

Breeders' Bulletin



Summer 2013/2014

NZTBA's Ellerslie office may be lost to the Association

As a result of the Auckland Racing Club's recent decision to lease a large area of the southern end of the Ellerslie Racecourse to a third party, and have the area re-zoned as residential, the NZTBA has been placed in a very difficult situation with its major asset, the office building.

HISTORY

In 1987, the Association entered into discussions with the Auckland Racing Club with a view to relocating from the rented premises in Newmarket to a site on the Ellerslie Racecourse. The ARC had made the first approach, recognizing the importance of the NZTBA and its members to the business of racing. It was rationalised that the cost of servicing a mortgage would be no more than the rent being paid for the leased Newmarket offices.

The first option offered by the Club was the old tote building (now the saddling-up area on racedays).

The plan was to create up to nine offices on a mezzanine floor in that building. The logistics of this proposal became impractical so the Club then offered the current site where the derelict Derby Bar stood in the Derby Enclosure. The site was accepted and the NZTBA paid approximately \$30,000 for the demolition of the old building. It was an ideal location with park-like surroundings, ample car-parking and of course, existing services available from the demolished Derby Bar.

The first hurdle for the NZTBA to overcome was funding. The Gold Badge Membership Scheme was devised and 254 members supported the scheme, each paying \$500 in advance for the next ten years' subscription. Today approximately 30 of these original

254 members have signed up for a third roll-over of the Gold Badge membership scheme.

The second hurdle was the lease with the Auckland Racing Club. Our legal representatives, Simpson Grierson, ultimately negotiated a 13 year 11 month lease with a peppercorn rental of \$200 per annum. The finite term was dictated by the current Auckland City Council subdivision laws which made the outright purchase or gift

of the land impossible.

Subsequent correspondence between our two organisations clearly demonstrates it was the firm resolve of the Auckland Racing Club to accommodate the NZTBA's office for the long term. It was on these terms that we commenced construction of the building in 1989. The NZTBA engaged the services of the same architects used by the ARC to design the new stand, then under construction, as a gesture of co-operation and goodwill for the future of the relationship.



The NZTBA office building at Ellerslie Racecourse

As the building neared completion a further pre-paid subscription scheme was offered to members to raise additional funds to complete the building, in particular furnishings and library shelving. This time the 1990 Badge scheme attracted 74 members who each paid \$700. A bank loan of \$200,000 completed the funding. This bank loan was repaid in 1999 with the second issue of the 10-year pre-payments to the original Gold Badge members.

In October 1989 the NZTBA moved to Ellerslie and Her Majesty Queen Elizabeth II officially opened the building in February 1990 and became the Association's Patron – an office she still holds today.

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New Zealand Thoroughbred Breeders' Association



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NZTBA's Ellerslie office may be lost to the Association

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The Stead Memorial Library, donated by Sir Patrick and Lady Hogan in 1989, is housed in the NZTBA building. This very valuable asset is reputed to be the most comprehensive thoroughbred library in the southern hemisphere. It has been meticulously maintained over the past 25 years and its ultimate location is of great concern. The Council is anxious that it does not end up in storage like the racing museum has.

A couple of years after moving to Ellerslie the NZTBA finally received written confirmation from the Club that the lease would be renewed for a similar term at its expiry in 2003. This letter remains with the NZTBA. The NZTBA holds other relevant correspondence between the two organizations regarding the intention to protect the NZTBA's investment. However, at the end of the original lease the Club did not honour this commitment, instead offering the Association a new lease which was finally settled at \$10,000 per annum with regular rent reviews. The current land lease expires in June 2014. The rent now paid is \$15,000 per annum which management has been able to claw back by selling an ARC sponsorship package valued at \$5000 for the past three years.

The building cost \$435,525 to complete in 1989 and its depreciated book value at 31 March 2013 is \$225,454.

THE SITUATION TODAY

The purchasers of the land lease intend to develop a substantial residential complex and have no interest in purchasing or leasing the NZTBA building. The sale agreement requires the building to be removed at the conclusion of the land lease period in 2014.

The building was constructed on wooden piles to allow it to be moved if circumstances changed in the future. It was also the NZTBA's understanding that if this eventuated there would always be an alternative site for the building on the racecourse. However, that would now no longer appear to be an option with the Auckland Racing Club.

