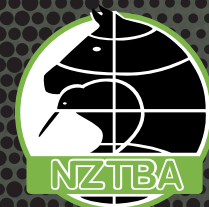


# BREEDERS' BULLETIN



AUTUMN 2015



## A CHANGE OF SEASONS

**April is upon us and we are three-quarters of the way through the 2014-15 season. The yearling sales are done and dusted, the Derby and the Oaks have been run and won, and we are in the midst of a fabulous autumn carnival in Sydney, where hopefully we will claim a few more Group victories, but right now there is plenty to talk about in the New Zealand industry.**

The declining foal crop – it’s almost become a mantra - it is a subject we have been harping on about since former New Zealand Racing Board CEO Graeme Hansen, prompted by the NZTBA, produced a hard hitting “Supply Chain Wastage” report in 2008, which warned us that the decline in foal numbers, and fillies being prepared for racing, was going to impact on field sizes and revenue, and therefore, the industry’s ability to survive.

Since 2008 the foal crop has continued to decline. In the 2008/09 season 6504 mares were covered that produced 4314 foals, and according to the latest Stud Book figures available the 2012/13 season the figures were 5533 mares covered to produce 3402 foals, this season’s yearlings. That’s a 21% drop in the annual foal crop foal in the past four years. According to The Oaks Stud general manager Rick Williams, who was recently appointed to the NZTR board, the industry is in need of major surgery.

“The decline in the foal crop over recent years is going to impact in two or three years’ time and there will only be enough horses to support about three days a week of racing. While that might not be a bad thing, it will impact on the livelihood of all industry participants as well. It will have a huge effect,” he stated.

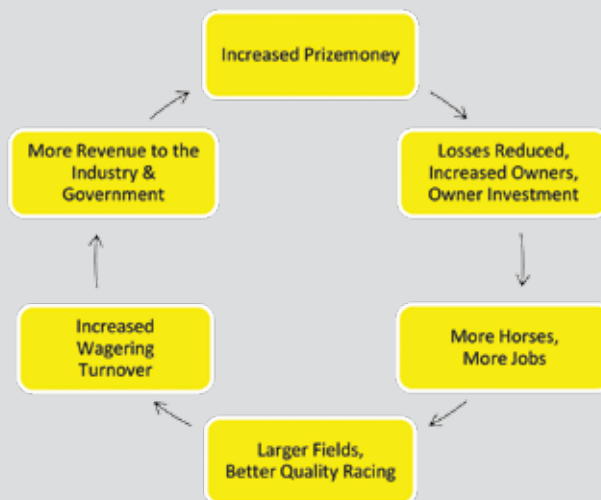
It is a similar situation in Australia. In New South Wales the foal crop has reduced by 20% and they are also faced with the prospect of shrinking field sizes which leads to decreased turnover and in turn means less money going back into the industry.

In a recent article in Bluebloods magazine, Racing New South Wales chairman John Messara addressed this issue and stated that Racing New South Wales is looking at possible solutions to reduce the decline in both foals and field sizes. He advocates that stimulating and promoting ownership will lift the demand for horses and encourage an upturn in production. However in Australia, as in New Zealand, ownership has become unsustainable for the average owner. Owners are prepared to carry losses up to, but not beyond, the level of their enjoyment as participants in the sport.

Messara went on to say that the decline in racehorse registrations is a direct consequence of the poor relationship between the costs of racing a horse and the available prize money. On an industry-wide basis it is estimated that owners in total recover only about 35-

40% of the training costs through prize money, without taking into account the substantial costs of purchasing or breeding the horse.

In New Zealand the percentage ratio of training costs recovered through prize money is much less at around 19-20%. There is little administrators can do to reduce the major costs of training and racing (feed, wages, rent, vets, transport etc) for trainers and owners. The alternative solution is to increase the revenue line, more specifically by maximising prize money. (See flow chart)



Already we have seen the impact of the reduced foal crop on the number of yearlings being presented for sale each year since 2010. In 2010 New Zealand Bloodstock sold 1129 yearlings over the sales series compared to 2015 where they sold 896. In 2012 the Festival Sale was reduced to just one day. The yearling sales series aggregate in 2010 was \$93,576,400, this year it was \$67,388,650, a 20.6% drop in six years.

Of that number this year the domestic spend was \$28.3 million on 537 horses. The top buyer overall was major syndicator David Ellis of Te Akau stables who spent \$3,805,000. He was followed by Paul

## A CHANGE OF SEASONS CONTINUED FROM FRONT PAGE...

Moroney Bloodstock with a \$2,480,500 spend but half of those are destined for Australian stables. Bruce Perry Bloodstock, Rogerson Bloodstock and Dean Hawthorne Bloodstock were the next biggest New Zealand based buyers.

"We were able to buy the horses we wanted to buy, we were lucky enough to get horses that people can relate to, sire lines they know and female families they like," said Bruce Perry of the 14 horses he purchased.

"There were some lovely quality horses at Karaka, and there are some nice young stallions coming through. It's not all gloom and doom, it's a great game if you do it properly.

"It's a very difficult domestic market, it is hard for trainers to put together syndicates and there is a limit to how much they can spend. Until that improves nothing will change. Stake money has to increase and we have too many racecourses. We need to provide a reasonable environment to deliver the product that the market needs. It's a direct result. Times have changed. We have to give the end user the confidence to invest in the product. More investment and higher stake money."

