

# Racing Integrity Board

Statement of Intent 2022/2023 to 2023/2024



## | Statement of Responsibility

The Racing Integrity Board has now been in operation for a full year, giving us an informed basis on which to outline our strategic intentions and performance measures for the next three years, in this Statement of Intent (SOI).

As an independent body, the Racing Integrity Board is responsible for promoting and ensuring compliance with high standards of animal welfare, integrity and professionalism by the racing industry, for the benefit of the public, participants and racing industry as a whole.

Over the past 12 months the Board has established and progressed the transformation programme required to deliver the functions specified in the Racing Industry Act 2020 effectively and efficiently.

The strategic intentions outlined in this document show an ambitious, yet achievable work programme focused on animal welfare, compliance with the rules of racing, adjudication and advocacy.

Also included are details of the transformation underway in the organisation to build capability and confidence in our people.

We are privileged to be involved in the development of improved integrity systems for racing and heightened attention to animal welfare standards. A well resourced, rigorous integrity system that focuses on fairness, high standards, and professionalism is essential for the industry to ensure public confidence in racing. We are committed to continuing to deliver on our legislative mandate for the benefit of all stakeholders.

**Kristy McDonald ONZM QC**  
**Chair**  
**Racing Integrity Board**

## | Chief Executive's Summary

As we look to our second year in operation, we do so well-aligned to our legislative mandate and focused on making sure racing is fair for everyone.

The Racing Integrity Board (RIB) is an organisation, but integrity is a system with many players. We have a pivotal role to play within that system, however the system can only succeed when all participants play their part. Integrity is about the entire racing system – the codes, industry associations, community, TAB, government, government agencies, non-government organisations, racing participants, special interest groups, betting public, and the wider New Zealand community – having trust and confidence that all the other players are doing the right thing.

As an independent statutory body within this system, we will deliver on our legislative mandate by focusing on ensuring racing is fair and that there are high standards of animal welfare, ensuring compliance through education and enforcement, and influencing and advocating for a strong integrity system.

Further, we will continue to build the organisational capability we need to deliver on our strategic priorities, develop our culture to support a high performing team, and ensure we have a robust health, safety and wellbeing system.

Our team has delivered on the RIB's priorities as well as navigating the challenges that Covid continues to pose. In 2021/22, Covid had a significant impact on the industry, including the RIB. I am incredibly proud of the professionalism and resilience our team members continue to show every day in their work.

This Statement of Intent builds on its 2021/22 predecessor. With the benefit of a year in operation, we now have a clearly defined set of priorities with a corresponding work plan mapped out over the next three years.

The financial forecasts outlined in this document reflect the investment required to deliver on our strategic priorities as we continue to position the RIB as the significant cornerstone of racing integrity in Aotearoa.

**Mike Clement**  
**Chief Executive**  
**Racing Integrity Board**

# Overview

The RIB was established through section 42 of the Racing Industry Act 2020 as an independent body. The objective of the RIB is to promote and ensure the racing industry complies with high standards of animal welfare, integrity and professionalism for the benefit of the public, participants and racing industry.

We commenced operations on 1 July 2021, bringing together the people, resources and activities of the former Racing Integrity Unit and the Judicial Control Authority for Racing.

## Governance

The RIB is governed by an independent Board appointed by the Minister for Racing, and is funded through the TAB.