At this stage, several building removal companies have been consulted and the general opinion is that to transport the building away from Ellerslie would be a very difficult exercise requiring the building to be cut into four or five pieces. Initial indications are that the cost to move the building could be around \$200,000. As well, reinstatement of the building, either in Auckland or elsewhere, would incur additional costs as new cladding would be necessary and all external windows and doors would need to be re-installed according to today's building regulations which are very different from those in the 1980's.

THE FUTURE

The NZTBA Council is currently in discussion with the Auckland Racing Club trying to achieve an interim solution for office



accommodation in the members' stand until the ARC has been able to finalise plans for the horse stalls, parade ring and administration area. There are other options – leased offices in Auckland, Karaka or in the Waikato. These issues are complex and are currently being thoroughly researched by the Council.

Members are invited to email feedback to their local NZTBA councillors (see list below) or the Head Office, Michael Martin michael@nzthoroughbred.co.nz or Sally Cassels-Brown sally@nzthoroughbred.co.nz.

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Dream result for Milan Park Stud

Two stakes winners in the space of eight weeks is a dream result for the team at Milan Park Stud as they prepare to present their first draft of yearlings at the New Zealand Bloodstock National Yearling Sales Series next January.

Winning Glory (One Cool Cat [USA]- Alpine Beauty) won the Group 3 Newcastle Gold Cup in late September and Irish Fling (Darci Brahma – Irish Belle) the Listed CJC Pegasus Stakes in early November before running 3rd in the CJC Stewards Handicap (Group 3). Both were bred by Milan Park Stud proprietor Tony Rider, and Irish Fling is still owned by him but leased to a group of his staff members at his Hamilton Pak’N Save.

“Alpine Beauty was the first mare we purchased, so for her to produce our first stakes winner is very exciting, and then within in the space of a few weeks we have another one with Irish Fling,” said NZTBA Waikato Branch member Tony Rider who with his wife Vicki, owns Milan Park Stud which is managed by their daughter Nicole.

“Bruce Perry sourced all my mares. When he found Alpine Beauty he said she is from an old family and she hasn’t done a lot, but she won’t cost you a lot of money to get into but you will get the rewards, and if you look at my mares, they are all mostly from good old strong New Zealand families.

“I got involved in the thoroughbred business about 10 years ago, mainly through my daughter Nicole. I was a dairy farmer from the time I was 16 until I was 25 in the Manawatu when I quit to go into the supermarket business and that brought me north.

“We lived in Thames and from about the age of four my daughter’s had ponies. I used to have the odd bet and follow the races, but Nicole was keen to make a career out of it and we ended up with David Benjamin’s place in Kaipaki Road, just out of Cambridge.

“I didn’t have a lot of knowledge and I have been very fortunate that I sought advice from Mark Chittick and Bruce Perry. They have been a great support and I can’t thank them enough. Mark put me onto Guy Lowry who trains Irish Fling and most of my horses, but I do have some in work with Murray Baker and Stephen Marsh.

Alpine Beauty, Irish Belle and Danex are among about a dozen mares owned by the Riders, and they were sourced for them by Bruce Perry and are all black type producers.

As well as Winning Glory, Alpine Beauty (Khozaam[USA- Mount Tryst) also produced the dual Invercargill Gold Cup winner Alpine Delight (Bluebird[USA]) and Adventador who is trained by Guy Lowry and Grant Cullen and has won four races for the Riders. They also race her most recent foal Divine Shiva, a No Excuse Needed (USA)three-year-old filly trained by Murray Baker and Andrew Forsman.

At age 22 Alpine Beauty has been a little difficult to get in foal lately, but she has a positive to Ocean Park (Thorn Park [AUS] – Sayyida). She was a winner herself and is a full sister to Lover’s Knot, the dam of the Melbourne Cup winner Viewed (Scenic), and descends from Mountain Heights, a half -sister Battle Heights, Artic Heights, Gold Heights (dam of

Noble Heights), and Claudine (dam of Mapperley Heights and Royal Heights).

“We bought Irish Belle (O’Reilly – Society Bay). She was a stakes-placed winner of five races and a daughter of Society Bay (Zephyr Bay[AUS] – Pacaya), who won six races including the group two VRC Edward Manifold Stakes, the MVRC Veuve Clicquot Stakes, the group three WRC Noble Heights Stakes and the listed Otaki Weight-For-Age Stakes.”

