STATEMENT OF INTENT
& BUSINESS PLAN

2027-2029

HARNESS RACING NEW ZEALAND

HARNESS RACING
NEW ZEALAND

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HARNESS RACING NEW ZEALAND

HARNESS RACING NEW ZEALAND'S (HRNZ) PROVIDES THIS STATEMENT OF INTENT & BUSINESS PLAN FOR THE NEXT THREE RACING YEARS IN ACCORDANCE WITH THE RACING INDUSTRY ACT 2020.

This outlines HRNZ's strategies and plans for the next three years, with a focus on the 2026/27 racing year. It sets out the outcomes against which our sport can measure HRNZ's performance.

In accordance with the Act, HRNZ has consulted with racing clubs and kindred bodies on this Statement of Intent and Business Plan.

MESSAGE FROM THE CHAIR

Preserving the Core of Harness Racing

The 2026/27 season marks an important turning point for HRNZ.

Over the past two years the industry has invested heavily in strengthening racing, improving wagering performance, growing ownership, reinvigorating breeding and modernising the delivery of our sport.

Those investments have supported positive momentum across several areas of the industry, including participant engagement, ownership initiatives and the quality of the racing product, and in turn delivering consecutive years of wagering growth.

While further progress is still required, these initiatives have provided a stronger platform from which to respond to the current funding environment.

However, the funding landscape has changed significantly.

Following confirmation of funding from TABNZ, HRNZ has been required to reset its plans for the next three years. While we sought additional investment from TABNZ to continue the momentum built over recent seasons, that funding has not been made available, and as a result, difficult decisions have been necessary across every area of the organisation.

The Board's priority has been clear: preserve the core of the New Zealand Harness Racing industry while maintaining the long-term financial sustainability of both it and HRNZ as a business.

HRNZ will continue to strengthen financial management, operational efficiency, governance, reporting and accountability.

These improvements will ensure industry resources are used effectively, elevate HRNZ's capability to lead and participate in the proposed structural reforms of New Zealand racing, and help build a more sustainable and efficient industry for participants and stakeholders.

Rather than applying arbitrary reductions, every area of expenditure has been carefully reviewed to ensure the funding available delivers the greatest possible benefit to participants and the future of the industry.

- Preserving grassroots racing wherever possible
- Maintaining meaningful participation opportunities throughout New Zealand.
- Protecting the integrity and credibility of the national racing programme.
- Retaining recognised racing pathways from grassroots through to elite competition.
- Continuing targeted investment in initiatives that support the long-term future of the industry.
- Ensuring HRNZ operates within its financial means.

This approach has resulted in a revised

racing programme that continues to deliver a credible national calendar while reducing expenditure across stakes, racing initiatives, industry programmes and operating costs. Importantly, the industry retains many significant strengths.

Over the next three years HRNZ will continue to focus on:

- Maintaining a competitive and nationally balanced racing programme.
- Supporting breeding and ownership within the constraints of available resources.
- Delivering a financially sustainable organisation.
- Improving racing infrastructure through Project Stamina and other strategic initiatives.
- Working collaboratively with TABNZ, Entain, New Zealand Thoroughbred Racing (NZTR), clubs and industry stakeholders.
- Positioning harness racing to take advantage of future industry reform and opportunities arising from a dual equine racing environment.

The strategic priorities set in the 2026-28 Statement of Intent have been paused given the changed approach. This Statement of Intent reflects a period of financial discipline rather than reduced ambition.

Together we will preserve the core of our sport while continuing to build a sustainable future for New Zealand harness racing.

Grant Jarrold
CHAIR

OUR OBJECTIVES

HRNZ's statutory objective is set out in section 14 of the Racing Industry Act 2020 and is **"to develop and promote racing conducted by the code".**

HRNZ's constitutional objectives are to:

- control all harness racing conducted in New Zealand in accordance with the Constitution and the rules;
- promote and advance harness racing in all its forms in New Zealand;
- ensure that all requirements of the rules are observed, and complied with, by all persons and bodies to which they apply under rule 102(1) of the rules;
- consider and deal with all matters submitted to HRNZ in accordance with the Constitution and the rules; and
- comply with its obligations under the Racing Industry Act 2020.

OUR PURPOSE

To ignite the dream and harness the thrill – industry and fans.

OUR VISION

To be the fastest growing and most innovative racing code in Australasia – built to last.

OUR VALUES

WE DO AS WE SAY

Definition: Our intentions are clear and honest. We deliver on our promises.

Why: Our horses give their best in everything that they do. We owe it to them to do the same. We understand that integrity is built on a foundation of honesty, consistency and transparency and we lay that foundation every day in what we do.

