

THOROUGHBRED BREEDERS

Australia



*A guide to owning
a Racehorse*

How you can enter the winner's circle

YOUR FIRST RACEHORSE

Thoroughbred racing is sometimes described as the 'Sport of Kings'. Not so in Australia! While the wealthy have often taken an interest in racing, participation in the sport is in no way confined to millionaires.

You can easily own a racehorse and thereby become involved in the industry and its lifestyle. Those connected with racing are taking part because they love the sport, the horses, the excitement. Part of the challenge in racing is the very fact that money can't guarantee success. There are certainly expensive purchases, but there is also a long list of bargain buys – horses bought for the proverbial song – which have returned their owners their purchase price many times over. Happy Trails, Sincero, Didntcostalot, Shoot Out and Torio's Quest were all purchased for \$15,000 or less and have given their owners immeasurable enjoyment as well as considerable financial return.

You'll probably never get a bigger adrenaline rush than cheering home your own winner – whether it's in a Group 1 race or a country maiden.



FIND AN ADVISER

If you're planning to buy your first horse yourself, you need an adviser. This will probably be a bloodstock agent, or perhaps a trainer, who is well respected in the industry and who has a professional approach to his dealings.

If you use an agent to provide advice and assistance in purchasing at a yearling sale, you will need to establish in advance what the charges are. A trainer will probably provide advice free of charge, but would naturally expect to train your purchase.

Your adviser can also arrange for a veterinary inspection of a yearling and if xrays are available, it is a good idea for your veterinarian to inspect them and give you an opinion of the horse's likely soundness during a racing career.

The Federation of Bloodstock Agents Australia has more than 30 members including the major sales companies and individual agents. Visit their website at www.bloodstockagents.com.au for more information. While there are other reputable agents operating around Australia, dealing with a Federation member provides an assurance of experience and integrity as members are signatories to a Code of Conduct.

WILL YOUR HORSE WIN?

No guarantee of course, but once your horse makes it to the racetrack, it has a good chance of winning a race.

Racing Information Services Australia (RISA) has provided statistics for the 2011-12 Australian season which runs from 1 August to 31 July:

Prizemoney was **\$437,363,490**

30,757 horses competed in **19,168** races

2,675 race meetings were conducted at **358** tracks

Fifteen horses earned more than **\$1m**.

PRIZEMONEY AND INCENTIVE SCHEMES

Australian prizemoney is at a record high and offers one of the highest levels of prizemoney in the world. Last year's total prizemoney was more than \$437m and this didn't include state-based incentive scheme payments.

Prizemoney per race last season across all Australian races averaged \$22,817. Sydney and Melbourne Saturday races currently offer around \$85,000 per race while the 579 'black type' races (those which have been awarded a higher status) offer a significantly higher level of prizemoney totalling more than \$128m for the season. The Melbourne Cup attracts many horses from overseas with its prizemoney of \$6m while Sydney's Golden Slipper's \$3.5m makes it the richest 2YO race in the world.

In addition to the prizemoney provided by race clubs, state-based incentive schemes in each Australian state distributed more than \$27 million in bonuses in 2011.

Before prizemoney is distributed to owners, there will be a 10% deduction for the trainer, 5% for the jockey and in some instances 2½% for stable staff.

WHAT WILL IT COST?

The cost of keeping a horse in training varies widely depending on where the horse is trained and whether it is in a metropolitan, provincial or country centre. As a ball park figure, the total cost of a metropolitan-trained horse will be in the region of \$35,000 to \$50,000 annually.

If you buy a horse at a yearling sale, the next 12 months will be less expensive than when the horse is older, because it will spend more time spelling (in the paddock). As a rough rule of thumb, it has been considered that if a horse trained in the metropolitan area wins a city Saturday race once a year, it will pay its way, even without bonus payments from the various state incentive schemes.

It's best to approach a trainer and ask what the daily rate is, and to this must be added the cost of breaking-in, insurance, veterinary treatment, farrier, floating, etc.

BUYING A YEARLING

The majority of racehorses are purchased at public auction sales as yearlings (usually aged between 14 and 22 months).

About 6,000 yearlings are catalogued for auction each year around Australia. At this age, the horses are old enough to be assessed by your adviser for conformation but have not been broken in, so their racing ability has not been exposed. Major yearling sales are held in all states of Australia between January and June and prices range from a few hundred dollars up to \$1million or more.



AUCTION SALES AND CATALOGUES

Catalogues for major yearling sales are available without charge from the selling agent about a month before the sale and are also available on-line. They provide extensive details about the relatives of each yearling offered (e.g. how many foals/winners the dam has produced, the race and progeny record of a sire). Catalogues also contain the Conditions of Sale – the legal terms upon which all purchases are based.

