



Racing Integrity Board
New Zealand



Statement of Intent and Business Plan

FY 2026–2028

**The Racing Integrity Board
promotes and ensures
compliance with high
standards of integrity,
animal welfare and
professionalism by people
in the racing industry.**



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Statement from Chair and CEO

Racing is embedded into New Zealand's social fabric and economy, with a proud heritage and strong, ongoing community involvement. The industry employs nearly 14,000 fulltime equivalent employees and contributes an estimated \$1.9 billion to New Zealand's GDP each year.

This impact is sustained by a shared commitment across the sector to values that are fundamental to its success: integrity, professionalism, and the welfare of both participants and animals.

Racing also operates within a broader societal context, where expectations continue to evolve. The industry recognises that New Zealanders value transparency, fairness, and high standards of animal welfare. These expectations underpin public trust and confidence in the industry, and the Racing Integrity Board's (RIB) statutory monitoring, compliance and advocacy functions play a critical role in maintaining that trust into the future.

The RIB's purpose is articulated as promoting *Safe Racing* by protecting the welfare of racing animals and participants; ensuring *Fair Racing* through the consistent application of rules, investigations, and adjudication; and maintaining *Public Confidence* by delivering transparent, independent regulation. These tenets are not abstract, they shape our every decision, every day. As the RIB navigates an increasingly dynamic and complex operating environment, they continue to guide our efforts to uphold integrity, protect welfare, and sustain public trust in the industry.



Neville Harris QSO, Chair (Left)
Dr Eliot Forbes, Chief Executive (Right)



One of the most significant recent developments is the Government's December 2024 decision to phase out greyhound racing by 31 July 2026. This decision has far-reaching implications for our workforce, particularly those directly involved in the greyhound racing sector, and also brings evolving operational responsibilities and a period of transitional uncertainty. The RIB remains committed to fulfilling its responsibilities in monitoring greyhound welfare, maintaining integrity standards and supporting impacted staff. We will continue to engage with greyhound racing participants with dignity and care, and constructively engage with the Ministerial Advisory Committee as required.

The 2025/26 racing calendar continues to evolve, with 1,032 race meetings scheduled across the three racing codes. This represents a 3.6 percent increase on the previous year, reflecting the industry's commercial growth ambitions to provide racing at the times that attract greatest interest in New Zealand and abroad. Alongside the volume-related demands on RIB resources, we remain focused on supporting the highest standards of integrity and professionalism, recognising the global reach and growing visibility of New Zealand racing.

Integrity is the cornerstone of our work — not only as a regulatory requirement but as the foundation for public confidence and demonstrating the industry's ethical and responsible stewardship of racing animals.

As technology continues to evolve, so too must our systems and processes to remain effective and future-ready. We have identified the need to modernise our digital infrastructure, replacing outdated legacy systems inherited from the former Racing Integrity Unit and the Judicial Control Authority. This work will focus on improving data management, streamlining workflows, strengthening cyber resilience, and reducing operational risk through greater system integration and process reliability. These improvements are essential to ensure the RIB's systems remain fit for purpose in a rapidly evolving regulatory environment.

To support our purpose and position the RIB for long-term sustainability, we have adopted a strategy underpinned by seven focus areas and foundation projects as listed below and outlined in a later section.

-  Digital Transformation
-  Race Day Operations
-  Prohibited Substance Management
-  Wagering Integrity
-  Organisational Capability
-  Animal Welfare and Advocacy
-  Greyhound Transition

Progress on these projects will be assessed against the success measures outlined on pages 13–14, while operational performance will be evaluated using the 15 Key Performance Indicators also detailed later in this document.

The focus areas and foundation projects represent a deliberate shift from a foundational operating model toward greater efficiency and capability, aligning people, systems, and processes to ensure the RIB is well-positioned to manage risk, improve performance and deliver effective, independent oversight.

This transition is reflected in our financial planning. The RIB's FY26 activities will be funded by an operating budget of \$18.2 million and a capital expenditure budget of \$2.06 million. The capital allocation includes \$945,000 for the first year of our investment in digital transformation, and \$800,000 for laboratory equipment renewal as part of our ten-year asset plan. These investments are critical enablers of risk reduction, service quality, and long-term capability. Our reserves policy, introduced in FY25, is practical and further strengthens financial resilience by maintaining sufficient working capital to meet operating demands and future obligations without disruption.