This is a view shared by Dean Hawthorne. Although he is a New Zealand based buyer, he predominantly buys for Jonathan Munz's GSA Bloodstock which is based in Victoria. GSA Bloodstock raced and have a significant shareholding in first season sire Ferlax.

"What really annoys me is that the powers that be don't seem to realise that racing and breeding go hand in hand. It's so frustrating, we know what needs to be done but no one seems to be able to get it done. We know an increase in stake money will go a long way to helping. I don't care if maidens still race for \$7,000 they have to start somewhere, but I want to know that if I win a maiden race that the next time I go to the races I have the opportunity to race for a good stake especially on a Saturday.

"I bought two gorgeous O'Reilly fillies for Jonathan and they will stay here, one will go to Tony Pike, and the other to Ken Kelso. Once they prove themselves they will go to Australia. Even if they don't make it to Group class, fillies can still race in Melbourne or Sydney mid-week for \$50 - 60,000."

Hawthorne was more than happy with the seven horses he purchased and maintains that Karaka is still the place to buy stayers.

"I travel to Australian sales and lots of owners and trainers in Australia reckon we went away from our traditional staying bred horses. You can't please everyone, the stallion owners thought they were doing the right thing trying to breed more precocious horses.

"With Zabeel out of the equation before this sale, what staying stallions did we really have to promote? By that I mean stallions that will leave horses that will run 2000 metres or better. Savabeel leaves a lovely stayer over a stout mare, but now we are getting back to genuine staying breeds with new horses like Pour Moi and Redwood, and next year we will have Reliable Man and Ocean Park.

"We have to get some good staying stallions here in New Zealand



**THE KARAKA SALES COMPLEX**

ownership, so they can stay here. I know it's starting to happen, but it annoys me the way some studs give Coolmore and Darley pocket money and then when the stallions are proven they move them on.

"We have to get the Aussies wanting to come over and buy a stayer, but then they say they can't syndicate them as they take too long. It's a horrible situation. You can't please everyone but they will come back. They went to England and Ireland for a while but that little walk in the park is over because the economy in those countries is on the way back up and the agents and breeders there have seen the results of those horses that came down and have upped the anti.

"Besides the European bred horses can't run in the three-year-old classics. So they have to get the progeny for those races from somewhere so why not here?"

"We have to do more to get trainers to bring their owners, make the event bigger, change the inward buyer scheme, target owners, bums on seats sell horses. We have to be careful we don't lose the tradition of people coming to Karaka. If we do our sale could be in danger of slipping to the number four sale in Australasia behind the Magic Millions, Sydney Easter and Melbourne. We need a more concerted effort to get more owners here. As an agent when you go into battle it's always good to have your ammunition at your shoulder."

Hawthorne too is concerned by the decline in foal numbers both here and in Australia and believes New Zealand breeders need to invest in more quality mares.

"Basically half the broodmare population in New Zealand is owned by a handful of studs or a couple of big individual breeders who have multiple shares in stallions. There is no better time for breeders to invest in new mares than now with the strong dollar, you can buy some lovely Premier mares in foal to the likes of Exceed and Exceel, Commands, Smart Missile and many other young stallions for \$60-80,000 and it's possible to get out on the foals. But you can't do it if you are not getting the returns on your yearlings."

Hawthorn puts the lack of investment down to the poor domestic market for fillies, something that has now been addressed in some way by the NZB Insurance Pearl Series, and NZTR's much improved programming for fillies and mares.

"In the old days if you passed a filly in at the sales you would take her home and within a month or two she would be leased out to a trainer. Now no one wants to lease a horse and spend \$30,000-\$40,000 to win \$7,000. So the breeders are having to keep the fillies and race them themselves to prove their mares. If you are keeping two fillies that's \$60-80,000 that is not being reinvested in a nice new broodmare. If you happen to keep a colt and take it through to the Ready To Run it costs around \$16,000 but by the time you get the return the re-investment opportunity is lost."

Williams is also concerned about the lack of reinvestment in the industry.



## A CHANGE OF SEASONS CONTINUED FROM PAGE 2...

"When you look at the last round of New Zealand sales, 55% of the yearlings sold for less than their cost of production, how long are breeders going to put up with that? I can't recommend to good clients to carry on and breed another horse if they are breeding to sell.

"I have just sold 30 mares to the Inner Mongolian Rider Horse Group, we just had too many mares, our numbers unintentionally got up to 120. I will probably take another 20 to the May sale as well.

"The Inner Mongolian Rider Horse Group also bought another 30 horses from The Oaks made up of colts and fillies and horses that I didn't take to the sales for various reasons. They probably got them relatively cheaply but at least now they are off my books."

In the last two years approximately 600 horses have been exported to China, of those about 20% have been in foal mares, the rest have been colts and fillies of varying ages further reducing the number of horses available to race here.

Currently the Inner Mongolian Rider Horse Group is offering \$6,000 for in foal mares under 10 years of age so are actively reducing our foal crop even further.

"Okay they are not likely to be flash mares," states Hawthorne, "they are probably Festival quality, but they are young mares! Not all stakes winners come from Premier mares. The decisions we make now affect the number of horses racing in four or five years."

