

NEW ZEALAND THOROUGHBRED

BREEDERS' BULLETIN



SUMMER 2016

BREEDING BUSINESSES AND BLOODSTOCK WRITE-DOWNS

BY **ROB BRAITHWAITE**
& **JOHN AUBREY**

The question of whether a bloodstock activity is accepted as a business, and whether it is a breeding business has been the subject of uncertainty following the High Court tax decision in *Drummond & Ors v the Commissioner of Inland Revenue* [2013] NZHC1768.

John Aubrey and Rob Braithwaite have been assisting NZ Thoroughbred Breeders' Association in discussions with the Inland Revenue Department with a view to clarifying the position. The NZ Racing Board have also contributed to the process together with significant input from Chapman Tripp in the form of legal analysis, submissions and meetings with senior IRD officials and the Commissioner.

The areas where significant uncertainty arose included:

- When does a breeding business commence for income tax purposes?
- What is the position for new entrants?
- How are existing breeders treated if they are a member of a "new" syndicate?
- What is the GST position for new entrants?

Drummond found that no specific write down was available for bloodstock unless the owner had an existing breeding business. This was due to a finding that while a business existed, no breeding business had commenced and as a result no write down on the stallion was available to the syndicate members.

In relation to whether a "breeding" business has commenced, as opposed to any other business, IRD have indicated that the following would be required to demonstrate the commencement of a breeding business:

- A decision has been made to commence using the bloodstock from a specific date;
- In the case of a stallion,
 - arrangements have been made to stand at a particular location, including agistment arrangements for the stallion and any mares being served;
 - the availability of the stallion has been advertised, and the service fee known (but not necessarily advertised);

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- the stallion has been registered with NZ Thoroughbred Racing and appears in that years stallion register as published by NZ Thoroughbred Breeders Association;
- In the case of a mare,
 - Arrangements have been made with a stallion owner to have the mare served;
 - Arrangements have been made to agist the mare and foal pre and post birthing;
 - It is not necessary for the mare to have stopped racing;
 - A decision has been made that the purpose of the breeding activity is to sell the resulting progeny, subject to the acceptance that core breeding stock will be retained.
- Appropriate insurance cover is obtained as a breeding stallion / broodmare
- Any other impediments have been removed that may prevent the taxpayer from using the horse for breeding have been removed.

Some of these requirements are extraordinary and an unnecessary intrusion to the running of a breeding business. For example, the criteria of infertility insurance for broodmares represents something

that is not customary. In addition, the requirement for Stallions to be included in the NZTBA Stallion Register will not always be met.

Some practical examples:

Obviously, under current interpretation, an immature horse, not breeding, does not result in a breeding business. What broodmares would be regarded as the start of a breeding business?

- A maiden mare having ceased racing?
- An in-foal mare?
- An empty mare with a foal at foot?
- A mare, previously bred, neither in-foal or with a foal at foot?

For some years it has been suggested that all new entrants to the industry should first purchase a couple of commercial quality in-foal broodmares. This should then establish the breeding business. The mares purchased should not be cheap culls from the May broodmare sale but mares with a reasonable chance of success. Therefore, once the breeding stock is in place future yearling purchases – usually fillies – then form part of a breeding business with the customary write-downs and deduction of expenses.

It is a pity that new entrants are forced into this machination as the only way to meet the IRD's interpretation.

Back in the late 1980's, following the introduction of the draconian 1986 amendments, to get around the requirement that the write-down could not be claimed until the mare had been actually bred (in a business-like manner, it should be noted) some breeders arranged to have new mares served to Northern Hemisphere Time. This meant serving the mare between, say, February and May which was prior to the breeder's balance date of 30 June or 31 July. The few progeny that resulted from this NHT mating were faced with a substantial reduction in value because they were officially aged one year only 3 or 4 months after foaling.

Although this procedure was correct from a tax point of view it was patently ridiculous to have to resort to such a contrived arrangement. A similar unrealistic situation is now being forced on new entrants.

A business must exist *prior* to the purchase of the horse

The IRD's interpretation goes further, to impose a requirement that the breeding business exists prior to the time of acquisition of the horse. This interpretation suggests that the first horse acquired by an investor, even if capable of breeding and with a clearly demonstrated intention to breed, does not result in the commencement

of that taxpayers breeding business. Instead, it is only after that initial purchase that the breeding business commences.

As the horse was not acquired with the intention of use in an existing business, under the IRDs interpretation, no write down is available in that year.

The effect is to defer the write down on such a horse until it is actually used, regardless of the existence of a breeding business as a result of the purchase and the intention of using it in that business.

This appears entirely inconsistent with the legislative changes that were introduced to allow write-downs to commence based on the intention to use a horse for breeding rather than waiting until actual use for breeding.

