



***Greyhound Racing New Zealand***

***Statement of Intent FY2022-FY2024***

July 2021

**CONFIDENTIAL**

## Introduction

This statement of Intent for Greyhound Racing New Zealand (“GRNZ”) has been formulated to meet the obligations contained in the Racing Industry Act 2020 and sets out what the organisation intends to achieve over the FY2022 – FY2024 racing seasons.

## Chairman Summary

The racing sector in New Zealand continues to progress in the midst of significant change. The passing of the Racing Reform Act 2019 followed by the Racing Industry Act 2020 delivers generational reform of NZ racing by providing the power to the industry to move forward in a way that hadn’t been previously possible. The changes in the Act enables us to focus on creating a leaner and more efficient organisation, able to respond to a fast changing environment. The impact of Covid-19 continues to have implications on the racing codes and TAB NZ. We need to be able to respond quickly to lockdowns and outbreaks while continuing to support our participants.

The changes over the last 12 months have resulted in GRNZ updating its Strategic Business Plan for the upcoming 12-36 months. Animal care and social acceptance remain priorities for GRNZ. GRNZ meets with Club Presidents formally throughout the year and this Statement of Intent has been developed in consultation with the Clubs.

Correspondingly, the GRNZ Statement of Intent for the FY2022 to FY2024 period is driven off the strategic priorities and outcomes detailed within the business plan, thus ensuring delivery and alignment of both purpose and operational intent.



Sean Hannan  
Chairman

## Our objectives and functions

The Racing Industry Act 2020 (the Act) reformed the law relating to New Zealand racing. The Act provided clear direction on the objectives of TAB NZ and established Racing New Zealand as a consultative forum for the racing codes. The Act also sets out the objectives and functions of all codes. Section 14 states the objectives of the codes:

- To develop and promote racing conducted by the code

Section 15 of the Act details the functions of the code which are summarised below:

- To govern racing clubs, racing venues, and participants, including by-
  - Monitoring the performance and finances of those racing clubs and racing venues and their approach to managing risks to health and safety
  - Making racing rules
  - Approving the constitution of a racing club and any amendments
  - Registering or licensing racing clubs, participants and greyhounds
  - Taking measures to ensure adequate representation and involvement of small racing clubs in code's decision making
- To develop and implement policies that are conducive to the overall economic development of racing and the economic wellbeing of people who derive their livelihood from that racing
- To use its resources to directly or indirectly benefit racing conducted by the code
- To develop and implement animal welfare policies in respect of racing
- To distribute revenue received by the code to the racing clubs
- To manage any assets or surplus venues transferred to the code
- To undertake research, development and education for the benefit of NZ racing
- To enter into commercial agreements with TAB NZ
- To carry out any other functions necessary to assist the code in achieving its objectives

As with TAB NZ, the Act requires that, in carrying out its functions, the code must:

- Comply with the principles of natural justice; and
- Exhibit a sense of social responsibility by having regard to the interests of the communities in which it operates

## GRNZ Rules

The GRNZ rules includes the Constitution as required by section 6 of the Incorporated Societies Act 1908 and the Regulations including the Rules of Racing. These documents are available in the About GRNZ/rules and policies section of the [grnz.co.nz](https://grnz.co.nz) website and through the links below:

[Constitution](#)

[Rules](#)

## GRNZ Objectives

GRNZ's Constitution establishes the objects of the Association (section 2.1). These are:

- a. To be the national governing body for the administration, promotion and development of Greyhound racing in New Zealand.
- b. To promote and advance Greyhound racing, Registration, breeding, safety and welfare in New Zealand, including:
  - i. Instigating research into Greyhound safety and welfare (including diseases and/or illnesses of Greyhounds) or other matters affecting Greyhound racing or breeding;
  - ii. Circulating information on any matter affecting Greyhound racing, Registration, breeding, safety and welfare;
  - iii. Co-operating with other organisations, whether inside or outside New Zealand, that are concerned with Greyhound racing, Registration or breeding or the objects of which are in whole or in part similar to those of the Association; and
  - iv. Supporting or opposing legislation affecting Greyhound racing, Registration or breeding or otherwise affecting the interests of Clubs.
- c. To formulate and administer Regulations governing Greyhound racing, and the Registration, breeding, safety and welfare of Greyhounds in New Zealand.
- d. To consider and deal with all matters submitted to the Association in accordance with this Constitution.
- e. To do all such acts and things incidental or ancillary to the advancement and attainment of the objects described above.
- f. To uphold the highest standards of Greyhound racing in New Zealand.

## Strategic focus

GRNZ's strategic focus is to ensure that the greyhound racing industry is responsible, competitive and sustainable. We will achieve this by:

1. Maintaining our social licence
2. Sustainability for participants
3. Improving the quality of the greyhound racing product
4. Governance practices of Clubs and GRNZ are effective and efficient, and support the industry

The GRNZ SOI and operating budget for the FY22 year reflects the focus on delivery of these core strategic priorities.

