



Statement of Intent 2021/2022 to 2023/24



Statement of responsibility

This Statement of Intent (SOI) sets out our strategic intentions for the next three years and the performance measures we will use to demonstrate progress against those objectives.

It is our first SOI and its development draws on both the statutory objectives and the functions given to the Board. In preparing the SOI, the Board was mindful that it will have a more informed basis on which to address its strategic settings in 2022/23 having observed the experience of a revised operating model reflective of its statutory obligations in 2021/22. While it completes its transformation and establishment programme, we will meet the performance and outcome levels of the 2019/20 and 2020/21 racing seasons. The outcome of the transformation programme will determine performance measures in future.

This SOI should be read together with our annual business plan which outlines our specific year on year operational performance measures which support the Board's strategic direction.

In signing this statement we acknowledge we are responsible for the information contained in this SOI 2021/22 to 2023/24 for the Racing Integrity Board.

This information has been prepared in accordance with section 47 of the Racing Industry Act 2020.



Sir Bruce Robertson KNZM

Chair
Racing Integrity Board



Kristy McDonald ONZM QC

Deputy Chair
Racing Integrity Board

Introduction

The Racing Integrity Board ('RIB') was established under section 42 of the Racing Industry Act 2020 as the independent body to oversee the racing integrity system in respect of the conduct of racing in New Zealand.

We commenced operation on 1 July 2021 and brought together the staff, resources and activities of the Racing Integrity Unit and the Judicial Control Authority for Racing.

Governance

The RIB is governed by an independent Board that is appointed by the Minister for Racing.

The Board works to:

- ensure the RIB carries out its legislative functions effectively
- set the RIB's strategic direction
- monitor performance.

The Board reports directly to the Minister for Racing. The current RIB Board members are:

- Sir Bruce Robertson KNZM (Chair)
- Kristy McDonald ONZM QC
- Brent Williams
- Dr Patricia Pearce
- Penny Mudford ONZM

Purpose

Our role covers the racing rule framework applicable to the racing codes – Greyhound Racing New Zealand, New Zealand Thoroughbred Racing and Harness Racing New Zealand. The codes are responsible for setting the rules by which racing is conducted.

A strong and effective integrity system is essential to public confidence in the conduct of racing. Our purpose is to support that outcome by:

- Ensuring racing is fair, clean and conducted within the rules through the effective use and oversight of drug testing services;
- Providing independent adjudication of matters arising under the rules of racing;
- Supporting and monitoring the codes' animal welfare policies and initiatives;
- Monitoring and enforcing licence holder behaviour and compliance;
- Working with industry stakeholders to continually strengthen and improve the racing integrity system and raise professional standards.

Operating environment

Prior to the racing industry reforms in the Racing Industry Act 2020, the integrity system was governed and funded by the three racing codes and the New Zealand Racing Board (NZRB). The racing codes are responsible for making the rules by which racing is conducted. The codes and the NZRB established a company, Racing Integrity Unit Limited, to provide compliance and enforcement services to the industry and oversee the testing regime for prohibited substances. Judicial functions and services relating to racing matters were provided by a separate statutory body, the Judicial Control Authority for Racing.

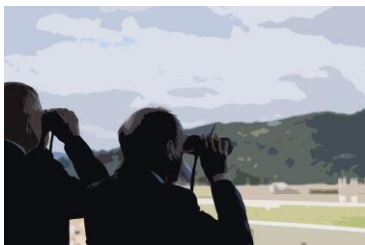
The RIB has been established as an agency independent of the racing codes, with its governance determined by the Minister for Racing. The RIB's operations are funded by TAB New Zealand following approval of its budget by the Minister.

Our objectives are to promote and ensure compliance with high standards of animal welfare, integrity and professionalism by participants in the racing industry for the benefit of the public, participants, and the racing industry as a whole.

The racing codes have the principal responsibility and accountability for their regulatory framework including animal welfare standards and participant licensing requirements. Their rules also determine and set the interventions, authorities and processes by which the RIB conducts its compliance and adjudicative activities.

In respect of animal welfare, our scope and authority relates to racing animals subject to the rules of racing.

