

Strategy for the future of the Racing Association



RACING
ASSOCIATION

What determines Stakes



- Primary sources of revenue:
 - Tote turnover
 - PHM dividends
 - PHM Bookmaker profits
 - Government taxes
- Primary sources of costs:
 - Kenilworth Racing
 - Jockey's medical aid and insurance
 - Horse transport costs
- Role of RA





National Comparison : Stakes and Race Meetings										
	KwaZulu-Natal		Western Cape		Highveld		EC		NC	
	Stakes	Meetings	Stakes	Meetings	Stakes	Meetings	Stakes	Meetings	Stakes	Meetings
2007-2008	R 79,657,010	120	R 56,261,160	94	R 102,179,075	125	R 29,558,875	70	R 11,078,500	37
2008-2009	R 80,818,000	116	R 58,654,000	92	R 113,486,225	140	R 32,062,000	68	R 13,042,000	36
	1%	-3%	4%	-2%	11%	12%	8%	-3%	18%	-3%
2009-2010	R 81,390,250	107	R 58,424,430	87	R 117,065,500	148	R 33,876,500	68	R 13,166,000	36
	1%	-8%	0%	-5%	3%	6%	6%	0%	1%	0%
2010-2011	R 73,337,465	109	R 56,855,179	87	R 116,096,000	149	R 33,076,500	69	R 13,180,000	36
	-10%	2%	-3%	0%	-1%	1%	-2%	1%	0%	0%
2011-2012	R 73,417,785	106	R 53,892,270	86	R 118,893,625	148	R 32,553,000	68	R 14,325,000	36
	0%	-3%	-5%	-1%	2%	-1%	-2%	-1%	9%	0%
2012-2013	R 84,912,075	99	R 54,343,070	81	R 126,626,000	146	R 34,478,000	66	R 14,143,000	34
	16%	-7%	1%	-6%	7%	-1%	6%	-3%	-1%	-6%
2013-2014	R 95,254,750	100	R 61,436,675	78	R 133,769,000	144	R 37,644,000	67	R 14,886,450	34
	12%	1%	13%	-4%	6%	-1%	9%	2%	5%	0%
2014-2015	R 95,839,950	110	R 69,419,000	84	R 140,218,500	144	R 40,867,000	71	R 14,786,000	34
	1%	10%	13%	8%	5%	0%	9%	6%	-1%	0%
2015-2016	R 112,346,000	122	R 68,795,000	83	R 145,449,500	147	R 42,419,000	72	R 15,002,000	33
	17%	11%	-1%	-1%	4%	2%	4%	1%	1%	-3%
2016-2017	R 110,645,775	115	R 92,149,275	84	R 148,861,400	147	R 44,459,000	71	R 16,785,775	33
	-1.5%	-6%	33.9%	1%	2.3%	0%	4.8%	-1%	11.9%	0%
2017-2018	R 110,817,413	106	R 88,844,000	82	R 148,621,910	139	R 45,007,000	69	R 18,391,000	35
	0.2%	-8%	-3.6%	-2%	-0.2%	-5%	1.2%	-3%	9.6%	6%
2018-2019	R 114,520,875	109	R 83,610,450	74	R 151,697,950	139	R 47,751,000	72	R 17,949,000	34
	3.3%	3%	-5.9%	-10%	2.1%	0%	6.1%	4%	-2.4%	-3%
2019-2020	R 109,848,000	106	R 74,561,000	76	R 131,809,750	136	R 41,468,000	72	R 16,255,000	37
BUDGET	-4.1%	-3%	-10.8%	3%	-13.1%	-2%	-13.2%	0%	-9.4%	9%

Proposed Changes to Stakes



- Negotiation with PHM
 - Sponsorship allocation to Stakes
 - Improve Stakes Agreement
- Review decision to pay stakes down to 10th
- Review distribution of Stakes:
 - National Program
 - Seasonal Stakes



State of the Nation



- National Unity
 - Re-organize racing under single banner
 - Review current structures
- Cashflow crisis
 - Industry Asset Rich – Cashflow poor
 - Cashflow deteriorating
 - Funding model for racing needs urgent review
 - Balance Sheet of racing needs to be more productive
 - Stakes reducing
- Stakeholder relationships
 - Government - Taxes
 - Bookmakers - Open Bet



Mission 2020

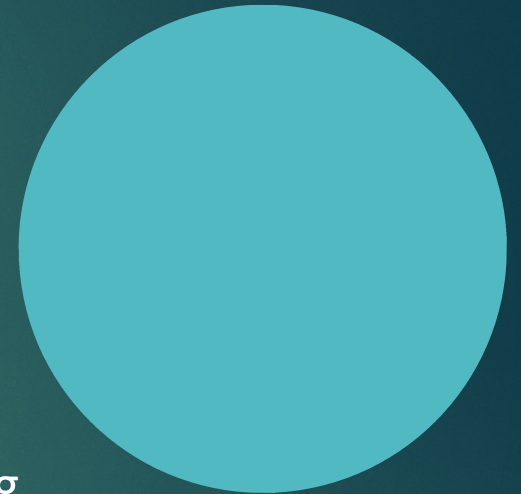


*To protect and advance the interests of all owners, while
ensuring an excellent racehorse ownership experience and
playing a leading role in the inevitable restructure,
transformation and re-capitalization of the horseracing
industry*

Focus 2020



1. Protect and Advance
2. Ownership Experience
3. Stakeholder relationships
4. Transparency, Communication and Resourcing



Focus 2020 – Protect and Advance



- Responsible committee – Finance/Risk
- Responsible directors - C Savage (Chair), W Smith, M Leaf, M Sambo
- Review strategy, funding, governance, management, and organizational structures of:
 - RA
 - The Racing Trust
 - PHM (indirectly 29%)
 - KR (indirectly 100%)
 - GC
 - Randjesfontein (directly 100%)
- Create efficiencies in decision making
- Increase clarity on responsibility and accountability
- Work with PHM to increase tote revenue through industry cooperation



Focus 2020 – Ownership Experience



- Responsible committee – Sales / Marketing / Racing Operations
- Responsible directors - B Riley (Chair), M De Kock, M Leaf, C Savage, W Smith, G Paddock, M Sambo, J Lamola
- Establishment of national ownership body, tiered levels of membership and benefits:
 - Gold Circle
 - RA existing regions
- Review and Revamp of RA Benefits
- Overall Improvement of Raceday Experience for Owners
- Stakes / Programming

Focus 2020 - Stakeholder Relationships



- Responsible committee – Transformation / Social / Ethics
- Responsible directors - M Leaf (Chair), M De Kock, B Riley, J Lamola
- Key stakeholders focus 2020:
 - Government – play pivotal role in creating and fostering stronger Government and Gambling Board relationships
 - Bookmakers – win back the Open Bet
 - NHA – work together to improve ownership experience
 - Grooms
 - Trainers
 - Industry bodies, including TBA, SAEHP, SAJA

Focus 2020 – RA Operations



- Responsible committee – National Board
- Improved transparency and communication
 - Technology
- “Right-size” and organizational structure to support Focus 2020
- Invest in partner initiatives aligned with Focus 2020





Questions





Thank you

