

2023

Rule Amendments, Constitution Amendments, and Resolutions

The proposed amendments to the New Zealand Rules of Harness Racing and to the Constitution of Harness Racing New Zealand Incorporated, to be considered at the 2023 Annual General Meeting of Harness Racing New Zealand Incorporated on 14 October 2023 at Christchurch are outlined below.

The proposed amendments to the Rules will come into force as set out in the remits.

1. **Voting - Second Schedule of the Constitution of HRNZ and the Third Schedule of the Rules by the Board**

Special Resolution (to come into force on 17 November 2023)

That the amendment passed at the 2020 Annual General Meeting amending the voting system in the Second Schedule of the Constitution of HRNZ and the Third Schedule of the Rules for two years ending on 17 November 2022, and extended for a further year at the 2022 AGM to 17 November 2023, be extended for one further year to end on 17 November 2024 subject to any alternative voting system being adopted.

If no alternative voting system is adopted on or before 17 November 2024 the voting system shall revert to that provided in the Constitution and the New Zealand Rules of Harness Racing immediately before the 2020 Annual General Meeting unless the current voting system is further extended by special resolution.

Reason

Rolling over the current voting model for a further 12 months.

2. **Rule 303(2)**
(Proposed by the Board for the RIB)

Remit (to come into force on 1 November 2023)

Amend rule 303(2) to state:

303 (2) *No person or body to whom these rules apply shall:*
(a) misconduct themselves; or
(b) fail to comply with any request, direction, or instruction of any Stipendiary Steward, Racing Investigator, Starter, race-day veterinarian, or paid official.

Reason

The proposed amendment provides the misconduct rule applies to all persons who are subject to the rules and requires those persons to comply with directions of race-day vet and paid officials.

**3. Rule 507B
(Proposed by the Board for the RIB)**

Remit (to come into force on 1 November 2023)

Amend rule 507B to state:

507B A driver shall remain on the racecourse for a period of 25 minutes after each race in which he or she has driven unless permission has been otherwise given by a Stipendiary Steward.

Reason

The current period of 15 minutes is unworkable and extended to 25 minutes.

**4. Rule 854
by Invercargill HRC**

Remit (to come into force on 1 November 2023)

Delete rule 854 that states:

854 No horse may be entered for its first start for a standing or mobile start at any meeting at which racing betting takes place until that horse has behaved prior to the start, started satisfactory, and gone away for the first 200 metres, from the nominated start type in the presence of a Stipendiary Steward, or person approved by the Racing Integrity Board in their absence.

Reason

Invercargill HRC proposes that rule 854 which was introduced on 29th November 2021 after being voted in at that year's AGM, be deleted as:

- a. No benefit has arisen from this change.
- b. It has added extra costs to owners for horses to get passed at respective trials/workouts to then race.
- c. It has reduced some races because horses have not been passed.
- d. One horse trials to get passed, is not a normal race condition scenario.
- e. Stipendiary Steward reports show even more horses being warned for unsatisfactory manners, even though some of these horses have had an abundance of starts from a standing or mobile start.
- f. With the shortage of horses, we need every horse available to nominate where race conditions make that horse eligible.

**5. Rule 1101 and 1110(1) and (6) Minor Infringements
(Proposed by the Board for the RIB)**

Remit (to come into force on 1 November 2023)

Amend the definition of Minor Infringement Regulations in rule 1101 to state:

Minor Infringement Regulations means the Minor Infringement Regulations made by the Board

Amend rule 1110(1) and (6) to state:

- (1) *A person who commits a breach of the rules set out in the Minor Infringement Regulations, may in writing:*
 - (a) *admit the breach; and*
 - (b) *accept the sanction for the breach specified in the Minor Infringement Regulations.*

- (6) *Where the person does not admit the breach the Minor Infringement Notice shall be the information for the purpose of rule 1105 and an Adjudicative Committee shall determine whether the breach has been committed and may impose any sanction provided in the Rules.*

Delete the Fourth Schedule of the Rules.

Reason

To correct the wording relating to minor infringements of the rules and provide a more efficient process for minor infringements.

The detail of the minor infringement penalties is set out in the Minor Infringement Regulations. Removing the Fourth Schedule of the Rules removes this duplication of detail within the Rules and Regulations.

