



**New Zealand Standardbred Breeders Association Inc**

**Business Plan**  
**Year Ending 31 July 2012**

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## EXECUTIVE SUMMARY

The NZSBA is in the fourth year of marketing support from HRNZ. The association has since November 2008, employed a full-time Executive Manager. The Executive Manager reports to the NZSBA Executive made up of two representatives from each of the three Regional Affiliates.

The NZSBA has developed a set of focused objectives derived after reviewing current practices. The association has enjoyed a good level of growth since 2008, despite the current economic times.

It is important that the NZSBA continues to challenge its operations to ensure continued growth and improved services to members and the industry in general.

The industry is facing many challenges, turnover is decreasing, the breeding statistics are on the decline and there is a general apathy within some sectors of the industry.

However it is not all bad news, the Racing Board have presented a realistic strategic plan for the next 12 months, HRNZ are continuing to support clubs with their funding structure and both Addington Raceway and Alexandra Park are showing healthy profits which are flowing back into stakes for owners.

This business plan sets out objectives that the NZSBA will strive to work towards in the 2011/12 season and beyond. It is apparent that the association has two main functions: services for members and industry participation.

The objectives set out in the plan seek to address both of these functions in a focussed and results driven manner.

We must target our current audience of breeders and encourage them to become actively involved in the association. We have seen good growth in membership numbers but there is still a lot of room for improvement. We must continue to focus our efforts on directly targeting current breeders to join the association.

Holistically the end goal is to improve non-racing participation, increase turnover and the resultant positive trends will flow down into ownership and breeding.

## **VISION**

*“To provide leadership on breeding interests, through action and influence”*

## **MISSION STATEMENT**

*“The NZSBA strives to actively promote the specific interests of breeders in all matters of harness racing. To achieve this we will be the voice and resource to all our member breeders.”*

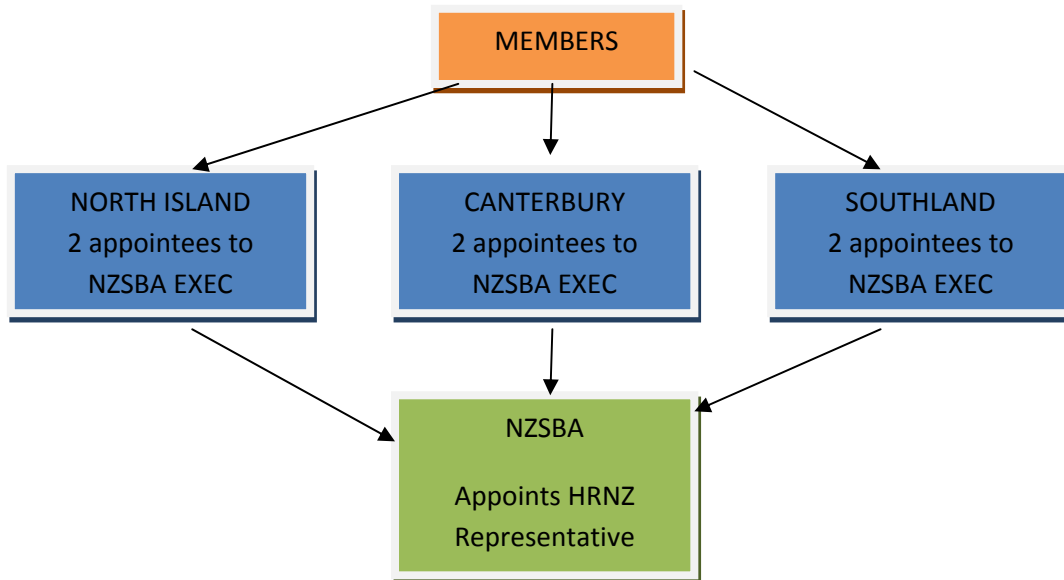
## **OBJECTIVES**

- Ensure long-term sustainability of the association by increasing external income sources by 10% during the 2011/12 season;
- Increase recognition of breeders and NZSBA;
- Provide greater advocacy on behalf of breeders and owners, at a political, national and international industry level;
- Develop a media/communication plan to encourage the transition from betting to owning to breeding.
- Support and encourage industry wide partnerships aimed at increasing participation through all areas.