New entrants

This interpretation leaves a new entrant who has not yet commenced the breeding phase (based on the above tests) in a position where there are unable to write down the value of horses purchased for breeding. In addition, any deductions for "holding costs" such as agistment, vet fees etc will be non-deductible. This is on the basis that prior to the commencement of the breeding business, the activity is regarded as only being able to produce exempt income (ie racing stakes). As the only income is exempt, no deductions are available against that income. Note also that any loss on sale at this point would be non-deductible.

It is inconceivable that new entrants to the industry are treated in a different manner to existing breeders. The Revenue's interpretation of section EC 39 of the ITA is that **"....a breeding business is required to exist prior to the relevant section EC 39 trigger occurring."** The section refers to using the bloodstock, forming the intention to use or buying with the intention of using.

The breeding business cannot now, it seems, commence with the purchase of a non-breeding female, say, a yearling filly.

If this is not satisfied the Revenue will not allow a write-down regardless of the taxpayer's intention at time of purchase. On the question of "intention" the Revenue appear to have ignored the industry's submissions between July 1987 and early 1990 following which the new "intention" legislation was introduced.

GST

The commencement of a breeding business is not a requirement for GST registration.

GST registration requires a taxable activity, and the requirements for a taxable activity are not linked to the existence of a business of any kind. The key test is whether there is an intention to make taxable supplies, and there is an exclusion for hobbies or recreational pursuits.

It is in relation to this last aspect that some connection could be made with the business test for income tax purposes. While there is no profit motive test for GST purposes, the question could be asked that if there is no intention or prospect of making a profit, then is the activity being conducted for personal pleasure and therefore is there a hobby or private recreational pursuit?

This is highlighted by the racing phase of preparation of a horse for breeding, where there is no prospect of taxable income (with stakes being exempt) but it is clear that the GST requirements have no link to taxable income, whether gross or net. To be regarded as a hobby suggests that the person conducting the activity is not motivated by the financial aspects of the activity, but by the pleasure or other benefits that will be gained. In the writer's view, when seeking GST registration, it would be wise to be able to demonstrate that the

financial outcome is important, and that steps have been taken to improve the likelihood of a positive financial outcome.

The IRD during our discussions have confirmed that the purchase of horses for a future breeding activity that is intended to be profitable will be accepted as being a taxable activity from the time of purchase (assuming the other requirements are met). This is in part in recognition that the GST registration criteria examines future taxable supplies – ie the prospect of supplies being made from the breeding activity, notwithstanding that this had not yet commenced.

Breeders as members of syndicates

IRD accept that an existing breeder who acquires an interest in a new syndicate, will be able to write down their interest in that horse even if the new syndicate has not met the tests referred to above in relation to the commencement of the syndicates breeding business.

This position will be available to an owner who purchases an interest in a syndicate, and has an existing breeding business, and also to an investor who has interests in multiple horses, and where one of those horses has begun breeding.

Where to from here?

Further clarity or a movement away from the positions outlined above is only likely through legislative change, or through a new taxpayer dispute. Both measures have some degree of risk associated – either that a legislative review prompts a wider review of the bloodstock regime in general, or that a taxpayer dispute simply upholds the IRD's current views.

In the interim, we must work with what we currently know and take steps to improve our position where we can.



Braithwaite and Pearks Ltd advise bloodstock businesses nationally and internationally including Australia, Asia and America.

Rob's specialist tax knowledge in relation to agribusiness includes being a former member of the Chartered Accountants Australia New Zealand Rural Advisory Group and co-authoring the CCH publication on Bloodstock Taxation and John Aubrey's Bloodstock Taxation publication.

They act on behalf of owners and breeders and are a valued partner of the New Zealand Thoroughbred Breeders' Association having assisted the Association in discussions with Inland Revenue with the objective of clarifying the concessions available to bloodstock owners in the NZ tax system.

Services available to bloodstock owners include advice about and preparation and lodgement of the required returns, forms and activity statements for:

- Registration within the NZ tax system
- Identification of income tax obligations and the impact of cross border activities
- Goods and Services Tax Returns
- Annual Income Tax returns
- Financial reporting to owners, including syndicated ownership structures
- Relationship and communication with Inland Revenue by acting as your tax agent

LA DIOSA AND BREEDER TERRY ARCHER

BY MICHELLE SABA

When NZTBA Auckland Branch member Terry Archer started buying fillies with residual value to race, he put his faith in fillies from strong South Island filly families and it has paid off in spades.

Archer is the breeder and part-owner of the talented three-year-old So You Think filly La Diosa(ex Star Affair), a descendant of The Dimple a member of the Dennis Brothers' famous stakes winning family, and he continues to breed successfully from descendants of his Group One winning race mare Showella, herself a granddaughter of the mighty Show Gate.

