



New Zealand Standardbred Breeders' Association Inc

Performance Report 2008 – 2011 &
Funding Request to HRNZ 2011-2014

24 March 2011

New Zealand Standardbred Breeders' Association Inc

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1. EXECUTIVE SUMMARY

The purpose of this report is two-fold:

- (a) to update the Harness Racing New Zealand (HRNZ) Board and senior management on the progress of the projects and goals that were set out in the New Zealand Standardbred Breeders' Association (NZSBA) Business Plan, dated 6th April 2008; and
- (b) to support the NZSBA application for three-years funding from 1 July 2011.

NZSBA:

- is aware of the need to account to stakeholders for its performance and to show value for money to the HRNZ Board and harness racing industry for the funds received
- takes the responsibility of achieving results, value for money and making a positive contribution to our industry and sport with the HRNZ funding very seriously
- believes HRNZ's decision to financially support the breeding sector is a vital component of ensuring vibrant industry representation and presence in the NZ racing and wagering markets
- has increased individual financial membership of its the Affiliates by 70% to 430 (almost double when partners added) and membership revenues significantly
- and its three Affiliates have increased recognition of breeders with names in racebooks and Infohorse results pages; and the number and quality of awards to breeders has increased
- and its activities are viewed positively by the industry (94% satisfaction rating) with a significantly higher profile than three-years ago
- has captured new revenue streams in difficult economic times:
 - NZSBA's three Affiliates contributed \$12,500 of membership fees (up from zero)
 - Sire register contribution/profit up \$110% to \$18,000, while holding fees to advertisers
 - New keynote sponsors contribute \$17,700 pa, previously zero.
- has increased flow of quality information to breeders via publications and the website
- publishes the annual Stallion Register which has a 96% approval rating
- has sound working relationship with HRNZ Management and the Board and contributes to policy development and industry events
- has taken the lead role in trying to resurrect a viable Trotting Owners' association
- has prepared its Business and Marketing Plans for 2011/12 season.

Request and Recommendations

- a. HRNZ receives the 2008-11 NZSBA Performance Report
- b. NZSBA seeks a renewal of the three-year funding commitment from HRNZ starting 1 July 2011.
- c. HRNZ endorses funding for NZSBA for 2011/12 at a maximum of \$100,000.
- d. The amount for each subsequent year to be agreed at the time of the preparation of the HRNZ Budget with the amount to be established having regard to:
 - i. the state of the industry's overall funding
 - ii. NZSBA's annual plan for the subsequent year;
 - iii. the NZSBA financial out-turn for the then current year; and
 - iv. NZSBA's intention when funding was agreed in 2008 to seek to reduce HRNZ funding once the organisation could be sustained and other revenue sources were established.

2. INTRODUCTION

NZSBA has received \$100,000 funding from HRNZ in three seasons from 2008. This is a report to HRNZ, members and other stakeholders on our performance and stewardship of these and other funds.

The NZSBA has laid the foundations for the continued growth of a strong, committed and pro-active harness industry and sports organisation. We will be building upon our efforts so far and moving the organisation to a higher level. This higher level of service and commitment to our members, breeders and industry will generate increased participation, recognition and encouragement to existing and new stakeholders.

A. Membership Summary

	North Island	Canterbury	Southland	Total
2007/08	107	68	78	253
2008/09	94	99	99	292
2009/10	122	185	120	427
2010/11	119	192	119	430
Increase	11%	76%	52%	70%

Note: These are financial members (first names only – most memberships are for couples giving a total of almost 700 people involved with NZSBA).

B. Achievements in brief

- Monthly E-newsletter to members
- Comprehensive website, including statistics, news, events
- Breeding Matters publication
- Event emails to members
- Face-to-face meetings with breeders, via yearling tours, industry and regional events
- Actively involved in opening up communication channels with PGG Wrightson
- Local members involved in forums with PGG Wrightson
- NZSBA represented on HRNZ national awards committee
- NZSBA managed Broodmare Of Excellence Award
- Host 'Cup Eve' Function to recognise New Zealand Cup breeders
- Awards for Group race winning breeders
- Awards for achieving standard times, outstanding achievements and contributions