Anyone can attend any sale which is conducted at a fast pace – about 25 yearlings are sold each hour – and is exciting to watch. If you haven't purchased a horse from the sale company before, you will need to complete a new buyer registration form before bidding. Yearlings are available for inspection several days prior to the sale and you are quite free to ask an attendant to bring a yearling out of its stable for inspection by you, your adviser or your veterinary surgeon.

Even if you plan to enter ownership via a licensed Syndicator, it's still a valuable learning experience to attend a sale and see where it all begins.

YEARLING SALE DATES 2013

YEARLING SALE	DATE	LOCATION
Magic Millions Gold Coast	9-15 Jan	Gold Coast, QLD
Inglis Sydney Classic - Summer Book	20-21 Jan	Randwick, NSW
Magic Millions Tasmanian	14 Feb	Launceston, TAS
Magic Millions Pert	19-20 Feb	Perth, WA
Inglis Melbourne Premie	3-6 Mar	Oaklands, VIC
Magic Millions Adelaide	12-13 Mar	Adelaide, SA
Magic Millions QTIS 600	17-18 Mar	Gold Coast, QLD
Inglis Australian Easter	9-11 Apr	Randwick, NSW
Inglis VOBIS Gold	28-29 Apr	Oaklands, VIC
Inglis Red Centre	3 May	Alice Springs, NT
Inglis/HTBA Scone	19 May	Scone, NSW
Magic Millions National	27 May-7 Jun	Gold Coast, QLD
Inglis Sydney Classic - Winter Book	23 Jun	Randwick, NSW

Dates are subject to change; check with the sales company

SALES COMPANIES

INGLIS

P : 02 9399 7999
E : bloodstock@inglis.com.au
W : www.inglis.com.au

MAGIC MILLIONS

P : 07 5504 1200
E : info@magicmillions.com.au
W : www.magicmillions.com.au



Shoot Out, cost \$15,000 and has earned \$2.96m to date



SOME GOOD BUYS

	PURCHASE PRICE	PRIZEMONEY TO 22/11/12	PURCHASED AT
Takeover Target	\$1,250	\$6,081,567	2003 Inglis Winter T'bred
Banca Mo	\$2,100	\$183,820	2009 MM Tasmanian Yrlg
Didntcostalot	\$3,000	\$127,700	2010 MM National Yrlg
Sincero	\$8,000	\$1,730,975	2009 Inglis Classic Yrlg
Happy Trails	\$11,000	\$1,209,350	2009 MM Adelaide Yrlg
Chance Bye	\$15,000	\$542,950	2009 Inglis Classic Yrlg
Shoot Out	\$15,000	\$2,963,950	2008 MM Gold Coast Yrlg
Littorio	\$15,000	\$2,508,475	2006 Inglis Melb Premier
Whobegotyou	\$19,500	\$3,263,450	2007 Inglis Classic Yrlg
Buffering	\$22,000	\$2,139,100	2009 MM Gold Coast Yrlg
Racing to Win	\$40,000	\$3,762,285	2004 Inglis Easter Yrlg
Ortensia	\$50,000	\$2,451,372	2007 Inglis Melb Premier
Rocket Man	\$60,000	\$5,098,314	2007 MM Winter Yrlg
Scenic Blast	\$85,000	\$2,110,490	2006 MM Perth Yrlg

OWNER OPTIONS

Becoming an owner is surprisingly easy and with several different forms of ownership, almost every budget is catered for.

SOLE OWNER

You own the horse outright, name it, race it in your colours, receive 100% of the owner's share of the prizemoney and pay all the costs, with the added benefit of flexibility in decision making and direct communication from the stable.

AS ONE OF A MAXIMUM OF 20 PARTNERS

From 1 August 2012, the Australian Racing Board recognises up to twenty partners racing a horse and sharing the thrill of ownership for a percentage of the cost and prizemoney. You can be invoiced individually for your percentage by the trainer and other suppliers, such as the transport company and veterinary surgeon.



Communication will normally be handled by the Racing Manager (first owner named) or the stable directly. Importantly, each partner's name appears in the racebook as an owner and is given raceday privileges for the day. This may vary from race club to race club, but will include entrance to the members' enclosure and the mounting yard. This partnership can be formed by a group of friends, or through a licensed promoter – more on that below.

AS A MEMBER OF A SYNDICATE

You register to a syndicate name with your state Principal Racing Authority for one to twenty people and race a horse, or a share in the horse, in the syndicate name. The Syndicate Manager is responsible for paying the expenses and distributing prizemoney and for all communication to the syndicate members from the Racing Manager or the stable. The Syndicate may own 100% of the horse, or a percentage only, with other individuals or syndicates owning the rest of the horse.