## INDUSTRY OVERVIEW

The NZSBA was incorporated on 18<sup>th</sup> July 1973; the structure of the organisation is shown below:

### Organisational Structure



### EXECUTIVE AND STAFF OF THE NZSBA

#### Office Holders

National President: Cleland Murdoch  
 Treasurer: Colin Hair  
 Secretary: Kiely Buttell  
 Affiliate Appointees: Tony Dickinson and Peter Smith – North Island  
 Kypros Kotzikas and John Mooney – Canterbury  
 Murray Brown and Cleland Murdoch – Southland

HRNZ Representative: Colin Hair  
 Executive Manager: Kiely Buttell

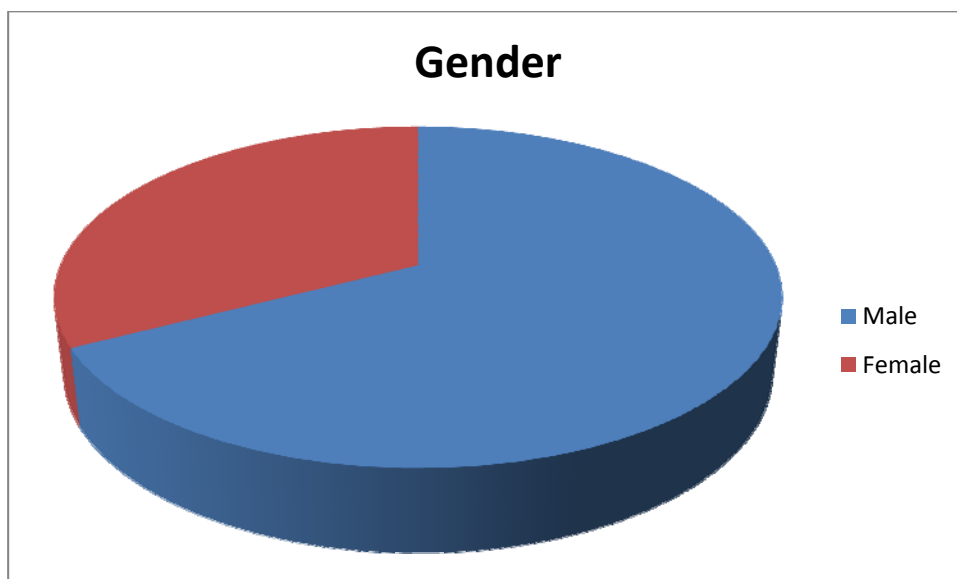
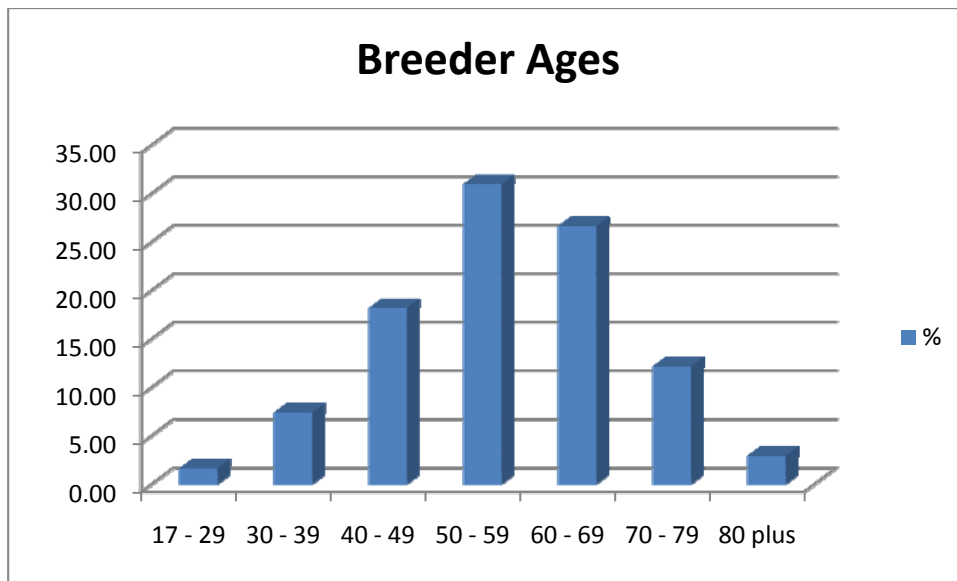
The national office is based in Christchurch at the heart of the industry (42.5% of all breeders live in Canterbury).