- Inter Dominion Finals breeders trophy
- Annual stud/stallion seminar hosted by regional affiliates
- Breeders' names in race books and on HRNZ website
- Regional affiliates host variety of social functions
- NZSBA actively involved in revitalisation of NZTOA via 'Contract Of Service'
- Strong relationship with HRNZ Management and Board via Breeders Liaison meetings
- Foster foal/mare service
- Marketing and business plans prepared for 2011/12 season
- Increased membership by 40%
- Increased revenue to Affiliates with them contributing \$12,600 to NZSBA revenues

C. Financial performance

Based on NZSBA Financial Year 1st April – 31st March

Income	2007/08	2008/09	2009/10	2010/11*	2011/12*
HRNZ Marketing Support	n/a	\$66,664	\$100,000	\$100,000	\$100,000
NZTOA Service of Contract	n/a	n/a	n/a	\$15,000	\$30,000
Membership Subscriptions	\$0	\$0	\$31,672	\$32,600	\$35,000
<i>Regional share of subscription</i>	<i>\$0</i>	<i>\$0</i>	<i>\$20,270</i>	<i>\$20,970</i>	<i>\$22,400</i>
<i>NZSBA share of subscription</i>	<i>\$0</i>	<i>\$0</i>	<i>\$11,402</i>	<i>\$11,630</i>	<i>\$12,600</i>
Sponsorship	\$0	\$0	\$13,509	\$13,000	\$17,750
Stallion Register	\$8,625	\$8,508	\$12,184	\$17,918	\$18,500

Expenditure	2007/08	2008/09	2009/10	2010/11*	2011/12*
Admin/Office/Employees	\$1897	\$48,819	\$119,228	\$124,241	\$131,000
HRNZ Awards/Conference/Cup Function	\$0	\$7,965	\$10,403	\$8074	\$9000
Breeding Matters	\$0	\$0	\$17,025	\$10,779	\$0
Website	\$0	\$3090	\$2,593	\$920	\$1000

* Estimated Income and Revenue

2010/11 Revenue Streams

- \$100,000 Marketing Support grant from HRNZ
- \$30,000 contract of service from NZTOA
- Stallion Register – net profit approx \$17,918* increase of 110% from 2008
- Membership subscriptions - \$11,630
- Sponsorship - \$13,000

2011/12 Proposed Revenue Streams

- \$100,000 Marketing Support Grant from HRNZ
- \$30,000 contract of service from NZTOA
- \$18,500 net profit from Stallion Register
- \$12,600 membership subscriptions
- \$17,750 sponsorship – 5 key sponsors
- Profit from Breeding Matters - \$4000 (4 issues)

Future plans

- Key areas from the Breeders Survey
- Increase fixed sponsors
- Increase membership revenues and maintain healthy regional affiliates

3. PERFORMANCE






A. Industry perception of NZSBA

The NZSBA breeders survey undertaken in late 2010 was extremely well received. Over 400 breeders responded giving us external independent evidence on the achievements of NZSBA.




The overall ratings are extremely satisfactory for a newly revived organisation, but there is room for improvement.

NZSBA Customer Service & Profile

Sixty One (61) percent of respondents are satisfied or very satisfied with NZSBA customer service. Neutral respondents represent 32% though many people have had no contact with NZSBA directly. Some of these replies may represent opinions on the local associations. However, while the unsatisfied are very small there is room to move more replies into the higher categories.

Answer	Count	Percent	
Very Unsatisfied	<u>11</u>	<u>3.45%</u>	
Unsatisfied	<u>9</u>	<u>2.82%</u>	
Neutral	<u>103</u>	<u>32.29%</u>	
Satisfied	<u>167</u>	<u>52.35%</u>	
Very Satisfied	<u>29</u>	<u>9.09%</u>	






A majority of people believe that the NZSBA has a higher media and industry profile, compared to three years ago which is a good sign. However, there is room for improvement.

Answer	Count	Percent	
Yes	<u>192</u>	<u>51.34%</u>	
No	<u>57</u>	<u>15.24%</u>	
Not sure	<u>125</u>	<u>33.42%</u>	

Specific Activities

The publications rank highly and the survey has given guidance on what breeders want to see in future editions. Eighty percent are satisfied or very satisfied with the NZ Stallion Register. 71 percent are satisfied or very satisfied with Breeding Matters. The survey has given very clear indications on what people want to read.