AS A MEMBER OF A GROUP FORMED BY A LICENSED PROMOTER

You race the horse with family, friends or new friends and share the thrill of ownership for a percentage of the cost with the added benefit of legal documents which include publicly disclosed details, such as all costs and vet checks, and a signed partnership agreement outlining the procedures for managing the horse, such as how to vote on the horse's name, how to distribute trophies and how to manage disputes.

Each State Principal Racing Authority (listed in this brochure) will have a list of Registered Approved Promoters and this method of ownership is an excellent way to start your ownership experience.

LEASING

You can lease a horse from an existing owner or breeder, during which time the horse will run in your name. You meet the training fees and associated costs and receive prizemoney won by the horse in return for a rental to the owner (commonly about 1/3 of prizemoney) for the term of the lease (usually 3 years). If the horse is found to be unsound or have little ability, the lease can be terminated and the horse returned to its owner.



SYNDICATION THROUGH THE THOROUGHBRED TRAINERS SERVICE CENTRE LIMITED (TTSC)

TTSC's Racehorse Syndication service simplifies trainers' or syndicators' compliance with ASIC requirements. The TTSC handles the financial transactions relating to the purchase of shares in the Thoroughbred and will ensure each share purchaser receives ownership in the horse. Once ownership is confirmed, each share purchaser receives ongoing information about the horse's racing career via the Syndicator or Trainer.

The TTSC's representative will be present at all the major yearling sales, while photographs and other details of horses on offer are available to be viewed year-round on the TTSC website, www.ttsc.com.au



THE 5% OWNER!

NEW

Someone who owns just a 5% interest in a horse now has full ownership privileges, including his/her name in the racebook, free racecourse entry and also entrance into the members' enclosure and mounting yard.

Watching any race – maybe having a bet – maybe cheering on your favourite horse – is exciting. But actually cheering home your own horse will raise that excitement to an almost unimaginable level. Ask any owner and they will confirm that watching their horse race provides some of the biggest thrills of their life.

“Even though we had only a small share in our horse, we had full bragging rights and we never missed a race; we had some fantastic days out.”

With a leading metropolitan trainer, the ongoing cost for each 5% owner will be \$35-\$50 a week, little more than your coffee bill!

Owners are entitled to the horses' earnings pro-rata to their ownership percentage and prizemoney earnings are tax-free if ownership remains a hobby.

Many licensed promoters/syndicators are now offering 5% shares in horses and this is a great way to start your ownership experience.

Some questions to ask a Syndicator:

- How many shares are for sale at what price?
- What are the ongoing costs and management fees and when are they due?
- What is the breakup of the costs included in the share price?
- What bonus and race series is the horse eligible for?
- Can you please send me a product disclosure statement?

GETTING THE FACTS

Thoroughbred Breeders Australia website provides valuable information including:

- All Australian bloodstock sales dates and results
- Detailed results of all Stakes (races which have been afforded special status) races in Australia
- Australian-breds winning Stakes races overseas
- Current news from the breeding industry
- Sires premierships
- And much more. Visit www.tbaus.com

Other useful websites include:

Stallions – www.stallions.com.au

Breednet – www.breednet.com.au

Racenet - www.racenet.com.au

Breeding and Racing – www.breedingracing.com

ANZ Bloodstock News - www.anzbloodstocknews.com

The Australian Racing Fact Book 2012 draws together all the key results and statistics for the Australian thoroughbred sector for each season. Access it at the Australian Racing Board – www.australianracingboard.com.au

Thoroughbred Breeders Australia and the State offices can help with queries. See the back page for contact details. The Principal Racing Authority in each Australian State can provide more information on ownership and also a list of Registered Approved Promoters.

NSW: Racing NSW – www.racingnsw.com.au

Victoria: Racing Victoria – www.racingvictoria.net.au

Queensland: Racing Queensland – www.racingqueensland.com.au

South Australia: Thoroughbred Racing SA – www.theracessa.com.au

Tasmania: Tasracing – www.tasracing.com.au

Western Australia: Racing & Wagering WA - www.rwwa.com.au

ACT: Canberra Racing Club – www.thoroughbredpark.com.au

NT: Thoroughbred Racing NT – www.trnt.org.au



THOROUGHBRED BREEDERS

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A not for profit organisation founded in 1921 to promote the interests of the Thoroughbred and the breeder

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State offices:

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South Australian Thoroughbred Breeders

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The marketing arm of TBA, promoting the Australian Thoroughbred
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