



**INDUSTRY
BREEDING REPORT
MAY 2017**

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1. Introduction

The NSW Standardbred Breeding Industry and for that matter the Australasian Standardbred Breeding Industry has been in decline for the past three decades. A similar situation exists in the thoroughbred industry. This is a world-wide problem.

There has been a significant drop in the number of foals born, particularly in the last decade.

This has come about due to a number of factors, which have been consistent over the last five (5) breeding seasons:

- a) Breeders are predominately older persons with disposable income
- b) The majority of breeders are in the older quartile and they are not being replaced by younger breeders. Natural attrition takes a toll on numbers.
- c) The cost of living means that it is difficult for parents with children to afford the costs associated with breeding horses, therefore there are next to nil breeders to replace those that are lost
- d) There are fewer stud/agistment farms operating to put downward pressure on agistment fees, meaning that the cost of agisting horses becomes more expensive.
- e) The use of stallion and mare matings in the paddock (by rural participants) has virtually stopped.
- f) There is a genuine feeling that the best sires dominate racing and that if you do not patronise them you cannot compete. Accordingly breeders are either having one mare served as opposed to two or three or they are not breeding at all.

Despite the above negatives, there is no doubt that the quality of the Standardbred in Australasia has improved dramatically over the past decade with the widespread use of semen transport and artificial insemination. This has allowed breeders to have their mare(s) served by the stallion of their choice regardless of the stallion's physical location.

This was proven by the percentage of 2YO and 3YO horses that made it to the races in the period 2009/10 to 2013/14. However in 2014/15 and 2015/16 there has been a decline in the percentage of foals to starters.

Furthermore, the number of races conducted annually for 2YO's had remained consistent over a long period (between 250 and 300). Unfortunately in 2014/15 there were less than 200 2YO races conducted for the first time, while it increased in 2015/16, there were still only 204 conducted.

Of significance, in the current breeding season (2016/17) there was a year on year increase in the number of mares served in NSW. This is a positive in what has been a consistent declining trend.

The following Breeding Report provides statistical information over a number of breeding seasons. It covers the following topics:

- mares served in NSW, foals born in NSW
- foals born in Australia & New Zealand
- the number of stallions standing in NSW and their total services
- the HRNSW Stallion Incentive Scheme
- the HRNSW Colonial Stallion Bonus
- the percentage of Foals offered at sales
- Breeders Challenge nominations and horses sustained
- how recipients of Breeders Challenge Owners Bonus Scheme Certificates are redeeming the Certificates
- the age of horses when they are winning Owners Bonus Certificates
- the number and value of Foal Nominators Bonuses and the value of the Group 1 Foal Nominators bonus per annum
- a summary of NSW registered foals and the percentage of 2YO's and 3YO's making it to the track; and
- a summary of all NSW race series, schemes and initiatives.



2. Total Services

The following tables show the number and percentage of services to mares served over the past five (5) Breeding Seasons and how those mares were served (in NSW):

Season	ST to NSW	ST within NSW by NSW Sire	AI	Hand	Paddock	NSW TOTAL	Year on Year %	AUS TOTAL	NZ TOTAL
2012/13	1,089	233	369	214	39	1,944		6,263	3,226
2013/14	838	348	335	250	35	1,806	(7.1%)	6,013	3,036
2014/15 #	930	368	293	144	27	1,762	(2.4%)	5,857	2,821
2015/16	1,062	184	238	130	20	1,634	(7.3%)	5,618	2,670
2016/17 ^	1,240	138	188	149	21	1,736	6.2%	5,394	2,702
Variance %	13.9%	(40.8%)	(49.1%)	(30.1%)	(46.2%)	(10.7%)	(10.7%)	(13.9%)	(16.2%)

NSW Breeders Challenge Owners Bonus Certificates increase from \$2,500 to \$3,000.

^ True Blue bonus for 100% NSW Bred horses announced.

Variance is last reported season against 2012/13.

Season	ST to NSW	ST within NSW by NSW Sire	AI	Hand	Paddock	TOTAL
2012/13	56%	12%	19%	11%	2%	100%
2013/14	46%	19%	19%	14%	2%	100%
2014/15	53%	21%	16%	8%	2%	100%
2015/16	66%	11%	14%	8%	1%	100%
2016/17	71%	8%	11%	9%	1%	100%

ST to NSW means semen transported from another state or country to be inseminated into a NSW based mare

ST to NSW by NSW Sire means semen transported from a NSW based sire to be inseminated into a NSW based mare

AI means semen artificially inseminated into a mare from a sire standing at the same property

Hand means the mare is naturally served by a sire under the supervision of a handler

Paddock means the mare and sire are placed in a paddock to naturally mate under no supervision

3. Foals Born in NSW

The following table shows the number of foals born in NSW over the past five (5) Breeding Seasons and where the foals were born:

Foals born	Region								
	Hunter	Far West	Goulburn/Menangle	North West	South Coast	Riverina	Metro	Western Districts	Total
2012/13	135	0	47	49	64	439	115	511	1,360
2013/14	121	1	42	46	69	450	91	512	1,332
2014/15 #	137	0	40	38	54	382	81	431	1,163
2015/16	135	0	36	38	61	379	61	433	1,143
2016/17	116	0	59	44	65	329	45	344	1,004
Total	644	1	224	215	313	1,979	393	2,231	6,002
% of Total	10.7%	0.1%	3.7%	3.6%	5.2%	33.0%	6.5%	37.2%	100%
Variance % +	(14.1%)	(0.0%)	25.5%	(10.2%)	1.6%	(25.1%)	(60.9%)	(32.7%)	(26.2%)

NSW Breeders Challenge Owners Bonus Certificates increase from \$2,500 to \$3,000.