6. Rule 1304(1)(a) *(Proposed by the Board for the RIB)*

Remit (to come into force on 23 October 2023)

Amend rule 1304(1)(a) and (b) to state:

- 1304 (1) *Every suspension of a driver or a driver's licence imposed by an Adjudicative Committee during any day of a race meeting shall take effect as follows:*
- (a) *on the completion of the driver's driving engagements on the day the suspension is imposed if at that time the driver has no engagements to drive a horse in a betting race during the next ten days; or*

 - (b) *if on the day the suspension is imposed the driver has engagements to drive a horse in a betting race during the next ten days then from the earlier of:*
 - (i) *the completion of such engagements within that ten-day period; or*
 - (ii) *the completion of that ten-day period.*

Reason

To extend the time where a driver has engagements to drive a horse in a betting race from seven to ten days. This allows drivers to defer penalties for ten days, as an example a driver suspended on Thursday can drive until Sunday week. With the dates calendar now consistently having racing from Thursdays until Sundays and the number of drivers travelling for these meetings, the ten day deferral allows the same meetings to be included as the previous seven date deferral had the drivers not travelled.

7. Rules 1705 to 1709
(Proposed by the Board)

Remit (to come into force on 1 November 2023)

Amend rules 1705 to 1709 to state:

Horse Care Compliance Notices

1705 *A Horse Care Compliance Notice is either an Improvement Notice or a Possession Notice.*

1706 (1) *An Improvement Notice may be issued under the Horse Care Regulations if there are reasonable grounds to believe the accountable person:*

(a) has contravened rule 1702 and will continue to do so; or

(b) is likely to contravene rule 1702.

(2) *An Improvement Notice may:*

(a) Require the person to, or to get another person to, cease acting in a manner that the Racing Investigator or Stipendiary Steward has reasonable cause to believe contravenes or is likely to contravene rule 1702.

(b) Require the person to, or to get another person to do some act or other thing that the Racing Investigator or Stipendiary Steward reasonably believes is necessary to ensure that the person complies with rule 1702.

(c) Prohibit the person from acting in a manner or prohibit some other person to act in a manner that the Racing Investigator or Stipendiary Steward has reasonable cause to believe contravenes or is likely to contravene rule 1702.

1707 *A Possession Notice may be issued under the Horse Care Regulations if a Stipendiary Steward or Racing Investigator is satisfied the welfare of the horse requires the horse to be removed from the property.*

1708 *Deleted*

Horse Care Regulations

1709 *The Horse Care Regulations made by the Board may include (without limitation):*

(a) Horse care principles that participants must comply with.

(a) Duties and responsibilities of the Accountable Person.

(b) Information that must be included in a Horse Care Compliance Notice.

(c) On whom a Horse Care Compliance Notice must be served.

(d) The procedure for a person issued with a Horse Care Compliance Notice, or who has a direct interest in the horse, to have the Notice withdrawn, cancelled, or amended.

(d) Any other matter relating to a Horse Care Compliance Notice the Board considers

appropriate.

- (e) *A participant's liability for costs associated with a possession notice.*
- (f) *Any other matter relating to an improvement notice, a possession notice, or horse care the Board considers appropriate.*

Reason

To provide consistency between the Horse Care Rules and Horse Care Regulations in relation to Compliance Notices.

**8. Rule 105 definition of STAKE and rules 110, 112, 429, 510, 511, 801, 802, 803, 804, 805, 806, and 881
(Proposed by the Board)**

Remit (to come into force on 1 November 2023)

Amend the definition of stake in rule 105 to state:

STAKE means:

- a. *any prize given including a cup, trophy, or other description of a prize that may be competed for (but not a trophy not won outright); and*
- b. *any stake monies that may be competed for; but*
- c. *for the purposes of the Handicapping System or statistical purposes means only stake money won.*

Delete rules 110, 112, 429, 510, 511, 801, 802, 803, 804, 805, 806, and 881 and insert the following new rules:

- 112 *No Club shall, without the prior approval of the Board, expend any monies received by it except in payment of stakes, in improving the racecourse used by it and the amenities thereof, in the provision of training facilities, in the purchase of equipment, in administration charges, payments of any monies due by it to HRNZ under these Rules or in the interests of harness racing generally or for any patriotic or charitable purposes, or in payment of any debt contracted by it in respect of any of the foregoing purposes and of reasonable interest on any such debt*
- 429 (1) *When a registered Joint Interest provides for the payment of a sum of money out of any stakes earned by a horse and such horse earns any stake monies, the person entitled to the payment may serve notice on the Club liable to pay such stakes, of the claim or HRNZ.*
- (2) *The Club shall forward a copy of any notice received to HRNZ.*
- (3) *HRNZ on behalf of the Club shall retain the amount of the stake claimed and:*
- (a) *with the consent of all parties, pay the same to the claimant; or*
 - (b) *if this consent cannot be obtained, then HRNZ shall retain the amount until a final judgement of a Court of Law is obtained declaring who is entitled to such amount, and such amount, less any legal costs incurred by the Club or HRNZ shall thereupon be paid in accordance with such judgement.*

- 801 (1) *Each Club shall discharge its liability for stakes.*
- (2) *A club must within five working days forward to HRNZ:*
- (a) *Any funds received for the payment of stakes.*
- (b) *Any funds the club allocates for the payment of stakes.*
- (3) *HRNZ must hold stake monies on behalf of Club's in a separate account.*
- (4) *Any stake money in respect of which there is an obligation under these Rules on the Club to retain or hold, shall be retained or held by HRNZ on behalf of the Club*
- (5) *Proceedings for the return of a stake under rule 1115(4) may be commenced by HRNZ on behalf of the Club*
- (6) *The Board may make regulations known as the Centralised Stakes Payment Scheme Regulations that shall apply to the payment of stake monies by HRNZ on behalf of Clubs.*
- (7) *Any notice, information, or direction under these Rules or the Centralised Stakes Payment Regulations required to be provided or supplied to the Club, shall also be provided or supplied to HRNZ.*
- 803 (1) *HRNZ may deduct from any stake monies:*
- (a) *any monies owing to the Club or HRNZ by the person entitled to receive the stake; and*
- (b) *any other deduction that may be made under the Rules or by law.*
- 804 (1) *The owner (or, where appropriate, the racing manager of the owner), the trainer, and driver of every horse which is entered in a race must before the horse starts notify HRNZ or the Club in writing:*
- (a) *whether they are registered under the Goods and Services Tax Act 1985 and carrying on a taxable activity within the meaning of that Act;*
- (b) *if they are so, their Goods and Services Tax (GST) registration number;*
- (c) *if they are no longer registered for GST; and*
- (d) *any other change in GST registration status*
- (2) *Where the person notifies the Club under sub-rule (1) the Club must forward the notice to HRNZ.*
- (3) *Sub-rule (1) does not apply if the owner, trainer or driver has previously notified HRNZ or the Club they are registered for GST and their GST registration number.*
- 805 (1) *HRNZ, on behalf of the Club, shall pay all stakes monies (and any Goods and Services Tax applicable) to the owner, trainer, or driver under the Centralised Stakes Payment Scheme Regulations unless:*

- (a) *unless a proceeding or an appeal affecting them is being held or is pending;*
 - (b) *any examination, inspection, observation or sample in relation to any horse placed by the Judge is made or taken under these Rules relating to the administration to a horse of a prohibited substance;*
 - (c) *the stake monies or part thereof is required to deducted or withheld under the Rules.*
- (2) *At the time the monetary stake is payable under these rules the Club shall be responsible for the delivery of any trophy or other prize not in money (and the payment of any applicable Goods and Services Tax.*
- (3) *Where sub-rule (1)(b) applies no stakes or prizes shall be paid or delivered in respect of any such horse until:*
- (a) *the result of such examination, inspection, observation has been notified by the Chief Executive (or his or her nominee); or*
 - (b) *if as the result of such test an information is to be filed until such time as the proceeding and any appeals have been determined.*
- (4) *Where on the determination of any investigation, proceeding or appeal a horse is disqualified from its original placing any stake shall be paid and delivered in accordance with the amended placings.*
- 881 (1) *HRNZ, on behalf of a Club, shall hold the stakes in respect of each race for a period of 7 days or pending the result of the analysis of any sample pursuant to Rule 214(3) hereof whichever is the later.*
- (2) *After a period referred to in sub-rule (1) and such further period provided in the Centralised Stakes Payment Scheme Regulations the HRNZ, shall pay or deliver the stake in accordance with the placings of the horse in the race as set out in the authority for payment of dividends unless:-*
- (a) *the Chief Executive (or his or her nominee) deducts or withholds payment of the stake or any part thereof under the Rules;*
 - (b) *proceedings have been commenced before an Adjudicative Committee which may affect to whom the stake or any part thereof is paid; or*
 - (c) *the time for filing an appeal has not expired, or the hearing of an appeal the determination of which may affect to whom the stake or any part thereof is paid, has not been concluded.*
- (3) *Where delivery or payment of the stake has been withheld pursuant to paragraph (a), (b) and (c) of sub-rule (2) hereof the stake shall be paid when directed by the Chief Executive (or his or her nominee) or in accordance with the Tribunals decision whichever the case may be.*

