

NZ Bred Breeding Bonus Scheme Terms and Conditions

Effective Date: 1 August 2023

Overview of the Scheme

HRNZ is pleased to announce the terms and conditions associated with the recently announced NZ Bred Breeding Bonus Scheme (“NZBBBS”).

This scheme is to encourage diversity in breeding as well as the breeding and racing of horses by NZ Bred sires in New Zealand. It will operate for the 2023/24 breeding season and be reviewed to see if it is ‘fit for purpose’ - HRNZ reserves the right to remove, adjust or confirm the NZBBBS thereafter.

The purpose of the scheme is to pay a bonus once a year to the breeder of any horse racing in New Zealand bred by one of these sires. The bonus will be notified to the breeder in June but paid out in August encouraging the breeder to use the bonus to breed the following season.

We note that as with any new and significant undertaking, there may be matters that simply have not been contemplated at the time of drafting this new policy and its associated terms and conditions. Where it becomes clear - in the view of the HRNZ CEO - that a matter was not reasonably contemplated or prepared for in the NZBBBS, then HRNZ reserves the right for the CEO to properly investigate and determine that matter and for that to be a full and final settlement of the issue.

HRNZ has budgeted a total of \$350k per year for the NZBBBS. This is a significant sum of industry funding and needs to be balanced against the other costs and investments made in Harness Racing. As such, HRNZ reserves the right to suspend the NZBBBS in the event that the total budgeted amount for the season is reached. At that time, HRNZ would review the success of the scheme and consider whether it should be continued with additional funding.

Finally, all applicable terms and requirements of the Rules of Racing remain operative and in place, especially in respect of welfare and registration.

TERMS:

General Terms:

- The NZ bred horse must *race in New Zealand* to be eligible for a bonus.
- The NZ bred stallion must stand in either Australia or New Zealand, except if the stallion is deceased and only frozen semen is available – a full list of these stallions is outlined below

- The bonus is earned on all races at all levels
- The bonus is attached to the breeder (Breeding entity) who is listed as the official breeder of the horse on HRNZ records at the time of earning the bonus
- HRNZ will notify the breeder that they are likely to receive a payment with the provisional amount to be paid on or about June 1 each year.
- The monies are calculated by HRNZ, to be paid by HRNZ to the breeder (entity) once a year in August
- The Bonus will be paid as a standard group payment – any split within the group will be a matter between those parties
- 10% bonus is on gross stake as per HRNZ system
- The scheme will be reviewed periodically. HRNZ has the discretion to change, amend or cancel the scheme at its discretion
- Application may be made to the CEO of HRNZ for special requests.
- The scheme relates to HRNZ Financial year with the bonus calculated from 1 August through 31 July each year

Specific Terms


- The breeder will receive 10% of all stakes earned by the NZ bred horse that they bred, with a maximum bonus of \$10,000 paid per horse per year
- Payout is on all races, non-totes and totalisator events
- *If the Breeder or the Breeding entity ceases to exist there will be no further bonus paid*
- *A Breeder or Breeding Entity ceases to exist if they have had no service attempts in the previous 5 years on the HRNZ Infohorse system.*
- Bonus is plus GST if any

Commercial Terms

1. The NZBBBS is paid by HRNZ in return for agreeing to provide information and undertaking the actions to meet the eligibility criteria (“the supply”) to HRNZ as noted in these terms.
2. The NZBBBS is in New Zealand dollars plus GST if any.
3. HRNZ reserves the right to suspend the NZBBBS if the total budgeted amount for the season is reached.
4. Owners are responsible for returning GST as applicable in respect of the NZBBBS.
5. The NZBBS will be paid to the breeder at the end of August each year.
6. Owners must confirm or provide their bank account to HRNZ to get paid. Failure to do so within 12 months of the claim will mean the NZBBS is not paid that year.
7. You accept that you may be randomly audited to ensure that the NZBBBS terms and conditions have been adhered to. Failure to fully comply with such an audit will mean removal from the NZBBBS

8. You are required to provide HRNZ with confirmation of whether you are GST registered and if so your GST registration number. You must advise HRNZ if this information changes at any time.
9. If you are GST registered, HRNZ will issue a buyer created tax invoice (BCTI) / buyer created taxable supply information (BCTSI) to you within 28 days of any NZBBBS being paid. This will show the GST payable by you in respect of the NZBBBS.
10. If you are not GST registered, HRNZ will issue remittance advice to you within 28 days of any NZBBBS being made.
11. HRNZ will issue a credit note / supply correction information if for any reason the NZBBBS is repaid.
12. You agree that you will not issue tax invoices or taxable supply information to HRNZ.
13. You confirm that you will retain a copy of the documentation issued by HRNZ in respect of the NZBBBS when it is provided by HRNZ.
14. Participation in this scheme does not preclude from participation in any other scheme.

Qualifying Stallions

(insert list of  stallions)