La Diosa commenced racing as a two-year-old last April with a win over 1000 metres at her first start, and followed that with a fourth before being turned out. She resumed in September running third in a three-year-old event at Riccarton before coming out and winning the Listed New Zealand Bloodstock Canterbury Belle Stakes on that same track. She then came out and won the Listed Barneswood Farm Stakes (John Grigg) in impressive style.

La Diosa is out of the Stakes winning mare Star Affair(Star Way[GB]), who is the first foal of the Grosvenor mare The Grin, a dual Listed winner out of multiple stakes winner The Dimple. The Grin is a three-quarter sister to the Group One Auckland Cup winner Irish Chance (Sir Tristram[IRE]) and the Group Three winner The Cheek (Kaaipstad) and a close relative to a host of other Stakes winners.

"I bought Star Affair with a friend of mine Wayne Peters, a lawyer in Whangarei, we raced her out of Frank Ritchie's stable and she won four races including the Group Two Travis Stakes."

"Shortly after she went to Australia and ran third in the Group Three Gosford Gold Cup. As it was nearly the breeding season she went to Coolmore to be mated. At the time it was Rock of Gibraltar's first season and they suggested it was an appropriate mating. She is a short coupled mare and I had never seen Rock of Gibraltar(IRE) so I didn't realise he was a typical Danehill. So when her first foal was born it was described by a Coolmore staff member as a "bit of a nugget", he wasn't very tall, but was very wide, a bit like a cube on four legs."

"We took the nugget to the sale and he was passed in, so Wayne and I put a syndicate together to race him. That was Solid Billing and he did us proud, winning seven races including the Group Three AJC Summer Cup and Listed Queensland Cup."

"Her next three matings were to Galileo(IRE). I was a big fan of his, and the first two sold well, one to South Africa



Terry Archer with the 2015 O'Reilly - Star Affair filly, the half sister to La Diosa.

where he won five races as Galileo's Galaxy, and was Group One placed, and Earth's Gravity, who won five races in Japan. The third one we raced with John Wheeler and he did a tendon after winning one race."

"The next three matings were to O'Reilly making them three-quarter relations to Champion filly The Jewel who was The Grin's second foal. Since then The Grin has also left Group Three winner The One also by O'Reilly and five other winners."

"Star Affair's first O'Reilly was a filly and she was purchased by Waikato Stud as a yearling for \$600,000, and she raced as Thy. She won four races including two Listed events in Australia, the MRC Regal Roller Handicap and the ATC Aspiration Handicap, she also ran third in the Group One Australian Oaks. They are now breeding from her. We raced one ourselves called The Da and he won a couple of races, and the other Offairo won in Australia for Jamie Lovatt."

"That foal was foaled in Australia while the mare was visiting High Chaparral where she had another filly. I wanted to go back to that stallion but I didn't get in so I went to the next best thing in his son So You Think, and that mating produced La Diosa. Since then she has been to O'Reilly again and produced a filly and this season is due to be served by Darci Brahma. She is getting too old to travel to Australia."

"After we sold the first O'Reilly filly to Waikato Stud, and she had another couple of colts, I thought from now on I am just going to hang on to any fillies. After two fillies though the cash flow was suffering, so I decided to get a group of mates together and form a syndicate to own La Diosa (High Chaparral[IRE]), La Diosa and the two-year-old O'Reilly filly and that is the syndicate that races La Diosa."

"I am still the majority shareholder but the syndicate includes, Grant Currie and a lawyer in Whangarei, Coolmore's New Zealand representative Gordon Calder, Mike Gibson and Brook Sipos from Auckland plus Bruce Honeybone and Deborah Martin."

"It was a syndicate decision to send La Diosa to the South Island. I had her at my place and she was quite difficult and I worried about the fact that she may not fit into a big stable. Gordon Calder had had horses with the Browns and so we decided to send her there. They have done a wonderful job with her and the fact that we have had such a wet spring in the north it's a blessing she was in the South Island."

Archer runs his dozen mares and young stock on his property known as Rockford Park, west of Whangarei, where they are cared for by him and his long term employee Nicki Parr.

So how did the retired CEO Terry Archer get into the horse business?

"I liked to punt, I wasn't a very good punter, and I thought someone is making money out of this racing game it must be the owners, so I thought I would get a share in a race horse."

"My first venture was into an Indian Ore gelding called Oil Rigger, and he was trained by one of the part owners Mike Dodds. He won a maiden and a double at Thames, and Mike really wanted to meet the Queen so he nominated him for the Royal meeting at Ellerslie when Her Majesty attended in February 1990.

Once again I knew someone was making money in the industry and it wasn't the owners, so I decided to start buying fillies because at least they had some residual value."

Showella was the first filly, she is out of Show Queen a Balmerino daughter of the Hall of Fame mare Show Gate (Gate Keeper[GB]-Minglow), the winner of 30 races nine of them a black type level including the Trentham Stakes, and in one memorable week she won the Stewards, Canterbury Gold Cup and Churchill Stakes.