Reason

These amendments are to bring up to date the current operations and expectations in regard to the use of funds or the payment of stakes. For ease of reference, the changes are set out in the table below:

Current rule	Proposed rule
<p>STAKE means prize given, and includes money, cup, trophy or other description of prize which may be competed for but does not include any trophy not won outright but for the purposes of the Handicapping System or statistical purposes means only money won.</p>	<p>STAKE means:</p> <ol style="list-style-type: none"> a. any prize given including a cup, trophy, or other description of a prize that may be competed for (but not a trophy not won outright; and b. any stake monies that may be competed for; but c. for the purposes of the Handicapping System or statistical purposes means only stake money won.
<p>110 Each Club shall hold at least one race meeting in each racing year and shall discharge its liability for stakes.</p>	<p>Delete</p>
<p>112 No Club shall, without the prior approval of the Board, expend any monies received by it except in payment of stakes, in improving the racecourse used by it and the amenities thereof, in the provision of training facilities, in the purchase and equipment of a new racecourse or courses, in administration charges, payments of any monies due by it to HRNZ under these Rules or in the interests of harness racing generally or for any patriotic or charitable purposes, or in payment of any debt contracted by it in respect of any of the foregoing purposes and of reasonable interest on any such debt</p>	<p>112 No Club shall, without the prior approval of the Board, expend any monies received by it except in payment of stakes, in improving the racecourse used by it and the amenities thereof, in the provision of training facilities, in the purchase of equipment, in administration charges, payments of any monies due by it to HRNZ under these Rules or in the interests of harness racing generally or for any patriotic or charitable purposes, or in payment of any debt contracted by it in respect of any of the foregoing purposes and of reasonable interest on any such debt</p>
<p>429 When a duly registered Joint Interest provides for the payment of a sum of money out of any stakes earned by a horse and such horse earns any money stakes, the person entitled to the payment may serve notice on the Club or Racing Club liable to pay such stakes, of the claim to the same or such part thereof as he is entitled to, and thereupon such Club shall retain the amount claimed, and, with the consent of all parties, shall pay the same to the claimant, and if this consent cannot be obtained, then the Club shall retain the amount until a final judgement of a Court of Law is obtained declaring who is entitled to such amount, and such amount, less any legal costs incurred by the Club, shall thereupon be paid in accordance with such judgement.</p>	<p>429</p> <ol style="list-style-type: none"> (1) When a registered Joint Interest provides for the payment of a sum of money out of any stakes earned by a horse and such horse earns any stake monies, the person entitled to the payment may serve notice on the Club liable to pay such stakes, of the claim or HRNZ. (2) The Club shall forward a copy of any notice received to HRNZ. (3) HRNZ on behalf of the Club shall retain the amount of the stake claimed and: <ol style="list-style-type: none"> (a) with the consent of all parties, pay the same to the claimant; or (b) if this consent cannot be obtained, then HRNZ shall retain the amount until a final judgement of a Court of Law is obtained declaring who is entitled to such amount, and such amount, less any legal costs incurred by the Club or HRNZ shall thereupon be paid in accordance with such judgement.
<p>510 A Club conducting a race meeting shall be responsible to every driver for payment of driving fees and shall for that purpose deduct these in every case from the stakes payable to the owner.</p>	<p>Delete</p>

