



PRESS RELEASE

23 February 2010

\$1.7M ADDITIONAL DISTRIBUTION TO HARNESS CLUBS

1. In January the NZ Racing Board (NZRB) announced that an interim profit distribution of \$6m would be made to the three racing codes. This is additional to the Board's annual funding commitment to the codes and reflects the positive financial result and operational efficiencies being achieved by the NZRB in the current season. Based on market share, the harness code will receive just in excess of \$1.8m from this decision.
2. Harness racing currently applies a turnover based funding system. Given preliminary funding, projections from the NZRB for 2010/11, HRNZ has assurance that existing funding rates to clubs are sustainable. Accordingly HRNZ's Executive is keen to allocate our code's share of the interim profit distribution fully to clubs to alleviate some of the current financial pressures being experienced at the "coal face" of the industry. Accordingly a number of options to do this were explored at the Executive's meeting last week.
3. HRNZ is therefore pleased to advise that additional funding will be allocated to clubs on the following basis:
 - Every meeting in the 2009/10 season, with the exception of Tuesdays, is to receive an additional per meeting payment of \$6,000 – estimated cost \$1.47m
 - Funding off-course results over budget in the 2009/10 season offset against other meetings under budget - estimated cost of \$0.242m
4. The rationale for excluding the Tuesday meetings from the per meeting distribution is that these meetings receive guaranteed funding under the code's funding policy. The "overs–unders" adjustment is to allow for the offsetting of over budget turnover results against other meetings for a club where turnover has not met budget in the season. This is all based on off-course turnover and is a performance based adjustment. Provision has been made for an estimated \$100k to cover further "overs–unders" adjustments in the balance of the season. This then accounts for the full utilisation of the interim funding to be received from the NZRB.
5. The NZRB is projected to make the interim allocation to the code distribution accounts on 31 March. It is anticipated that the allocations to clubs in line with the formula outlined above will be made in early April. Attached is a schedule estimating what will be distributed on a per club basis.
6. Clubs have continued to experience the competitive challenges of the economy over the last year. In particular declining income through turnover and gaming has put increased pressure on clubs' ability to maintain stake levels. The allocation of this funding will help mitigate some of these financial pressures for the benefit of all industry participants.
7. HRNZ acknowledges the NZRB understanding of the increased financial demands facing the industry. The Board's vision and performance in making this increased funding available to the industry is appreciated and HRNZ extends its congratulations to the NZRB on this.

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**ALLOCATION OF 2010 NZRB INTERIM PROFIT DISTRIBUTION - ESTIMATED PAYMENTS TO
HARNESS RACING CLUBS**

Akaroa T.C.	6,000	Morrinsville T.C.	18,000
Amberley T.C.	6,000	Nelson H R C	24,000
Ashburton T.C.	70,614	New Zealand Metropolitan TC	266,614
Auckland T.C.	144,357	Northern Southland T.C.	18,000
Banks Peninsula T.C.	43,998	Northland HRC	6,000
Bay Of Plenty H.R.C.	12,000	Oamaru H.R.C.	32,362
Cambridge-Te Awamutu H.R.C.	160,113	Rangiora Harness Racing Club	68,003
Central Otago T.C.	6,000	Reefton T C	18,000
Cheviot H R C	6,000	Riverton Trotting Club	6,000
Forbury Park T.C.	142,904	Roxburgh T.C.	6,000
Franklin T.C.	49,850	Stratford T.C.	6,000
Geraldine T.C.	6,000	Taranaki Trotting Club	6,000
Gore H.R.C.	52,678	Thames H R C	24,000
Hawera Harness Racing Club	12,000	Timaru H.R.C.	44,294
Hororata T.C.	6,000	Tuapeka H.R.C.	6,000
Invercargill H.R.C.	79,384	Waikouaiti T.C.	6,000
Kaikoura Trotting Club Inc	6,000	Waimate T.C.	6,000
Kapiti Coast H.R.C.	26,625	Wairarapa H.R.C.	12,000
Kumeu T.C.	37,082	Wairio T.C.	12,000
Kurow H R C	6,000	Wanganui Trotting Club	6,000
Manawatu Harness Racing Club	54,000	Westport T C	18,000
Manukau TC	31,686	Winton H.R.C.	42,751
Marlborough H.R.C.	36,000	Wyndham H R C	34,735
Methven T.C.	24,000		
		Total Allocations	<u>1,712,050</u>