+ Variance is foals born in 2016/17 against foals born in 2012/13



The following table shows the percentage of foals born against mares served.

Season of Service	Total Services	Mares Served	Mares served by more than one (1) Stallion	Foals Born Next Season	Foals Born/ Mares Served %
2011/12	2,135	2,031	104	1,360	66.9%
2012/13	1,944	1,872	72	1,332	71.2%
2013/14	1,806	1,715	91	1,163	67.8%
2014/15 #	1,762	1,699	63	1,143	67.3%
2015/16	1,634	1,560	74	1,004	64.4%
AVERAGE	1,856	1,775	81	1,200	67.6%

NSW Breeders Challenge Owners Bonus Certificates increase from \$2,500 to \$3,000.

Comment

The Western Districts and Riverina have accounted for 70.2% of all foals born in the last five (5) breeding seasons. Their role in the breeding industry in NSW is critical.

Both Regions foal numbers were highest in the period 2012/13 to 2013/14. Since the foals born in the Western Districts have dropped by close to 170 foals and in the South West & Riverina by close to 120 foals (290 foals in total per season – approx. 30%).

The Hunter and North West peaked at 184 foals, this figure has declined to 160 (approx. 13%) this year.

The Goulburn & Menangle, South Coast and Metro Regions have fluctuated year on year and as a group they are predominately in decline.

The number of live foals to services has been quite consistent at 66-71% (averaging 67.6%), however this figure has dropped to 64.4% in 2015/16, which is a concern given the improvements in veterinary reproduction practices in modern times.



4. Foals Born in Australia & NZ

2016/17 Foals Notified in Australia as at 8 May 2017.

Season of Foaling	All Foals	Alive Foals	Deceased Foals	Alive Foal %	Alive Foal Population %
NSW	1,040	1,029	11	98.9%	30.2%
VIC	1,486	1,473	13	99.1%	43.2%
WA	413	410	3	99.3%	12.0%
QLD	296	291	5	98.3%	8.5%
SA	109	106	3	97.2%	3.1%
TAS	99	98	1	99.0%	2.9%
TOTAL	3,443	3,407	36	98.9%	100%

Alive Foals Notified (5 year comparison)

State	2012/13	2013/14	2014/15	2015/16	2016/17	Var since 2012/13 (Total)	Var since 2012/13 (%)
NSW	1,312	1,238	1,148	1,123	1,029	(283)	(21.6%)
VIC	1,956	1,811	1,620	1,500	1,473	(483)	(24.7%)
WA	461	453	426	419	410	(51)	(11.1%)
QLD	455	352	324	352	291	(164)	(36.0%)
SA	138	163	134	126	106	(32)	(23.2%)
TAS	199	169	137	123	98	(101)	(50.7%)
AUS	4,521	4,186	3,789	3,643	3,407	(1,114)	(24.6%)
NZ	2,346	2,287	2,200	2,003	1,810	(536)	(22.8%)

Variances based on 2012/13 foal numbers.

Comment

NSW has increased the Alive Foal Population percentage of all Foals born in Australia from 29.0% in 2012/13 to 30.2% in 2016/17.

NSW and VIC have provided 73.4% of Alive Foals born in Australia in 2016/17; this is up from 72.3% in 2012/13.

Over the last five (5) seasons NSW has performed second best having dropped the second lowest percentage of Alive Foals (21.6%), *behind WA at 11.1%, whose percentage while low is off a small foal crop.* This is against a total drop of 24.6% nation-wide.

While there is no evidence to support this view, it could be suggested that the NSW trends can be attributed to the Breeding Incentives implemented by HRNSW.

However the loss of 283 Alive Foals in NSW over the last five (5) seasons is a concerning trend.

If the current trends continue it is inevitable that there will be a time in the foreseeable future where race date allocations will need to be tailored to meet the diminishing demands posed by the horse population.



5. Stallions

The following table shows the number of stallions registered in NSW, the number of stallions standing in NSW and the number of Studs that stood stallions in NSW over the past five (5) seasons.

Season	Stallions Registered in NSW	Stallions Standing in NSW	Studs (Stood Stallion in NSW)
2012/13	55	50	34
2013/14	59	53	35
2014/15 +	57	42	25
2015/16	40	36	23
2016/17	41	35	29

+ Colonial Stallion Bonus commenced

The following table shows the services by NSW registered stallions over the past five (5) seasons.

Season	Services by NSW Stallions		Foals by NSW Stallions	
	Standing in NSW (Stallion Incentive Scheme Cost)	International Registered by HRNSW	Standing in NSW	International Registered thru NSW
2012/13	1,233 (\$80,000)	253	734	110
2013/14 *	1,439 (\$55,000)	72	906	44
2014/15 ^ +	1,360 (\$69,750)	260	854	126
2015/16 #	837 (\$38,000)	65	546	35
2016/17	546 (\$60,000)	175		

* Woodlands Stud no longer registered through HRNSW due to the \$750 Sire Registration Fee

^ Nevele R Stud registered through HRNSW

+ Colonial Stallion Bonus commenced

Nevele R Stud no longer registered through HRNSW due to the \$750 Sire Registration Fee

USA FASTEST PACER OF THE YEAR WARRAWEE NEEDY STANDS AT YIRRIBEE PACING STUD



Comment

The number of stallions standing in NSW has decreased over the past five (5) breeding seasons and services by stallions standing in NSW have steadily decreased.