Perry has a similar view; "China is taking the lesser mares, the only concern is that they are probably the mares of the small owner/ breeder whose progeny would have in the past been developed for domestic racing.

"At the end of the day local racing has to be improved with decent stake money. It is easy to be negative but we still have the best environment in the world to breed horses and we have some of the best bloodlines, some great horsemen and women, and we are still producing top international horses from a limited pool and there is still a strong demand from Australia for our horses.

"It's still a good industry to invest in," he concluded, "you just have to be smart about it."

**Michelle Saba**

**The NZTBA welcomes members' comments and communication on this important debate.**

**Please contact us on [nztba@nzthoroughbred.co.nz](mailto:nztba@nzthoroughbred.co.nz)**

## SCHOLARSHIP BLOGS BENJI'S BLOG - 2015 SUNLINE TRUST SCHOLARSHIP



**CHEVELEY PARK STUD**

**After a very comfortable flight to Heathrow I made my way to the bus station in freezing 2 degrees weather for my journey to Newmarket. When I arrived, It was quite a sight to see the horses walking down the road in their strings to go and work up on the famous Newmarket gallops.**

I was picked up by Matthew Sigsworth, Cheveley Park's Bloodstock Manager who then kindly took me to where I would be spending my next 10 weeks. I started my first day on Monday reading through the very long 'Health and Safety Manual', then getting my very flash work uniform and a very important jacket. I was then given the grand tour of the beautifully kept grounds of Cheveley Park. I saw their Champion Sire Pivotal who now at the grand age of 22 years looked absolutely fantastic.

On the second day I got to go on the vet run around the farm with head veterinary surgeon Andrew J. McGladdery and see the other side of the farm where more horses are kept, and generally getting my bearings and head around all the different yards and farms.

I have been working in the main yard where the mares that are close to their due dates are kept to be foaled down. It is so different to what I am used to - the mares come in every night to a stable full of straw for bedding, hay and feed, they are also under full surveillance with most of the boxes having cameras that are recording for security and insurance purposes. This certainly makes checking the mares very easy.

After a couple days working in the main yard I went and spent a day at Strawberry Hill yard where all of their race horses spell or are on box rest are kept. We then went to William Haggas' racing

stables to pick up a filly that has been retained to go to stud. The stable area and boxes were very clean and tidy and looked a very organized and well run stable. We then went to Richard Morgan Even's pre training and breaking in yard where one of the fillies was going to be prepared to go back in to training with Sir Michael Stoute. I have also spent a bit of time on Sandwich Stud where all the yearlings are kept, they have been coming in to stables at night over the winter and they all look in amazing condition and very well behaved with the extra handling they receive.

### **My Working Day**

My normal day starts at 7 am with a leisurely 10 minute bicycle ride to work. We all meet in the coffee room to be given our instructions for the day. We then get all the horses that are not staying in for the vet out in to their paddocks, the vet will then come around 8am to scan mares and to check all of the new born babies. Once the vet is finished we get started on mucking the boxes out. When the boxes are finished we clean the waters and put feed and hay in ready for the mares to come in. After we have finished making a huge mess in the yard we sweep in the doors then the Terra-vac (a massive vacuum cleaner that is towed by a small tractor) works it's magic! After lunch we start to bring all the horses in for the night. We brush off the mares that are close to foaling so they are not covered in mud if they do foal. We tidy up the office and finish at 4:30. Easy bike ride down the hill to my flat in Cheveley! If it is your night to sit up and watch the mares you will then have to be back at work at 8 pm then finish the night at 7 am.

### **Cheveley Park Stud**

Cheveley Park is the oldest stud farm in England and has a huge amount of history behind it from been passed through generations of Kings and Monarchs. Even the army in the world wars used it as a base camp for the pilots and also a prisoner of war camp. A lot of the buildings still stand having been converted in to stables and offices. With the different owners, the stud has changed in size going from 7800 acres back in 1898 when Harry McCalmont owned the property. The property even had its own personal railway from Cheveley Park mansion down to Newmarket town, it was used to bring materials from town to the farm. The stud is now owned by David and Patricia Thompson and currently just under 1000 acres.

In the main stallion yard there is a box built to commemorate the victories of Isinglass in 1892 who was sold for £20 to be used as a carriage-horse he was then put in to training earning a total of £57,465 on the track, the greatest amount won by a single horse and to go on and become a very influential sire. His box now houses Champion Sire Pivotal who has also kept up the tradition

of leaving a legacy. Another area of the farm, the dairy yard that was originally used as a dairy years ago was then converted in to a racing yard, this is now used as a yard for a few mares that aren't too near there due date, but still need to be watched.

**Stallions**

Cheveley Park stand eight quality stallions giving everyone the chance to breed to their stallions.

New for 2015 is a very exciting young stallion Garswood by Dutch Art - Penchant by Kyllachy a very impressive looking horse, that will only get better when he fully lets down. He is a Group 1 winner over 6 1/2 furlongs. Stud fee: 7000 pounds.

Dutch Art by Medicean - Halland Park Lass by Spectrum, a dual Group 1 winner, unbeaten 2yo also producing some great horses Garswood, Slade Power, Caspar Netscher and many more top quality horses. Stud fee of 40,000 pounds.