"I just absolutely loved Show Gate

foal Safwa by Danehill(USA) was bought by Sheikh Mohammed Bin Khalifa Al Maktoum for \$800,000 and she went on to win five races, two of them Listed. Her second foal, La Carda (Giant's Causeway[USA]), was sold to Coolmore, while her third foal by Galileo(IRE) was Showileo who Archer raced, and is now in his broodmare band, and producing winners.

She went back to Giant's Causeway and produced Showcause and then her last live foal, by Encosta de Lago(AUS) was also sold to Sheikh Mohammed Bin Khalifa Al Maktoum and he raced him in South Africa where he won



La Diosa in action (pic ex. Race Images Christchurch)

Well the horse duly won race seven on the card, but unfortunately for Mike, Her Majesty was only in attendance for races four, five and six!"

"Following that I became involved in a syndicate with Frank Ritchie, it was called the 12 Cheers Syndicate and was put together by former sports broadcaster Rocky Patterson, and included a number of hangmen from the media like Tony Potter, Mike Dillon and Brian de Lore, along with a few others. I have been involved with and great friends of Colleen and Frank, Shaun and Craig ever since."

"The transition from owner to breeder, came about in almost the same way as the transition from punter to owner.

and wanted one of her descendants. Shortly after he bought her Central Districts pedigree guru Phillip Jefferies approached him and said that the filly had been his pedigree pick of the sales. That's how we met and he has given me a lot of guidance since then. Fortunately Frank was a fan of Show Gate as well and quite liked the Lord Ballina filly despite the fact she was tiny, back at the knee and had a club foot – not bad for a dual Group One winner."

Showella won six races and was the Champion Older horse in New Zealand in 1999-2000. She won the Group One ARC New Zealand Stakes and the Group One South Australian Derby, as well as being Group One placed twice. Her first

four including the Group Two Greyville Betting World 1900.

"Together with some friends, and some clients of Frank Ritchie's, I put a syndicate together and we raced Showcause here in New Zealand, where he was the champion stayer in 2010-11 after winning the Group One Auckland Cup, Avondale Cup, Group Two City of Auckland Cup and the Group Three New Zealand Cup," he recalled.

"I love this game, I have had a lot of fun. There may not be a lot of money to be won in New Zealand racing, but there is still a lot of fun to be had."

And in Archer's case, a lot more Stakes winners to be bred.

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All Enquiries to:
Nicola Griffiths
New Zealand Thoroughbred Breeders' Association
Ph: 07 827 7727 Pearl Hotline: 0508 222 202
Website: www.nzthoroughbred.co.nz,
Email nicola@nzthoroughbred.co.nz

THE NEW ZEALAND THOROUGHBRED RACING BOARD WILL HAVE TWO NEW MEMBERS THIS YEAR

Canterbury businessman Rodger Finlay joined the NZTR board in August and former Hawke's Bay Racing Chief Executive Jason Fleming will join the board following the Annual General Meeting in November.

Finlay was appointed by the NZTR Members' Council to replace Greg McCarthy, who stepped down in May, and Fleming will succeed Ben Nettleton, who is stepping down after serving two terms as a board member.

Finlay has had a lengthy career as an investment banker and fund manager and is also a thoroughbred owner and breeder and a former director of the Canterbury Jockey Club.

He had more than 25 years experience in the financial services sector, mainly in London, and now holds several directorships.

He is chairman of New Zealand Oil and Gas and the UK company Mundane Asset Management, deputy chairman of Rural Equities Limited, a member of the Radio New Zealand Board of Governors and a board member of Moeraki Limited.

Fleming, who has a law degree, is currently Chief Executive of the Infinity Foundation, a gaming trust based in Hastings.

He was the Hawke's Bay Racing CEO from June 2009 to August 2015 and previously had a career in banking in both New Zealand and England.

JAMIESON PARK FOALING BARN



Goldpine and Magnum joined forces to create the new foaling facility for Jamieson Park at Mercer.

The 'Strongebuilt' Barn was designed to the clients specification with two generous loose boxes, 6m x 4.2m. The stable walls are Magnaclad lined and glav stell fronts and partitionas have Magnaclad infills.

Owner, James Chapmanm and horseman, Sam Munro, installed their own crush in the third bay and made an excellent job of it.





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THE 2015/16 AUCKLAND BRANCH AWARDS

BY MICHELLE SABA,
AUCKLAND BRANCH

The 2015-16 season was a stellar year for members of the Auckland Branch of the NZTBA who bred 13 individual Group winners and 15 Listed Stakes winners.

At a recent luncheon in the relaxed atmosphere of the Garden Bar at the New Zealand Bloodstock Sales centre in Karaka, the 13 Group winners were honoured, and Awards were presented for the Best International Performance, Broodmare of the Year, and Breeder of the Year.