She has left eight winners including the stakes winners Society Beau and Sandblaster, and the dam of the Champion Filly Final Destination (O’Reilly-Logical Lady) and thus a three-quarter sister to Irish Belle. This family has also produced the stakes winners Final Form (ex Final Destination), Duanette’s Girl, Reddlan and Beau Zephyr.

Irish Belle’s first foal was by Savabeel (AUS) and as Enthusabelle was placed at two. Her next foal by Stratum(AUS) was unplaced, and then she produced Irish Fling who has now won four races. She has a three-year-old Zabeel colt, a two-year-old colt by Starcraft that is in the New Zealand Bloodstock Ready to Run sale, and a yearling full sister to Irish Fling in Milan Park Stud’s yearling draft. This season she has produced another filly, this time by Mastercraftsman(IRE) and now she is in foal to Rock’N Pop.



Nicole Rider parades the Savabeel-Danex yearling, her pick of the fillies

Rider’s Danasinga (AUS) mare Danex (ex Balm), herself a stakes-placed winner, is another from a good old New Zealand family, that of the dual group one winner Calm Harbour. She provided the Riders with their first stakes performer when her second foal Digital Fortress (Savabeel) was placed in the group three AAMI Norman Robinson Stakes.

“There’s a full-sister to Digital Fortress in our draft in the sale, and it’s Nicole’s pick of the fillies in our draft. Danex has returned to Savabeel again and has an O’Reilly filly at foot.

“The key to your success in this business is getting the right advice. We have paid reasonable money for the mares, and you have to be in the right families to take out as much risk as possible. I run my little stud as a business and it has to pay its way which is why I am selling my fillies as well.

“When it comes to the matings, I am a stockman and like to breed to type as much as anything. We come up with a shortlist and then discuss it with Gareth Downey at Waikato Stud.

“Nicole runs the farm. She worked at Little Avondale and at Waikato Stud until Mark said he thought she was ready to run her own place and present her own yearlings, and we have a draft of 10 - five fillies and five colts - and they are all by good sires like Darci Brahma, O’Reilly and Savabeel.”

Naturally Nicole is very excited about presenting her first draft and she is really pleased with the way they are coming to hand. At the moment her pick of the colts is the O’Reilly colt out of Vickeezchardonnay (Don Eduardo – Our Rosalee) and of the fillies it’s the sister to Digital Fortress.

Story – NZTBA website www.nzthoroughbred.co.nz
(Visit our website for new breeder stories every week)

High Court decision – is there life Breeding industry worse off than before?

The High Court decision in *DRUMMOND & ORS v THE COMMISSIONER OF INLAND REVENUE [2013] NZHC 1768* (collectively known as the Te Akau Stallion Syndicate No 1) has probably left the bloodstock industry in a position that is clearly worse than before the case went to Court. Ever since the 1990 Income Tax amendments the standard practice has been to treat all taxpayers involved in the breeding industry as being on an equal footing.

The decision means that new entrants to the industry cannot start their investment by purchasing straight from the yearling sales – if they have no mature breeding stock the standard write-downs are simply not available. The ramifications go further. An existing bloodstock business may be also denied a deduction if the ownership is not structured correctly.

The NZTBA have, for at least two years, warned successive Ministers of Racing and Revenue that should the case be lost the result would be quite detrimental to the bloodstock industry. The submissions largely fell on deaf ears.

WHAT IS A BREEDING BUSINESS?

The Income Tax Act 2007 does not define a breeding business. The definition of a business is “A business – (a) “includes any profession, trade, or undertaking carried on for profit. . . .”

Justice Brewer noted in *Drummond*, at paragraph 66, “What is required is some significant activity undertaken as a regular part of the revenue earning process in that type of business.”

The judgement traced the relevant legislation going back as far as s. 86H of the 1976 act. A key finding was that the change from the requirement to actually mate the bloodstock in a business-like manner (in the 1986 amendments) to an intention to use test (in the 1990 amendments) was to decide when the bloodstock became part of an existing breeding business, not for ascertaining when the breeding business actually commences.