### Chair

- Kristy McDonald ONZM QC

### Board Members

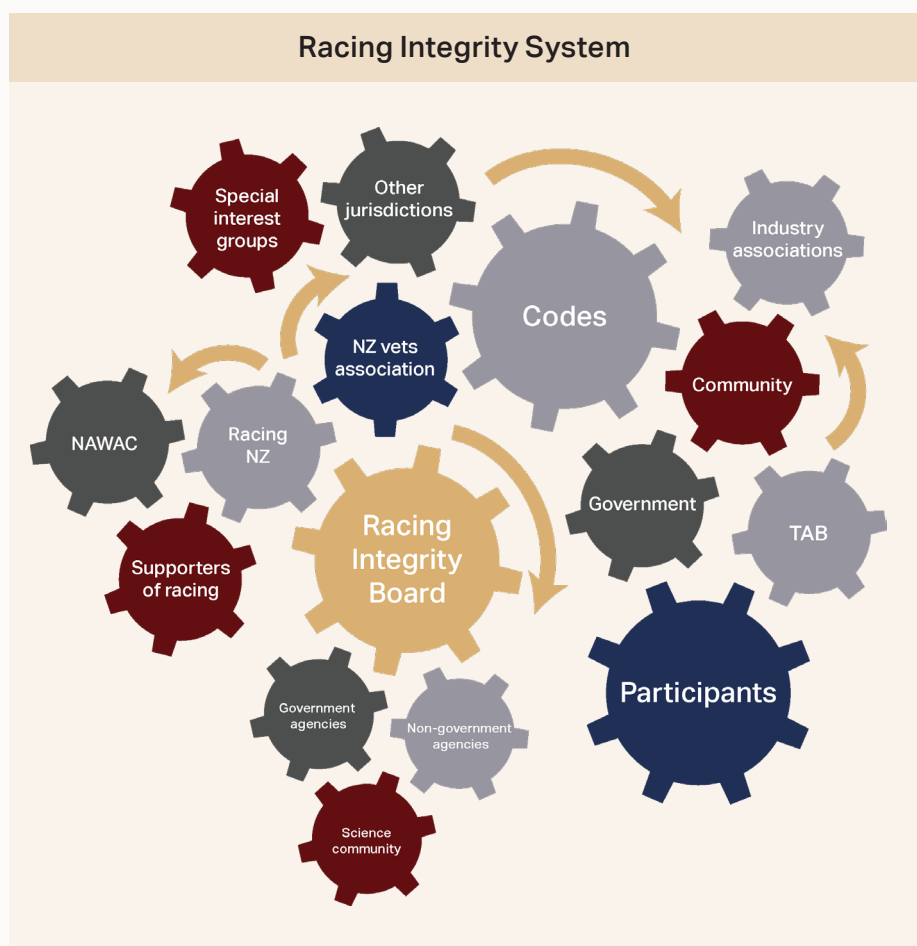
- Dr Patricia Pearce
- Brent Williams
- Penny Mudford ONZM

Full Board member bios are available [on our website here](#).

## Our stakeholders

Racing integrity is a system with many stakeholders. It relies on all stakeholders – the codes, industry associations, TAB, government, racing participants, special interest groups, betting public, and wider New Zealand community – having trust and confidence that all other stakeholders are doing the right thing.

The Racing Integrity Board plays a pivotal role in this system.



This is not an exhaustive list but is representative of the stakeholders in the racing integrity system.



## Our team

The RIB currently employs **40** permanent team members, and **120** on a contract basis to fulfill its functions under the Act.

### In a Typical Year

Our raceday teams attend **974** race meetings  
(**432** greyhound, **293** thoroughbred, **249** harness)  
across **59** racetracks throughout New Zealand.  
At these meetings approximately **11,000** races are scheduled to be run.

Our compliance team collect over **14,000** samples from animals for  
analysis by New Zealand Racing Laboratory Services.

Our veterinarians conduct **45,000** greyhound examinations  
and over **2,700** equine examinations. All racing animals are observed on race days.

We undertake **220** investigations a year as a result of referrals from our  
compliance team, veterinarians, industry sources, and referrals from codes  
and other agencies.

Our adjudicators deliberate at approximately **850** hearings  
to enforce the racing rules and impose penalties in  
accordance with those rules.

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# | Statutory functions

The Racing Industry Act 2020 specifies the functions of the Racing Integrity Board namely Compliance, Adjudication, and Advisory and Advocacy:

## **Compliance**

- to employ and train stipendiary stewards and racing investigators to perform and exercise the functions, duties, and powers in each code's racing rules
- to provide, or arrange for the provision of, veterinary services in relation to racing conducted by each racing code as required by the code's racing rules
- to provide, or arrange for the provision of, alcohol, drug, and prohibited substances testing in relation to racing conducted by each racing code as required by the code's racing rules
- to support and monitor the operation and effectiveness of each racing code's animal welfare policies and initiatives