Pepper Tree Farm discontinued standing stallions in 2016/17. Their roster had been world class and from a peak of 1,439 services to NSW domiciled stallions in 2013/14 there were only 546 services to NSW domiciled stallions in 2016/17 (a 62% decrease).

This is of concern with respect to the NSW Breeders Challenge Blue Series. Due to the trend of Services to NSW domiciled stallions there will be a minimal pool of horses eligible to compete in the Series from 2018/19 (current weanlings) and the number of foals to be born in 2017/18 will be low.

As a guide the number of Blue eligible and sustained starters for the 2015/16 and 2016/17 racing seasons is as follows:

2YO'S	Blue Eligible & Sustained Starters		Blue Eligible & Sustained Total		Blue Starters/ Eligible & Sustained %	
	2015/16	2016/17*	2015/16	2016/17*	2015/16	2016/17*
C & G	40	31	131	171	30.5%	18.1%
Fillies	34	34	159	176	21.4%	19.3%
TOTAL	74	65	290	347	25.5%	18.7%

3YO'S	Blue Eligible & Sustained Starters		Blue Eligible & Sustained Total		Blue Starters/ Eligible & Sustained %	
	2015/16	2016/17*	2015/16	2016/17*	2015/16	2016/17*
C & G	93	60	176	137	52.8%	43.8%
Fillies	65	57	154	159	42.2%	35.8%
TOTAL	158	117	330	296	47.9%	39.5%

* As at 11 May 2017.

FRANCO STORM – 2YO NSW BREEDERS CHALLENGE BLUE FINAL WINNER



6. Stallion Incentive Scheme

HRNSW introduced the Stallion Incentive Scheme in 2009/10. It was introduced to encourage owners of highly credentialed stallions to stand them in NSW by offering an advertising subsidy which provides coverage on Trots TV, in the e- Gazette, HRNSW website and in the National Trotguide.

The amount of subsidy for each individual Stallion is based on criteria which were developed in consultation with Harness Breeders NSW (HBNSW).

To be eligible Stallions must stand for a minimum of \$2,000 (ex GST). HRNSW will monitor the discounts offered by Studs which bring the advertised Stallion Fee below the minimum of \$2,000 to ascertain whether the discounts are in the spirit of the Stallion Incentive Terms and Conditions.

The full incentive is paid to Studs the first year the Stallion stands in NSW and the subsidy is matched dollar for dollar in the second year (i.e. a Stallion receives an incentive of \$15,000 the first year, HRNSW and the Stud will contribute \$7,500 in the second year).

The stallions, studs, subsidy incentives and stallion services for the past 5 years are as follows:

2012/13 (shaded is second season sire) – Total Incentive Cost \$80,000

Stallion	Stud	Services	
Roll With Joe USA	Pepper Tree Farm	127	
Mr Feelgood USA	Yirribee Pacing Stud (Alabar)	101	
For A Reason	Yirribee Pacing Stud	45	
Righteous Hanover USA	Rossvale Stud	13	
JR Mint USA	Lonsvale Stud	26	
Rock N Roll Heaven USA	Pepper Tree Farm	186	
Parsons Den USA	Lonsvale Stud	8	
Mister Swinger	Rosswood Stud	12	
TOTAL NSW SERVICES	1,233	518	42%

2013/14 (shaded is second season sire) – Total Incentive Cost \$55,000

Stallion	Stud	Services	
Lanercost NZ	Yirribee Pacing Stud	37	
Lombo Pocket Watch	Yirribee Pacing Stud	18	
Armbro Operative USA	Yirribee Pacing Stud	27	
Roll With Joe USA	Pepper Tree Farm	124	
Mr Feelgood USA	Yirribee Pacing Stud (Alabar)	127	
Righteous Hanover USA	Rossvale Stud	9	
JR Mint USA	Lonsvale Stud	22	
TOTAL NSW SERVICES	1,439	364	25%

2014/15 # (shaded is second season sire) – Total Incentive Cost \$69,750

Stallion	Stud	Services	
Caribbean Blaster ^	Yirribee Pacing Stud	110	
Pet Rock USA	Yirribee Pacing Stud	157	
Shoobees Place USA	Lochend Stud	38	
Major In Art USA	Medowie Lodge	28	
Christian Fire NZ	Rosswood Stud	6	
Gomeo Romeo NZ ^	Rosswood Stud	3	
Lombo Pocket Watch ^	Yirribee Pacing Stud	22	
TOTAL NSW SERVICES	1,360	364	26%

Colonial Stallion Bonus commenced

^ Colonial Stallion Bonus eligible



2015/16 (shaded is second season sire) – Total Incentive Cost \$38,000

Stallion	Stud	Services	
Fly Like An Eagle NZ ^	Yirribee Pacing Stud	50	
Caribbean Blaster ^	Yirribee Pacing Stud	67	
Shoobees Place USA	Lochend Stud	19	
Major In Art USA	Medowie Lodge	19	
TOTAL NSW SERVICES	837	155	18%

^ Colonial Stallion Bonus eligible

2016/17 (shaded is second season sire) – Total Incentive Cost \$60,000

Stallion	Stud	Services	
For A Reason ^	Yirribee Pacing Stud	132	
Warrawee Needy USA	Yirribee Pacing Stud	63	
Smiling Shard NZ ^	Medowie Lodge	32	
Sebastian K SWE	Select Genetics	19	
Fly Like An Eagle NZ ^	Yirribee Pacing Stud	29	
TOTAL NSW SERVICES	546	275	50%

^ Colonial Stallion Bonus eligible

Comment

In the last five (5) breeding seasons the highest number of services to Stallion Incentive Scheme eligible stallions was 518 (2012/13). This crop of stallions included Roll With Joe, Mr Feelgood and Rock N Roll Heaven.

