

RACING INDUSTRY TRANSITION AGENCY

17 July 2019

NZ Trotting Owners' Association Inc
NZ Harness Racing Trainers & Drivers Association
NZ Jockeys Association
NZ Thoroughbred Breeders' Association
NZ Trainers Association Inc
NZ Standardbred Breeders' Association

The Racing Industry Transition Agency (RITA) Board met in Wellington for the first time on Wednesday, 10 July.

The agenda was extensive covering progress with the implementation of the recommendations in the Messara Review; the development of regulations necessary to give effect to the provisions of the Racing Reform Act; and a detailed discussion about distributions next season in the context of the ongoing development of the RITA budget for the 2019/20 year.

I am pleased to confirm that on the basis of that discussion the Board agreed that:

- Distributions to the Codes for the 2019/20 season will be held at the current level of \$151.6 million. This will enable Codes to continue to pay stakes at the same level as this season and deliver the agreed racing calendar.
- RITA will increase the amount of money available through the Industry Enhancement Fund to \$4.0 million in the 2019/20 year, to be applied across Stakes, Infrastructure, Youth and Promotion of Racing.

A working group, to be chaired by RITA CEO, John Allen and comprising DIA and RITA representatives has been formed to progress as a matter of priority for the industry, the regulations required to give effect to the new revenue streams established under the Racing Reform Act. We are making good progress in dealing with a range of complex issues in relation to the regulations and will provide a further update in the next few weeks.

There are, as you will all be aware, continuing challenges with the sports' margin in RITA's betting business. While the management team is confident that this will normalise over time the Board has required further work to be undertaken to reduce expenditure so as to increase confidence in our

ability to support the agreed distribution level for next season. This work will be reviewed at our next meeting on 23 July, and we will report further on progress.

This is just the start. There is a great deal to be done over the next few months. The passing of legislation and the establishing of the RITA Board puts us in a unique position to implement the changes required to sustain the industry in the long-term. Completion of the regulations and the finalising of the second Bill are now firmly in our sights.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'DM', written over a horizontal line.

Dean McKenzie
Chair

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