic activities of the three racing codes of New Zealand? Answer to such a question will also provide an answer to an indirect question: "What changes would occur to the regional and national economies if current levels of racing activities are withdrawn?"

The transaction tables developed by NZIER had to be updated by adjusting the IO coefficient for the inflation or price changes, because the most recent tables available were for 1996. The price indices required for this task were obtained from Statistics New Zealand.

The regional expenditure data collected for this study had to be adjusted for the 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 subjected to GST of 0.125 per dollar. 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. (See supplementary tables given in www.stats.govt.nz/domino/external/pasfull/pasfull.nsf)

The above adjustment helped to remove the imports, re-distribute the retail and wholesale margins and to estimate the actual increase in final demand in each region.

It was also assumed that the structure of all codes of the racing industry across all the regions in New Zealand is homogenous. This assumption ensures that all businesses representing the racing industry use the same input mix in producing the same output.