There was a sharp decline in 2015/16 where for the first time no Stallion Incentive Scheme Stallion served in excess of 100 mares in the season.

However, in 2016/17 For A Reason served 132 mares and 50% of all services to NSW domiciled stallions were by Stallion Incentive Scheme eligible stallions, proving that breeders are willing to breed to new stallions introduced by Studmasters into NSW.

7. Colonial Stallion Bonus

HRNSW introduced the Colonial Stallion Bonus in the 2014/15 Breeding Season. It was initiated to provide well performed and bred Australasian horses (Colonial Stallions) the opportunity to attract strong books of mares and to provide breeders with an incentive to send their mares to such Stallions.

There has been a negative bias by Breeders to using Colonial Stallions over recent years. However, with better tracks producing quick times it is clear that Colonial Stallions are as good as the imported horses.

Colonial Stallion Bonus

Upon the birth and registration of a live foal, the foal nominators of progeny by the following Stallions are eligible to claim the \$500 Colonial Stallion Bonus rebate:

- a) In the breeding season of conception the Stallion must have physically and exclusively stood at a HRNSW registered stud located in NSW.
- b) The stallion must have been bred in Australasia.
- c) The stallion must have won a Group 1 race.
- d) The sire of the stallion must have won a Group 1 or equivalent race.
- e) In the breeding season of conception the stallion must have been nominated for the NSW Breeders Challenge.

The inclusion of an eligible stallion commences from the inaugural year physically standing at a HRNSW registered stud in NSW and ceases six (6) years thereafter (For example 2014/15 to 2019/20).

- a) If a stallion returns to racing or stands at an interstate Stud, but then returns to Stud in NSW, the Colonial Stallion Bonus rebate will still cease six (6) years after the first season standing at a HRNSW registered stud in NSW.

The registered foal rebate for the first three (3) year term (For example 2014/15 to 2016/17) will be \$500 per live and registered foal irrespective of the ownership (mares owned by the stud, stallion owner or non-associated persons)

The registered foal rebate for the second three (3) year term (For example 2017/18 to 2019/20) will be \$500 per live and registered foal based on a one (1) for one (1) application. *That is for every one (1) application received from a foal nominator who is not an associate or related party to the stud or the stallion owner, the stud or stallion owner will be able to claim one (1) rebate.*

Each breeding season HRNSW will advise via Official Notice the stallions eligible for the Colonial Stallion Bonus.

Foal nominators may use the \$500 to offset NSW Breeders Challenge fees at the time of Foal Notification.

The number of services and live foals for the 2014/15 season was as follows:

Stallion	2014/15 Services	2015/16 Live Foals
Caribbean Blaster	110	62 (56%)
Flightpath	9	8 (89%)
Lombo Pocket Watch	22	17 (77%)
Mister Swinger	7	7 (100%)
Robin Hood	16	8 (50%)
Sir Galvinator	7	5 (71%)
The Warp Drive	25	9 (36%)
TOTAL	196	116 (59%)

There were 1,360 services by Stallions that stood in NSW in 2014/15. The Colonial Stallion Bonus equated to 14% of total services.

The number of services and live foals for the 2015/16 season was as follows:

Stallion	2015/16 Services	2016/17 Live Foals
Caribbean Blaster	67	43 (64%)
Fly Like An Eagle NZ	50	36 (72%)
Lombo Pocket Watch	18	13 (72%)
Maffioso	28	19 (67%)
Mister Swinger	9	8 (89%)
Robin Hood	8	5 (63%)
Soho Valencia	13	9 (69%)
TOTAL	193	133 (69%)

There were 837 services by Stallions that stood in NSW in 2015/16. The Colonial Stallion Bonus equated to 23% of total services.

The number of services for the 2016/17 season is as follows:

Stallion	2016/17 Services
Caribbean Blaster	66
Fly Like An Eagle NZ	29
For A Reason	132
Lombo Pocket Watch	20
Maffioso	27
Mister Swinger	3
Robin Hood	1
Sir Galvinator	10
Soho Valencia	16
Smiling Shard NZ	32
TOTAL	336

There were 546 services by Stallions that stood in NSW in 2016/17. The Colonial Stallion Bonus equated to **62%** of total services.

The Colonial Stallion Bonus Scheme is proving to be popular with Australian Breeders. This is demonstrated by 62% of all services to NSW domiciled stallions in the 2016/17 breeding season being by former Australasian Group 1 performers that stood in the state.

Multiple Group 1 winner and Colonial Stallion Bonus Sire - For A Reason



Multiple Group 1 winner and Colonial Stallion Bonus Sire – Caribbean Blaster



8. Foals Offered at Sales

The table below shows the number of live foals notified to NSW and the number of horses offered for sale at NSW based yearling sales – it aims to give an indication of the percentage of breeders that breed to sell against breeders who breed to race.