In the racing year our raceday teams will attend **1027** race meetings (481 greyhounds, 293 thoroughbred, 253 harness). These meetings will take place at **52** venues throughout New Zealand. At these meetings **10,698** races are scheduled to be run.



Our stipendiary steward staff will ensure the conduct of these races is fair and compliant with the rules of racing.

Compliance investigators and our prohibited substance swabbing staff will provide over **9,000** samples from the meetings for analysis by New Zealand Racing Laboratory Services.

Operating environment

Stakeholders

Our key stakeholders include Racing NZ, the racing codes, racing clubs and licensed participants under the rules of racing.

We will work closely with Racing NZ and the three codes on issues of integrity and animal welfare, and align our effort to their expectations of the performance and outcomes of the integrity system.

External relationships

- Government and the Minister for Racing
- Racing New Zealand
- Racing code leadership
- Key industry stakeholders (including participants and racing clubs)
- New Zealand Racing Laboratory
- TAB New Zealand
- NZ Police
- Sport New Zealand
- Industry forums
- Drug Free Sport
- International racing integrity and laboratory agencies
- SPCA
- MPI

Functions

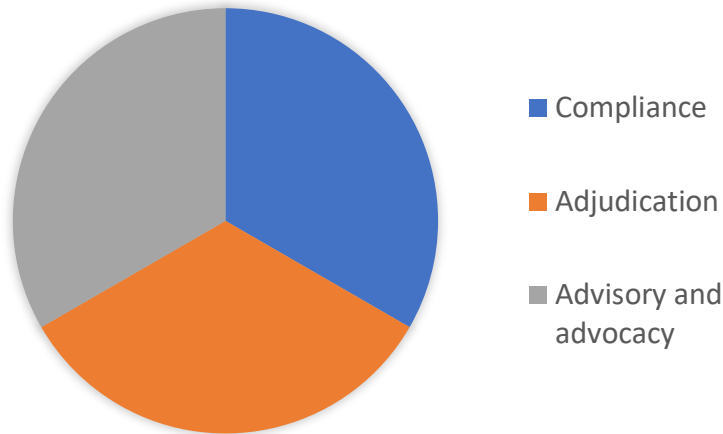
Our jurisdiction is determined by the Racing Industry Act 2020 and the rules of the racing codes and extends across thoroughbred, harness and greyhound racing. Our functions are essentially three-fold:

- **Compliance and enforcement** - our integrity officials (including Stipendiary Stewards and racing investigators) attend and oversee each race meeting and exercise the functions, duties and powers assigned to them in the rules of racing. This includes administration of the prohibited substance sampling and testing requirements. Through our compliance and enforcement activities we seek to ensure racing is fair, to raise standards of behaviour, deter misconduct and hold to account those whose conduct harms the industry.
- **Adjudication** – our Adjudicative Committees and Appeals Tribunals will determine matters arising under the racing rules which are presented to them by our compliance and enforcement team.
- **Advisory and advocacy** –we will support and monitor the operation and effectiveness of each racing code’s animal welfare policies and initiatives. We will also monitor and report as appropriate on the performance and effectiveness of the racing integrity system and recommend rule and process enhancements as appropriate.



Key priorities for 2021/22

Our strategic intent at the highest level mirrors our statutory objectives and is focused on three key priorities:



Compliance: Racing is conducted fairly within the rules of racing and is drug free. Participants meet their conduct and compliance obligations under the code rules.

Monitoring and overseeing the conduct of all horse and greyhound races in New Zealand is our most significant responsibility and activity. We will observe and review all races to ensure the conduct of participants and racing animals complies with the requirements of the relevant code rules. Where we identify breaches of these requirements, we will take appropriate enforcement action or such intervention as applicable to the circumstances. Our response will be proportionate, fair and consistent. We will support this objective by implementing a comprehensive process of peer review of raceday decisions.

Our investigation team will take an intelligence-informed and risk-based approach when monitoring participant conduct and their compliance with the rules. We will be proactive in identifying potential conduct risks and, where appropriate, promote awareness of expected standards or corrective behaviours. We will educate and effectively engage with participants to prevent rule breaches. Recourse to an enforcement response will occur where it is necessary to hold participants to account, send clear messages about their obligations and deter misconduct.