WE STRIVE FOR IMPROVEMENT

Definition: We win or we learn and we take lessons from everything that we do.

Why: The next race is just around the corner. There is always a teachable moment, a lesson to be learned, and room for improvement. We commit to
a process of continual improvement.
This is the process we trust to ensure
we are better than before.

TOGETHER WE ARE MORE

Definition: Sharing a common purpose, a unified goal, we run together.

Why: We share the same passion, goals, and aspirations. We understand that everyone has unique strengths and diverse points of view. We embrace that which makes us different and know that together we can form any solution our customers and business partners may require.

OFFICIAL DOCUMENTS

CONSTITUTION

HRNZ's current Constitution is available on the HRNZ website HRNZ website. HRNZ's Constitution was last updated by racing clubs and kindred bodies on 1 November 2024, to reflect HRNZ's updated governance structure.

RULES & REGULATIONS

HRNZ's rules and regulations can be found on the HRNZ website.

STATEMENT OF ACCOUNTING POLICIES

HRNZ's financial statements are prepared in accordance with Generally Accepted Accounting Practice in New Zealand "NZ GAAP".

They comply with Tier 1 Public Benefit Entity Standards (PBE IPSAS), which are the New Zealand equivalents of the International Public Sector Accounting Standards (IPSAS) and other financial reporting standards as applicable for Tier 1 not-for-profit entities.

CORE FUNCTIONS

HRNZ will pursue its statutory objective under the Act of developing and promoting Harness Racing by carrying out its core functions.

These core functions include:

- Development and implementation of the rules of Harness Racing and liaison with the Racing Integrity Board on the enforcement of these rules.
- Registration of horses and licence holders within the sport.
- Development and management of the harness racing handicapping system, which designates the handicap or grade of horses in a race.
- Programming race meetings and key events.
- Active engagement with the other racing code (New Zealand Thoroughbred Racing) and with TAB NZ, Entain and Racing New Zealand to ensure the delivery of a quality racing product.
- Promotion of harness racing including the provision of marketing support to harness racing clubs.
- Distribution of all stakes to owners, trainers and drivers.
- Development and education of horse care and welfare initiatives.
- Development and maintenance of a comprehensive database of standardbreds and participants.
- Provision of education and training to our people employed in the sport and those who are interested in joining the sport.
- Supporting the clubs for race day delivery and operations.
- Monitor the performance and finances of harness racing clubs and venues, and their approach to managing risks to health and safety under the Health and Safety at Work Act 2015.
- Creation and maintenance of the Stud Book.

FOR THE YEAR ENDED 30 JUNE 2026

We programmed approximately **2,673 races** across **289 meetings** with **25,701 starts** for over **2,525 standardbreds** at **33** venues for **36** Clubs.

100%
of race meetings attended by the Horse Ambulance

There were over **133 Group** and Listed races run to showcase the sport.

$48.7 million
paid out in stakes

286
standardbreds received rehoming support

9,208
owners raced horses

72%
of funding received paid out in stakes*

*Excludes Entain 2YO bonus funding

1,102
foals microchipped

2,357
volunteers involved

95%
of funding received distributed to participants**

**Include stakes, club support, and industry initiatives

1,108
annual licenses renewed

1,677
active breeders

There were over **284 trial meetings** across **21 venues** for **22 clubs**

FINANCIAL AND PERFORMANCE

FINANCIAL COMMENTARY

The FY27 budget has been prepared on a prudent basis using only confirmed funding sources. The Board directed management to prepare a break-even or better FY27 budget without assuming additional TABNZ funding, industry reform benefits or other potential savings until those benefits have been confirmed and are capable of being delivered.

Rather than applying uniform reductions across the industry, HRNZ undertook a detailed review of every area of expenditure to determine where savings could be achieved while maintaining substantially the same racing outcomes wherever possible.

Key features of the FY27–FY29 financial plan include:

- Preservation of a credible national racing programme.
- Protection of grassroots racing wherever practicable.
- Targeted reductions to higher levels of stakes while maintaining recognised racing pathways.
- Scaled-back industry initiatives pending future funding.
- Reduced operating expenditure through efficiency measures.
- Prudent management of reserves and working capital.

Even within a constrained funding environment, HRNZ continues to direct the substantial majority of available funding back into the industry. 82.6% of total expenditure is allocated directly to stakes, clubs and race meeting funding, with 88.9% supporting participants through stakes, industry initiatives and club support. Administration and operating expenditure represents 11.1% of total expenditure.

The FY27 budget is forecast to achieve a small surplus operating result. The FY28 and FY29 forecasts reflect operating deficits arising primarily from indicated reduced funding from TABNZ in FY27, together with modest anticipated increases in stakes, club allowances and normal operating costs.