### Breeding Industry

The NZSBA currently has 500 members nationally from the three Regional Breeder Affiliated Associations as shown in the organisational structure above.

The standardbred breeding industry in New Zealand consists of 3328 first named breeders. Statistical data gained from HRNZ's Infohorse database, shows that 76% of breeders are located in the South Island with 24% in the North.

Below is a chart of demographics based on 3328 breeders with ages known on the HRNZ infohorse database.



Harness racing receives the majority of its revenue from the NZ Racing Board via turnover on races held here and exported overseas (Internationalisation Strategy).

Harness racing is continuing to show a downward trend on domestic market share (see table below). This can be attributed to the growth in Greyhound racing over the last 5+ years.

	2010/11	2009/10	2008/09	2007/08	2006/07
<b>Thoroughbred</b>	55.67%	53.93 %	53.68%	53.66%	54.66%
<b>Harness</b>	30.75%	31.00%	32.14%	32.73%	32.79%
<b>G/hounds</b>	14.38%	14.07%	14.18%	13.61%	12.54%

## OPPORTUNITIES AND CHALLENGES

The Harness Racing industry domestically and worldwide still faces a number of challenges. Opportunities do exist to arrest and/or reverse the current downward trends. It is up to the industry to find solutions to the challenges, try new initiatives, re-work old ones and get the 'mix' right.

Our industry is heavily reliant on volunteers, without them the industry would not be a financially viable one. The industry must continue to support and educate the 'unpaid workforce' in order to meet the challenges, identify and act upon the opportunities.

By working together - HRNZ, Kindred Bodies, Clubs and related businesses we will start to address these issues and generate positive change.

