

17 June 2014

CIRCULAR NO 1331

To: The Secretary all Totalisator Clubs and Kindred Bodies
From: Edward Rennell, Chief Executive
Subject: **BOARD NEWS – 30 MAY 2014**

Following is a summary of key matters considered at the HRNZ Board meeting on 30 May 2014.

1. PLANNING & FUNDING 2014/15

At the Board's meeting, the latest draft Strategic Plan and initial draft Business Plan for 2014/15 were reviewed. Matters were noted for amendment with the final drafts to be available for review at the Board's next meeting on 4 July. Following this, copies of these documents will be circulated to clubs and kindred bodies to enable consultation on these at the Annual Conference on 8, 9 August.

At the meeting, consideration was also given to funding options for 2014/15. Included within this was a review of the likely projected position of the code distribution account at 31 July 2014. The uncertainty for the Board at the time of their meeting in considering funding options for next season was that the NZRB at that stage had not confirmed the total funding that would be made available. Subsequent to the meeting, the NZRB have advised that the total will be the same as the 2013/14 season.

It is intended that at the Board's meeting on 4 July, consideration will be given to finalising the funding policy for 2014/15. Obviously with the funding levels in line with the previous year, the scope of extending additional funding to the industry is reduced. Despite this, the Board will consider initiatives they believe appropriate and sustainable within the current balance of the distribution account.

2. REVIEW OF HRNZ GOVERNANCE STRUCTURE

Through its strategic planning process, the Board agreed that it would review, in consultation with the industry, the appropriateness of HRNZ's governance structure. As the first part of this review, the Board reviewed previous papers when this was last considered back in 2011, including the presentation made at that time to the Annual Conference.

A number of options were considered on the appropriate structure of the Board going forward. It was agreed that an options paper would be prepared for the Board's next meeting on 4 July outlining potential ways this could be structured. It is also intended that the thoughts of clubs and kindred bodies on this will be sought at the Annual Conference. Initial thoughts are that if the Board is to pursue change in this area, this will be addressed later in the 2014 calendar year.

3. CLUB FINANCIAL ANALYSIS

At the February meeting of the Audit & Finance Committee, the individual financial analysis undertaken on a club by club basis by independent accountants was reviewed. At the Board's meeting, a final report on this review was considered, which included an overall regional and national overview to complement the individual club-based analysis.

This information has given the Board a better understanding of the financial issues facing the industry at a club and regional level. It is intended that clubs identified as being in a less than favourable financial position in this review will have meetings with HRNZ representatives to try and gain a better understanding of their issues and what steps can be taken to improve their situation. One of the other key recommendations of the report was the development of a standardised club financial reporting template. This will be developed in conjunction with the racing secretaries and hopefully implemented for the 2014/15 financial year end reporting.

4. TRAINING FACILITIES – NORTHERN REGION – PUKEKOHE

The Board reviewed a report from the Auckland Trotting Club with respect to the proposed further development of the training facilities at Pukekohe. The Board was encouraged to note that the Franklin TC and Auckland TC were looking to develop a solution in the best interests of the region. The Board was supportive of the steps being taken to try and support the further development of Franklin as a training base to hopefully complement horse numbers in the northern region.

The Board agreed to support in principle the details of what was being proposed and undertook that HRNZ would continue to work closely with the two clubs in regards to this.

5. PROPOSED HEALTH AND SAFETY REFORM

The Board considered a proposal from the NZRB for a joint industry initiative to address proposed changes to health and safety legislation. HRNZ is supportive of adopting a joint industry initiative for a tri-code/NZRB approach to this. A clear focus of this will be to properly educate and put in place appropriate health and safety measures for the racing industry. HRNZ believes many of the issues being faced across the three codes will be common and it is important that all clubs/venues have a consistent understanding of the likely legislative changes. From a racing perspective, it is important that health and safety regulations are complied with, that everyone is fully aware of the legislative changes and the impact on the day to day operations of clubs and industry participants. It is likely that Stu Cashen, ex Greyhound Racing New Zealand Racing Manager, will be engaged to co-ordinate this review.