Around 80 guests were there to see Russell Warwick representing Gerry Harvey's Westbury Stud and Thoroughbred Holdings take home the Jane Bunbury Breeder of the Year Award and the Sybil Hayward Trophy for Broodmare of the Year at the event sponsored by NZ Bloodstock Insurance.

The latter Award was given to Bislieri, the dam of the Group One winning Makfi(GB) filly Sofia Rosa. Sofia Rosa herself was awarded the Faltaat Best International Performance Award for her win in the Group One ATC Australian Oaks. She also won the Group Two Royal Stakes, and the Group Three Lowland Stakes, and was relegated to second after winning the Group One New Zealand Oaks.

Harvey also bred, at his New Zealand base, the Group One Doomben 10000 winner Music Magnate (Written Tycoon[AUS]- Concert Girl). A five-year-old gelding racing in Australia he also won the Group Three ATC Hallmark Stakes.

Another to carry his GH brand was the Singapore Group Two winner Lim's Racer (Red Giant[USA]-Lady of the Garter[AUS]) along with the Listed race winners; Telepathic (Mossman[AUS]-Telepathy[AUS]), Hursley (Makfi[GB]-Illuminates[AUS]), Red Stryker (Red Giant[USA]-Megara[AUS]) and Passing Shot (ex Derrydane) and Ichiban(ex Eclairissement[AUS]) both by Swiss Ace(AUS).

Haunui Bloodstock Limited's Perfect Fit (Elusive City(USA)-Fayreform) winner of the Group One Te Aroha New Zealand Thoroughbred Breeders' Stakes, and the Group Two Westbury Classic received an Award. Haunui Bloodstock also bred in partnership with C J Cranny and Frantic Bloodstock, the Group Three Counties and Waikato Cup winner Vavasour (Redoute's Choice[AUS]- Valpolicella)



Russell Warwick representing Westbury Stud accepts the Auckland Breeder of the Year Award from Simon Dobson (NZ Bloodstock Insurance)

and her half-brother Vilanova the winner of the Listed Tattersall's Club Cup.

The New Zealand Derby winner Rangipo (Stryker[AUS]-Holloway) and the Manawatu Sires' Stakes winner Luna Rossa (Written Tycoon[AUS]-Wild Promises[AUS]), were also honoured on the day for their Group One achievements.

Rangipo also won the Group Two Great Northern Guineas, Waikato Guineas, and Avondale Guineas, for his breeder and current owner John Thompson, while Luna Rossa's breeders John, Mark and Rachael Carter of Jomara Bloodstock Limited, also received an Award for the Group Three Manawatu Classic winner Humidor (Teofilo[AUS]- Zalika). As well they bred Sandtop(Henrythenavigator[USA]-Flawless) who won a Listed race in Macau.

All of the Group One winning breeders received a free entry for a yearling filly to the 2017 NZ Bloodstock Insurance Pearl Bonus Series from the sponsor NZ Bloodstock Insurance along with their trophy.

A descendant of one of Auckland's greatest broodmares Soliloquy, Sacred Master (Mastercraftsman[IRE]-Trickle) received an Award for winning the Group Two Avondale Cup, and Auckland branch President David Moore accepted it on behalf of his father Richard.

Spalato, the Elusive City - Ellington gelding bred and now raced in Singapore by popular equine photographer Trish Dunell, was honoured for his two Group Two wins in the season under review.

Another of the progeny of the former Haunui Farm stallion Elusive City, Watch

This Space (ex Multi Tasker) won the Group Two Japan International Trophy and his owner breeder Gold Star member Emma Evans, was in attendance to accept the Award. She commented that she has been breeding from this family for five generations now and it just keeps on producing Stakes winners and good racehorses.

The branch was represented by five Group Three winners, Humidor, was already mentioned above and the others included Cylinder Beach (Showcasing[GB]-Queen's Colours[GB]), Decorah (Pins[AUS]-Nordic Dancer), First Impressions(Rip Van Winkle[IRE]-Striker) and Timy Tyler (No Excuse Needed[GB]-Skite).

Cylinder Beach the winner of the Gunsynd Classic, was bred by Tim Harrison who also bred the Listed Trevor Eagle Memorial winner Alamer (Alamosa-Clerio[GB]), while Decorah was bred by Colleen and Allan Jackson who raced the game filly with a syndicate of friends to win the Group Three City of Auckland Cup.

The West Australian Oaks winner First Impressions was bred by DG and R B McLaren Limited, who also bred the Listed Geelong Classic winner Extra Choice(Redoute's Choice[AUS]-Bonaichi). Rochelle McLaren was on hand to accept the Award before she generously paid \$2000 for a special themed dinner for six, kindly donated by Logan Events, with accompanied wine donated by Auckland Branch member Alan Young.

Timy Tyler the winner of the Group Three CJC Winter Cup was bred in the north at Totara Park Stud by Nicci and Dirk Oberholster.