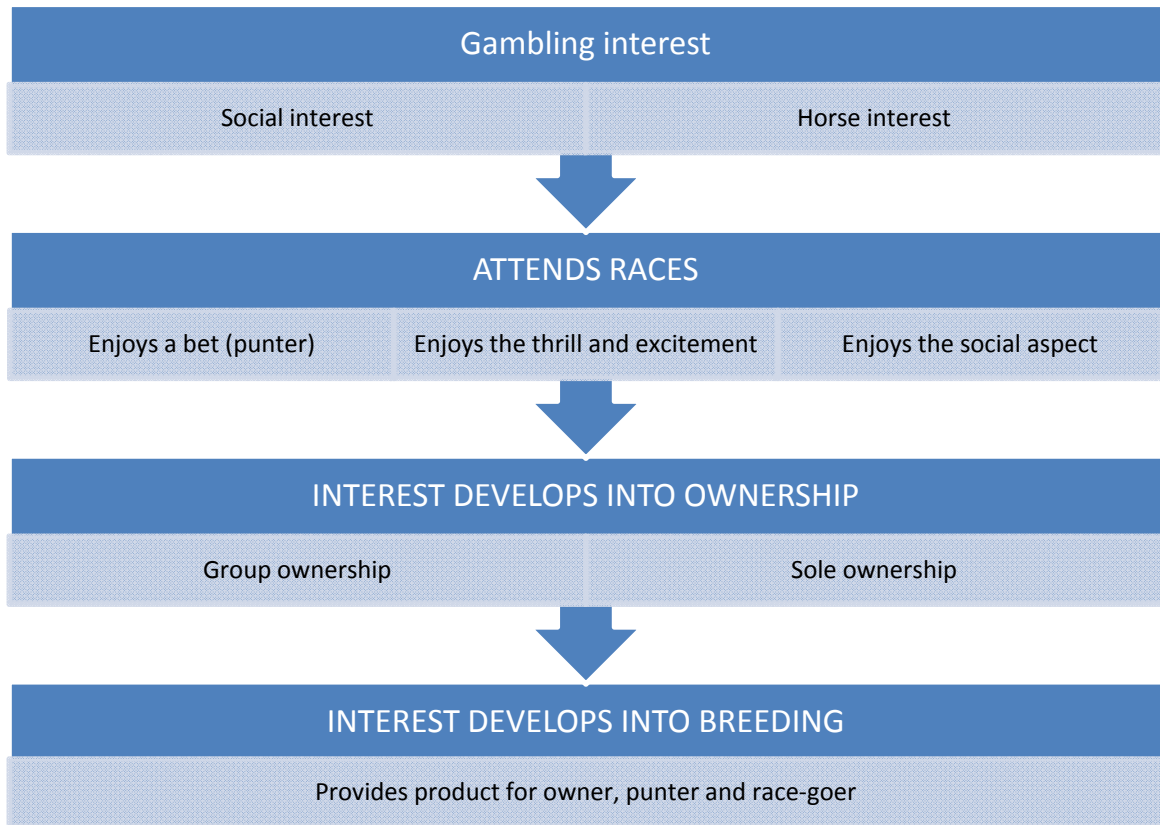
### Opportunities

- Demand from Australia for New Zealand-bred horses is growing due to the effects of Equine Influenza in 2007 and the increased stakes on offer at Menangle, NSW;
  - This growth provides another outlet for the NZ breeder to sell mainly 'up and running' horses. In the 2011/12 season ;
- Build on the existing 40 + age group, statistical data shows these are our customers, they have disposable income and are looking at ways to spend it;
- Women are a growth market in betting and race attendance, need to convert them from passive participants to active i.e. ownership;
- Feature race days and picnic meetings attractive to the wider community, opportunity to 'sell' harness racing to them;
- Increased export of racing internationally;
- NZSBA has access to database of all current breeders and owners for direct communication and marketing campaigns;
- Lower costs for participants than thoroughbred code;
- Potential to grow turnover due to new dates structure – Thursday to Sunday racing.

### Challenges

- Proposal by Harness Racing Australia to 'tax' imported horses, raise the imported semen foal registration fee and a percentage based stallion registration fee;
- Declining breeding numbers;
- Disconnection between racing and the general population, more competition for the leisure spend;
- Racing seen predominantly as 'gambling' not a sport – negative connotations associated with gambling;
- Infra structure 'outdated' and not attractive to new participants;
- Increasing costs, declining income – not an attractive proposition to new investors;
- Economic downturn placing financial pressure on all New Zealanders;
- Offshore betting continuing to attract NZ punters = no revenue for New Zealand racing industry;
- Ageing participation base;

The chart (page 8) shows the direct relationship from punters to owners to breeders. By focussing our efforts on re-connecting with current owners, we can then encourage them to participate further and enter into the breeding industry.



Not one industry segment can exist without the other; the challenge is to find the correct balance.

### Betting Statistics

The process through which people enter our industry stems from betting and/or attending race meetings i.e. Summer Festival. Analysing the demographic statistics of ‘punters’, shows similar trends that have been identified for owners and breeders.

The table below shows comparisons between Harness Bettors v All Bettors

	All Monthly Bettors		Monthly Harness Bettors	
<b>No. of Bettors</b>	163,000		84,000	
<b>Gender</b>				
Male	75%	123,000	74%	62,000
Female	25%	40,000	26%	22,000
<b>Age</b>				
Under 30yrs	18%	30,000	18%	15,000
30-49yrs	36%	58,000	35%	29,000
50+ yrs	46%	75,000	49%	41,000
<b>Location</b>				
Northern	47%	77,000	39%	33,000
Central	26%	42,000	25%	21,000
Southern	28%	45,000	36%	30,000
<b>Channels used last 12 months*</b>				
TAB Agency	78%	127,000	83%	70,000
Other Retail	41%	67,000	56%	47,000
On-course	35%	57,000	45%	38,000