GRNZ will take a focused, values based and leadership position in relation to the delivery of both the strategic plan, the operating budget and the subsequent initiatives as outlined.

Within these areas there are a number of initiatives that either are continuing or new that we will prioritise over the next three years.

The Act and our constitution provide GRNZ with clarity of the nature and scope of our functions and provides direction on our day to day activities as well as strategic direction. Our strategic objectives and the activities relating to these for the next three years are described in the next sections.

### Social Licence

*We will ensure that greyhound racing has the highest standards of racing integrity, animal safety and care, and that this is a key focus for all participants in the industry.*

GRNZ is committed to ensuring that animal safety and care is a key focus for all participants in the industry.

- GRNZ started a scheme where we support the trainers and owners in the treatment and rehabilitation of raceday and trial injuries to greyhounds. This scheme will be continued with GRNZ working with veterinary practices, Racing Integrity Board, rehabilitation providers and trainers to develop best practice for the successful rehabilitation of greyhounds. We will also ensure that the resourcing and capacity of the programme meets its needs.
- We will continue to invest in the GRNZ Great Mates greyhound rehoming programme which includes supporting adoption agency partners. GRNZ will revise contracts with the rehoming kennels to ensure that the contractors have certainty and are able to invest in their kennels. We will ensure that the Great Mates rehoming programme continues to meet the needs of the greyhounds which are retiring.
- It is anticipated that the Racing Integrity Board (RIB) will have a greater role than the RIU in animal care, including the potential of a dedicated animal care committee under RIB governance. GRNZ will support the RIB in this area, including, if required, changes to Rules, policies and systems.
- GRNZ have supported a PhD student at Massey University who is researching training, racing and career longevity of greyhounds. The outcome of this research will be used to help inform GRNZ policies and practices on racing frequency, track design and greyhound care.
- We will work with track and racing experts on track design and racing surfaces, lures, starting box design and track facilities to provide a safe racing experience for greyhounds
- Currently some of our processes that support integrity are manual and paper based. Over the next three years we will invest in technology to make it easier for industry participants to comply with GRNZ Rules and Policies.
- We will also continue to improve our data collection and reporting capabilities in our computer systems so that the confidence in the quality and integrity of our information is sustained
- We will continue to publish and make available to the Minister for Racing, government departments, the media and the wider public our information and statistics on greyhound safety and care, including rehoming and injury rates. To support this, we will make this information more easily accessible on the GRNZ website.

### Sustainability for participants

*The NZ greyhound racing industry will be financially sustainable with the economic wellbeing of the people who derive their livelihood from racing maintained.*

GRNZ wants to encourage broad participation in the greyhound racing industry. Many trainers, breeders and owners run relatively small operations, and we have a number of young trainers coming through the ranks. GRNZ will support trainers and operations to be sustainable by:

- Developing a formal training and education programme which is appropriate for its participants. We anticipate that the programme could be part of the national qualifications framework. Over time participation in relevant training programmes and education courses or information, will be a requirement for holding a licence.

At a high level the training could cover:

- Business administration and management
  - Workplace health and safety
  - Communication
  - Socialisation of greyhounds
  - Greyhound body systems (skeletal, digestive, circulatory etc)
  - Greyhound training to race
  - Use of medications
  - Prohibited substances and cross-contamination risks
  - Rules of Racing
- Investigating the potential for a centre of excellence that provides training and education across all facets of the greyhound ownership, training and care
  - Establishing an emerging director role to give young members of the industry the opportunity to learn the role Board directors play, understand and learn about the issues and activities of the industry and to add a younger point of view to Board Discussions.
  - Ensuring that stakes paid to participants are at a level that supports their ongoing participation as appropriate in the racing industry. Stake money is largely derived from the funding paid to GRNZ through betting revenue and GRNZ will develop strategies to improve the quality of the racing product.

### Quality of the greyhound racing product

*We will ensure that greyhound racing continues to grow and attain increased revenue.*

Greyhound racing is an attractive product for wagering participants, as evidenced by its increasing market share in New Zealand and Australia to become the second largest Code. However, we operate in an increasingly competitive racing market and, working with TAB NZ, we need to ensure that greyhound racing continues to grow and increase revenue. Initiatives over the next three years include:

- Implement a national field selection process and system that will provide consistent, fair and competitive race fields
- Work with TAB NZ to develop new betting options that showcase the competitiveness of greyhound racing
- Investigate providing direct access to TAB NZ's betting services through GRNZ's website
- Develop new varieties of races that maximise racing opportunities for the greyhounds and are engaging to the betting public