2017 SCHOLARSHIP WINNERS

The NZTBA Sunline Scholarship recipients have been announced for 2017 with the International Management Scholarship going to Lance Forbes, and the Keith and Faith Taylor Equine Scholarship to the Irish National Stud to Cameron Ring.

At 21, Lance Forbes is one of the youngest recipients of the Sunline International Management Scholarship but he demonstrates the skills and attributes needed to fulfil the role. He is currently the Yearling Manager at Cambridge Stud, where from the age of 14 he has spent working all his school holidays.

On leaving school Lance went to work at Ascot Farm assisting with the preparation of yearlings and two and three-year-olds for sale. He has travelled to Hong Kong with the Ascot Farm horses, and has also done stints working with yearlings for Arrowfield Stud in Scone. He is experienced in all aspects of stud work.

Prior to joining Cambridge Stud as their yearling manager this season Lance was working at Kiltannon Stables in Cambridge for his brother Mark. His duties included breaking and pre-training, riding track work and race day strapping, as well as preparing horses for the Ready To Run sales.

He is the third member of his family to furnish a career in the thoroughbred industry, which isn't surprising given he descends from a family steeped in racing history. His father Graeme was a trainer in Cambridge when Lance was growing up, but now works for the Inner Mongolian Rider Horse Industry, while his mother Sheryl (nee Tims) a former accomplished equestrian has worked with yearlings for many years.

Lance will head to Cheveley Park in Newmarket for the first stage of his scholarship in February following the Karaka yearling sales. From there he will go to Coolmore Stud in Ireland, before heading to Taylor Made in Kentucky.



Cameron Ring - Waikato Stud



Lance Forbes - Cambridge Stud

The second scholarship winner Cameron Ring leaves to begin his course at the Irish National Stud in the last week of January.

Cameron is 22 and grew up and went to school in Matamata. He is currently working at Waikato Stud. He inherited his interest in thoroughbreds from his grandfather Bill Ring who was president of the Matamata Racing Club, while his great grandfather Calvin Ring was a stalwart of the industry. At the age of 15 Cameron started working after school at Hinuera Lodge for Vanessa and Wayne Hillis and gained the skills necessary to work in a racing stable and take horses to the races.

On leaving school he studied at Lincoln University on a Future Leaders Scholarship where he obtained a Bachelor of Commerce with a major in rural valuation. While at university he decided he would explore the breeding side of the industry and spent his holidays working at Waikato Stud.

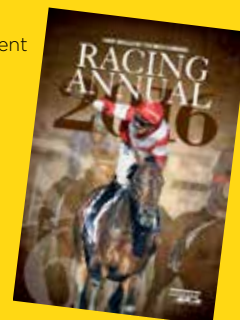
Once he had completed his studies he took up a full-time role at the stud, learning all aspects of the extensive operation that is Waikato Stud, and heads to Ireland skilled in breeding, foaling, weaning, preparing yearlings and breaking in.

The Irish National Stud scholarship is kindly sponsored by the Keith and Faith Taylor Equine Scholarship, and on returning to New Zealand next spring, Cameron will be employed at the Taylor's Trelawney Stud for six months.

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MEMBERS ENCOURAGED TO READ THE PATTERN COMMITTEE REPORT FOR THE 2015/16 SEASON

The NZ Pattern Committee comprises Chairman Mr Matthew Goodson, three NZTR nominees, three NZTBA nominees, and one from the Auction House.

The personnel appointed to the Pattern Committee are expected to have the expertise and experience to exercise flexibility and discretion whilst continually maintaining a review of appropriate levels of Black Type opportunity for horses of different age, sex and aptitudes, throughout the total New Zealand racing scene.

It is the responsibility of the NZPC to conduct the Review in a manner that conforms to international standards and utilises clear and consistent criteria. It also has a duty to communicate its findings in an Annual Report circulated to interested parties in September each year.



The Report can be found on NZTR's website www.nzracing.co.nz under Reports & Recent Publications, or on our Website under the "News" section www.nzthoroughbred.co.nz

JAMES BALDWIN

Sam Williams of LA Stud knows his stuff so he instantly recognised Carlton House when fine artist James Baldwin showed him a pencil drawing of the Queen's former stallion. James, who emigrated from the UK earlier this year, specialises in graphite work. "Traditionally, equine art is done with paint, but high quality pencil-work can achieve so much more detail," he says.

The artist was recently commissioned by Sam and Catriona Williams for a drawing of their current star performer, Per Incanto. When completing an artwork for a bloodstock breeder, accuracy is paramount. Quite apart from the markings that define the horse, the musculature, length of rein and general anatomy must be spot on. But there is still the artist's interpretation. "Capturing the personality and vitality of the subject is what I do. Otherwise it's a pointless exercise – lifeless and flat."

