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New Zealand Racing Board Announces Annual Results

New Zealand Racing Board (NZRB) has announced a Net Profit before Distributions result of \$146.7 million for the year ending 31 July 2016, and the commencement of a new, independent inquiry for greyhound racing in New Zealand at its Annual General Meeting today.

“NZRB has continued to increase its support of racing and sports in New Zealand, distributing \$136.7 million to the three racing Codes, making commission payments of \$8.0 million to National Sporting Organisations, and applying a further \$11.7 million to the racing industry and \$3.0 million to grassroots sports from gaming,” says NZRB Chief Executive Officer, John Allen.

“Our initial distributions to the racing Codes of \$135.3 million was boosted by a further \$1.4 million which was approved by the Board in September from Net Profit after Distributions, demonstrating our commitment to the wider industry.

“Removing the impact of gains on sale of our Petone building in 2014/15, and our Christchurch property in 2015/16, our Net Profit before distributions has increased year-on-year by \$5.6 million, or 4.1%. Betting Net Profit was \$137.3 million, consistent with prior year, while Gaming Net Profit increased by 20.1% to \$15.1 million.” says Allen.

“We have also increased both turnover and revenue, with total turnover of \$2.7 billion 11.9% up on 2014/15, and total revenue up 4.6% to \$351.9 million.

“Our focus on our customers has seen nearly 181,000 account customers placing a bet over the past year, up 9.6%, with our digital channels continuing to grow in popularity and accounting for 55.9% of betting activity and our TAB Mobile App up 214.4% on last year.” says Allen.

“Economic analysis has shown that the New Zealand racing industry is not self-sufficient and is dependant on international racing income to sustain it. This is simply not a tenable position and we are working to help build a long-term sustainable future for racing in New Zealand.

“Since taking up the reins in March 2015, I have focussed on assembling my leadership team with the right skills and experience to ensure NZRB has the foundations and capability to return the industry to a state where it can grow and prosper.” says Allen.

“We have identified a number of strategic initiatives to achieve this, and have made good progress this year towards their achievement. These initiatives will improve long-term profitability by an estimated \$50-55 million in annualised net profit per year once fully delivered, by improving our competitiveness, growing our customer base and lowering our cost base.

“We are putting the customer at the centre of our actions, focussing our investment in fit for purpose systems and infrastructure where it will provide the greatest long-term benefit,” says Allen.

Other key focuses for the racing industry over the next period will be animal welfare, infrastructure, youth development and stakes money.

“We are working on a series of pilot enhancement funds to help support and grow the industry by tactically boosting stakes to attract higher quality racing, investing in key infrastructure and helping build the next generation of racing by encouraging and incentivising the development of career paths into and through the industry,” says Allen.

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