Website

Answer	Count	Percent	
Very Unsatisfied	<u>10</u>	<u>3.23%</u>	
Unsatisfied	<u>3</u>	<u>0.97%</u>	
Neutral	<u>104</u>	<u>33.55%</u>	
Satisfied	<u>133</u>	<u>42.90%</u>	
Very Satisfied	<u>60</u>	<u>19.35%</u>	

Website Statistics

- Average unique visitors per month: 657
- News/articles per year: 72






Stallion Register

Answer	Count	Percent	
Very Unsatisfied	<u>13</u>	<u>3.98%</u>	
Unsatisfied	<u>4</u>	<u>1.22%</u>	
Neutral	<u>48</u>	<u>14.68%</u>	
Satisfied	<u>139</u>	<u>42.51%</u>	
Very Satisfied	<u>123</u>	<u>37.61%</u>	






Stallion Register Statistics

- 6th edition, improvement
- Distribution 4,000 breeders, license holders, media
- Continual improvement with statistics and guidance

Breeding Matters/information to breeders

Answer	Count	Percent	
Very Unsatisfied	<u>12</u>	<u>3.59%</u>	
Unsatisfied	<u>12</u>	<u>3.59%</u>	
Neutral	<u>73</u>	<u>21.86%</u>	
Satisfied	<u>187</u>	<u>55.99%</u>	
Very Satisfied	<u>50</u>	<u>14.97%</u>	

Breeder Recognition






Answer	Count	Percent	
Very Unsatisfied	<u>15</u>	<u>4.59%</u>	
Unsatisfied	<u>42</u>	<u>12.84%</u>	
Neutral	<u>106</u>	<u>32.42%</u>	
Satisfied	<u>139</u>	<u>42.51%</u>	
Very Satisfied	<u>25</u>	<u>7.65%</u>	

The survey provided very valuable information of future activities for NZSBA. NZSBA would like to see a much higher ranking from breeders on their happiness with how breeders are recognised. 17% are unsatisfied with the recognition given to breeders while 33% are neutral. Similarly while the respondents were not critical of NZSBA in advocacy on behalf of breeders, they were not wildly enthusiastic either. 46% were satisfied while a significant 44% were neutral. This result is entirely consistent with the third table below when people ranked their preferences for future NZSBA activity. Advocacy on behalf of breeders was clearly the No. 1 pick.

Breeder Recognition

- 43 Group certificates presented to breeders of Group race winners (2009-2010)
- Certificates of Recognition presented to breeders of NZ Cup runners (2008 – 2010)
- Breeder names in race books and on HRNZ website under results and fields sections

Breeder Advocacy

Answer	Count	Percent	
Very Unsatisfied	<u>15</u>	<u>4.69%</u>	
Unsatisfied	<u>17</u>	<u>5.31%</u>	
Neutral	<u>141</u>	<u>44.06%</u>	
Satisfied	<u>126</u>	<u>39.38%</u>	
Very Satisfied	<u>21</u>	<u>6.56%</u>	

What activities would you like the NZSBA to do more of: Ranked to 1-6

NZSBA Priority	Average Rank
1. Advocating on behalf of breeders ...	2.56
2. Marketing of the breeders ...	2.66
3. Increase breeder recognition...	2.69

4. Education	3.11
5. Stud/farm tours	4.41
6. Social functions	5.43

The following sections referenced directly to the 2008 Business Plan which was the basis of NZSBA's application to HRNZ for funding. The progress reported is not just for NZSBA. It includes activities undertaken by the three Affiliated bodies which are now working and servicing their members more effectively.

B. Promoting ownership of standardbred horses

Goal	Progress
Regularly provide information to members on forthcoming events and on NZSBA's involvement with HRNZ and changes effecting members.	<ul style="list-style-type: none"> • monthly E-newsletter to members, • website has a dedicated events section • 'Breeding Matters' keeping the breeding sector informed on industry news • Specific event emails to members • Face-to-face meetings with breeders, via yearling tours, industry and regional events. .
Act in an advisory role in relation to the structure and timing of yearling, mixed stock and ready-to-run auction sales.	<ul style="list-style-type: none"> • actively involved in opening up communication channels with PGG Wrightson on yearling sales dates and issues • local members involved in forums with PGG Wrightson on the structure of sales dates and criteria of sales entries.
Participate in awards pre-selection process and assist with provision of sponsorship of breeders' specific awards.	<ul style="list-style-type: none"> • The NZSBA represented on the HRNZ national awards committee, • In 2009 NZSBA with NZ Trotting Owners and NZ Horsemen Associations presented an outstanding achievement award to Dexter Dunn. • Since 2009 the NZSBA took ownership of the Broodmare of Excellence award. • Since 2008 hosted 'Cup Eve' cocktail function to recognises breeders with entrants in the New Zealand Cup, and the winning breeder • National present awards to members who breed Group race winners • Local present awards for achieving standard times and