It is not good enough to have only a contingent intention of forming a breeding business. The development and training of a racehorse [a colt or filly] did not constitute an activity of such significance that it would be the commencement of a breeding business. There had to be a decision to send the horse to stud and frame the activity of the business with that in mind. Justice Brewer stated that the “. . . decision was never made and no such activities occurred.” In addition, “While Mr. Ellis gave evidence that the colt would have gone to stud regardless of racing ability, the evidence of such a decision and the plan to implement it is lacking.”

The judgement noted that because the colt was never advertised, marketed for present or future services, or sent to stud no breeding business had begun. Unfortunately, this flies in the face of industry practice – it is just neither practicable nor desirable, for any number of reasons, to advertise a rising 2YO or 3YO colt as being available for stud duties in 2 or 3 years time.

The question of “high risk” or speculative ventures was examined by Justice Brewer, but, in the end, his Honour noted in his judgement that because a venture is “speculative” it does not put a stop to it being treated as a business.

His Honour also stated in his judgement (at paragraph 32) that issues such as “is one horse a business”, “when does a [breeding] business commence and “is racing a legitimate part of a breeding business” were not addressed because they were not relevant to the interpretation of s.39 (valuation of bloodstock at year end). These matters are, however, very important when considering what steps breeders, or those intending to commence a breeding business, must take.

Racing as part of a breeding business

By rights this should be a “no-brainer” although Justice Brewer signalled this as an item possibly at issue.

Section EC 46 (1) says that where a taxpayer has a business of breeding bloodstock for sale, racing bloodstock [that are capable of breeding] is deemed to be part of the breeding business. Other sub-sections cover the technical aspects of the transfer of non-breeding bloodstock (ie, geldings) out of the books, applications to race geldings as part of the business, and applications to race breeding stock as a personal activity. These scenarios have been well covered in recent years and need not be traversed here.

In August 2001 the then Minister of Revenue, the Hon Dr Michael Cullen, wrote to the NZTBA and, in reference to breeders who were breeding bloodstock for sale, advised “Inland Revenue officials have informed me that they consider that depreciation [sic] can be claimed for tax purposes while bloodstock is racing and that no legislative amendment is required to clarify this.”

When does a breeding business commence?

If this question could be definitively answered everything would be solved. Over three years of questioning and negotiating with the Revenue over the *Drummond* case could not extract an answer. Obviously, purchasing an immature yearling is now not the start of a breeding business.

How then does a new breeder get started?

NEW ENTRANTS

It is an unfortunate result of *Drummond* that new entrants to the bloodstock industry are faced with some difficulties when compared with existing breeders. This was never contemplated when submissions were made for the 1990 “intention” amendments.

after *Drummond*?

It is believed that the answer is to first purchase mature bloodstock and the taxpayer carefully signals and manages the intention to breed from the bloodstock. In terms of the Rules of Racing (Rule 401) mares cannot be mated before 1 September in any breeding season. The taxpayer, therefore, must take a number of steps to prove the intention to breed the mare as soon as the official season allows.

For broodmare owners, the prospective breeder needs to make a firm stallion booking and attend to the necessary pre-season veterinary inspections and treatment. The new breeder would have had discussions with industry experts to ensure that the bloodlines that are being purchased will be good enough for progeny to be accepted in the premium yearling sales. Although not a compulsory requirement, a business plan prepared by a competent and expert professional would help in establishing the new breeder's "credentials". The new breeder should run the new business in a manner similar to established industry practice. It takes many years to set up a business of breeding bloodstock for sale – a carefully prepared business plan will note this including the need for regular injections of capital in the formative years.

Purchasing a maiden broodmare should, in theory, be sufficient but until the Revenue come out with some ruling no one can be sure of exactly what is required. What should not be contemplated is the purchase of a couple of "scrubbers", old mares from a sale which are, really, another breeder's culls and best avoided.

In respect of yearling colts for syndication as potential stallion prospects, there is now a completely new "ball-game". Careful planning is necessary as the old style of syndication is now excluded.

PARTNERSHIPS ARE OUT OF FAVOUR

When a taxpayer has a breeding business it is not uncommon for the "breeder" to share the ownership of a horse with others who may or may not have a breeding business. There are two main choices for recording the ownership – a formal partnership or a joint venture.

Until the *Drummond* decision the final tax result for joint ventures and partnerships should have been exactly the same. Now, there is a big difference.