511	Prize monies shall be paid in the percentages and in the manner determined from time to time by the Board in the Trainers Fees Regulations.	Delete
801	(1) The payment of stakes shall be made by the Club, or on behalf of the Club by HRNZ by way of the Centralised Stakes Payment Scheme.	801 (1) Each Club shall discharge its liability for stakes. 801 (2) The Board may make regulations known as the Centralised Stakes Payment Scheme Regulations that shall apply to the payment of stake monies by HRNZ on behalf of Clubs.
	(8) The Board may make regulations known as the Centralised Stakes Payment Scheme Regulations that shall apply to the payment of stakes on behalf of Clubs.	(2) A club must within five working days forward to HRNZ: (a) Any funds received for the payment of stakes. (b) Any funds the club allocates for the payment of stakes.
	(9) Where stakes are paid on behalf of Clubs by HRNZ:	(3) HRNZ must hold stake monies on behalf of Club's in a separate account.
	(a) any stake money in respect of which there is an obligation pursuant to these Rules on the Club to retain or hold, shall be retained or held by HRNZ on behalf of the Club;	(10) Any stake money in respect of which there is an obligation under these Rules on the Club to retain or hold, shall be retained or held by HRNZ on behalf of the Club.
	(b) any notice, information, or direction pursuant to these Rules required to be provided or supplied to the Club, shall also be provided or supplied to HRNZ;	
	(c) any notice or direction pursuant to the Centralisation of Stakes Payment Scheme Regulations shall be complied with;	(11) Any notice, information, or direction under these Rules or the Centralised Stakes Payment Regulations required to be provided or supplied to the Club, shall also be provided or supplied to HRNZ.
	(d) proceedings for the return of a stake pursuant to Rule 1115(4) may be commenced by HRNZ on behalf of the Club.	(12) Proceedings for the return of a stake under rule 1115(4) may be commenced by HRNZ on behalf of the Club
802	Rule deleted 1.8.99	
803	Where any penalty-bearing harness races are included in the programme of any galloping race meeting the stakes payable will be the same as for a comparable class galloping race on the programme.	Remove 803 no longer required

<p>805 Save as otherwise specially provided by law or in these Rules, no deduction shall be made from the Stakes as advertised, but the Club or other body may deduct from such Stakes any money due to it in respect of the horse earning the Stake, or by the person entitled to receive such Stake.</p>	<p>803 (1) HRNZ may deduct from any stake monies:</p> <ul style="list-style-type: none"> (a) any monies owing to the Club or HRNZ by the person entitled to receive the stake; and (b) any other deduction made under the Rules or by law.
<p>806 (1) The owner (or, where appropriate, the racing manager of the owner), the trainer, and driver of every horse which is entered in a race must before the horse starts notify HRNZ or the Club in writing whether they are registered under the Goods and Services Tax Act 1985 and carrying on a taxable activity within the meaning of that Act and, if they are so, their Goods and Services Tax (GST) registration number. This sub-rule does not apply if the owner, trainer or driver has previously notified HRNZ or the Club they are registered for GST and their GST registration number.</p>	<p>804 (1) The owner (or, where appropriate, the racing manager of the owner), the trainer, and driver of every horse which is entered in a race must before the horse starts notify HRNZ or the Club in writing:</p> <ul style="list-style-type: none"> (a) whether they are registered under the Goods and Services Tax Act 1985 and carrying on a taxable activity within the meaning of that Act; and (b) if they are so, their Goods and Services Tax (GST) registration number. (c) if they are no longer registered for GST (d) any other change in GST registration status <p>(2) Where the person notifies the Club under sub-rule (1) the Club must forward the notice to HRNZ.</p> <p>(3) Sub-rule (1) does not apply if the owner, trainer or driver has previously notified HRNZ or the Club they are registered for GST and their GST registration number.</p>
<p>(2) Subject to the provisions of sub-rule (4) hereof all stakes, payments or prizes and any Goods and Services Tax applicable thereto shall be paid over and delivered respectively by the Club to the owner, trainer or driver within the period provided in the Centralised Stakes Payment Scheme Regulations unless a proceeding or an appeal affecting them is being held or is pending.</p>	<p>805 (1) HRNZ, on behalf of the Club, shall pay all stakes monies (and any Goods and Services Tax applicable) to the owner, trainer, or driver under the Centralised Stakes Payment Scheme Regulations unless:</p> <ul style="list-style-type: none"> (a) unless a proceeding or an appeal affecting them is being held or is pending; (b) any examination, inspection, observation or sample in relation to any horse placed by the Judge is made or taken under these Rules relating to the administration to a horse of a prohibited substance; (c) the stake monies or part thereof is required to deducted or withheld under the Rules.