- Make changes to the GRNZ website to provide relevant and timely greyhound, form and betting information that is easily accessible to stakeholders and the public
- Investigate digital streaming and other media products to broaden vision and awareness of the sport
- Investigate options to manage breeding in a way that the population of greyhounds is balanced with healthy and competitive greyhounds being born

## Governance

*We will ensure good governance and business practices are evident in the Clubs and GRNZ.*

Racing clubs are a critical part of the greyhound racing industry. GRNZ wants to see that the registered clubs are effective and efficient within the industry to the benefit of the whole industry and club structure. GRNZ will examine its own business to ensure its operating model provides efficiencies and is set up to take advantage of future market opportunities. Actions over the next three years include:

- Investigating the rationalisation of some services and activities between clubs and GRNZ
- Review the business structure and operating model of the clubs
- Review optimum locations of clubs and tracks
- Review and implement GRNZ internal policies to ensure that they are appropriate and meet legislative requirements
- Work with Racing NZ on opportunities for shared services
- Execute an economic analysis of GRNZ business within the context of the wider racing industry
- Implement new rules of racing that are aligned with Greyhounds Australasia

## Key Performance Targets

Specific targets relating to the three-year time frame of this SOI are in the following page, but GRNZ will also continue to focus on initiatives as part of our day to day operations.

For example, we will engage track and racing safety expertise to assist and advise on best practice for track safety with a plan for track design. But in our day to day operations, we will continue to ensure that track safety is monitored, tracks, equipment and processes are improved as required.

Similarly, we will continue to ensure our rehoming programme has sufficient capacity and funding, but will also conduct a formal review to ensure that it is fit for purpose in the future. Ongoing education will be provided to participants as well as the initiative to develop a formal training programme.

## KEY PERFORMANCE TARGETS FY2022 – FY2024

We love our dogs. They love to race.



<b>SOCIAL LICENCE</b>	Minimisation of euthanasia of greyhounds for non-medical reasons	Minimisation of euthanasia of greyhounds for injuries sustained at the track	Great Mates kennel contracts renegotiated to a 3-year term	Review of Great Mates rehoming programme complete	Great Mates rehoming programme managed and structured so that it continues to meet the needs of the greyhounds retiring	Track and racing safety experts engaged to assist with improved track design
<b>SOCIAL LICENCE</b>	Track and racing safety design improvements complete	Licence renewal conditions include compliance with deregistration rules	6-monthly audits of greyhound status	Greyhound audits show reduction in the number of follow-ups required with trainers/owners about the status of their greyhounds	Quarterly reporting of key integrity data is publicly available	Reports requested by Minister and other government agencies are provided as requested
<b>SUSTAINABILITY</b>	Training programme developed and investigation into a centre of excellence completed	All licensed people have completed required training or professional development hours	Emerging director appointed	Stakes per starter is maintained	Database upgrade completed	Number of licensed people consistent with previous years
<b>RACING QUALITY</b>	National field selection completed	Exploration of betting products and services with TAB NZ	New K9 racing type is trialled with TAB NZ	Communication and digital strategy, including relationships with new media complete	Increase in visitors to GRNZ website pages relating to form and betting information	Animal breeding experts and greyhound breeders engaged to investigate breeding quality practices
<b>GOVERNANCE</b>	GRNZ's revised internal policies implemented	New Rules of Racing that are aligned with Greyhounds Australasia implemented	Review of business model and operating structure of the Clubs completed	Exploration of synergies between Clubs and GRNZ completed	Review of Club and Tracks locations completed	Economic analysis of GRNZ completed



## Club Funding Policy

Section 15(1)(e) of the Racing Industry Act 2020 states that one of the functions of GRNZ is to distribute revenue received by the code to racing clubs registered with the code.

This is followed by Section 19 (1) and (2) that states GRNZ are responsible for distributing among the racing clubs registered with the code the amounts received by it from TAB NZ under section 72. Section 19(2) adds that GRNZ must decide how much must be distributed among the racing clubs registered with it and the apportionment of that amount among those clubs.

The GRNZ Club Funding Policy has been developed to fulfil these statutory requirements and also align with the strategic priorities and outcomes of GRNZ.

The objective of the GRNZ Club Funding Policy focuses on the following key areas:

- To align the Club Funding Policy with GRNZ strategic priorities and outcomes;
- To ensure that a Club's racing costs are substantially and appropriately covered; and
- To provide transparency and consistency in the funding of a Club's racing expenses;

The objectives will be met through the following two funding streams:

- Race operations - To ensure that industry returns to stakeholders and participants are maintained at a significant level and that financial support provided to the Clubs aligns with racing goals and objectives

Compliance - To provide sufficient financial support to Clubs in assisting them in their compliance with relevant legislative, regulatory and policy requirements driving best practice in the greyhound racing industry.