The FY27–FY29 financial forecasts do not assume additional TABNZ funding, implementation benefits arising from industry reform, or savings that have not yet been approved and delivered.

Risks and Dependencies

Delivery of this Statement of Intent is subject to several material dependencies, including:

- The timing and outcome of industry reform
- Participant response to funding changes
- Delivery of Project Stamina
- HRNZ's ability to maintain organisational capability while reducing expenditure

These matters will be actively monitored through Board reporting, financial forecasting, project governance and stakeholder communications.

Performance

Performance over the SOI period will be measured by HRNZ's ability to:

- Deliver a break-even or better FY27 financial result.
- Operate within Board-approved budgets while maintaining appropriate reserve levels
- Deliver the national racing programme within the approved funding envelope.
- Continue directing the majority of available funding to participants.
- Strengthen budget ownership, management reporting and organisational accountability
- Provide monthly reporting to the Board on financial performance, key risks, savings initiatives and strategic project delivery
- Maintain effective regulation, registration and horse welfare services.
- Deliver Project Stamina and other agreed strategic infrastructure initiatives.
- Ensure clear, timely and transparent communication regarding material industry changes.
- Actively participate in industry reform workstreams.

	NOTES	ACTUAL 2025	FORECAST 2026	BUDGET 2027	SOI 2028	SOI 2029
Revenue						
Funding Revenue from TABNZ, Entain, and Other	1	60.27	64.91	58.53	55.10	58.59
HRNZ Revenue		2.34	2.41	2.13	2.17	2.22
Total Revenue		**62.61**	**67.32**	**60.66**	**57.28**	**60.80**
Funding Expenses						
Stakes Funding	2	45.30	45.76	42.50	41.88	43.35
Club and Meeting Funding	2	8.42	8.77	7.81	7.88	7.96
Club & Kindred Body Support		1.30	1.23	1.07	1.07	1.07
Total Funding Expenses		**55.02**	**55.76**	**51.37**	**50.84**	**52.38**
Industry Initiatives	3	2.30	3.62	2.49	2.35	2.60
Administration and Operations Expenses	4	6.55	8.05	6.61	6.74	6.98
Total Expenses		**63.87**	**67.44**	**60.48**	**59.92**	**61.96**
Surplus / (Deficit) from Normal Activities	5	**-1.26**	**-0.11**	**0.18**	**-2.64**	**-1.15**
Gain on Sale of Surplus Venues		0.00	0.00	0.00	0.00	0.00
Cost of Venue transition		0.00	0.00	0.00	0.00	0.00
Surplus/(Deficit)		**-1.26**	**-0.11**	**0.18**	**-2.64**	**-1.15**
Equity position as at 31 July						
Accumulated Funds		0.62	1.41	1.41	1.41	1.41
General Reserve		3.00	3.00	3.00	3.00	3.00
Capital and Other Projects Reserve		1.57	1.57	1.57	1.57	1.57
Funding Working Capital		10.55	9.41	9.24	6.23	4.70
Surplus Venues Reserve		12.83	13.07	13.42	13.78	14.15
Total Equity		**28.56**	**28.45**	**28.63**	**25.99**	**24.84**
Split of Expenses						
Stakes Funding		70.9%	67.9%	70.3%	69.9%	70.0%
Club and Meeting Funding		13.2%	13.0%	12.9%	13.2%	12.9%
Total Funding Expenses		**84.1%**	**80.9%**	**83.2%**	**83.1%**	**82.8%**
Other Club and Kindred Body Support		2.0%	1.8%	1.8%	1.8%	1.7%
Industry Initiatives		3.6%	5.4%	4.1%	3.9%	4.2%
Total Industry Expenses		**89.7%**	**88.1%**	**89.1%**	**88.8%**	**88.7%**
Administration and Operations Expenses		10.3%	11.9%	10.9%	11.2%	11.3%
Total Expenses		**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Stakes Funding to Funding Revenue		**75.2%**	**70.5%**	**72.6%**	**76.0%**	**74.0%**
Total Industry Expenses to Funding Revenue		**95.1%**	**91.5%**	**92.0%**	**96.5%**	**93.8%**

Notes:

1. *TAB NZ SOI confirms funding to the Equine Codes: FY27 $159.0m, FY28 $156.0m, FY29 $167.3m.*
2. *The reduction in TABNZ funding and HRNZ's expectation of a balanced budget has resulted in a reduction in stakes and club support*
3. *Current industry initiatives span breeding, horse welfare, racing, ownership, OnTrack and infrastructure.*
4. *HRNZ has reduced operating expenses in line with reduced funding from TABNZ.*
5. *Deficit budget over the two years FY28-FY29 due to reduced funding from TAB and expenses increasing in line with CPI.*

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