Our commitment to drug free racing will take the form of taking samples from selected horses on each raceday as directed by our compliance staff. Out of competition and pre-competition testing policies will support this objective. We are committed to developing further our testing capability and resources. Participant testing will also be enhanced and aligned to the protocols of Drug Free Sport New Zealand.

We will work with the codes and the industry's scientific community to develop responses to emerging risks and issues within the prohibited substances area.

Key priorities for 2021/22



Adjudication

Our adjudicative functions will be independent and separate from our compliance activities and adjudicative outcomes are consistent and timely.

We will ensure there is demonstrable and effective separation of our compliance and adjudication functions. We will put in place policies, systems and processes to provide assurance as to the independence of the adjudicative functions. Our annual report will record how we have met this requirement.

We understand that the independence of the adjudicative functions is fundamental to participant confidence in our integrity model. We will adopt a process of continuous review and adjustment as necessary of the measures taken to secure this objective. Consistent and timely decision-making is equally important to confidence in the adjudicative function. We will monitor and review our adjudicative performance against these criteria.

We will work with Racing NZ to test the efficacy of the raceday adjudicative model and implement any changes which deliver efficient and effectiveness benefits but do not compromise the integrity of that model.

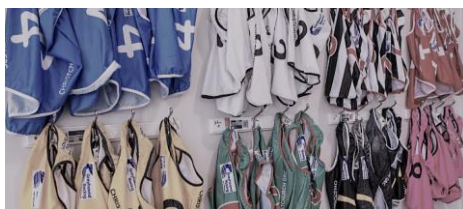
Key priorities for 2021/22

Advisory and Advocacy

1. We are effective and influential in our review, advice and advocacy for strengthening the integrity system.

Our monitoring mandate includes reviewing both the codes' animal welfare policies and initiatives and the operation and effectiveness of the racing integrity system. We will also keep under continuous review the efficiency and effectiveness of the judicial control of racing and propose appropriate measures which will offer improvement. We will be proactive and responsive in engaging with the codes on proposals for amendments to their rules and in particular changes which are considered necessary or desirable to support or enhance the racing integrity system.

Our effectiveness in this advocacy and advisory role will be assisted by our commitment to a strong, constructive and trusted engagement with Racing NZ and the three codes.



2. Code racing animal welfare policies and initiatives are enhanced through our support and monitoring.

The codes are responsible for the animal welfare framework within which their racing operates. We will work with the respective codes to support and enhance their policies and initiatives to the extent their rules provide that remit. While a view of the parameters of that support is developed, our compliance function will include additional veterinary expertise to assist their assessment of any intervention if appropriate on animal welfare matters. Kennel and stable inspection reporting will be reviewed and strengthened. Animal welfare, and in particular harm mitigation measures will be a particular focus in our engagement with raceday veterinarians and wider veterinarian forums.

We will actively engage with code representatives on their further initiatives to safeguard the welfare of racing animals. That engagement will include communication and analysis of our monitoring findings.

Measures of performance

How will we measure success?

We will measure progress towards our strategic intentions through the following performance measures:

Compliance

| Measure | Forecast/Target |
|---|---|
| Stewards attend and officiate at all code race meetings. | 100% |
| Clubs surveyed are satisfied with the raceday stewarding services provided. | 85% of those surveyed |
| Percentage of stakeholders surveyed who believe the operation and effectiveness of the racing integrity system has improved in the last 12 months. | 70% |
| Original compliance and enforcement decisions and interventions confirmed on internal review. | 80% |
| Investigations opened are completed. | 90% completed within 6 weeks of file being opened |
| Complaints presented to the RIB are actioned. | 95% of complaints actioned or responded to within 5 working days of receipt |
| Raceday rule breaches prosecuted in a timely manner. | 90% of raceday rule breaches charged within 72 hours of the decision to proceed |
| Percentage of race day drug tests conducted to starters. | 8 – 10% of starters |
| Percentage of raceday tests which are sampled comply with swabbing protocols and procedures. | 95% |

Measures of performance

Adjudication

| Measure | Forecast/Target |
|--|--------------------------------------|
| All matters filed with the RIB are processed within 10 working days. | 90% |
| The ratio of successful appeals against Adjudicative Committee decisions. | Less than 2% of appealable decisions |
| Decisions excluding minor infringements and minor penalties published on the website within 5 working days of receipt of papers. | 95% |
| GRNZ Minor Infringements processed within 5 working days of receipt of papers. | 95% |