Intello by Galileo - Impressionnante by Danehill, Champion 3yo colt in France with Champion race mare Goldikova booked in for 2015. He's a very athletic looking horse with great looks ticks all the boxes. Stud fee 25,000 pounds.

Kyllachy by Pivotal - Pretty Poppy by Song, sire of dual Group 1 winner Sole Power and producing 24 individual 2yo winners in 2014. Stud fee 15,000 pounds.

Lethal Force by Dark Angel - Land Army by Desert Style, won the Group 1 July Cup in a course record time, making him the fastest ever horse over 6 furlongs at Newmarket. Stud fee 10,000 pounds.

Mayson by Invincible Spirit - Mayleaf by Pivotalvery, winning the Group 1 July Cup by an impressive 5 lengths. In his career beating Ortensia and Sepoy from Australia. Stud fee 6,000 pounds.

Medicean by Machiavellian - Mystic Goddess by Storm Bird, sire of 10 individual Group 1 winners, personally I think best money for value that gets the results. Stud fee 8,000 pounds.

Pivotal by Polar Falcon - Fearless Revival by Cozzene, Champion Sire, and sire of sires producing 111 stakes winners and 24 individual Group 1 winners, and now becoming a influential broodmare sire. Stud fee 45,000 pounds.

Cheveley Park has some of the best bloodlines in the world with their world class stallions and broodmares. Cheveley Park is a private stud owners David and Patricia Thompson racing most of the fillies. Selling all the colts through foal or yearling sales. Cheveley Park also cross their mares very well using the best stallion that would suit the mare. Supporting their own stallions giving them every chance to succeed and doing that very well.

**To read Benji's full blog, please visit our website [www.nzthoroughbred.co.nz](http://www.nzthoroughbred.co.nz)**

**SCHOLARSHIP BLOGS**  
**DYLAN'S BLOG - 2015 IRISH NATIONAL**  
**STUD SCHOLARSHIP**



**IRISH NATIONAL STUD STUD**

**The Beginning: The Irish National Stud Scholarship**

After arriving at the Irish National Stud last month, the first week was a relaxed and easygoing week to help us all settle into the ways of the stud. There are students from all over the world with different experiences and strengths in different fields of the industry, the 22 consisted of 11 Irish, 7 American, 2 British, 1 Australian and myself representing New Zealand.

The week consisted of inductions into the course giving us a break down on the structure and routine. We met with yard managers for demonstrations on how the yards are run, the basic safety and handling of not only horses but also the tools/gear that goes with the job. All of the yard managers are graduates of the Thoroughbred Breeding and Management Course. It's not only a stud but also a national attraction bringing in hundreds of thousands of people each year to experience and understand the work and dedication put into the industry. Other attractions on the stud include the horse museum, a restaurant and the beautiful Japanese and St. Fiachra's Gardens.

We are assigned to yards each week, constantly rotating from one to the next to help us get comfortable with the routine, our colleagues, yard managers and to give us as much hands on experience and knowledge of all aspects to working/managing a stud.

In my first week I had the opportunity to work along the nine stallions that INS stands, consisting of Worthadd, Palavicini, Lord Shanakill, Famous Name, Elusive Pimpernel, Big Bad Bob, American, Dragon Pulse, a hot new season sire Gale Force Ten and the great Invincible Spirit.

For the month I have now been here I have had the chance to work in a few different yards such as:

**Minoru:** This is a yard for mares in foal that have not yet 'bagged up' or are close enough to foaling. Once they do start showing signs of foaling or get close to there due date they are then moved to 'Sun Chariot' yard.

**Sun Chariot and Foaling Unit:** This yard caters for all the mares closer to foaling. "walk-in" mares or mares from Minoru come here to foal down. All mares in the yard a constantly watched 24/7 and are assisted through birthing.

**Kildare:** Kildare is where they station all the mares that have foaled down. All mares that are looking to go in foal again are teased and vetted here while foals get handling experience.

**Stallions:** Stallions are as I have mentioned above, they are all kept here and where daily covers happen.

**Strawhall:** this is one of there off site farms; yearlings have been stationed there.

**Maddenstown:** All dry mares are kept at Maddenstown and vetted and teased daily to monitor there cycles to see when they are ready to cover. This is normally there busiest yards through the season.

There are still a few yards that I have yet to experience but I will be visiting soon enough.

Lectures have become a daily thing for us now through the week. After work every day we sit down to normally an hour-long lecture on a various amount of topics including reproduction, nutrition, anatomy, management of diseases and proper horse care, assessing pedigrees, stallions, bloodlines and so much more. Not a day has gone by so far that I haven't grasped a new understanding or gained a more in depth understanding for not only the horse but also everything to do with it. With lectures there comes assignments of course, which tend to be handed out fortnightly and are, linked to the topic we have been studying. For instance we have an assignment just completed that asked us to experience a Goffs sale and try to determine a yearling for future pin-hooking and a future broodmare prospect.

It's only just turned a month but there has been so much I have experienced inside and out side the stud. I cannot wait for what the future has in store for me on this course. I would also just like to say a big thank you to the Taylor family, Michael Martin, Nicola Griffiths at the New Zealand Thoroughbred Breeders' Association for giving me this wonderful opportunity and to all the people that helped me get here.