Foaled	Foals notified to NSW	Yearlings offered at NSW Sales	% offered at NSW Sales
2010/11	1,405	335	23.8%
2011/12	1,402	355	25.3%
2012/13	1,312	404	30.8%
2013/14	1,238	329	26.6%
2014/15	1,148	336	29.3%
TOTAL	6,505	1,759	27.0%

On average over the last five (5) years 27.0% of live foals notified to NSW have been offered at NSW sales.

These numbers are only a guide as horses that are notified to NSW may be sold in Victoria and vice versa.

2017 Australian Pacing Gold – Sydney Sale Top Lot (Bettors Delight x Lady Euthenia)
Sold for an Australian record \$245,000
Sold by Peter Lewis through Brooklyn Lodge
Purchased by Maxfield Standardbreds



The table below provides statistical information concerning the Australian Pacing Gold Sales focusing on NSW Breeders Challenge Eligible Yearlings, NSW Vendors and NSW Buyers.

APG Sale Review	2015	2016	2017	Var	Var	Var	Var
				2017/2015 #	2017/2016 #	2017/2015 %	2017/2016 %
Yearlings offered at NSW Sale	180	189	184	4	(5)	2.2%	(2.6%)
NSWBC Eligible Yearlings offered at NSW Sale	163	178	174	11	(4)	6.7%	(2.2%)
VIC Branded Yearlings at NSW Sale	28	21	9	(19)	(12)	(67.9%)	(57.1%)
Other Branded Yearlings at NSW Sale	2	2	2	0	0	0.0%	0.0%
Yearlings Passed In at NSW Sale	29	31	36	7	5	24.1%	16.1%
Yearlings purchased by NSW Buyers at NSW Sale	77	95	94	17	(1)	22.1%	(1.1%)
Yearlings purchased by Interstate/Overseas Buyers at NSW Sale	74	63	54	(20)	(9)	(27.0%)	(14.3%)
Yearlings offered by NSW Vendors at VIC Sale	16	11	18	2	7	12.5%	63.6%
Yearlings purchased by NSW Buyers at VIC Sale	17	21	23	6	2	35.3%	9.5%
Yearlings offered by NSW Vendors at QLD Sale	6	2	2	(4)	0	(66.7%)	0.0%
Yearlings purchased by NSW Buyers at QLD Sale	7	6	8	1	2	14.3%	33.3%

Of note:

- In 2017 there was a sharp decrease in Non-NSW branded horses being entered into the Sydney sale.
- The number of horses Passed In at the NSW sale has increased each year.
- Compared to 2015, there was a large increase in NSW Buyers purchasing horses at the NSW sale in 2016 & 2017, hence there has been a decrease of interstate and overseas buyers in the same period.
- NSW Buyers have consistently purchased more horses at the VIC and QLD sales compared to the number of Yearlings offered by NSW Vendors at those sales (*more horses into the state than out of the state*).

**2017 Australian Pacing Gold 2YO Colts & Geldings Winner - Lumineer
Bred and Foaled at Pepper Tree Farm, Cowra, NSW**



9. Breeders Challenge Nominations

The following table provides the number of eligible horses for the NSW Breeders Challenge and the number and percentage sustained for each Series.

Series	Foaled	Live Foals notified to NSW	Foal Nominations	Eligible Horses	2YOs Sustained	% Sustained	3YOs Sustained	% Sustained
1	2005/06	1,713	N/A	1,713	771	45%	N/A	N/A
2	2006/07	1,617	N/A	1,617	842	52%	N/A	N/A
3	2007/08	1,220	N/A	1,220	709	58%	N/A	N/A
4	2008/09	1,174	N/A	1,174	858	73%	598	51%
5	2009/10	1,226	94	1,320	784	59%	584	44%
6	2010/11	1,405	90	1,495	811	54%	580	39%
7 ^	2011/12	1,402	97	1,499	818	55%	759	51%
8	2012/13	1,312	115	1,427	898	63%	721	51%
9	2013/14	1,238	143	1,381	760	55%	809	59%
10 #	2014/15	1,148	118	1,266	801	63%		
11	2015/16	1,143	174	1,317				
12 *	2016/17	1,045	50	1,095				

There was an Equine Influenza outbreak in 2007, the effects were felt for three (3) seasons.

^ Nominators Bonus (\$3,000 cash) announced to commence for foals born in 2011/12 and NSW Breeders Challenge Owners Bonus Certificates increase from \$2,000 to \$2,500.

NSW Breeders Challenge Owners Bonus Certificates increase from \$2,500 to \$3,000.

** Series 12 Foal Nominations are not due until 31 August 2017.*

Comment

The NSW Breeders Challenge eligibility conditions have changed over the years. Up to Series 3 sustainability was based on one payment, with the take up rate averaging 51%.

There was a high take up of 2YO's for Series 4 with 73% or 858 individual horses, while the percentage of horses sustaining for subsequent Series' has dropped. The number of horses paying up had hovered around the consistent range of 800 horses. However, this has been due to stronger foal crops.

The first sign of a decrease in sustained 2YO was evident for 2013/14 foals (current 3YO's) where there were only 760 (55%) of horses sustained, though this trend quickly turned around this year where there were 801 pay ups at 63%.

Interestingly there was a higher percentage of 2013/14 foals sustain as 3YO's compared to as 2YO's, this is the first time this has happened as normally there is an attrition of sustained horses the second year.

The take up rate for 3YO's decreased year on year by 7% in 2009/10 and 5% in 2010/11, however numbers of sustained horses were close to parity for foals born. With a better customer service focus over the last three (3) years numbers of 3YO sustained horses have grown considerably, to a peak of 59% in the current season.