Joint ventures

A joint venture is by far and away the best "vehicle" for the ownership.

The usual treatment is to form an unincorporated joint venture. Because the structure is not a partnership there is no joint and several liability and contractual obligations are minimal. In practice, if a JV purchases a broodmare, say, each of the joint-venturers includes in their books only the share of the JV that is



applicable to that person. For example, say there are 4 persons with an equal interest in the JV. Each will record a 25% interest in the broodmare. Each joint-venturer includes their 25% share of expenses and income and, importantly, records the customary write-down on their share of the cost price.

In summary, an unincorporated joint venture does not file an income tax return and the members or joint-venturers include their share of the JV's income and expenses in their personal tax return.

An unincorporated JV may register for GST.

Partnerships

Most readers will be aware that in the case of a partnership, it is the partnership that will own, say, the broodmare – not the individual partners. Whether or not the partnership may claim the usual write-downs will depend on the tax position of the partnership – not the partners themselves.

In the course of the negotiations with the Revenue, discussions regarding the look-through provisions of new partnership legislation generally drew a blank, no explanation being offered. The 2008 amendments to the Income Tax Act 2007 included new sections, HG 1 for joint ventures and HG 2, the look-through partnership provisions. In brief, the partnership is transparent and each partner is treated as carrying on the business of the partnership in proportion to each partners' interest in the partnership.

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High Court Decision

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In respect of *Drummond*, the Revenue treated the original syndicate as a new partnership taxpayer which was not entitled to the customary write-downs because it was not running a breeding business. As a consequence none of the partners were able to claim the customary bloodstock write-downs. Your author believes that the interpretation of HG 2 means, briefly, that because the partnership was deemed to be running a non-breeding business, the same status or position had to be "passed through" to the individual partners.

The syndicate agreement for the members of the Te Akau Stallion Syndicate No 1 contained the customary clause noting that "nothing in this agreement shall be taken to constitute or evidence either a partnership...". It is believed that despite such a clause there could well be situations where a syndicate is still deemed to be a partnership. The syndicate could be treated as a

partnership if by their acts or omissions they choose to be a partnership. To name one factor, the Te Akau syndicate chose to file a partnership tax return.

EXISTING BREEDERS

In general, existing breeders should have no problems with taking the customary write-downs on additional bloodstock purchases. This would apply to immature bloodstock purchased and home-bred bloodstock.

However, if the existing breeder takes a share or interest in, shall we say, immature bloodstock, if the purchase is through a partnership then difficulties may arise, regardless of the breeder's long-standing business operation. Even if all the members of the partnership are recognised breeders the partnership may still be in trouble. Such purchases should in future be by way of a joint venture.

FOOTNOTES

1) This paper is an edited version of an article in John Aubrey's Bloodstock Tax Circular of September/ October 2013. Copies of the article or a subscription to the Circular are obtainable from John at ph: 07 838 1014 or email jcaubrey@xtra.co.nz

2) If any reader is concerned about possible exposure for themselves, or a client, urgent expert advice needs to be taken.

3) Disclaimer: The information contained in this article, apart from references to the *Drummond* case, is not specific to any particular issue and is of a general nature only. The author expressly disclaims all and any liability and responsibility to any person for the results of any action taken on the basis of this circular and for any error in or omission from this article.

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A point of view from the bank

In the good old days when financial markets were stable and one could reasonably predict movements in interest rates and exchange rates – the economy was controlled by the government. You needed a prescription to buy margarine, and couldn't shift goods for distances more than 150 km by other than train. Thank goodness those regulated days are gone. But what we have in their place is an environment where things not only change, they change in ways which can only be minimally predicted.

This lack of predictability – in interest rates and exchange rates in particular – arises not so much because relationships between things like inflation and exchange rates have changed. It is more that prices of things today reflect expectations of things tomorrow and those expectations never sit still.

For instance, one big factor currently moving interest and exchange rates is expectations (ever changing) for how the US Federal Reserve will pull back from printing \$85bn a month in order to stimulate their economy and push asset prices (shares, houses) upward. If the extra supply of US dollars is curtailed there will be less downward pressure on the greenback. Hence when the markets think US growth looks good enough for the Fed. to start what is called their "tapering" exercise, the US dollar rises and our currency declines. Anticipation of tapering starting soon is a key factor behind our currency's fall from US 86 cents in April.