## **Adjudication**

- to appoint adjudicative committees to hear and adjudicate on any matters (whether arising on a particular day of racing or otherwise) in accordance with racing rules and to impose penalties and award costs in accordance with those rules
- to appoint appeals tribunals to hear and adjudicate on appeals (including penalties imposed or costs awarded)

## **Advisory and Advocacy**

- to recommend to the racing codes any amendments to racing rules that the Board considers necessary or desirable for the purpose of supporting the racing integrity system
- to recommend to TABNZ any amendments to betting rules that the Board considers necessary or desirable for the purpose of supporting the racing integrity system
- to initiate, develop, and recommend to the recognised industry organisations those measures that will, in the Board's opinion, be conducive to the efficient and effective judicial control of New Zealand racing
- to monitor the operation and effectiveness of the racing integrity system on an ongoing basis and to report to the Minister as required on the outcome of that monitoring
- to provide any other services to a racing code agreed between the Board and the code or required by the code's racing rules
- to carry out any other functions necessary or desirable to assist the Board in achieving its objectives.

# | Strategic Priorities

2021/22 to 2023/24

To deliver on our legislative mandate, our priorities are in two parts: what we do and how we do it.

## What we do

### Compliance

We continuously improve our compliance disciplines, working alongside the codes to build higher levels of compliance.

Our stewards, swabbers, veterinarians, adjudicators and investigators support 974 race days across all three codes.

We take a continuous improvement approach to the race day model, improving our practices, leveraging technology, and developing our people.

In combination with our compliance activity, we work with the codes to take an informative and educative approach to rules, policies, and standards.

**Our focus:** In 2021/22 we have undertaken numerous reviews to strengthen compliance. This includes:

- Reviewing the race day operating model, based on a continuous improvement approach
- Trialling remote services and support for race day integrity activities, including typing, stewarding and adjudication
- Reviewing the penalty guides for all codes
- Reviewing and implementing changes to our drug and alcohol participant testing processes
- Reviewing and refining the investigations model.

In 2022/2023 and into 2023/24 we will implement any changes to the our operating model and, with stakeholder input, continue to review all practices.

## Animal Welfare

We develop and implement an animal welfare capability, to promote and ensure compliance with high standards of animal welfare.

Although each code is responsible for establishing and operating their own animal welfare framework, our role is to work with the codes to support and enhance the rules, policies and standards, and monitor compliance.

**Our focus:** Overseeing the Greyhound Review on behalf of the Minister for Racing has been a key focus for 2021/22.

In 2022/23 we will continue to work with Greyhound Racing New Zealand (GRNZ) as they deliver the Greyhound Review work programme. A report will be submitted to the Minister in December 2022 outlining our level of confidence in Greyhound Racing New Zealand's progress against the Hansen and Robertson Review recommendations. Our role beyond that will be determined by the Minister's decision.

We are taking lessons learned from this review and applying these as relevant across thoroughbred and harness racing to ensure there are robust animal welfare approaches across all three codes. We will work with the equine codes to develop, pilot, and refine these processes and practices.

## Advisory and Advocacy

We work with the codes informing and educating participants in relation to policies, rules, and standards. The outcome we are focused on is an ever-improving integrity system and a fair and level playing field for all racing stakeholders.

**Our focus:** In 2021/22 this has involved reviewing and providing feedback to the codes on their animal welfare standards; and recommending changes to the standards, policies, and rules of the greyhound and equine codes. We have also worked with the TAB on its rules and protocols.

Both streams of work will continue into 2022/23 and beyond.

## How we do it

The change programme referenced in the 2021/22 Business Plan will continue in 2022/23. It is important to note that building our capability, processes, assurance and stakeholder engagement are enduring: the Racing Integrity Board will always maintain a focus on these areas in the spirit of continuous improvement.

### People and Capability

We will improve confidence through strengthening our organisational capability and design; and prioritising and enhancing the health, safety and wellbeing of our people.

**Our focus:** The Racing Integrity Board formed on 1 July 2021, so our efforts in 2021/22 have focused on reviewing and updating the organisational structure to support the growth of a high performing team.

Health, Safety and Wellbeing (H,S&W) has been a key focus in our people and capability programme, and we have developed a new system to help shift the H,S&W culture in the organisation.

In 2022/23 we will build training programmes to further develop the capability of our people, and establish the competency frameworks to review and continuously improve performance.