The decrease in live foals in NSW had been somewhat offset by interstate services to Stallions Standing in NSW, this has seen an increase in interstate Foal Nominations, however this trend will be short lived as the number of mares served by NSW domiciled stallions in the 2015/16 and 2016/17 breeding seasons has seen a sharp decline.



10. Breeders Challenge Certificates

The table below shows the number of certificates issued each racing season and how they have been redeemed or in some cases have not been used and expired.

Racing/Breeding Season	Issued	Redeemed			Expired / Outstanding
		Service	Yearling	Cash	
2008/09	226	134	74	12	6 (exp)
2009/10	199	141	32	13	13 (exp)
2010/11	240	188	38	N/A	14 (exp)
2011/12	244	179	50	N/A	15 (exp)
2012/13	282	226	47	N/A	9 (exp)
2013/14	353	260	66	N/A	27 (exp)
2014/15	473	308	110	N/A	55
2015/16	406	211	62	N/A	133
2016/17*	259	53	25	N/A	181

* As at 09/05/17.

Comment

There is evidence that the Breeders Challenge Owners Bonus Certificates are a valued tool for breeders and yearling buyers. Minimal certificates issued have expired since 2008/09.

As the conditions of the Certificates have changed on numerous occasions since their inception, there have been differing trends of redemption.

For instance certificates could be cashed for half their value. However, looking at the cash redemptions it can be said that they were minimal, meaning the Certificates were predominately used for breeding/yearling purchase.

There were also limited restrictions as to what type of yearling you could purchase at sales. In recent years yearling buyers can only purchase NSW Breeders Challenge eligible horses with their certificates. This had consistently seen a smaller percentage of yearlings per season purchased with a Breeders Challenge Owners Bonus Certificate.

With the abolition of the cash bonus and the restriction on yearling purchases, the percentage of certificates used for services to mares has been high, which has helped to enhance the number of mares bred annually.

Nominators Bonus

The NSW Breeders Challenge Foal Nominators Bonus is a cash payment. The funds distributed cannot be tracked to confirm whether Foal Nominators reinvested the money back into breeding or to purchase yearlings at sales.

11. Owners Bonus Certificate Winners

The table below shows the number and percentage of winners of NSW Breeders Challenge Owners Bonus Certificates for the period 01/09/09 to 26/04/17.

Breeders Challenge Owners Bonus certificates are redeemable against the purchase price of a Breeders Challenge eligible yearling at any Australian Public Yearling Sale, the purchase price of a Breeders Challenge eligible horse at a trialling sale or against the service fees of stallions nominated for the NSW Breeding Schemes.

Age of Winner	Number	Percentage
2YO Only	212	10.3%
3YO Only	779	37.8%
2YO & 3YO	285	13.8%
4YO	564	27.4%
5YO	161	7.8%
6YO	44	2.1%
7YO	11	0.5%
8YO	3	0.2%
9YO	1	0.1%
TOTAL	2,060	100.0%
Winners	Number	Percentage
2YO or 3YO	1,276	61.9%
4YO or older	784	38.1%

The additional cost to the HRNSW budget by extending the certificates beyond 2YO and 3YO horses was \$579,000 in the 2014/15 racing season and in 2015/16 an additional \$471,000 was required.

Comment

The above table shows that almost two (2) in every three (3) (61.9%) NSW Breeders Challenge eligible winning horse wins its Bonus as a juvenile (2YO and/or 3YO).

Of the juvenile winners:

- 212 horses won as a 2YO and did not win as a 3YO (16.6%)
- 779 horses won as a 3YO and did not win as a 2YO (61.1%)
- 285 horses won as a 2YO and also as a 3YO (22.3%)

The above table also shows that just over one (1) in every three (3) (38.1%) NSW Breeders Challenge eligible winning horse wins its bonus as a 4YO or older horse.

Of the 4yo or older winners:

- 564 won as a 4YO (71.9%)
- 161 won as a 5YO (20.5%)
- 44 won as a 6YO (5.6%)
- 15 won as a 7YO or older horse (1.9%)

12.NSW Live Foal & Starters Summary

The table below shows the current live foal totals and the percentage of 2YO and 3YO starters.

Foaling Season	Live Foals Notified	2YO	%	3YO	%
2006/07	1,617	451	27.9%	737	45.6%
2007/08	1,220	416	34.1%	685	56.1%
2008/09	1,174	460	39.2%	655	55.8%
2009/10	1,226	454	37.0%	688	56.1%
2010/11	1,405	442	31.5%	707	50.3%
2011/12	1,402	418	29.8%	654	46.6%
2012/13	1,312	356	27.1%	574	43.8%
2013/14	1,238	361	29.2%	N/A	
2014/15	1,148	N/A		N/A	
2015/16	1,123	N/A		N/A	
2016/17	1,029	N/A		N/A	

N.B. 2yo and 3yo starters include all Australian bred starters. NZ and USA bred starters have been excluded, therefore the percentage is only a guide.

**** Total is live foals notified to NSW***

Comment

There was a significant increase in the percentage of 2YO's and 3YO's that made the race track in the 2009/10 through to 2013/14 racing seasons.

It is a concerning trend that less than 30% of 2YO's and less than 50% of 3YO's have raced since the 2011/12 foaling season.

A smaller percentage of starters against a smaller pool of foals will adversely affect the total horse population going forward.