Anticipation of tapering also explains why NZ fixed interest rates are rising. These rates are heavily affected by US fixed rates and the likes of the US ten year government bond yield have risen over 1% in anticipation of fewer US dollars being around to buy bonds (buying pushes yields lower).

Therefore if you are going to take a view on where our interest rates and the NZD/USD exchange rate will go you need to take a view on how tapering will evolve and to do that you need to forecast how US data will evolve from month to month. That is not possible. Therefore we are going to see high volatility in the NZD and borrowing costs from at least this one source – but there are literally dozens of others.

These other factors include the deteriorating situation in the Middle East. The worse it gets the worse the world growth outlook (oil price shock) and the lower interest rates go along with the NZ dollar as investors shift funds back to their home country. China's growth is slowing. If it continues to slow this will mainly depress the Aussie dollar against which the NZD will rise (a year ago the exchange rate was near 76 cents but it is now near 87 cents because of slowing Chinese growth depressing the AUS).

Domestically NZ growth is accelerating and this is the main reason that although shocks from offshore (positive and negative) will keep coming, we expect NZ interest rates to keep rising. And when one allows for this cyclical upward trend alongside the low predictability of interest rates these days the strong incentive borrowers face is to get at least half of their debt at fixed rather than floating interest rates.

With regard to the NZ dollar the likely path for the coming year is upward as NZ monetary policy will be tightened probably years before rates get increased in most other countries. But the potential for shocks is high and seemingly rising, so don't be surprised if in a year's time instead of sitting above US 85 cents the NZD is below 70 cents!

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Sir Patrick Hogan

University of Waikato Honorary Doctorate recipient

By Annie Studholme

In an historic first for a member of the thoroughbred industry, Sir Patrick Hogan has been bestowed the University of Waikato's highest honour, receiving an honorary doctorate in a capping ceremony presided over by Chancellor Jim Bolger.

Sir Patrick was honoured to accept the prestigious award, but said it served as recognition for the entire thoroughbred industry, not just him.

"I'm thrilled to bits to have received that honour. It was a proud moment and extremely humbling for me, but it's got to go further than that. What's the purpose, if it's just for me?" he said. "If I have made some contribution to the thoroughbred industry, then the industry has made it with me. I am just the man up there receiving it."

He said it was wonderful for the industry to receive that kind of acknowledgement from the wider community.

Sir Patrick had known about the award for some time, but to receive it from Chancellor Jim Bolger made it extra special. "It was nice to have the Chancellor Jim Bolger doing the capping because I have known Jim for a long-time and consider us good friends."

An honorary doctorate is the latest of an extensive list of accolades for the Cambridge Stud boss, a leader of the bloodstock industry in New Zealand for more than 30 years.

He is a Commander of the Order of the British Empire (CBE) and Knight Companion of the New Zealand Order of Merit (KZNM), has been inducted into both the New Zealand and Australian Racing Hall of Fame, and in 2002 he was given an honorary master's degree by Waikato Institute of Technology (Wintec).

Sir Patrick was born in Cambridge and grew up on a mixed farm, before he decided to go into horses with wife Lady Justine Hogan



Sir Patrick Hogan with Zabeel

Photo: Trish Dunell

"I never thought I would get a knighthood or a CBE, let alone an honorary doctorate. I don't think it's something anyone thinks about. Looking back, to get to where I have got is quite an achievement, but I haven't done it on my own, I have had a great team around me."

Sir Patrick Hogan, University of Waikato
Honorary Doctorate recipient.

on 135 acres at Hautapu in 1975, building Cambridge Stud up from nothing into the world-renowned thoroughbred operation it is today.

"I never thought I would get a knighthood or a CBE, let alone an honorary doctorate. I don't think it's something anyone thinks about. Looking back, to get to where I have got is quite an achievement, but I haven't done it on my own, I have had a great team around me," he said.

In announcing the award, University of Waikato Vice-Chancellor Professor Roy Crawford said Sir Patrick's contribution to the development and international standing of the New Zealand thoroughbred industry was unparalleled.

"His hard work and passion for horses have won both him and Cambridge Stud a special place in New Zealand racing history."