TAB Website	26%	42,000	24%	20,000
Phonebet	25%	41,000	32%	27,000
Touchtone	11%	18,000	12%	10,000
SKYbet**	5%	8,000	4%	3,000

\* Multiple channels can be used

\*\* Please note SKYbet closed August 15 2011

Source: The Nielsen Company Panorama Survey Q2 2010 - Q1 2011

### Key statistics

- Participants aged over 50
- Predominantly male
- Harness greater number in southern area than compared to all bettors (although evenly spread (Northern (39% and Southern 36%))
- Bias towards TAB agencies and more 'traditional methods of betting i.e. on-course & phonebet)

The challenge now is for the betting public to complete the journey through to becoming owners then breeders.

This cannot be achieved solely by the NZSBA. All organisations and businesses within industry need to work together, to ensure a clear message is portrayed to new entrants.

*"Harness Racing is a vibrant, passionate and encouraging sport – one that can be enjoyed by all."*

## SERVICES OFFERED

As our Mission Statement states the NZSBA strives to actively promote the specific interests of breeders and owners in all matters of harness racing. The NZSBA national office can provide the resources to achieve our objectives set out in this plan.

As a membership-based organisation we provide a number of benefits to our members, as below:

- Annual Stallion Register;
- Breeding Matters magazine;
- Advocacy on behalf of members and industry;
- Liaison and representation on industry bodies;
- Voucher book with over \$450 worth of savings;
- Regional activities inc - social functions; race series, race nights, stallion tenders
- Members only area on website;
- Information and fact-sheets of interest to members;
- 5 free TesioPower test matings.

One of the ways of raising income for the association is to charge a membership fee of \$89.95. This is split between the NZSBA and the regional associations, enabling initiatives to be implemented at a national and regional level.

As well as providing services for our members, the NZSBA endeavours to act as an information source to media, industry participants and other interested stakeholders. The NZSBA will act on the industry's behalf in areas that are deemed appropriate – such as Black Type Policy and the recent Australian Breeding Panel recommendations.

## TACTICS AND ACTIONS

The NZSBA has clear and focused objectives on which to grow the organisation and assist the industry to at present maintain its market share, and work towards future growth (3 year plan).

Taking each objective in order, the NZSBA will put the following tactics and actions into place over the next 12 months.

### Tactics

1) *Ensure long-term sustainability of the association, increasing external income sources by 10% during the 2011/12 season;*

- Develop Breeding Matters into a self-funding industry magazine delivered to owners and breeders quarterly by July 2012;
- Develop a subscription only model – i.e. charge non-members;
- Secure one Major Sponsor by July 2012 – minimum sponsorship investment \$5000;
- Increase membership by 10% - goal of 95% renewal rate from previous season.

3) *Increase recognition of breeders and NZSBA;*

- Develop relationships with racing and non-racing media (see Marketing Plan);
- Increase 'human/horse interest stories to media, website and members (see Marketing Plan);
- Ensure members breeding and racing achievements are being recognised both locally and nationally (see Marketing Plan);
- Work in partnership with HRNZ, NZRB and Clubs to ensure breeders are recognised in racing material i.e. race books, website, racing board publications (see Marketing Plan);
- Increase NZSBA brand awareness (see Marketing Plan).

4) *Provide greater advocacy on behalf of breeders and owners, at a political, national and international industry level;*

- Develop bi-annual breeders conference by July 2012;
- Continue to host annual Breeders Forum, inviting key industry participants;
- Develop closer relationships with NZRB CEO & Chair;
- Develop closer relationships with Minister of Racing and senior advisors;
- Continue to support HRNZ in the political arena.