As always, our people remain at the heart of the RIB's mission. The RIB team's expertise, integrity and commitment enables the delivery of our statutory responsibilities and gives life to the standards we uphold. Our intention is to invest in their future, just as we invest in the training, tools, data, and systems that support them.

In conclusion, the RIB enters the 2025/26 season with intent and a focus on the future. Integrity is not just a regulatory and compliance obligation, it is the foundation of public trust and a reflection of the industry's ethical and responsible stewardship of racing animals. We are committed to professionalism, collaboration and transparency, and we recognise the value and importance of working in partnership with the racing codes, with government and with stakeholders at every level.

With this strategy, and with our collective commitment, we believe racing in New Zealand can continue to flourish, to be conducted safely and fairly, and to remain deserving of the public's trust.



Neville Harris QSO
Chair



Dr Eliot Forbes
Chief Executive

Statement of Responsibility

As a combined document, this joint Statement of Intent and Business Plan sets out our strategic framework for the next three years and the performance measures we will use to demonstrate progress against those objectives.

Our strategic framework is based on the objectives and core functions established under the Racing Industry Act 2020 (the Act).

The plans outlined in this document have been prepared in accordance with the requirements of the Act and shared with industry stakeholders. It also details how we will measure the RIB's performance in meeting its statutory objectives and functions.

The Board acknowledges responsibility for the information and prospective financial statements contained within this joint Statement of Intent and Business Plan 2025/2026 to 2027/2028.

This information has been prepared in accordance with sections 46 to 48 of the Racing Industry Act 2020.

Organisational Purpose

The Racing Integrity Board is the independent regulator for thoroughbred, harness and greyhound racing in New Zealand



Safe Racing

Protecting the safety and welfare of racing animals and participants.



Fair Racing

Upholding the principles of fairness and integrity, safeguarding the interests of owners, racing participants, wagering customers and other stakeholders.



Public Confidence

Fostering public confidence through rigorous, independent oversight of the racing industry.



Our Functions

Compliance

- Assign stewards to race days, trials and other duties to ensure safety and enforce compliance with the Rules of Racing
- Administer a comprehensive prohibited substance management programme encompassing animal testing and human drug and alcohol testing
- Investigate alleged breaches and initiate charges where appropriate
- Monitor compliance trends and emerging risks, using data and intelligence to inform enforcement priorities, education efforts and continuous improvement in regulatory practice

Animal Welfare

- Support and monitor the implementation and effectiveness of animal welfare rules, policies and standards
- Deliver veterinary services on race days, to maintain high standards of safety, health and animal care
- Conduct regular inspections of stables and kennels to assess compliance with welfare standards and identify areas for improvement or intervention where necessary

Adjudication

- Hear and adjudicate on breaches of the Rules of Racing through fair, impartial, and timely proceedings
- Conduct appeal hearings in accordance with established procedures, ensuring due process and consistency in decision-making
- Publish the reasoning, evidential basis and relevant determinations for all adjudicative decisions

Advisory and Advocacy

- Facilitate liaison with experts to ensure practical and evidence-based foundation for RIB's assessment of rules, policies and standards
- Support and provide advice to the Department of Internal Affairs and the Office of the Minister for Racing on matters relating to integrity, welfare and regulatory performance
- Engage with industry and stakeholders to promote awareness, understanding and continuous improvement in integrity and welfare practices across the racing sector

We Value



Fairness



Consistency



Professionalism



Transparency



Teamwork

Strategic focus areas & foundation projects

This section outlines the Racing Integrity Board's areas of strategic focus and corresponding year-by-year success measures, providing a clear framework to guide progress and accountability.





Digital Transformation

We are initiating a multi-year programme to modernise our digital systems, with a focus on improving data integrity, regulatory efficiency and system interoperability. This initiative will replace legacy platforms with fit-for-purpose solutions that support real-time information sharing, enhance analytics, and enable more agile and secure regulatory operations.