In the UK, James' main avenue of work was in aviation art, but since his arrival here, he's changed his focus. "My grandad was in the City of London Yeomanry, a cavalry regiment, and his passion for horses rubbed off on me. I started to draw horses because I love their energy and power especially when they're running."

James is excited at the prospect of his next commission from Little Avondale – a full body portrait of the (now retired) Towkay, another stallion on their roll of honour. "Sam adores Towkay so it's a big responsibility and a privilege to be able to draw him."

James can be found on Facebook at James Baldwin Equine Art. He welcomes commissions at jamesbaldwinequineart@gmail.com



Per Incanto (USA)



GASTRO GOLD

'Gastro Gold' is a feed supplement to assist owners in managing the symptoms associated with EGUS (Equine Gastric Ulcer Syndrome) in their horses.

The prevalence of gastric ulcers in all categories of equines is now well recognised with an astonishing 90% of racehorses, 60% of sport horses and 37% of non-performance horses affected.

Although management is of key importance, especially around fibre inclusion in the diet, many other factors contribute to EGUS in horses, resulting in the need to treat and manage the condition.

Gastro Gold may be a welcome addition to the rations of yearlings during their sales preparation as they undergo significant changes to their normal routine.

Gastro Gold functions in many ways to assist in the management of gastric ulcers in horses:

- Assists in inhibiting gastric acid production
- Maintains the integrity of the digestive tract
- Reduces irritation to the mucosa
- Stimulates cellular regeneration of the gastric epithelium
- Decreases inflammation
- Has a buffering effect on the stomach pH.

Dosage Rates of Gastro Gold:

- Horses - the dosage rate of **Gastro Gold** is 25grams daily. This can be doubled at times of stress for a period of 30days or in combination with veterinary anti-ulcer medication.
- Foals - 12.5grams daily for 30 days post-weaning.

Gastro Gold is a supplement produced through the fermentation of Non GMO micronized soya flour with specific lactic acid bacteria, *Lactobacillus delbrueckii* lactis Rosell-187*.



If you would like further information on Gastro Gold please contact David Smith on 027 493 1580 or Gretel Webber on 021 557 316.

PARASITE CONTROL PRACTICES IN THE BREEDING INDUSTRY



Resistance to deworming (anthelmintic) products in horses (drench resistance) is a growing problem worldwide. The limited choice of anthelmintic products available for use in horses, in some cases, combined with inappropriate parasite management strategies has resulted in widespread reports of anthelmintic resistance.

Consequently, drench resistance has been identified in many of the major gastrointestinal parasites that affect horses. Due to this, some of the treatments available to treat parasites in horses may no longer be effective. Our recent work at the Equine Research Centre (Massey University) has focussed on the current parasite control practices within the breeding and racing industries, and assessed whether resistance to deworming products is present.

The results of the study were recently published in the journal *Veterinary Parasitology*. Thoroughbred and Standardbred breeders were surveyed

about parasite control methods: management and quarantine, a use of faecal egg counts.

Breeders were commonly using interval dosing for young stock (53%), dry mares (41%) or wet mares (40%), and treating every 6-8 weeks. Some horses were treated more frequently, with 11% of breeders treating young stock less than 6 weekly. Only 6-10% of breeders were using a targeted strategy that involved treating horses based on positive results of a faecal egg count.

Aside from routine treatment, 89% (105/118) of respondents dewormed new horses when they arrived on the property, 29% (34/118) treated at signs of disease and 19% (22/118) treated based on veterinary recommendation. In the previous 12 months breeders used an average of 2 different anthelmintic products to treat horses.

Young stock received an average of 6 treatments per year, whilst dry and wet mares received an average of 4 treatments. Most breeders (84%) used oral anthelmintic treatments, and spent more than \$50 per horse on treatments in the last 12 months.

The most common anthelmintics administered by respondents in the last 12 months were abamectin and praziquantel (77%; 98/127), and ivermectin (39%; 49/127).

Overall, faecal egg counts were used by 20% of breeders, most commonly as part of regular testing. Over half of breeders were consulting their veterinarian for advice on deworming products. Breeders were more likely to

conduct faecal eggs counts if they had consulting with a veterinarian.

The second part of our study involved surveying Thoroughbred and Standardbred horse trainers and produced similar findings to the breeders' survey. Trainers commonly used an interval dosing strategy for treating racehorses and spellers, with most trainers treating routinely every 6-8 weeks.

Trainers treated new horses when they arrived at the training establishment, and 65% always dewormed spellers when they returned from other properties. Only 6% of trainers were using a targeted strategy that involved treating horses based on positive results of a faecal egg count.

There are a limited number of anthelmintic products available for use in horses and no new anthelmintics will be entering the equine market in the near future. Therefore, maintaining the efficacy of currently available products is highly important.

