

Media Release

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RACING INDUSTRY TRANSITION AGENCY RELEASES 2020 ANNUAL RESULTS

The Racing Industry Transition Agency (RITA) today reported a Net Profit before distributions of \$162.5 million (which included a government relief grant of \$41 million) for the year ending 31 July 2020 in its final report prior to its transition to TAB New Zealand on 1 August.

TAB New Zealand (formerly RITA) Executive Chair, Dean Mc Kenzie said the result reflected an extraordinary year for the business.

“The year is best described as a game of two halves, with the first six months showing an improvement on the same period the year. However the industry then faced one of the toughest financial times in its history, with racing and global sport almost coming to a complete standstill with the arrival of the COVID-19 pandemic and lockdowns.

“Despite the impact of COVID-19, RITA still was able to distribute \$152.3 million to Racing and Sport, including \$137.6 million to the racing codes, clubs, and racing integrity bodies. More than \$14.7 million was returned to the sporting community over the course of the year.

“The impact of very limited racing and sport during the peak of the crisis can’t be understated and RITA was faced with some difficult decisions to keep the business sustainable, including the removal of 230 roles, which was around 30 percent of staff. A number of other changes were also made, including not resuming Trackside Radio or Phonebet, and changes to Trackside production and presentation with a reduced number of cameras on course and presenters continuing to mainly operate from the studio,” said

McKenzie.

Total Turnover (Betting & Gaming) for the year of \$2.6 billion was \$141 million (-5 percent) below last year and \$566 million below budget (-18 percent), while Gaming turnover was also impacted by COVID-19 with a decline of -10 percent to \$461 million (-\$52 million). Total Revenue, excluding the Government relief grant of \$329 million was \$19 million (-6 percent) below last year. Operating expenses declined year on year (saving \$5 million or 4 percent against budget) which included a reduction of \$7 million in staff expenses.

“Away from the operational performance of the TAB, the year was historic with new legislation to reform the industry passed into law securing complete support across Parliament. Having such a broad consensus on legislation is rare, and will almost certainly mean the underlying framework of the industry is sustainable and enduring.

“As we look towards the future, TAB NZ is positive the foundations are now firmly in place for the industry to build on. We look forward to working with the new Minister to complete the reform programme, new regulations, the appointment of a new Board, new Chief Executive and the establishment of the Racing Integrity Board.”

RITA was established by the Racing Reform Act 2019 to support the reform of the New Zealand racing industry before transitioning to TAB New Zealand on 1 August 2020 following the passing of the Racing Industry Act 2020.

A copy of this year’s annual report can be found [here](#).

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