## Financial Forecasts for GRNZ

### Condensed Statement of Profit & Loss

	Actual 2019/20	Forecast 2020/21	Budget 2021/22	Projection 2022/23	Projection 2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>					
TAB NZ distribution	21,438	27,265	29,957	30,257	30,559
Association and other income	823	1,107	1,293	1,293	1,293
<b>TOTAL INCOME</b>	<b>22,260</b>	<b>28,372</b>	<b>31,250</b>	<b>31,550</b>	<b>31,853</b>
<b>EXPENSES</b>					
Stakes	12,623	14,245	17,219	17,735	17,735
Club & Industry expenses	5,917	4,323	5,619	6,181	6,799
Animal care expenses	1,901	2,481	2,885	3,174	3,491
Other operating expenses	2,084	2,011	2,528	2,655	2,787
<b>Total</b>	<b>22,525</b>	<b>23,059</b>	<b>28,251</b>	<b>29,745</b>	<b>30,813</b>
<b>Net operating surplus/(deficit)</b>	<b>(264)</b>	<b>5,312</b>	<b>2,999</b>	<b>1,805</b>	<b>1,040</b>

**Statement of Financial Position**

	<b>Actual 2019/20 \$'000</b>	<b>Forecast 2020/21 \$'000</b>	<b>Budget 2021/22 \$'000</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1,698	4,100	4,250
Trade and other receivables	188	300	350
Other Financial Assets	1,700	4,500	7,000
<b>TOTAL CURRENT ASSETS</b>	<b>3,586</b>	<b>8,900</b>	<b>11,600</b>
<b>NON CURRENT ASSETS</b>			
Property, Plant & Equipment	1,293	1,195	1,245
Intangible Assets	116	97	297
Other Financial Assets	36	-	-
<b>TOTAL NON CURRENT ASSETS</b>	<b>1,445</b>	<b>1,292</b>	<b>1,542</b>
<b>TOTAL ASSETS</b>	<b>5,031</b>	<b>10,192</b>	<b>13,142</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	573	422	372
<b>TOTAL LIABILITIES</b>	<b>573</b>	<b>422</b>	<b>372</b>
<b>NET ASSETS/TOTAL EQUITY</b>	<b>4,458</b>	<b>9,770</b>	<b>12,770</b>

---

## Statement of Accounting Policies

### Reporting entity

New Zealand Greyhound Racing Association, Inc (henceforth, “the Association”) is incorporated under the Incorporated Societies Act 1908. The primary objective of the Association is to promote, conduct and control greyhound racing. The Association is a recognised industry organisation in accordance with the Racing Industry Act 2020.

### Statement of compliance

The financial statements have been prepared in accordance with the Racing Industry Act 2020, which requires compliance with generally accepted accounting practice in New Zealand (“NZ GAAP”).

As the primary objective of the Association is not towards making financial returns but the promotion, conduct and control of greyhound racing, it is a not-for-profit public benefit entity (PBE) for financial reporting purposes.

The Association has elected to report in accordance with the Tier 2 Racing PBE accounting standards on the basis that it is not publicly accountable and not considered large for financial reporting purposes as defined under *XRB A1*.

The financial statements of the Association comply with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) as appropriate for Tier 2 not-for-profit public benefit entities and disclosure concessions have been applied.

### Measurement basis

The financial statements have been prepared on a historical cost basis and are presented in New Zealand dollars which is also the Association’s functional currency rounded to the nearest thousand.

### Going concern

The financial statements have been prepared on a going concern basis.

## Accounting policies

The accounting policies adopted in these financial statements are consistent with those of the previous financial year.

### New accounting standards and interpretations issued but not yet effective

The standards and interpretations applicable to the Group which have been issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group is currently assessing impact of these new standards and intends to adopt these standards, if applicable, when they become effective or when management assessed early adoption is appropriate:

Standards	Effective application date for Group
PBE IFRS 9, Financial Instruments	FY2022

## Significant accounting judgements, estimates and assumptions

The preparation of the Association's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The judgements, estimates and assumptions are evaluated on a regular and continuing basis, including expectations of future events, to a reasonable extent to assess their implication on reported revenues, expenses, assets, liabilities and disclosures in the financial statements.

In the process of applying the Association's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

- Impairment of property, plant and equipment and intangible assets

The Association performs impairment testing with respect to its property, plant and equipment and intangible assets. In determining whether impairment exists, the carrying value of an asset (other than property, plant and equipment measured using the revaluation model) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use calculation is based on a DCF model. The cash flows are derived from the forecasted / budgeted cash flows for the next five years and do not include restructuring activities that the Association is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

- Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Association
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

- Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

## **Income taxes**

The Association is exempt from New Zealand income tax pursuant to section CW 47(2) of the Income Tax Act 2007.