Race Day Operations

We will undertake a progressive review of race day operations to ensure they align with efficient regulatory practice and support improved productivity across all aspects of RIB racecourse activities. This work will also focus on upskilling staff, strengthening agility, and equipping our teams to respond effectively to the dynamic demands of the race day environment.



Prohibited Substance Management

We will strengthen policies, systems and capabilities for the management of prohibited substances, ensuring alignment with international best practice and global standards. This will involve significant ongoing investment in laboratory equipment to keep our testing capabilities at the forefront of global benchmarks, as well as enhancing our data analytical capacity and integrating intelligence systems to support more targeted, effective and timely regulatory outcomes.



Wagering Integrity

We will expand the scope, sophistication and integration of our bet monitoring capabilities to better detect and respond to integrity risks. At the same time, we will deepen engagement with wagering operators to strengthen information-sharing, enhance oversight, and support more proactive regulatory interventions across wagering activities.



Organisational Capability

We will uplift workforce capability through competency-based training and development initiatives. These efforts will be underpinned by strengthened workforce planning to respond to demographic shifts and ensure we continue to deliver high levels of service to the industry.





Animal Welfare and Advocacy

We will continue to advise on and advocate for high animal welfare standards, ensuring consistent compliance through active monitoring of animals. This monitoring takes place in a range of settings, including racetracks, training environments, and their home stables or kennels. We are committed to ensuring our people are well trained and remain attuned to evolving societal expectations, reinforcing our focus on the ongoing care, protection, and ethical treatment of racing animals.



Greyhound Transition

Business-as-usual operations will continue as we support impacted staff and engage in the Government's transition planning following its decision to phase out greyhound racing by 31 July 2026. This transition brings new operational responsibilities and uncertainty, particularly for those working in the greyhound sector. The RIB remains focused on monitoring welfare, maintaining integrity standards, engaging respectfully with participants, and contributing to the Ministerial Advisory Committee as required.



Strategic Focus and Success Measures

As the RIB progresses from foundational capability towards operational efficiency, clear indicators of success will be developed in time to track and support these efforts. The following success measures will demonstrate the RIB's advancement toward becoming a more efficient, productive, and data-informed regulator.

Key Focus Area	Success Measures – FY26	Success Measures – FY27 & FY28
1 Digital Transformation	• System requirements documented and data governance policies agreed • RFP issued, proposals evaluated, and contracts signed with chosen vendor(s) • Three-phase implementation roadmap approved • Staff trained and high-impact (Phase1) processes digitised and operational, per roadmap • Adherence to budget	• Legacy data migrated to a centralised database and core modules implemented • Real (or near) time data flow with Codes and TAB operational via APIs • AI and analytics tools integrated into workflows • Productivity gains in admin, case resolution, and data quality • Staff satisfaction and operational responsiveness improved
2 Race Day Operations	• Race day roles and responsibilities reviewed for clarity and efficiency • Change management plan and updated standard operating procedures implemented • Upskilling of frontline staff completed in line with agreed timelines	• Revised race day arrangements implemented • Staff are working in roles that match their experience, capabilities, and strengths • Less duplication, fewer gaps, and smoother coordination across codes and regions • Operational delivery is predictable, transparent, and resilient to disruption • Key capability gaps are closed, and new training is integrated into ongoing professional development
3 Prohibited Substance Management	• Implement new strategic Prohibited Substance (PS) Management Plan recommendations • Operational structure optimised to deliver plan • Strategic upskilling of sampling staff • Laboratory investment plan delivered	• Prohibited Substance Management arrangements aligned to best practice international standards • Modern laboratory infrastructure operational • Effective detection and deterrence of prohibited substance abuse