5) *Develop a media/communication plan to encourage the transition from owning to breeding*

- Draft a paper outline key communication channels to engage with 'owners' and encourage increased breeding participation (See Marketing Plan)

- Promote breeding to owners at key times of the year;
- Facilitate knowledge to allow transition from owner to breeder;
- Develop an externally funded industry outline booklet to be available to interested parties through outlets identified in communication paper;
- Work closely with industry bodies to ensure all facets of the industry are catered for: Owners, breeders, racing, trainers & drivers, social, betting etc

## Actions

In order to put the tactics described above into place and reach the NZSBA Objectives outlined in this plan, a number of actions will need to be implemented.

- Research and approach two potential sponsors, present with proposal to generate a minimum of \$5000 in sponsorship income;
- Continue to build upon advertising revenue for Breeding Matters;
- Attend major race meetings;
- Promote membership of the NZSBA through Breeding Matters and the Harness Racing Weekly (see Marketing Plan);
- Plan October and December Breeding Matters – to include relevant profile stories;
- Meet with Minister For Racing and NZRB CEO to discuss HRA Breeding Proposal and update on association;
- Host 'Cup Eve' function to recognise the achievements of:
  - Breeders of Cup Horses
  - Last year's NZ Cup Winner and breeders
  - Broodmare of Excellence Award;
- Develop media strategy to recognise breeders of runners in key races i.e. Group Racing
- Recognise winning NZSBA member-breeders of Group races with a NZSBA-branded trophy;
- Research database for stallion pedigrees.
- Work with regional associations to promote yearling sales, hospitality area, information stand;
- Organise breeders/stud forum – June 2012;
- Organise Breeders conference – June/July 2012;
- Increase communication to NZRB and Ministers' Office surrounding positive news from the industry;
- Implement action points in Marketing plan with relation to working in partnership to increase industry participation;
- Source funding for 'industry booklet' ;
- Plan and implement owner to breeder promotions;
- Ensure key knowledge is available, factsheets, open invite to conference/forums.

## MARKETING PLAN

The NZSBA has a number of marketing objectives to achieve in the 2012/2013 season. The Marketing Plan (Appendix 1) will outline and discuss in detail each stage of the development of the NZSBA.

The NZSBA has shown solid performance since 2008, the national office has been set up in Christchurch and the profile of the organisation has risen.

It is now important to consolidate the work carried out to date, improve upon existing tactics and inject new ideas. This plan is results driven, with achievable tactics set out in a clear format to ensure the end goal is met.

In brief the Marketing Plan outlines eight Marketing Objectives, with two Key Messages that need to be reflected throughout the associations marketing campaign:

### *ORGANISATION*

These objectives are:

- Increase recognition of breeders;
- Increase membership by 10% in 2011/12 season;
- Grow corporate membership by 10% in 2011/12 season;
- Increase flow of information to members;
- Raise brand awareness of NZSBA;
- Increase advocacy on behalf of breeders, as highlighted in the 2010 breeders survey.

### *HARNESS INDUSTRY*

- Promote ownership initiatives;
- Support and encourage industry wide partnerships aimed at increasing participation through all areas by July 2011;
- Identify research projects to better understand industry and from results disseminate; information to breeders and develop strategies for improvement. 2011 – 2012;
- Increase flow of information to racing and non-racing media – human/horse interest stories, NZ Bred achievements, size of racing industry comparing to other ‘more popular’ industries i.e. comparing GDP.

The Key messages the NZSBA should portray at all times are:

### *ORGANISATION MESSAGES*

- The NZSBA provides a service specific to our members
  - Being the voice;
  - Recognition;
  - Expert information;
  - Promoting industry as a whole;
  - Advocacy.

### *HARNESS INDUSTRY*

- The NZSBA actively promotes the racing industry

- Encouraging media buy-in;
- Providing industry information;
- Working in partnership to hold events.

The Marketing Plan will outline the background to our market, what the association is trying to achieve and how this will be carried out.

## **GLOSSARY**

### **Abbreviations**

NZSBA	New Zealand Standard Breeders Association
NZTOA	New Zealand Trotting Owners Association
HRNZ	Harness Racing New Zealand
NZRB	New Zealand Racing Board