Sir Patrick follows a long list of high profile New Zealanders to have been awarded an honorary doctorate in recent years including former world squash champion and community health advocate Dame Susan Devoy and All Blacks captain Richie McCaw.

Kirramosa flies the (NZ) flag

The gamble to race Kirramosa (Alamosa-Freyja) in Australia this spring instead of targeting the three year-old fillies' races in New Zealand paid off for both Manawatu's Wellfield Lodge and trans-Tasman trainer John Sargent after the classy filly triumphed in the Group 2 VRC Wakeful Stakes on the opening day of the Melbourne Cup Carnival and followed up with her exciting win in the Group 1 VRC Oaks.



Kirramosa was bred by Wellfield Holdings Limited from the Danske(NZ) mare Freyja, an unraced daughter of the champion filly Olga's Pal (Straight Strike[USA]-Tinawin). She is raced by a partnership that includes Sargent, Bill and Mark Gleeson (Wellfield Holdings), Peter Didham, Joseph McNeill and Glenda and John Reily.

"It's pretty satisfying seeing her winning in Melbourne. We sacrificed competing with her at home to win races in Australia and give Alamosa a boost," according to a delighted Bill Gleeson of Wellfield.

"The plan was to get as much opportunity for Alamosa's progeny in Australia, get them winning and that will make it easier for us to market them there. It's very rewarding that she has shaped up against the best three-year-old fillies in Australia.

"As well it gives John Sargent a profile horse racing in the Spring Carnival."

Kirramosa had two starts in New Zealand as a two-year-old, easily winning on debut before running fourth in the group one Manawatu Sires Produce Stakes. After an impressive trial win at Te Teko in August she switched to the Sydney stable of John Sargent, who not only trains the filly but also has a quarter share in her.

"With such a large number of breeders not breeding their mares, we have leased a number of mares for the stud and she was one of them. Under the lease agreement we took the filly to the New Zealand Bloodstock Select Sale in 2012 but she was passed in for \$20,000 so we bought the other partners out.

"It's hard to get buyers interested in fillies at that sale when their pedigrees are just slightly off the page. There is an unbelievable opportunity at the Select Sale to buy an outstanding filly on type for little or no money."

The NZTBA congratulates Wellfield Lodge on their success in Victoria this spring.

Story – NZTBA website www.nzthoroughbred.co.nz

Dunstan Muscle 'N Shine joins the quality range of Dunstan Feeds

Dunstan would like to take the opportunity to introduce Dunstan Muscle 'n Shine to all Breeders, Trainers and Owners.

Dunstan Muscle 'n Shine is a calorie-dense supplement with a high fat and high protein specification, ideal to assist in muscle development and coat quality for all horses. It will be of particular benefit to horses being prepared for sale or those struggling to maintain body condition.

Dunstan Muscle 'n Shine is an extruded formulation of Soyabeans and Linseed, containing a comprehensive vitamin and mineral supplement, utilising organic minerals. The amino acids contained within the protein of soya and linseed assists with muscle development, with the Omega 6 and Omega 3 fatty acids enhancing skin and coat quality.

Horses find **Dunstan Muscle 'n Shine** highly palatable, making it a welcome addition to the diet and the ideal way to increase the calorie density of the ration when weight gain is required.

Add **Dunstan Muscle 'n Shine** to your existing ration at 250grams to 1kg daily.

Available at the beginning of December through your local Rural Retailer.

For any enquires please contact Gretel Webber on Free Phone 0800 438678 or mobile 021 557 316.



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NZB Insurance Pearl Series kicks off to an exciting start



The NZB Insurance Pearl Series got off to an auspicious start when the first race to be run under the new fillies' incentive scheme was won by Way In (2f Thewayouare (USA) – Small Parcels (AUS) at Avondale in November. On top of her share of the stake, \$4375, Way In earned her owners an additional \$8000 Pearl bonus, with \$7000 paid to her owners, \$700 to her trainer and \$300 to her nominator.



Way In wins the first ever NZB Insurance Pearl bonus at Avondale

Entries for the 2013 Series closed at the end of July with 649 fillies now eligible to compete for the next three years in 15 2-year-old races, and then 20 Saturday and 180 mid-week fillies & mares races as three-year-olds and four-year-olds.

"The level of enrolment of these now-two-year-old fillies has

exceeded our expectations", enthused the NZTBA's Chief Executive Michael Martin.

