

MEMORANDUM

TO: Clubs /Sector Members
FROM: Gallop South Incorporated
DATE: August 2020

Background

There is a ground swell of opinion amongst clubs to amend New Zealand Thoroughbred Racing Incorporated's ("NZTR") Constitution to change the composition of the Board to a more regional representative model.

With the passing of the Racing Industry Act 2020 (the "Act") into law each Code Governing Body has a greater role in decision making that affects club assets, dates, funding, etc. To make informed decisions the NZTR Board needs input from all regions and from members with local knowledge and racing experience.

NZTR have control of club assets yet at the moment no club has any input or voting rights as to the selection of the NZTR Board (see s 21 of the Act attached).

It must be stressed this is not a criticism of NZTR's Board or Members Council. Both have worked well under the current Constitution but now is the time to consider change.

278 race day licences have been issued for the 20/21 racing season (167 votes are required to change the Constitution – see below). Voting is based on one vote per race day licence in the year the voting takes place.

Attached is a copy of race day licences for 20/21 and the NZTR Constitution.

Constitution

The current Constitution of NZTR, in simple terms, provides as follows in respect of the Board and its appointment:

- A Member's Council of nine members (comprising six Regional Members and three Sector Members) is elected pursuant to a relatively lengthy and prescriptive process (see Rule 10 of the Constitution).
- The Member's Council appoints six directors who constitute the NZTR Board (see Rule 13).
- Rule 13.2(e) deems certain people ineligible to be appointed as a Director of the Board, including *inter alia* the following (for a full list see Rule 13.2(e)):
 - A person who holds a licence issued by NZTR, e.g. those holding a rider's or trainer's licence; and

- A member of a committee, or employee of any Club or racing association.

Pursuant to Rule 22 the Constitution may be rescinded, amended or added to only by resolution passed by a three-fifths majority of all representatives present and voting at an Annual General Meeting, or a Special General meeting convened for that purpose.

Pursuant to Rule 8.4 of the NZTR Constitution a special general meeting can be convened in two ways:

1. By the Board *“for the consideration of such matters as it thinks fit”*, or
2. By the Chief Executive *“upon requisition in writing signed by not less than 10% of Totalisator Clubs”*.

Our preference in the first instance is to work alongside/with NZTR in relation to amending the current rules of the Constitution to be more representative of clubs and sector groups throughout New Zealand. Prior to approaching them, however, we consider it is prudent to formally gauge the support we have so that, if need be, we are in a position to confirm the support of not less than 60% of Totalisator Clubs.

Proposal

It is proposed that the NZTR Constitution is amended. The main focus and goal of such amendments is to ensure better representation of all regions throughout New Zealand.

The proposed amendments to implement and effect this goal are as follows:

1. Amend the current three regions to six regions, being Auckland, Waikato, Central North Island West, Central North Island East, Canterbury/West Coast and Otago/Southland (Rule 6) (see attached Schedule detailing the six regions and Clubs).
2. The complete removal of the Member's Council (Rules 10, 11 and 12).
3. The rules in relation to the composition and election process for the NZTR Board would be amended to enable the following (Rule 13):
 - a. NZTR Board to comprise six elected directors (one appointment from each of the six regions).
 - b. NZTR Board of six elected directors *may* appoint a further two *“independent”* directors.
 - c. The Chairman of the NZTR Board is appointed by the NZTR Board members (as per current Rule 13.4).
 - d. Each of the six regions to elect its respective director as follows:
 - i. The Clubs and Sector Members in the region nominate candidates for the region.

- ii. Clubs in each region are entitled to one vote per race day licence.
- iii. Sector Members in each region are entitled to one vote per Sector Member affiliated to its national body.
- e. Rule 13.2(e) (which currently deems certain persons ineligible to be appointed as a director of the NZTR Board) to be reviewed. At a minimum the current rule would be amended to enable those holding a rider's or trainer's licence, members of a committee or employees of any Club or racing association to be eligible to be appointed as a director of the NZTR Board.
- f. All NZTR Board directors to be appointed for one year. All six elected directors to be eligible for re-election at the completion of each year.

Conclusion

We kindly ask you to discuss the above proposed amendments to the NZTR Constitution at your next committee meeting. Please confirm your support or otherwise via email to jo@gallopsouth.co.nz no later than **Monday 30 September 2020**.

Gallop South Incorporated
August 2020

Racing Industry Act 2020

21 Restriction on dealing with racing venue

- (1)** Despite any provision to the contrary in a racing club's constitution, the racing club must obtain the written approval of the racing code with which it is registered before—
- (a) transferring or vesting the fee simple estate in the land comprising a racing venue owned by the club:
 - (b) leasing, mortgaging, giving a security interest in, or otherwise dealing with the land that comprises a racing venue owned by the club:
 - (c) extending any encumbrances in respect of the land that comprises a racing venue owned by the club.
- (2)** A racing code may grant approval under subsection (1) generally or specifically and subject to any conditions that the code thinks fit.
- (3)** The Governor-General may, by Order in Council made on the recommendation of the Minister, specify the date on which the restriction set out in subsection (1) ceases to apply to racing clubs registered with the relevant racing code.

SCHEDULE

SIX PROPOSED REGIONS OF CLUBS WITH RACE DAY LICENCES 20/21

Auckland

Auckland Racing Club
Avondale Jockey Club
Counties Racing Club
Pakuranga Hunt Club
Thames Jockey Club
Whangarei Racing Club

Waikato

Cambridge Jockey Club
Racing Matamata
Racing Rotorua
Racing Tauranga
Racing Te Aroha
South Waikato Racing Club
Taumarunui Racing Club
Taupo Racing Club
Waitkato Racing Club

Central North Island West

Egmont Racing Club
Fielding Jockey Club
Manawatu Racing Club
Marton Jockey Club
Rangitikei Racing Club
Taranaki Racing Club
Wanganui Jockey Club
Waverly Racing Club

Central North Island East

Hawke's Bay Racing Inc
Levin Racing Club
Masterton Racing Club
Otaki Maori Racing Club
Wairarapa Racing Club
Wellington Racing Club
Woodville Pahiatua Racing Club

Canterbury/West Coast

Ashburton Racing Club
Banks Peninsula Racing Club
Canterbury Jockey Club
Greymouth Jockey Club
Kumara Racing Club
Reefton Jockey Club
Timaru Racing Club
Waimate Racing Club

Otago/Southland

Beaumont Racing Club
Central Otago Racing Club
Gore Racing Club
Kurow Jockey Club
Oamaru Jockey Club
Otago Racing Club
Riverton Racing Club
Southland Racing Club
Tapanui Racing Club
Waikouaiti Racing Club
Wairio Jockey Club
Winton Jockey Club
Wyndham Racing Club