Dylan Treweek

**To read Dylan's full blog please visit our website: [www.nzthoroughbred.co.nz](http://www.nzthoroughbred.co.nz)**



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Suitable for people with limited experience in the equine industry and for those requiring vehicle and safety training at any level.

**Class Time:** Flexible 2 - 6 days

**Qualification:** National Certificate in Agriculture (Level 2)

These Equine breeding courses have been instigated and designed by Thoroughbred Studs in the Waikato. The content of the courses is what industry leaders have recognised to be the most important skills and knowledge required to succeed in a career in the Thoroughbred Breeding Industry. The courses run once a fortnight from late March through to early September. Classes last for 3 hrs from 4.00 -7.00 and have speakers from studs, equine veterinary practices as well as farriery, pasture and feed specialists.

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The General Skills course is a must for all people working on the land with ATV's, Tractors and animals. It covers the practical training in riding ATV's and Tractors, Basic Animal Handling Skills as well as Hazard Identification Procedures. With the introduction of new Health & Safety Laws in 2015 it is advisable that all staff working on your property have done this course. This course involves 5 non consecutive days off the farm to complete, or if you have 6 staff to enrol we can tailor a package, delivered on your farm to suit your needs.

#### Rural Staff Management

This course is recommended for all aspiring and current supervisors, managers or employers who are responsible for staff. It covers; your legal responsibilities as an employer, how to manage your staff effectively, tips on making good recruitment decisions and how to develop skills to build a high performing team that is motivated, productive and profitable.

This course requires 5 days of workshops spread over 6 months but we are flexible to the needs of your business.

**For more information regarding any of the above courses contact,**

**Virginia Tocher, Equine Training Adviser for the Primary ITO**  
**027 704 9036**



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2015 South Island Yearling Sale entrants @ \$690 (incl gst) close 30 April 2015



All Enquiries to: Nicola Griffiths  
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Ph: 07 827 7727 Pearl Hotline: 0508 222 202

Website: [www.nzthoroughbred.co.nz](http://www.nzthoroughbred.co.nz)  
Email [nicola@nzthoroughbred.co.nz](mailto:nicola@nzthoroughbred.co.nz)

## BROODMARE WRITE DOWNS WHAT IS THE CORRECT PERIOD?

**A member has queried the correct period for writing-down broodmares. One tax publication has stated that broodmares may be written-down on a straight-line basis, notwithstanding the formula set out in the Income Tax Act.**

The problem, or misunderstanding, appears to lie with the wording in a number of publications when they refer to mares that have not been previously used for breeding in New Zealand.

When the Minister of Racing, the Rt Hon Winston Peters, announced a new write-down regime in March 2006 his Media Release stated, inter alia, "A decrease in the maximum write-down period for broodmares from 8 years to 5 years (or 6 years for those few broodmares that commence breeding at age 2)".

Subsequently, in June 2006, the Revenue released its TIB Vol 18, No 5 (June 2006). On page 126 of the TIB it was noted "The effect of this formula is to write down broodmares over a maximum of six years (for broodmares who begin breeding at age two), with broodmares aged eight and older written down in full in the year they are first used for breeding."

To refresh members' memories the formula set out in the Income Tax Act, in respect of broodmares that have not been previously used for breeding in New Zealand by any other person, is:

$$\frac{1.25 \times \text{cost of broodmare}}{9 - \text{age of broodmare}}$$

The additional 25% in this formula is the loading that is used to increase the write-down on qualifying mares. Broodmares that have been bred in New Zealand previously by other persons have no loading resulting in the write-down being spread over a maximum of seven years.

A major tax guide states that – in respect of mares that have not been bred previously – the "cost is written-down to \$1 on a straight-line basis over a maximum of six years...", and, "If the broodmare has previously been used for breeding ... its cost is written-down to \$1 on a straight-line basis over a maximum of seven years ..."

Another tax guide also refers to the six and seven year write-down periods but there is no mention of "straight-line basis".

It is this phrase that is the cause of the confusion.

Page 11 of this Breeders' Bulletin sets out the correct write-downs for a two-year-old mare. Referring to *EXAMPLE A*, for a mare not previously used for breeding the 25% loading applies. This loading has the effect of accelerating the write-down by one tax year – from seven to six years.

More importantly, and this has been missed by the commentaries in the tax guides, the write-down in year six – the last year in this example - is always less than the

annual write-down in the earlier years. Put another way, in this example, the inclusion of the loading means that the write-down is spread over 5.6 years, not 6 equal years. The minimum holding value in the books must always be \$1.

The straight-line basis is applicable only where the mare has been used for breeding previously, and there is no loading, see *EXAMPLE B*.

### See below for the correct write downs.

ASSUMPTIONS – COST OF MARE, \$40,000;  
AGED TWO YEARS AT TIME OF PURCHASE;  
BALANCE DATE 31 JULY.

#### Example A – 25% Loading Applies

Year one, formula : 9 minus 2, equals 7 – write-down one seventh per year.

Cost of mare \$40,000;  $1/7 = 5,714$ ,  
25% loading 1,429  
Total \$7,143. Book Value at end of year, \$32,857

Year two, mare aged 3 years	write-down	7,143
		25,714
Year three	write-down	7,143
		18,571
Year four	write-down	7,143
		11,428
Year five	write-down	7,143
		4,285
Year six, mare aged 7 years	write-down,	4,284
	balance	\$1
		====

WITH THE 25% LOADING write-downs cover a six year period.