Welfare

| Measure | Forecast/Target |
|---|--|
| All licensed kennel and stables inspected and reports filed by 31 July 2022. | 95% |
| Annual 'out of competition', TCO and participant testing and intelligence-informed programme completed. | Out of competition: 1,250 TCO2: 2,000 Participant: 150 |
| Clubs surveyed are very satisfied with the raceday veterinary services provided. | 85% of those surveyed |
| Code animal welfare initiatives monitored and reported on | Three times a year |

Advisory and advocacy

| Measure | Forecast/Target |
|--|-----------------|
| All requests from the codes in relation to rule changes are responded to by the RIB. | 100% |
| Significant recommendations made by the RIB are adopted/accepted by the codes. | 75% |
| RIB response provided to the code within 10 working days of the Board meeting at which they were considered. | 100% |

Organisational health and capability

Capability

In response to the commitment to increase funding for organisational development we will develop a comprehensive capability framework which will include competency-based role profiles, structured career pathways, bespoke learning and development opportunities and experiential skills development. We will invest in structured induction and training systems for our raceday staff and contractors.

Engagement and culture

We will focus efforts on activity that supports a high performing organisation in terms of cultural health and employee engagement. We will involve our team in what a positive and empowering culture looks like for them and where leadership can improve performance and make a difference. Our raceday staff will operate in a strengthened team-based approach to our functions and tasks.

Recruitment

We will broaden the demography and diversity of our people through our recruitment strategy. Succession planning will be an area of particular focus. Our employment attractiveness will be enhanced and promoted through diverse talent-sourcing channels.

Health, safety and wellbeing

As the country transitions through the Covid 19 pandemic, we will continue to focus on the health, safety and wellbeing of our people and contractors. We will rely on our business continuity processes as appropriate to support this. Our staff when in the field operate at times in settings and circumstances which are under the control of others and which can be inconsistent in terms of the health and safety environment. We are committed to providing and maintaining a safe working environment for our people. We will significantly lift the investment in health and safety measures, equipment and processes and address with our stakeholders any areas for improvement within the field workplaces occupied by our people.

Technology

We will complete a full refresh of our technology environment introducing best practice office systems, standards and user protocols. A second tranche of investment will be applied to our website, specific operational applications and developing fit for purpose data capture systems. Technology, particularly broadcast and remote meeting solutions, has the potential to be a significant enabler of more efficient and lower cost raceday stewarding and adjudicative functions. We will work with industry stakeholders to explore this potential.

Forecast Financial Statements

Statement of forecast revenue and expenses

| For the 13 month period ending 31 July 2022 | |
|--|-----------------------|
| | |
| | |
| | Unaudited Forecast |
| | 2022 |
| | \$000 |
| | |
| Revenue | |
| Non-exchange revenue | |
| TAB NZ funding - operating | 13,834 |
| TAB NZ funding - capital programme | 2,236 |
| TAB NZ funding - leave liability | 700 |
| TAB NZ funding - Lab assets | 850 |
| Exchange revenue | |
| Interest | 10 |
| Total revenue | 17,630 |
| | |
| Expenses | |
| Personnel costs | 6,076 |
| Other expenses | 7,257 |
| Depreciation and amortisation expense | 501 |
| Total expenses | 13,834 |
| | |
| Net surplus/(deficit) for the period | 3,796 |
| Other comprehensive revenue and expense | 0 |
| Total comprehensive revenue and expense | 3,796 |

Forecast Financial Statements

Statement of forecast financial position

| As at 31 July 2022 | | |
|--------------------|-------------------------------|--------------------|
| Unaudited Forecast | | Unaudited Forecast |
| 1 July 2021 | | 2022 |
| \$000 | | \$000 |
| | Assets | |
| | Current assets | |
| 0 | Cash at bank | 1,561 |
| 0 | Term deposits | 700 |
| 200 | Receivables | 0 |
| 200 | Total current assets | 2,261 |
| | Non-current assets | |
| 815 | Property, plant and equipment | 3,399 |
| 815 | Total non-current assets | 3,399 |
| 1,015 | Total assets | 5,661 |
| | Liabilities | |
| | Current liabilities | |
| 0 | Payables and accrued expenses | 750 |
| 0 | Salary accrual | 100 |
| 700 | Employee entitlements | 700 |
| 700 | Total current liabilities | 1,550 |
| | Total liabilities | 1,550 |
| 315 | Net assets | 4,111 |
| | Equity | |
| 315 | Amalgamation reserve | 315 |
| 0 | Operating surplus/(deficit) | 3,796 |
| 315 | Total equity | 4,111 |