Key Focus Area	Success Measures – FY26	Success Measures – FY27 & FY28
4 Wagering Integrity	- Enhanced collaboration with major wagering operators - Analytics framework for bet monitoring defined - Strategic upskilling of frontline integrity staff	- Effective integration of operator data feeds - Analytics routinely applied - Sector confidence in oversight elevated
5 Organisational Capability	- Stewards' competency framework implemented - Leadership and technical training programmes initiated - Stewards' progression framework implemented - Modern HR arrangements implemented for all RIB staff - Functional analysis completed to align team skills and structures	- Stewards are operating within a clearly defined competency and progression framework - Pilot programmes have scaled into permanent training streams - Internal promotions are based on measurable skills and development milestones - Collaboration protocols between stewards, investigators and other integrity functions implemented - Operational structures reflect stewards' central role - HR processes support workforce planning, performance management, and ongoing professional development
6 Animal Welfare and Advocacy	- Animal welfare policy monitoring framework implemented - Expert forums for welfare engagement established and operational - Annual inspection targets achieved	- RIB recognised as an authoritative animal welfare advocate - Code-level policy frameworks aligned with international best practice
7 Greyhound Transition	- Staff transition plan and cross-training arrangements completed - Greyhound monitoring and quarterly reporting maintained as directed by the Minister for Racing - Transition plans developed and deployed	Post-closure activity aligned with Ministerial direction (if required)

Statutory Objectives and Functions

The RIB is an independent body established under section 42 of the Racing Industry Act 2020. The objectives of the RIB, as set out in the Act, are 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 the racing industry.

The Act specifies the functions of the RIB as Compliance, Adjudication, and to monitor, advise and make recommendations that would benefit the industry.

Compliance

- To employ and train stipendiary stewards and racing investigators to perform and exercise the functions, duties, and powers in each code's Rules of Racing
- As required by racing codes' respective rules and policies, to provide or arrange for the provision of:
 - veterinary services
 - alcohol, drug and prohibited substance testing

Animal Welfare

- 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 Rules of Racing 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 Rules of Racing that the Board considers necessary or desirable for the purpose of supporting the racing integrity system
- To recommend to TAB NZ 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 racing
- To monitor the operation and effectiveness of the racing integrity system on an ongoing basis and to report to the Minister for Racing 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 rules and policies
- To carry out any other functions necessary or desirable to assist the Board in achieving its objectives.

Measures of Performance

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

Our performance measures are broken up into the following categories:

- 1 **Effectiveness** (effectively fulfilling organisational objectives)
- 2 **Efficiency** (exhibiting efficiency & timeliness)
- 3 **Quality** (demonstrating professionalism and judgement)
- 4 **Confidence** (ensuring positive engagement with key stakeholders)
- 5 **People & Capability** (ensuring and enabling a skilled workforce)

1 Effectiveness

	Area/KPI	2025/26 KPI Description	2025/26 Target
1	Drug Control – Human¹	Achieve Board-approved target for human sampling.	95%
2	Drug Control – Racing Animals¹		
	a. Race Day Samples	Achieve Board-approved target for race day sampling.	95%
	b. Non-race Day Samples	Achieve Board-approved target for non-race day sampling.	95%
	c. Race Day TCO ₂ Samples	Achieve Board approved target for race day TCO ₂ sampling.	95%
3	Accessibility	Confidential integrity line available 24 hours a day 7 days a week.	99%
4	Compliance & Animal Welfare Inspections		
	a. Thoroughbred Stable Inspections	100 Inspections	100%
	b. Harness Stable Inspections	100 Inspections	100%
	c. Greyhound Kennel Inspections	2 Inspections per Trainer	100%

1. Respective annual testing targets for alcohol and drugs are set by the Board each year but are not published to preserve the integrity of the testing and intelligence strategy.

2 Efficiency

	Area/KPI	2025/26 KPI Description	2025/26 Target
5	Investigation Prosecutions	Investigations completed and prosecution prepared within 90 days of initiation.	85%
6	Stewards' Prosecutions	Informations submitted within 96 hours of the alleged breach of the Rules of Racing.	95%
7	Responsiveness	Animal welfare related complaints or concerns acknowledged and responded to within 2 working days.	98%
		Correspondence received via info@rib.org.nz assessed and responded to within 2 working days.	95%
8	Trainers' Licence Assessments	Trainers' licence checks (including stable or kennel inspection – where required) completed within 15 working days from the date of receipt of the request and all necessary information from the code.	98%
9	Prompt Transparency	Adjudicative decisions published on the RIB website within 5 working days of the decision being made (excluding decisions that are delayed on instruction of presiding adjudicator).	95%