The table below shows the total number of starts, races, total starts and starts per starter by 2YO's and 3YO's.

Foaling Season	Starters							
	2YO Total Starters	2YO Total Races	2YO Total Starts	2YO Starts/ Starter	3YO Total Starters	3YO Total Races	3YO Total Starts	3YO Starts/ Starter
2006/07	470	259	2,138	4.55	808	616*	5,936	7.35
2007/08	429	238	1,935	4.51	739	759*	5,032	6.81
2008/09	478	263	2,156	4.51	767	976*	5,850	7.63
2009/10	491	263	2,144	4.37	809	1,023*	6,094	7.53
2010/11	467	287	2,308	4.94	800	998*	6,513	8.14
2011/12	445	253	2,052	4.35	738	1,160*	5,393	7.31
2012/13	377	199	1,633	4.33	660	949*	4,868	7.38
2013/14	377	204	1,654	4.39				

N.B. Starters include all starters regardless of state/country of birth

*** includes 3YO+ races**

Comment

The total number of 2YO races conducted in the 2014/15 and 2015/16 racing seasons decreased dramatically when comparing the previous four (4) racing seasons (they averaged 266 races against 202 races in the past two (2) seasons).

The number of total 2YO starts per starter was also decreased the past three (3) racing seasons.

Of concern is the number of 3YO starters and total starts in the 2015/16 racing season where less than 700 horses raced and they had less than 5,000 total starts for the first time.



13. Imports & Exports

The table below shows the number of imports and exports from NSW to New Zealand and the USA and to NSW from New Zealand and the USA.

Racing Season	Imports from		Exports to	
	NZ	USA	NZ	USA
2006/07	118	2	12	13
2007/08	78	2	1	2
2008/09	119	3	9	5
2009/10	194	3	13	8
2010/11	265	5	13	0
2011/12	292	5	35	0
2012/13	284	4	47	8
2013/14	255	9	38	7
2014/15	237	6	38	15
2015/16	224	1	33	45
TOTAL	2,066	40	239	103
AVERAGE	207	4	24	10

USA Imports are Stallions and not race horses.

When considering the movement of horses between NSW, New Zealand and the USA, on average over the last ten (10) racing seasons there have been 211 imports into NSW and 34 exports out of NSW.

The number of imports into NSW from New Zealand has increased significantly in the last six (6) racing seasons, compared to the four (4) before, with over 200 horses consistently being imported during the last six (6) racing seasons.

Due to dollar parity there was a stoppage of exports to the USA in 2010/11, however in 2014/15 there were 15 horses exported and a further 45 exported in 2015/16. With the success of exported horses increasing and the Australian Dollar decreasing it is expected that the number of exported horses to the USA will continue to increase.



14. Series', Schemes & Incentives

The following race series', bonus schemes and incentives are available in NSW.

RACE SERIES

Breeders Challenge Major Race Series



The aim of the Breeders Challenge Race Series is to promote improvement in the quality of the Standardbred breed in NSW, provide an incentive to domicile more mares in NSW and to reward NSW breeders through the development of a lucrative race series and bonus scheme in their home state.

For Breeders Challenge eligible 2YO and 3YOs, heats of \$15,000 are conducted at racetracks throughout NSW, with \$25,000 semi-finals and \$125,000 finals (2YO) and \$150,000 finals (3YO) held at Tabcorp Park Menangle

A 4YO series with \$25,000 semi-finals and \$100,000 finals is also conducted at Tabcorp Park Menangle.

All Finals are held at Tabcorp Park Menangle on the last Sunday in June.

Prizemoney for all NSW Breeders Challenge events is split 80% to the owners (1st to last), 5% each to the trainer, driver, the foal nominator and the stallion nominator of all runners.



Breeders Challenge Blue



HRNSW in conjunction with the NSW Harness Racing Club introduced a new race series for horses that are 100% NSW Bred. Scheduled to run between the Major Race series and the Regional Finals in July, these races are designed to give 100% NSW bred horses another opportunity at earning prizemoney.

The races are restricted to Breeders Challenge eligible horses that have been sustained for their respective season that also meet the following criteria:

- Sire physically stood in NSW in the season of conception, and;
- Dam served or inseminated in NSW, and;
- Foal born in NSW and notified to HRNSW.

Tabcorp Park Menangle host both 2YO & 3YO feature events worth \$50,000 each for both genders with performance based eligibility restrictions.

There is a Prizemoney contribution of \$150,000 from the NSW Harness Racing Club for this series.



Breeders Challenge Regional Finals



Wagga, Parkes, Newcastle, Goulburn, Young & Bathurst have conducted successful Breeders Challenge Regional Finals since their inception in 2010.

In 2017 for the first time there will be \$10,000 Semi Finals conducted for the 3YO and 4YO divisions in each gender. Their conduct will depend on the number of nominations received.

The Breeders Challenge Regional Finals feature six \$30,000 finals for Breeders Challenge eligible 2YOs, 3YOs and 4YOs of both sexes, and rotate between country Regions each year. The location of the finals for 2017 will be Bathurst.

Trot NSW Race Series

A Trotters Race Series was added from Series 7 (foals born from the 2011/12 season) onwards and from 2017 does not form part of the NSW Breeders Challenge.

Eligibility criteria along with nomination and sustaining fees are the same as those already in place for the pacers.

The Trotters Race Series has been introduced to create more opportunity for owners and breeders of square gaiters to earn more prizemoney while encouraging more participants to breed trotters in NSW.