Goal	Progress
	outstanding achievements and contributions.
Advocate the establishment of a bi-annual breeder's conference.	<ul style="list-style-type: none"> • This is still to be initiated.
Seminars to be held.	<ul style="list-style-type: none"> • In April 2009 the NZSBA and HRNZ as a joint project, held an ownership seminar at Addington Raceway. • The event was reasonably well attended but it was felt that the cost and time involved there would be better ways of communicating the ownership message to potential new entrants. • Each Affiliate hosts an annual stallion/stud seminar at the beginning of the breeding season
Functions for members	<ul style="list-style-type: none"> • North Island sponsors race meeting at Alexandra Park. Hosts the Young Guns draw - \$20,000 to owner of a horse who has raced in the Young Gun's series to spend at the Yearling Sales; • CSBA hosts dinner at NZMTC: Breeders Night in Sept for 180 people at beginning of breeding season; CSBA Stakes Night in April for 120 members & guests; and, Awards night for 120 members & guests • Southland co-hosts the annual Southland awards
Newsletters to be issued in three affiliate regions before 30 th September 2008.	<ul style="list-style-type: none"> • Breeding Matters published: <ul style="list-style-type: none"> ○ May 2009 ○ August 2009 ○ October 2009 ○ December 2009 ○ March 2010 ○ August 2010 ○ October 2010 ○ March 2011 • Future issues for 2011/12 <ul style="list-style-type: none"> ○ August 2011 ○ November 2011 ○ March 2012 ○ June 2012
Promulgate the establishment of voluntary registration and self-regulation of sales agents, either in conjunction with the thoroughbred	<ul style="list-style-type: none"> • This issue has been on the table with HRNZ, which itself liaised with NZ racing. • A topic for on-going work.

Goal	Progress
breeders or independently under the auspices of the NZSBA.	
<p>In addition to the goals set out in the Business Plan, from July 2010 the NZSBA will be actively supporting the revitalisation of the NZ Trotting Owners Association. We have developed a contract of service to provide administration and human resource functions to the association.</p>	

C. Promoting quality breeding of the standardbred horse and ethical industry practice

As per the 2008 Business Plan this was to be achieved in the follow ways:

Goal	Purpose
Maintain access to and ensure accuracy and quality information of stud book records	NZSBA works with HRNZ via the Breeders' Liaison committee to address any breeding related topics, such as stud book. As at June 2010, no changes have been made to the stud book.
Initiate a programme aimed at improving the live foal percentage by 1% per annum for the next two years	Via 'Breeding Matters' and the e-newsletter, breeders are advised on a range of up-to-date horsemanship topics. Studs are encouraged to have their own best-practice measures in place.
Provide monitoring and advisory services on stud practices and animal welfare	<p>The NZSBA is working closely with HRNZ on welfare issues. The NZSBA successfully highlighted the recent "Halswell horses" neglect case to members, as a result many industry participants donated rugs to help these horses.</p> <p>HRNZ are working closely with the SPCA and Thoroughbred code on a communication protocol, should such a neglect case happen again. The NZSBA are being kept informed on such matters and will respond to any requests for help with welfare issues.</p> <p>The NZSBA has initiated a foster foal/mare service that provides studs with a point of contact to disseminate information to breeders in NZ. The NZSBA also work in conjunction with the TB breeders to provide a larger network of fosterers.</p>

D. Promoting policies which bring increased revenue and returns to individual breeders

As per the 2008 Business Plan this was to be achieved in the follow ways:

Goal	Purpose
Prepare and implement a marketing plan that maximizes existing markets and refreshes with new entrants.	<ul style="list-style-type: none"> • Maintaining interest in breeding • Recognition for breeders <p>Business and Marketing plan has been produced for the 2010/11 season, attached (appendix 1)</p>

E. Monitoring industry developments to help minimize costs to breeders

As per the 2008 Business Plan this was to be achieved in the follow ways:

Goal	Purpose
Identify timing of HRNZ budget preparation and consult with HRNZ on HRNZ charges and any increases thereon.	Addressed at HRNZ/NZSBA Breeders Liaison committee
Review with HRNZ timing of foal naming and registration payments	Addressed at HRNZ/NZSBA Breeders Liaison committee

F. Promoting group racing for fillies and mares, and encouraging racing clubs to increase the spread of stake money

Goal	Purpose
Consult with Sires Stakes Board and PGG Wrightson in an effort to simplify the entry provisions and payment programmes for selected race series.	<ul style="list-style-type: none"> • Matter was pursued by CSBA with NZSS board and PPGW. A review was undertaken by NZSS. Matter now at an end.
Consult with clubs to improve the status and number of fillies and mares races on the racing calendar, so as to	<ul style="list-style-type: none"> • The NZSBA is observing the number of fillies and mares racing each season. The statistics for the last three seasons show a 21 – 22% programming rate for

<p>enhance the resultant broodmares prospects and values.</p>	<p>fillies and mares racing, compared to all races programmed.</p> <ul style="list-style-type: none"> • However, clubs have had difficulty filling programmed races a matter NZSBA will investigate further in 2011 • North Island is actively involved with the Young Guns series – run for fillies and colts separately. • CSBA sponsors a 1-5 wins F&M race at NZMTC; two F&M races at Rangiora; and in 2011/12 season will launch a series equivalent to the Southern Belles for 4YO+ and 1 to 5 win mares; • Southland sponsor a 2yo Fillies heat and present a trophy to the breeder of the Southland Oaks; also involved in the Southern Belle series ;co-sponsor the weekly International Notice Board on Cue TV; give \$1000 for fastest mile rate winning time for a Southland owned and trained filly or mare; provide trophies for leading filly/mare stake earners in the 2yo, 3yo & 4yo categories and acknowledgement their ‘Stars’ at the Southland Awards Function
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G. Supporting the development of effective governance within the Harness Racing industry

As per the 2008 Business Plan this was to be achieved in the follow ways:

Goal	Purpose
<p>Review from time to time NZSBA Constitution, to ensure that it is meeting the needs of breeders and if thought necessary, owners.</p>	<ul style="list-style-type: none"> • At this time no changes have been made to the constitution. • Review has taken place in February 2011 and some minor changes will be made in the light of four years activities.
<p>Advocate for review of HRNZ constitution; in particular</p> <ul style="list-style-type: none"> Membership of HRNZ Size of HRNZ Committee Qualifications for membership of the Board Election of membership for HRNZ 	<ul style="list-style-type: none"> • Addressed at HRNZ/NZSBA Breeders Liaison committee

H. Participating in all aspects of the Harness Racing Industry

As per the 2008 Business Plan this was to be achieved in the follow ways:

Goal	Purpose
Provide financial accounts and balance sheet	Financial reports attached (appendix 2)
Determine resources required and establish a budget	Budgets for 2009/10 and 2010/11 attached (appendix 3)
Resolve methods of fundraising Membership subscriptions Events Sponsorship HRNZ	<p>The NZSBA has been actively sourcing alternative funding, we are pleased to report that we have successful negotiated the following income streams:</p> <ul style="list-style-type: none"> • Membership subscriptions – the NZSBA receives a portion of the membership fee of \$89.95 from the three regional associations. 2009/10 season was the first year that the NZSBA received such funds, total received was \$11,402 (net GST). • Sponsorship – the NZSBA has secured four major sponsors, total income for the 2009/10 period was \$13,500; • Magazine advertising – The production of Breeding Matters is budgeted for annually, however we are striving to increase advertising income to cover all production costs; • Stallion Register – the annual Stallion Register is a good income source for the association, the 2009/10 season saw a net profit of \$12,184.

4. THE FUTURE

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, breeding figures are static and predicted to drop. It will take a concerted effort by the whole harness industry to turn these declining figures around.

This business plan, sets out objectives that the NZSBA will strive to work towards in the 2010/11 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. Although we have seen good growth in membership numbers, there is still a lot of room for improvement.

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

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

- Actively seek three new revenue streams by the end of 2011/12 season, continue to improve on and increase existing revenue.
- Provide specific information to breeders regarding ‘best practice’
- Increase recognition of breeders and NZSBA
- Actively promote the perspective of the NZSBA in governance and ethics within the harness racing industry

- Support and encourage industry wide partnerships aimed at increasing participation through all areas.