6. GROUP RACE SUB-COMMITTEE – 2014/15 SEASON

The Group Race Sub-Committee met on 29 May to consider group races for the 2014/15 season. The group race criteria for 2014/15 was confirmed, consistent with the current season, namely:

- Group 1 – minimum stakes \$100,000 for pacers, \$80,000 for trotters
- Group 2 – minimum stakes \$40,000
- Group 3 – minimum stakes \$25,000

New group races approved for 2014/15 were as follows:

- Upgrade of NZMTC, NZ Trotting Oaks from Group 3 to Group 2
- Upgrade of Northern Southland TC, Southern Lights Handicap Trot to Group 3
- Upgrade of Harness Racing Waikato, Cambridge Trotters Flying Stakes to Group 3

A number of races were noted for monitoring and also potential movement of dates for some races were suggested that will be further reviewed with the clubs involved. The total spend under the group race policy for 2014/15 is estimated at \$3.038m which will be funded from the within the overall code funding policy. A separate circular will be issued to clubs providing further information on decisions and policy in this area.

7. RULES AND REGULATIONS

The Rules Sub-Committee met on 29 May to finalise draft remits for proposal to the 2014 Annual Conference. Further detail on these will be outlined when the Order Paper for the Annual Conference is published in early July. Essentially the Rule changes being proposed can be summarised into the following categories:

- Introduction of Protest Rule similar to NZTR
- Introduction of Rules to provide for introduction of Monte racing
- Amendments to the Rules re alcohol testing of horsemen
- Other routine Rule changes, eg extending number of individual owners from six to eight.

Two likely correspondence items to be proposed at the Annual Conference are:

- From the Board - the merits of allowing for dual acceptors;
- From the Trainers & Drivers Association - payment of driving fees following horses being scratched following declaration of drivers.

The proposed Rule changes to be considered at the Annual Conference will be published in the Harness Racing Weekly on 2 or 9 July.

8. REVIEW OF DRIVING FEES

The Board considered correspondence from the Harness Racing Trainers & Drivers Association seeking an increase in the current level of driving fees. The Board approved the Trainers & Drivers Association request that this be increased from \$70 plus GST per drive to \$75 plus GST. It was considered that the 4.63% change was warranted given it had been two years since this was last reviewed.

Some questions were also raised with respect to the current Driving Fees Regulation, which currently states that drivers will receive 5% of any stake won over \$200 by horses placed in the first five. It was agreed that this level of \$200 would be reviewed with the Trainers & Drivers Association and considered at a subsequent Board meeting. The increase to the driving fees will take effective from 1 August 2014.

9. IN BRIEF AND MATTERS UNDER ACTION

The following matters were also considered at the Board meeting. Some items are noted as under action for review at subsequent Board meetings:

- ***Review and confirmation of licence fees for 2014/15***
- ***Review of independent report on NZRB Performance and Efficiency Audit*** – copy of report available at www.nzracingboard.co.nz
- ***Noted that Dates Calendar for 2014/15 has been finalised***
- ***Review of proposed new contract between the NZ Racing Laboratory and the industry***
- ***Frozen embryo transfers*** – referred to next meeting of Breeders' Liaison Sub-Committee
- ***Review of HRNZ's Naming Policy***
- ***Support that pylons be used on grass tracks where possible***

- **Consideration of HRNZ operational budget** – full details to be considered at Board meeting on 4 July
- **TC02 level** – to be further reviewed at Board meeting on 4 July
- **Racing Safety Development Fund** – results on Round 2
- **Programme for upcoming 2014 Annual Conference**
- **Season to date statistics** – details to be separately published in *Harness Racing Weekly*, 25 June

10. NEXT MEETING

The next HRNZ Board meeting is scheduled for Friday 4 July 2014.
There are no HRNZ Sub-Committees due to meet the day prior.



Edward Rennell
CHIEF EXECUTIVE