The series comprises one off Group 2 \$30,000 races for 2YO, 3YO and 4YO/5YO.

All finals are run at Tabcorp Park Menangle at three separate race meetings in the May/June period of the year.



BONUS SCHEMES

Breeders Challenge Owners Bonus Scheme



The Breeders Challenge Owners Bonus Scheme rewards owners of Breeders Challenge eligible horses and encourages reinvestment in the breeding industry. Certificates are applied to all NSW Career or Metropolitan Penalty class races.

It was first introduced in 1998/99 (as the State Bred Bonus Scheme) and certificates were valued at \$1,500. They have since increased in value three times (2000/01 to \$2,000, 2010/11 to \$2,500 and in 2014/15 to \$3,000).

The owners of Breeders Challenge eligible and sustained 2YO and 3YOs each win a \$3,000 bonus certificate for a horse's first Career Penalty win in NSW for the season.

Breeders Challenge eligible and sustained 4YO or older horses also win a \$3,000 Bonus Certificate for their first Career or Metropolitan Penalty win in NSW provided they have not won a bonus certificate as a 2YO or 3YO.

Breeders Challenge Owners Bonus certificates are redeemable against the purchase price of a Breeders Challenge eligible yearling at any Australian Public Yearling Sale, the purchase price of a Breeders Challenge eligible horse at a trialling sale or against the service fees of stallions nominated for the NSW Breeding Schemes.



Breeders Challenge Nominators Bonus



The Breeders Challenge Nominators Bonus was introduced to reward nominators of foals conceived from the 2010/11 season (Series 7) onwards.

The nominators of Breeders Challenge eligible and sustained 2YO and 3YOs will win a \$3,000 cash bonus for a horse's first Career Class win in NSW for the season.

Breeders Challenge eligible and sustained 4YO & 5YO horses also win a \$3,000 cash bonus for their first Career or Metropolitan Class win in NSW provided they have not won a cash bonus previously.

Eligible and sustained 6YO's will be eligible to win certificates from the 2017/18 season, 7YO's in 2018/19 and so on.

Breeders Challenge Owners and Nominators Bonuses raise the value of an eligible horse's first NSW Career Penalty win to a minimum of \$9,000 (includes base prizemoney).

In addition, except for NSW Breeders Challenge Finals (as there is already a prizemoney percentage for nominators built into these events), should a Breeders Challenge eligible and sustained 2YO, 3YO or 4YO win a Group 1 race in Australia, the nominator of the horse shall receive 10% of the race's total advertised 1st placegetter's prizemoney.



MARE & STALLION INCENTIVES

Breeders Challenge Blue Incentive Certificate



The Breeders Challenge Blue Incentive Certificates provide a \$500 subsidy to breeders that patronise Trotting Gait Stallions.

In order to be eligible, the mare must be served or inseminated in NSW, the sire must be nominated for the NSW Breeders Challenge, and the service fee must be related to the conception of a foal during the current breeding season.

Breeders are provided with a \$500 Certificate upon providing proof that their mare is in foal by way of a 45 day pregnancy test.

The Certificate can be used to offset the stallions fee.

Stallion Nominations

Nomination for the NSW Breeding Schemes allows stallions to have Owners Bonus Certificates used against their service fees, and their nominators are paid 5% of Breeders Challenge prizemoney.

In order to participate in the NSW Breeding Schemes, a stallion must be nominated by a stud which agrees to pay foal fees to HRNSW. The fees for both NSW and Non-NSW based stallions are charged on a live-foal basis for all Alabar Breeders Challenge eligible foals registered in NSW, or registered elsewhere but nominated for the NSW Breeding Schemes.

Foal eligibility for the NSW Breeding Schemes is not determined by interstate or international stallion nominations, as a foal by any stallion may be eligible for inclusion should they be out of a NSW based mare.

Stallion fees for foals nominated for NSW Breeders Challenge are subsidised by HRNSW through Tax Parity for NSW domiciled stallions and are \$110 per live foal for interstate stallions.

Stallion nominator payments apply in the Alabar Breeders Challenge series for which stallion fees were charged.

Stallion Incentive Scheme

HRNSW announced the Stallion Incentive Scheme in 2009/10. It was introduced to encourage owners of highly credentialed stallions to stand them in NSW by offering an advertising subsidy which provides coverage on Trots TV, in the e- Gazette, HRNSW website and in the National Trotguide.

The amount of subsidy for each individual Stallion is based on criteria which were developed in consultation with Harness Breeders NSW (HBNSW).

The full incentive is paid to Studs the first year the Stallion stands in NSW and the subsidy is matched dollar for dollar in the second year (i.e. a Stallion receives an incentive of \$15,000 the first year, HRNSW and the Stud will contribute \$7,500 in the second year).

Colonial Stallion Bonus

\$500 is payable upon a live foal to the Foal Nominator of a mare served by an eligible Colonial Bred Stallion conceived from the 2014/15 breeding season.

The Conditions are as follows:

- a) The stallion must have been bred in Australasia.
- b) The stallion must have won a Group 1 race and must be standing at a NSW stud.
- c) The sire of the stallion must have won a Group 1 or equivalent race.
- d) The stallion must be nominated for the NSW Breeders Challenge.

Foal nominators may use the \$500 to offset NSW Breeders Challenge fees at the time of Foal Notification.

MULTIPLE GROUP 1 WINNER & COLONIAL STALLION BONUS SIRE LOMBO POCKET WATCH