"We can see the benefit of the bonus programme starting to assist breeders and owners, and we now look forward to enrolling the second crop," he added.

The NZB Insurance Pearl Series is owned and administered by the New Zealand Thoroughbred Breeders' Association. The NZTBA has developed excellent systems over approximately 20 years having previously administered the successful Fillies & Mares Incentive Scheme (FAMIS) scheme, and more recently, the Thoroughbred Bonus Scheme (TBS).

During December all owners of current yearling fillies, whether they are catalogued in the yearling sale or not, will receive a Nomination Form for the new 2014 Series. The Earlybird entry fee for each filly is \$690 (incl gst) up to 28 February and then from 1 March to 31 July the fee is \$920. Fillies catalogued in the South Island Yearling Sale to be held in April will be eligible to enter under the Earlybird fee.



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New barns for Lyndhurst Farm



Mark & Shelly Treweek, of Lyndhurst Farm, were displaced by the new Cambridge section of the Waikato Expressway. They purchased a new property east of Cambridge and Goldpine were pleased to be chosen to build their new barns.

The main barn has 21 loose boxes and the split roof design was chosen to maximise ventilation. There is an opening at the roof split and also under the eaves which is covered with plastic mesh to deter the birds. Each box also has an opening shutter which the horses seem to enjoy. The second barn has 6 boxes and a large feed room.

The stables are lined with 'Magnaclad' and Magnum Industries supplied the stable fronts. The doors are 2.1m wide so a dingo or bobcat can be used for clean out.

The end result is an attractive and easily managed facility which Goldpine, Magnum and the Treweeks are very proud of.

Contact David Edgar
Mob: 027 230 5052
A/h: (07) 856 2644
Fax: 856 2642
4 Marshall Street
Morrinsville 3300



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Sunline International Management Scholarship winner announced

Robert Dennis (22) from Southland has won the 2014 Sunline International Management Scholarship. Robert, one of the next generation of the renowned Dennis Brothers, was brought up with thoroughbreds, working on the family farm for his father Tony. Robert has completed a Bachelor in Commerce majoring in Economics and Business Management from Lincoln University. He combined his studies with working for Riccarton trainers Kevin and Pam Hughes, Peter Rudkin, and Mosgiel trainer Steve Anderton.

Robert's other interest include rugby where he has played, refereed and coached, captaining his school's team in 2007 and 2008.

"I have a keen passion for horses and thoroughbred racing and breeding and I plan to be in the industry for my lifetime," Robert said. "I look forward to making the most of this exciting scholarship. I thoroughly enjoy horses and racing and take this opportunity to thank the Sunline Trust, the NZTBA and also all of those people who have helped me get where I am today."

Robert will leave New Zealand in February 2014 to take up his scholarship, firstly in England at Cheveley Park Stud, then Coolmore in Ireland and finally at Taylor Made Farm in Kentucky, USA.

The scholarship is funded by the Sunline Education Trust which, since 2002, has sponsored scholarships for young New Zealanders to further their careers in the thoroughbred industry.

Last year the Sunline Trust received a welcome boost in funds with the auction of four generously donated stallion nominations at the NZTBA's Diamond Jubilee dinner held at Government House in Auckland to celebrate Her Majesty The Queen's 60 years on the throne. Her Majesty The Queen has been the NZTBA's Patron since opening the new office building at Ellerslie in 1990.



Robert Dennis at the Ready To Run Sale in November with The Oaks Stud draft

Irish National Stud scholarship

Jock Harris returned from the Irish National Stud in July after successfully completing the world-renowned Diploma course. Jock is now working at Trelawney Stud in Cambridge.

"This scholarship was everything I dreamed it would be. The lectures were amazing and the access to the top professionals across the industry was outstanding," enthused Jock.

The Sunline Trust will not be sending a student to the Irish National Stud in 2014.

SEASON'S GREETINGS FROM THE NZTBA COUNCIL & EXECUTIVE STAFF

Michael Martin

Chief Executive

michael@nzthoroughbred.co.nz



Sally Cassels-Brown

Office Manager

sally@nzthoroughbred.co.nz



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Phone 09 525 2428 or Freephone 0508 222202, or email Sally on sally@nzthoroughbred.co.nz