New recommendations suggest that a move towards surveillance-based control programmes is needed, in order to reduce the reliance on anthelmintic products and slow the development of resistance. Such methods involve only treating those horses that have positive faecal egg count results.

This approach slows the development of drench resistance and in many cases is more cost effective than routine drenching. Our results were similar to other countries, highlighting that the uptake of surveillance-based methods has been slow in favour of routinely treating all horses at set time intervals.

We would like to thank all the breeders and trainers that took part in the survey – without which this study would not have been possible. These projects were funded by the Equine Trust as part of the Partnership for Excellence.

Charlotte Bolwell, Sarah Rosanowski, Ian Scott, Patrick Sells and Chris Rogers.

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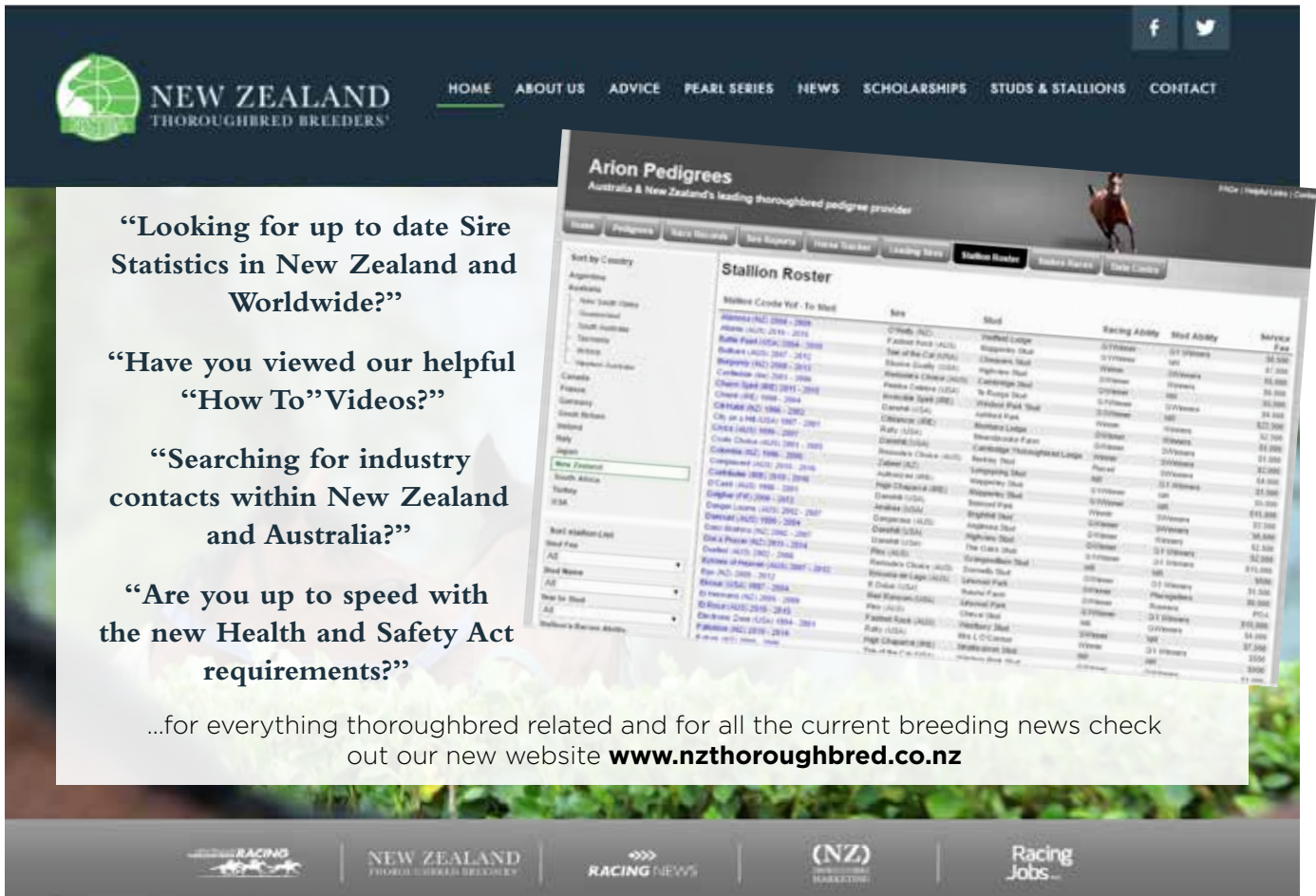
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Phone: (07) 827 7727 | **Email:** nztba@nzthoroughbred.co.nz | **www.nzthoroughbred.co.nz**

NZTBA EXECUTIVE STAFF

Michael Martin - Chief Executive | **M:** 021 338 500 | **E:** michael@nzthoroughbred.co.nz

Nicola Griffiths - Office Manager | **M:** 021 338 581 | **E:** nicola@nzthoroughbred.co.nz

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