### Processes and systems

As a small organisation with a wide remit collaborating with a broad group of stakeholders, we will focus on continuously improving the efficiency and effectiveness of our processes and systems.

**Our focus:** In 2021/22 we started digitising our forms, we have reviewed many of our service providers, reviewed our connectivity needs, and set up the audit system for the Greyhound Review.

In 2022/23 we will use technology to improve our efficiency. We will integrate our processes and practices with any technology solutions implemented by the codes, digitise our forms, and implement data capture and analysis tools.

## Assurance

We will develop and improve our quality assurance practices to build trust and confidence in the RIB and integrity of the racing system.

**Our focus:** In 2021/22 we have focused on our internal business assurance processes such as drug testing and exhibit handling protocols, and animal welfare audit processes. We have reviewed and will continue to ensure our conflict of interest policy provides the assurance required of an integrity function. Further, we have started work on our strategic plan which will be our key internal guiding document for the next three years.

In 2022/23 we will finalise our strategic plan and continue to review and implement the assurance practices that build confidence in the RIB's integrity function including:

- Lab and drug testing
- Exhibit handling
- Data insights
- Strengthening our animal welfare function.

## Engagement

The RIB is a pivotal part of the overall racing integrity system, and we will develop and maintain meaningful relationships with key stakeholders in the system.

**Our focus:** In 2021/22 we established regular engagement with the codes and TAB, as well as the relevant government departments and other jurisdictions across Australasia.

Throughout 2022/23 we will build on our communications and engagement programme to ensure we proactively engage with all audiences in the racing system in the interests of building and supporting integrity.



# | Measures of Performance

We will measure progress towards our strategic intentions through timely, relevant and achievable Key Performance Indicators (KPIs).

The compliance measures outlined in the 2021/22 Statement of Intent are relevant, however as indicated in the RIB's first Statement of Intent, with the benefit of a year of operation we have made some adjustments to ensure our KPIs are a meaningful measure of our effectiveness.

Compliance	Target
1 Stewards attend and officiate at all code race meetings	100%
2 Clubs surveyed are satisfied with the race day stewarding services provided	85%
3 Stakeholders surveyed believe the operation and effectiveness of the racing integrity system has improved in the last 12 months	70%
4 Original compliance and enforcement decisions and interventions confirmed on internal review	80%
5 Investigations completed within 6 weeks of initiation	90%
6 Complaints registered with the RIB processed within 5 working days	95%
7 Race rule breaches charged within 96 hours	90%
8 Animal race day drug tests conducted to starters	10%
9 Race day tests compliant with the swabbing protocols and procedures	99%
10 Human participant testing for drugs and alcohol (300 per annum)	100%



Adjudication	Target
11 Adjudicative matters processed within 10 working days (excluding race day charges)	90%
12 Number of successful appeals against Adjudicative Committee decisions	<2%
13 Adjudicative decisions published on the RIB website within 5 working days of the decision being made	95%
14 GRNZ Minor Infringements processed within 5 working days of receipt of papers	95%
Animal Welfare	
15 Animal Welfare audits conducted:	
a. kennels - all licensed kennels	100%
b. harness stables - 100 per annum	100%
c. thoroughbred stables - 110 per annum	100%
16 Animal Testing:	
a. Race day swabs taken – 9000 per annum	95%
b. Out of competition tests performed – 1000 per annum	95%
c. TCO2 tests performed – 2700 per annum	95%
17 Clubs surveyed are satisfied with the race day veterinary services provided	85%
Advisory & Advocacy	
18 Requests from the codes in relation to rule changes are responded to by the RIB	100%
19 Codes adopt RIB recommendations in whole or in part for consulted rule changes	75%



