



## TAB New Zealand Guidelines for Applied Net Proceeds under its 'Racing' Authorised Purposes

TAB New Zealand (TAB NZ) will 'mainly apply' **at least 80% of the net proceeds** generated from its Class 4 Gaming Operation under its 'Racing' Authorised Purposes to support the New Zealand Racing Industry for the **Promotion, Control and Conduct of Race Meetings**<sup>1</sup>.

In addition, TAB NZ will also 'distribute' **'up to' 20% of its total net proceeds** to the community, in accordance with its 'Sports' Authorised Purpose in order to support amateur sport across New Zealand.

TAB NZ will review its criteria, method, systems and policies for the application and distribution of its net proceeds at least annually.

These guidelines relate to the 'application' of net proceeds under TAB NZ's 'Racing' Authorised Purpose.

### **TAB NZ 'Racing' Authorised Purpose**

*TAB New Zealand (TAB NZ) may apply net proceeds to the authorised purpose set out below. Those proceeds may be:*

*To provide for the promotion, control and conduct of race meetings under the Racing Industry Act 2020, including (but not limited to):*

- 1. Applied directly by TAB NZ for any such purpose; or*
- 2. Distributed by TAB NZ to Racing New Zealand or a racing code (as that term is defined in the Racing Industry Act 2020) for any such purpose; or*
- 3. Distributed by TAB NZ to a racing club (as that term is defined in that Act) for any such purpose after TAB NZ has had such consultation with the relevant code as TAB NZ may consider appropriate; or*
- 4. Distributed by TAB NZ to the Racing Integrity Board (or any other panel, committee, tribunal or body referred to in e) below) for any such purpose.*

*The authorised purpose referred to above is to provide for the promotion, control and conduct of race meetings under the Racing Industry Act 2020, including (but not limited to):*

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<sup>1</sup> As defined within the Racing Industry Act 2020

- A. *The provision and maintenance of grounds, building and facilities where these are primarily used for race meetings;*
- B. *Stake money for any types of races;*
- C. *The provision and maintenance of on-course facilities for horses and greyhounds, trainers and jockeys/drivers;*
- D. *The creation, compilation, production or publication (whether itself or through third parties) of information (whether in printed or electronic form or in any other medium) about New Zealand race meetings and/or New Zealand races and/or animals or persons participating in the New Zealand racing industry;*
- E. *The operations, personnel and assets of, or allocated to, the Racing Integrity Board (as that term is defined in the Act) and any panel, committee or tribunal appointed by that Committee, or any other body established to perform all or some of the same similar functions as that board performed or to participate in the administration of the New Zealand racing judicial system; and*
- F. *Animal (Equine or Canine) Welfare Purposes*

*But excluding the following:*

- I. *Payments to race horse or greyhound owners and/or trainers; (excludes stake money and funds to Rehoming/Animal/ Welfare organisations).*
- II. *Payments to professional jockeys or drivers;*
- III. *Activities or expenses in connection with the breeding of racehorses or greyhounds*

## **TAB NZ Net Proceeds Committee**

TAB NZ has established a 'Net Proceeds Committee' (NPC), composed of at least three selected members of the Board of TAB New Zealand.

The NPC will meet at least quarterly to make decisions on the application of net proceeds under the 'Racing' Authorised Purposes.

### **General Information - 'Application' of Net Proceeds**

The NPC may decide to apply net proceeds, either to TAB NZ's own costs, on behalf of, or through Racing New Zealand or the Racing Codes (as defined in the Racing Industry Act 2020) to any such purpose that falls within the 'Racing' Authorised Purpose, including (but not limited to):

- *the costs supporting the integrity functions of the racing industry*

- *the costs of promoting ‘race meetings’ (for example, Trackside expenses, racing calendar publications or the promotion of a particular racing series e.g. ‘Summer Racing’);*
- *the provision of racecourse grounds, buildings and facilities (for example, racetrack surfaces, grandstands or marquees);*
- *the maintenance of such grounds, buildings and facilities;*
- *the payment of stakes;*
- *the provision of on-course facilities for horses and greyhounds, trainers and jockeys/drivers (for example, stables, kennels, trainers or jockeys rooms).*
- *the provision of animal welfare facilities or services including rehoming programmes.*

The definition of ‘Racing’ Authorised Purpose does **not** extend to:

- ***the costs of promoting betting only, rather than promoting race meetings (for example, the costs of advertising a new type of bet);***
- ***the purchase of alcohol, payment of bar staff or maintenance and provision of bar facilities at any racecourse;***
- ***payments, other than ‘Stake Money’ & ‘Animal Welfare Services’, to horse or greyhound owners or trainers;***
- ***payments to professional jockeys or drivers;***
- ***activities or expenses in connection with the breeding of racehorses or greyhounds;***
- ***naming rights (TAB NZ may pay the stakes for a race, itself or through the Code, but should not seek nor accept naming rights to the race).***

The NPC is free to choose between different applications of the net proceeds – it may decide to apply all available net proceeds to one purpose, or across a number of purposes.

If the NPC elects to apply the net proceeds through the Codes:

- it will specify how those net proceeds are to be applied, and the Code will be required to complete an attestation in that regard;
- the Committee may determine the proportion each Code will receive of any such net proceeds – importantly, the Committee is not bound by section 73 of the Racing Industry Act 2020.

We note that if the Net Proceeds Committee decides to apply net proceeds to TAB NZ’s own costs, there will not necessarily be an increase in TAB NZ’s surplus of a like amount. It could be, for example, that the Net Proceeds Committee decides to fund an item that was not previously included in the budget, or that other costs increase.