Forecast Financial Statements

Statement of forecast changes in equity

| As at 31 July 2022 | | | |
|--|--------------------------------------|----------------------|-------|
| | Retained operating surplus / deficit | Amalgamation reserve | Total |
| | \$000 | \$000 | \$000 |
| Balance at 1 July 2021 | 0 | 315 | 315 |
| Total comprehensive revenue and expense | 3,796 | 0 | 3,796 |
| Balance at 31 July 2021 | 3,769 | 315 | 4,111 |

Forecast Financial Statements

Statement of forecast cashflows

| As at 31 July 2022 | |
|--|--------------------|
| | |
| | Unaudited Forecast |
| | 2022 |
| | \$000 |
| Cash flows from operating activities | |
| Receipts from Revenue TAB NZ funding | 14,534 |
| Receipts from other revenue | 10 |
| Payments to suppliers | (6,507) |
| Payments to employees | (5,976) |
| TAB NZ funding for capital purchases | 2,236 |
| Net cash flow from operating activities | 4,297 |
| | |
| Cash flows from investing activities | |
| Purchase of property, plant and equipment | (2,236) |
| Net cash flow from investing activities | (2,236) |
| | |
| Cash flows from financing activities | |
| JCA reserve amalgamation | 200 |
| Net cash flow from financing activities | 200 |
| | |
| Net (decrease)/increase in cash | 2,261 |
| Cash at the beginning of the period | 0 |
| Cash at the end of the period | 2,261 |
| | |
| Represented by: | |
| Cash at bank | 1,561 |
| Term deposits | 700 |
| Total cash and cash equivalents | 2,261 |

Forecast Financial Statements

Statement of significant accounting policies

Reporting entity

The RIB is a 'subsidiary' of the Crown, as the term 'subsidiary' is defined in section 5(2)(a) of the Public Audit Act 2001 (the Act). It is therefore a public entity under sections 5(1)(f) and 5(2)(a) of the Act. In addition, the Crown appoints all of the members of the RIB's governance board.

The RIB is a public benefit entity (PBE) for financial reporting purposes.

Basis of preparation

These forecast financial statements have been prepared on a going concern basis, and the accounting policies will be applied consistently throughout the period.

Statement of compliance

The financial statements of the RIB will be prepared in accordance with the requirements of the Racing Industry Act 2020 and in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). The RIB's first financial statements will be prepared in accordance with PBE Standards RDR and FRS 47 - First-time Adoption of PBE Standards has been applied. The reporting period is the 13 month period from 1 July 2021 to 31 July 2022.

Basis of measurement

The forecast financial statements have been prepared on the historical cost basis except for donated assets that are recorded at fair value on acquisition.

Budget and forecast figures

The budget figures are derived from the statement of performance expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

TAB NZ funding

Revenue from TAB NZ is measured based on the RIB's funding entitlement for the reporting period. The funding entitlement is approved by the Minister for Racing, after approval from TAB NZ and consultation with the racing codes. Approval is provided before the start of each financial year, which is 1 July 2021 and 1 August in subsequent years.

TAB NZ also provided funding in the current year for asset purchases and to fund the leave liability assumed on amalgamation. This revenue is recognised at the point it became receivable. In addition, TAB NZ donated laboratory assets, refer to donated assets policy below.

Donated assets

Where a physical asset is gifted to or acquired by the RIB for nil consideration or at a subsidised cost, the asset is recognised at fair value. The difference between the consideration provided and the fair value of the asset is recognised as revenue.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write-off the cost of the assets to their estimated residual values over their useful lives.

Use of estimates and judgments

The preparation of forecast financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual financial results achieved for the period covered are likely to vary from the information presented, and these variations may be material.