3 Quality

	Area/KPI	2025/26 KPI Description	2025/26 Target
10	Sample Handling	Animal samples admissible in enforcement proceedings.	99.9%
11	Race Day Decisions	Race day warnings sampled for assessment that are confirmed on subsequent internal review.	95%
12	Appeal Outcomes	Original Adjudicative decisions (including Minor Infringements) successfully upheld.	98%

4 Confidence

Area/KPI	2025/26 KPI Description	2025/26 Target
13 Stakeholder Engagement	Stakeholders express confidence that the Racing Integrity Board is fulfilling its objective to ensure compliance with high standards of animal welfare, integrity, and professionalism by participants in the racing industry.	TBC ²

5 People & Capability

Area/KPI	2025/26 KPI Description	2025/26 Target
14 Employee Engagement	Aggregate employee engagement score.	65% ³
15 Employee Training and Development	Each employee undertakes not less than 10 hours of training per annum (for permanent, full-time employees; excluding on-job learning).	95%
16 Safety	< 3 Lost time injury frequency rate (LTIFR) per annum (incidence of days lost due to a work-related injury incident, calculated per one million hours worked).	99%

2. New survey target to be approved by the RIB Board.

3. New Zealand average.

Forecast Financial Statements

Prospective statement of comprehensive revenue and expenses

For the year ending 31 July 2026	Forecast 2025 \$000s	Budget 2026 \$000s
Revenue		
Non-exchange revenue		
TAB NZ funding – operating	16,534	17,827
TAB NZ funding – capital programme	1,292	2,056
Other non-exchange revenue	328	73
Exchange revenues		
Interest	288	250
Gain on disposal	42	33
Total revenue	18,484	20,239
Expenses		
Personnel costs	9,428	10,168
Other expenses	6,334	6,985
Depreciation and amortisation expense	881	1,031
Total expenses	16,643	18,184
Surplus for the period		
Net surplus for the period	1,841	2,056
Other comprehensive revenue and expenses	-	-
Total comprehensive revenue and expenses	1,841	2,056

Prospective statement of financial position

As at 31 July 2026	Forecast 2025 \$000s	Budget 2026 \$000s
Assets		
Current assets		
Cash at bank	2,296	3,218
Term deposits	2,500	2,500
Receivables	222	299
Prepayments	123	114
Total current assets	5,140	6,131
Non-current assets		
Property, plant and equipment	4,128	4,058
Intangible assets	0	1,095
Total non-current assets	4,128	5,153
Total assets	9,269	11,285
Liabilities		
Current liabilities		
Payables and accrued expenses	736	756
Income received in advance	61	0
Employee entitlements	938	940
Total current liabilities	1,735	1,695
Total liabilities	1,735	1,695
Net assets	7,534	9,589
Equity		
Amalgamation reserve	137	137
Accumulated surplus	7,396	9,452
Total equity	7,534	9,589

Prospective statement of changes in equity

	Accumulated surplus \$000s	Amalgamation reserve \$000s	Total \$000s
Balance at 1 August 2024	5,556	137	5,693
Total comprehensive revenue and expenses	1,841	0	1,841
Balance at 31 July 2025	7,396	137	7,534
Balance at 1 August 2025	7,396	137	7,534
Total comprehensive revenue and expenses	2,056	0	2,056
Balance at 31 July 2026	9,452	137	9,589

Prospective statement of cash flows

For the year ended 31 July 2026	Forecast 2025 \$000s	Budget 2026 \$000s
Cash flows from operating activities		
Receipts from TAB NZ funding	16,534	17,827
TAB NZ funding for capital purchases	1,292	2,056
Receipts from other revenue	126	89
Interest received	328	250
Payments to suppliers	(8,943)	(9,959)
Payments to employees	(6,637)	(7,208)
Net GST refunded/(paid)	33	(77)
Net cash flow from operating activities	2,733	2,978
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	0	0
Purchase of property, plant and equipment	(1,760)	(961)
Acquisition of intangible assets	0	(1,095)
Purchase of investments	(500)	0
Net cash flow used in investing activities	(2,260)	(2,056)
Net increase/(decrease) in cash	473	922
Cash at the beginning of the period	1,823	2,296
Cash at the end of the period	2,296	3,218
Represented by:		
Cash at bank	2,296	3,218
Total cash and cash equivalents	2,296	3,218