# Financial Statements

## Statement of revenue and expenses

For the 12-month period ending 31 July 2023	Forecast 2022* \$000	Budget 2023 \$000
<b>Revenue</b>		
<u>Non-exchange revenue</u>		
TAB NZ funding - operating	13,834	13,688
TAB NZ funding - capital programme	2,236	0
TAB NZ funding - leave liability	664	0
TAB NZ funding - Lab assets	824	0
<u>Exchange revenue</u>		
Interest	29	32
Other revenue	55	
<b>Total revenue</b>	<b>17,642</b>	<b>13,720</b>
<b>Expenses</b>		
Personnel costs	5,409	5,670
Other expenses	7,255	7,633
Depreciation and amortisation expense	805	717
<b>Total expenses</b>	<b>13,469</b>	<b>14,020</b>
<b>Net surplus/(deficit) for the period</b>	<b>4,173</b>	<b>-300</b>
Other comprehensive revenue and expense	0	0
<b>Total comprehensive revenue and expense</b>	<b>4,173</b>	<b>-300</b>

\*2022 forecast represents a 13 month period (01 July 2021 to 31 July 2022)

# Statement of financial position

As at 31 July 2023	Forecast 2022 \$000	Budget 2023 \$000
<b>Assets</b>		
<u>Current assets</u>		
Cash at Bank	2,718	2,235
Term deposits	0	0
Receivables	0	0
Other current assets	371	215
<b>Total current assets</b>	<b>3,089</b>	<b>2,450</b>
<u>Non-current assets</u>		
Property, plant and equipment	2,834	3,091
<b>Total non-current assets</b>	<b>2,834</b>	<b>3,091</b>
<b>Total assets</b>	<b>5,923</b>	<b>5,541</b>
<b>Liabilities</b>		
<u>Current liabilities</u>		
Payables and accrued expenses	838	836
Salary accrual	150	120
Employee entitlements	625	575
<b>Total current liabilities</b>	<b>1,613</b>	<b>1,531</b>
<b>Total liabilities</b>	<b>1,613</b>	<b>1,531</b>
<b>Net assets</b>	<b>4,310</b>	<b>4,010</b>
<b>Equity</b>		
Amalgamation reserve	137	137
Operating surplus/(deficit)	4,173	-300
Retained Earnings	0	4,173
<b>Total equity</b>	<b>4,310</b>	<b>4,010</b>

## Statement of changes in equity

As at 31 July 2023	Retained operating surplus / deficit	Amalgamation reserve	Total
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
<b>Balance at 1 July 2021</b>	<b>0</b>	<b>137</b>	<b>137</b>
Total comprehensive revenue and expense	4,137	0	4,173
<b>Balance at 31 July 2022</b>	<b>4,173</b>	<b>137</b>	<b>4,310</b>
<b>Balance at 1 August 2022</b>	<b>4,173</b>	<b>137</b>	<b>4,310</b>
Total comprehensive revenue and expense	-300	0	-300
<b>Balance at 31 July 2023</b>	<b>3,873</b>	<b>137</b>	<b>4,010</b>

# | Forecast Financial Statements

## Statement of cashflows

As at 31 July 2023	Forecast 2022* \$000	Budget 2023 \$000
<b>Cash flows from operating activities</b>		
Receipts from Revenue TAB NZ funding	15,455	15,741
Receipts from other revenue	84	32
Payments to suppliers	-7,946	-9,661
Payments to employees	-4,780	-5,475
TAB NZ funding for capital purchases	2,236	0
<b>Net cash flow from operating activities</b>	<b>5,049</b>	<b>637</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-2,519	-1,120
<b>Net cash flow from investing activities</b>	<b>-2,519</b>	<b>-1,120</b>
<b>Cash flows from financing activities</b>		
JCA reserve amalgamation	188	0
<b>Net cash flow from financing activities</b>	<b>188</b>	<b>0</b>
<b>Net (decrease)/increase in cash</b>	<b>2,718</b>	<b>-483</b>
Cash at the beginning of the period	0	2,718
<b>Cash at the end of the period</b>	<b>2,718</b>	<b>2,235</b>
<b>Represented by:</b>		
Cash at bank	2,718	2,235
Term deposits	0	0
<b>Total cash and cash equivalents</b>	<b>2,718</b>	<b>2,235</b>

# | 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 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 have been applied. The first reporting period is the 13 month period from 1 July 2021 to 31 July 2022 and the budget period is a 12 month period from 01 August 2022 to 31 July 2023.

### **Basis of measurement**

The 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 forecast 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 TABNZ 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 initially was 1 July 2021 and 1 August for this year.

TAB NZ also provided funding in the first 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 and budget 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.