#### Example B –25% Loading Does Not Apply

Year one, formula : 9 minus 2, equals 7 – write-down one seventh per year.

Cost of mare, \$40,000, less one-seventh \$5,714,  
book value \$34,286

Year two, mare aged 3 years	write-down	5714
		28,572
Years three to seven, when mare aged 8 years		28,571
\$5,714 x 5 years		\$1
		===

WITH NO LOADING, write-downs cover seven years for mare to be fully written-down at age eight ,ie, by age 9, in accordance with the legislation.

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"Bloodstock Taxation in New Zealand"

Copies are available from the NZTBA Cambridge Office.

## PRODUCT FOCUS

### DUNSTAN EXTRUDED RICE WITH RICE BRAN OIL

Dunstan Extruded Rice with Rice Bran Oil is formed through the extrusion of polished white rice after mixing with Rice Bran Oil.

Dunstan Extruded Rice with Rice Bran Oil is the ideal addition to a ration when further calories are required for increased body condition or the desire to enhance 'top-line'.

Dunstan Extruded Rice does not have added vitamins and minerals and therefore can be incorporated into rations that are already well fortified.

Suitable for all horses, Dunstan Extruded Rice with Rice Bran Oil can be used for sales horses to enhance topline and coat sheen or to provide a calorie-dense feed stuff for horses requiring weight gain. It is also a great addition to the rations of lactating mares when energy demands are high.

For breakers or horses in work, Dunstan Extruded Rice provides a 'cool' energy source and therefore can be useful for horses which get excitable on traditional grains (oats and barley). It is also a suitable alternative energy source to oats in the diets of horses prone to 'tying-up'.



#### Dunstan Extruded Rice with Rice Bran Oil:

- Cool energy
- Calorie-dense. Great for weight gain
- Anti-allergenic -suitable for horses that are gluten sensitive
- Enhances coat sheen
- Assists in developing 'topline' through muscle building
- Highly digestible making it a very safe feedstuff
- Suitable alternative energy source for horses prone to 'tying-up'

If you would like further information on the Dunstan range please contact:

Dunstan on 0800 438 678

Gretel on 021 557 316

David on 027 493 1580



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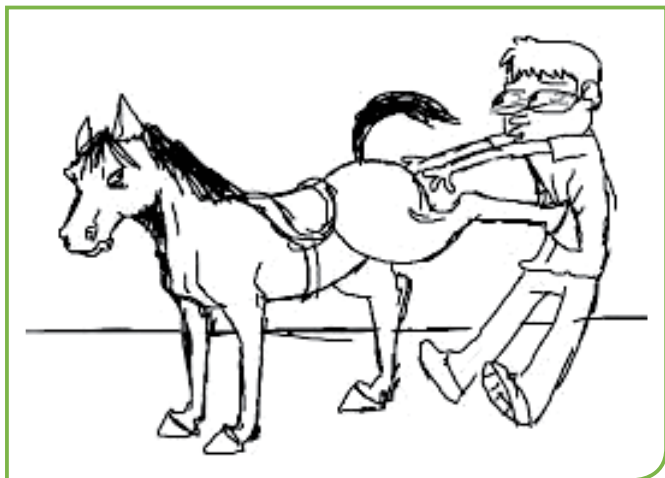
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## HEALTH AND SAFETY PROJECT UPDATE



**In 2013, the Government announced its “Working Safer” reform package, aimed at reducing New Zealand’s workplace injury and death toll by 25 per cent by 2020. Perhaps the most important part of these reforms is the new Health and Safety Reform Bill, which will make every workplace responsible for the health and safety of all their workers and is described as the most significant work place reform in over 20 years.**

The Bill will be brought into law later this year and will impact on all parts of the racing and breeding industry and it is critical that everyone starts to plan and implement the necessary changes to ensure full compliance with the requirements of the Bill.

### Key points from the Bill

- A Person Conducting a Business or Undertaking (PCBU) is the key element within the Health and Safety Reform Bill from which most duties and responsibilities flow;
- A PCBU is a broad concept that reflects modern working arrangements. It covers the current requirements of employers (including employment contracts), self-employed, principals to contracts and a person controlling a place of work;
- PCBU’s are in the best position to control risk to work health and safety as they are the ones carrying out the business or undertaking;
- Widening the duty of care to PCBU’s also creates overlaps of responsibilities whereby there can be multiple PCBU’s with shared duties;
- The Bill emphasises that work health and safety is everyone’s responsibility, not just the employer to the employee.

### Who aren’t PCBU’s

- Workers;
- Officers (Executives/Directors/Board and Committee persons);
- House holders employing someone to do residential work;
- A volunteer association (a volunteer association is one that employs no staff);
- Despite its name, a PCBU will usually be a business entity such as a company rather than an individual person, unless they’re operating a business as a sole trader or self-employed person;
- An important point that catches many – a PCBU doesn’t have to be an actual person. If you take the example of a race meeting, the club holding the meeting is a PCBU. The RIU is also a PCBU, as are the principal security and catering contractors;
- Trainers, Jockeys and Drivers will also be PCBU’s, although apprentices and junior drivers will not be, as they will be employees.