Notes to the prospective financial statements

1. Statement of accounting policies

Reporting entity

The Racing Integrity Board (RIB) is a statutory body formed under section 42 of the Racing Industry Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing the RIB's operations includes the Racing Industry Act 2020 and Public Audit Act 2001. 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 is able to control the composition of the Board because it appoints all the members of the Board.

The RIB is a public benefit entity (PBE) for financial reporting purposes. The RIB does not operate to make a financial return.

Basis of preparation

The prospective financial statements have been prepared on the basis of the significant accounting policies, which are expected to be used in the future for reporting historical financial statements. The significant accounting policies used in the preparation of these prospective financial statements are summarised below.

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

Statement of compliance

The prospective financial statements have been 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 financial statements have been prepared in accordance with and comply with PBE Standards Reduced Disclosure Regime (RDR) and the concessions applied on the basis that expenditure exceeds \$5 million but is less than \$33 million. They have been prepared in accordance with PBE FRS 42 *Prospective Financial Statements*.

Budget and forecast figures

The forecast figures are compiled based on unaudited actual results to 30 April 2025 and performance expectations for the remainder of the year as approved by the Board. 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 forecast and budget financial statements.

1. Statement of accounting policies (continued)

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Critical accounting judgements, estimates and assumptions

In preparing these prospective financial statements, the RIB has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under particular circumstances. The most significant are outlined below:

Revenue – TAB NZ	Funding from TAB NZ budgeted in FY2026 assumes the requested funding is approved by the Minister for Racing.
Personnel costs	The forecast and budget take into account current establishment levels and incorporate expected personnel changes over the periods.
Capital	The RIB is undertaking a programme of capital spending, the current plan involving purchase of new laboratory equipment, software comprising centralised database build, and computer equipment replacements. Forecast and budgeted costs are based on preliminary procurement estimates. Expenditure from the acquisition of new software is assumed to be fully capital, but may result in amounts being classified as operating depending on the nature of the work once it is confirmed.
Depreciation and amortisation	The forecast and budgeted depreciation and amortisation charges for existing assets are based on the disclosed useful lives in the accounting policies. The useful lives to calculate depreciation and amortisation for the new capital purchases, in particular for the RIB's new software, are estimates based on preliminary procurement information and may change once more information is available upon purchase and/or development of the assets.

2. Summary of material accounting policies

The material accounting policies used in the preparation of these prospective financial statements are set out below.

Goods and services tax

Items in the prospective financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Income tax

Section CW 38(2) of the Income Tax Act 2007 exempts the RIB from income tax. Accordingly, no provision has been made for income tax.

Revenue

The specific accounting policies for significant revenue items are explained below:

Non-exchange revenue

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 starts 1 July. Funding is provided quarterly and as there are no conditions attached to the funding it is recognised as revenue at the point it becomes receivable. This is considered to be the start of the period to which the funding relates.

TAB NZ also provided funding in the prior period 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.

2. Summary of material accounting policies (continued)

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. The fair value of donated assets is determined as follows:

- For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received.
- For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition, and age.

As the RIB have received used laboratory testing equipment in the prior period, this has been recorded with reference to market information by a verified specialist third party for assets of a similar type, condition, and age. This has subsequently been recorded as non-exchange revenue in the statement of comprehensive revenue and expenses.

Other income

Other income is recognised when the right to receive payment is established or on an accrual basis with the substance of the relevant agreement.

Exchange revenue

Interest revenue

Interest income is recognised in the statement of comprehensive revenue and expenses as it is earned. Interest income is accrued using the effective interest rate method.

Personnel Costs

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Defined contribution schemes

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

2. Summary of material accounting policies (continued)

Other expenses

Other expenses are recognised as goods and services when they are received. An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less.

Term deposits

Term deposits comprise deposits with original maturities greater than three months and therefore do not fall into the category of cash and cash equivalents.

Receivables

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The RIB applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Receivables which are expected to be settled after 12 months have been classified as non-current.

2. Summary of material accounting policies (continued)

Property, plant and equipment

Property, plant, and equipment are measured at cost less accumulated depreciation and impairment losses. The RIB's asset classes include computer equipment, laboratory testing equipment, furniture and fittings and motor vehicles. Individual assets are capitalised if their cost is greater than \$1,000 (excluding GST) or the expected useful life exceeds 12 months.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that the future economic benefits or service potential associated with the item will flow to the RIB and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition as is the case with the donated laboratory testing equipment.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

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. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

	Useful Life	Depreciation Rate
Equipment	3-6 years	17% – 33%
Computer equipment	2-13 years	8% – 50%
Laboratory testing equipment	2-8 years	13% – 50%
Furniture and fittings	5-10 years	10% – 20%
Motor vehicles	4 years	25%

2. Summary of material accounting policies (continued)

Impairment

The RIB does not hold any cash-generating assets, therefore all assets are non-cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return. Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information. The reversal of an impairment loss is recognised in the surplus.

Intangible assets

Software acquisition and development

Software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the acquisition and development of software for internal use are recognised as an intangible asset. Direct costs include software licence acquisition and implementation costs. Costs associated with maintaining software are expensed when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date when the asset is derecognised. The amortisation charge for each financial year is expensed in the surplus or deficit. The useful lives and associated amortisation rates for developed and acquired software are between 3 – 6 years (17% – 33%).

The useful life of software is determined at the time the software is acquired and brought into use and is reviewed at each reporting date for appropriateness. For computer software licences, the useful life represents management's view of the expected period over which the RIB will receive benefits from the software. For off-the-shelf software that is purchased and then modified by the RIB, this is considered to be acquired computer software and the useful life is based on historical experience with similar systems as well as anticipation of future events that may impact the useful life, such as changes in technology.

2. Summary of material accounting policies (continued)

Payables and accrued expenses

Short-term payables are recorded at the amount payable and are subsequently measured at amortised cost.

Employee entitlements

Short-term employee benefits

Employee benefits that are expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service are measured based on accrued entitlements at the current rates of pay. These include salaries and wages accrued up to balance date, annual and alternate public holidays earned, but not yet taken at balance date.

Long-term employee benefits

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service, such as long service, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and
- Present value of the estimated future flows.

Stakeholders

Integrity in the racing industry is reliant on all stakeholders doing the right thing every day, safe in the knowledge that others are committed to doing the right thing too.

The Racing Integrity Board plays a pivotal role in this system, which can only succeed when everyone plays their part.

- NZ Thoroughbred Racing
- Harness Racing NZ
- Greyhound Racing NZ
- Participants
- Participants' organisations
- Racing Clubs
- Racing New Zealand
- Supporters of racing
- TAB NZ
- Entain NZ
- Community
- Office for the Minister for Racing
- Department of Internal Affairs
- National Animal Welfare Advisory Committee
- NZ SPCA
- Ministry for Primary Industries
- New Zealand Veterinary Association
- New Zealand Racing Laboratory Services
- Special interest groups
- International counterparts
- Science community



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Confidential Integrity Line

Make an anonymous report by calling
0508 742 123, or online via
www.integrityline-nz.org/rib or via this QR code



Board Members

Neville Harris QSO – Chair
Dr Patricia Pearce
Brent Williams
Aaron Lloyd
David Howman CNZM

Key Management Personnel

Dr Eliot Forbes – Chief Executive
John Oatham – Chief Stipendiary Steward (Thoroughbred)
Nigel McIntyre – Chief Stipendiary Steward (Harness)
Scott Wallis – Chief Stipendiary Steward (Greyhound)
Raquel Greive – Executive Manager, Legal
Nick Ydgren – Executive Manager, Racing Operations and Welfare
Gary Davey – Executive Manager, Corporate Services
Martin Burns – Executive Manager, Strategy and Stakeholder Relations
Adele Holden – Manager, People and Capability



Racing Integrity Board
New Zealand