The Bill increases the responsibilities of Racing Club Board and Committee Members and requires them to:

- Acquire & keep up-to-date knowledge of health and safety matters for the PCBU;
- Understand the nature of the PCBU’s operations;
- Ensure the PCBU has appropriate resources & systems;
- Monitor the PCBU’s performance;
- Ensure the PCBU complies with its obligations;
- Verify the PCBU’s performance through reviews and audits.

### Directors should:

- Be aware of hazards with the PCBU’s operations and how they are managed;
- Understand the PCBU’s contractor selection process and contractor management system;
- Set clear reporting expectations for management;
- Receive, discuss and test reports on health and safety matters;
- Ensure sufficient resources (staff and budget) are available to develop and maintain an effective Health & Safety Plan;
- Seek independent advice where required;
- Consider health and safety implications of governance decisions.

### NZTR AND HRNZ – In preparation for the changes

NZTR and HRNZ recognised the need to lead and coordinate the changes required from the Health and Safety Reform Bill and in August 2014 a project was initiated to do this.





## HEALTH AND SAFETY PROJECT UPDATE - Continued

The Industry Health and Safety Project has now moved into the Implementation Phase and a list of 14 key recommendations to ensure industry compliance with the Health and Safety Reform Bill requirements has been approved by the Thoroughbred and Harness Board and Senior Management.

These recommendations and associated documentation were also endorsed by an industry working group in January 2015 and have been shared with Racing Clubs and Sector Groups through a series of newsletters.

Industry seminars will be arranged on a regional basis prior to October 1, 2015 once the Bill has been finalised.

These seminars will be compulsory for Racing Clubs to attend and be available to all Industry Sector Groups (Trainers, Jockeys, and Breeders) to attend as well:

### The Seminars will include:

- A summary of the Health and Safety Reform Bill and club responsibilities arising from this (WorkSafe presentation);
- Trainer's responsibilities including stable safety guidelines, race meeting responsibilities, employment contracts;
- Guidance to other Sector Groups (Jockeys and Breeders);
- Licensing, rule and policy changes from August 1, 2015. These changes will take place even though the new Bill will not be in place till later in 2015 and will be communicated as part of the 2015/16 licence renewal process;
- Compliance documentation information pack with an explanation of how to tailor it to an individual racing club;
- Overview of minimum signage and instructions required;



- Presentation on web site resource;
- Explanation of code responsibility and ongoing compliance audits.

The project team will continue with regular newsletters and updates and will contact clubs and the various Sector Groups once dates for the regional seminars are finalised.

In the meantime if you have any queries about the Health and Safety Reform Bill don't hesitate to contact:

### Stuart Cashen

[cashen@actrix.co.nz](mailto:cashen@actrix.co.nz)

Mob: 027 223 6726

### Further Information

More detailed information on the Bill can be found on the WorkSafe web site:-

<http://www.business.govt.nz/worksafe/about/reform>

## BIOSECURITY AGREEMENT EQUINE INDUSTRIES SIGN BIOSECURITY AGREEMENT WITH GOVERNMENT



### THE HON. NATHAN GUY AND DR IVAN BRIDGE

**Equine industries announced on January 26 that an agreement has been signed with Government aimed at maximising the health protection and welfare of all horses in New Zealand.**

The New Zealand Equine Health Association's (NZEHA) Chairman, Dr Ivan Bridge, confirmed at New Zealand Bloodstock's Premier Sale at Karaka that the Government-Industry Agreement (GIA) Deed had been signed on behalf of the equine community and industries, only the fourth primary industry (after Pork, Kiwifruit and Pipfruit) to do so.

The signing of the GIA Deed formalises a partnership between the NZEHA, representing all equine interests, and Government to improve equine biosecurity readiness and response. All equine

interests will now have a direct say in managing biosecurity risk.

Dr Ivan Bridge stated in a speech at the Karaka Sales Pavilion: "We see this as common sense. Biosecurity is a shared responsibility, and it needs everyone to be on board. We are currently working with the Ministry for Primary Industries (MPI) and industry groups to ensure we continue to have cogent and forcible response processes in place for high-risk diseases."

"The importance of protecting our industry from disease incursions cannot be overstated. If, for example, Equine Influenza was verified in New Zealand in all likelihood all movement of horses, including racing, horse shows, pony clubs and much more, would be halted. Were this to occur midway through the year, it is probable all breeding would shut down. The cost would certainly run into tens of millions of dollars and potentially much more."

"New Zealand is now the only country in the world with a significant equine population where EI has never occurred. Thus, we have a country of horses that are referred to as being immunologically naive to EI, meaning there will be no natural resistance to the disease in the country's equine population causing it to spread very quickly. The lengthy recovery time will create huge disruption to all equine-related sports."

"The Callinan Inquiry into the Equine Influenza outbreak in Australia in 2007 quoted approximately A\$108 million in costs to the industry making it the most costly emergency animal disease response in Australia's history."

### NOTES:

1. There are approximately 120,000 horses in New Zealand. Equine industries contribute more than \$1.6 billion annually to the New Zealand economy (over 1% of New Zealand's Gross Domestic Product). In economic terms, the New Zealand Equine Racing Industry is comparable in size to the Wine Industry and the Seafood Industry.

2. The NZEHA was constituted in 1997, mandated by Government, to provide Government with a single equine representative body to consult with on issues such as equine diseases, health and welfare.

## NZTBA'S PARTNERSHIP WITH GOLDPINE AND MAGNUM INDUSTRIES

**Goldpine is a family owned company that's been operating for over 35 years. We are very proudly Kiwi-owned and have built a solid reputation for providing high quality timber and fencing products for outdoor use.**

At Goldpine we have never wanted to be too many things to too many people. We have purposely stuck to what we do best, being "your outdoor timber specialist". We specialise in posts, poles, piles, wire products, electric fencing, kitset sheds, treated sawn timber, treated plywood and outdoor furniture.

The design and supply of Farm Buildings is one product we take great pride in. Goldpine has been designing farm buildings since 1989. That means over 25 years of experience in all things farm building. During all this time we have learned a thing or two and witnessed many changes in the farm building market - changes in customer requirements and also changes in building code requirements are amongst the most notable. Dealing with these changes and listening to our customers, means our

farm building range and options have evolved such that today, Goldpine has the largest range of farm buildings in the market.

We have an extensive standard kitset range, or our Farm Building Specialists can design your shed to your exact size and specification requirements. To ensure we supply you the right farm building solution there's some key information we need and the best location to gather this information is on the proposed building site. Our team of Farm Building Specialists are available to visit you on site, to discuss your whole project, answer any questions you have and provide suggestions to ensure you get exactly the right solution.

Goldpine has always had a special relationship with the NZTBA, both advocating and sponsoring the association. We have great pleasure in announcing that we are now looking to formalise and extend this partnership to all NZTBA members. We will soon be in contact with all members advising on how you can benefit from the relationship too.

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## PROGRESS IN DISCUSSIONS WITH IRD

**OneBaSe Accounting and Taxation Limited have been assisting the NZTBA in our discussion with the Inland Revenue Department. A number of meetings have been held with IRD officials, with attendance at those meetings by representatives from NZTBA, NZTR and the NZ Racing Board. The overall objectives of the meetings is to provide greater certainty and clarity about a number of tax issues that have been the subject of litigation over the past few years.**

One of the significant issues being discussed is the question of what constitutes a breeding business and when this commences. The implications are significant as this will influence both the extent of, and timing of, tax deductions that may be available in relation to bloodstock, in particular for a new entrant. At the same time, the IRD have raised issues about GST and racing syndicates, and the treatment of stakes.

We expect that the outcome of these discussions will be some form of public statement that will record the IRD's interpretation of the issues.

At the conclusion of these discussions, the industry may not agree with the IRD's views. However we will have some comfort that the IRD have gained a better understanding of how the industry operates. In addition, if we disagree with the IRD,

or consider the IRD's view is not conducive to the promotion of activity and investment within the industry, we anticipate having the opportunity to raise the outstanding issues with the Ministers of Racing and Revenue to enable the Ministers to consider whether the tax outcomes are consistent with what the policy intentions were.

**oneBaSe**  
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**Rob Braithwaite** 07 838 0036

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# NZTBA COUNCIL 2015/2016 NOMINATIONS

Nominations are called for the forthcoming election of members to the Council

## NORTHERN REGION

**The members of council required to retire by rotation are:** Nick King, Michelle Saba and John Thompson  
**The members of council continuing in office are:** Mark Chitty and Vicki Pascoe

## CENTRAL REGION

**The members of council required to retire by rotation are:** Murray Brenton-Rule and John O'Brien  
**The member of council continuing in office is:** John Fokerd

## SOUTHERN REGION

**The member of council required to retire by rotation is:** Chris Dennis  
**The member of council continuing in office is:** Gus Wigley

## STUDMASTER BRANCH

**The member of council continuing in office is:** Mark Baker

**All retiring Councillors, except Murray Brenton-Rule and John O'Brien, have indicated their availability for re-election.**

**Any financial member may nominate any other financial member for election to any of the regional vacancies listed above provided the nominator and nominee reside in the geographic region for which the nomination applies.**

Nominations, **which are to be countersigned by the nominee**, must be forwarded in writing to:

The Chief Executive  
New Zealand Thoroughbred Breeders' Association  
PO Box 1058  
CAMBRIDGE 3450                      Tel: (07) 827 7727  
Email [nztba@nzthoroughbred.co.nz](mailto:nztba@nzthoroughbred.co.nz)

**Nominations close at noon on Friday 8th May 2015**

### NEW ZEALAND THOROUGHBRED BREEDERS' ASSOCIATION

Postal Address: PO Box 1058, Cambridge, 3450 | 47 Alpha Street, Cambridge, 3450  
Ph: (07) 827 7727 | E: [nztba@nzthoroughbred.co.nz](mailto:nztba@nzthoroughbred.co.nz) | [www.nzthoroughbred.co.nz](http://www.nzthoroughbred.co.nz)

### NZTBA EXECUTIVE STAFF

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**Nicola Griffiths** - Office Manager | M: 021 338 581 | E: [nicola@nzthoroughbred.co.nz](mailto:nicola@nzthoroughbred.co.nz)



Michael Martin



Nicola Griffiths