<p>(3) The Club shall be responsible for the delivery within the time aforesaid of any trophy or other prize not in money and the payment of any Goods and Services Tax applicable thereto.</p>	<p>(2) At the time the monetary stake is payable under these rules the Club shall be responsible for the delivery of any trophy or other prize not in money (and the payment of any applicable Goods and Services Tax</p>
<p>(4) Where any examination, inspection, observation or sample in relation to any horse placed by the Judge is made or Taken pursuant to these Rules relating to the administration to a horse of a prohibited substance no stakes or prizes or Goods and Services Tax applicable thereto shall be paid or delivered in respect of any such horse until the result of such examination, inspection, observation or sample has been notified by the Chief Executive to the Club or other person or Committee authorising such examination, inspection, observation or sample or, if as the result of such test an information is to be laid until such time as the proceeding and any appeals have been determined.</p>	<p>(3) Where sub-rule (1)(b) applies no stakes or prizes shall be paid or delivered in respect of any such horse until:</p> <p>(a) the result of such examination, inspection, observation has been notified by the Chief Executive (or his or her nominee); or</p> <p>(b) if as the result of such test an information is to be filed until such time as the proceeding and any appeals have been determined.</p>
<p>(5) Where on the determination of any investigation, proceeding or appeal a horse is disqualified from its original placing any stake shall be paid and delivered in accordance with the amended placings.</p>	<p>(4) Where on the determination of any investigation, proceeding or appeal a horse is disqualified from its original placing any stake shall be paid and delivered in accordance with the amended placings.</p>
<p>881 (1) Every Club or other body conducting the meeting shall hold the stakes in respect of each race for a period of 7 days or pending the result of the analysis of any sample pursuant to Rule 214(3) hereof whichever is the later.</p>	<p>881 (1) HRNZ, on behalf of a Club, shall hold the stakes in respect of each race for a period of 7 days or pending the result of the analysis of any sample pursuant to Rule 214(3) hereof whichever is the later.</p>
<p>(2) After a period referred to in sub-rule (1) and such further period provided in the Centralised Stakes Payment Scheme Regulations the Club, shall pay or deliver the stake in accordance with the placings of the horse in the race as set out in the authority for payment of dividends unless:-</p>	<p>(2) After a period referred to in sub-rule (1) and such further period provided in the Centralised Stakes Payment Scheme Regulations the HRNZ, shall pay or deliver the stake in accordance with the placings of the horse in the race as set out in the authority for payment of dividends unless:-</p>
<p>(a) the Club or HRNZ has been advised by the Chief Executive to withhold payment of the stake in respect of any horse or horses;</p>	<p>(a) the Chief Executive (or his or her nominee) deducts or withholds payment of the stake or any part thereof under the Rules;</p>
<p>(b) proceedings have been commenced before an Adjudicative Committee which may affect to whom the stake or any part thereof is paid; or</p>	<p>(b) proceedings have been commenced before an Adjudicative Committee which may affect to whom the stake or any part thereof is paid; or</p>

(c) the time for filing an appeal has not expired, or the hearing of an appeal the determination of which may affect to whom the stake or any part thereof is paid, has not been concluded.	(c) the time for filing an appeal has not expired, or the hearing of an appeal the determination of which may affect to whom the stake or any part thereof is paid, has not been concluded.
(9) Where delivery or payment of the stake has been withheld pursuant to paragraph (a), (b) and (c) of sub-rule (2) hereof the stake shall be paid when directed by the Chief Executive or in accordance with the Tribunals decision whichever the case may be.	(3) Where delivery or payment of the stake has been withheld pursuant to paragraph (a), (b) and (c) of sub-rule (2) hereof the stake shall be paid when directed by the Chief Executive (or his or her nominee) or in accordance with the Tribunals decision whichever the case may be.

9. **Part 15 of the Constitution**
(Proposed by the Board)

Remit (to come into force on 1 November 2023)

Amend the Constitution deleting clauses 15.1 to 15.3 and inserting new clauses 15.1 to 15.16 that state:

15. Finance

Balance date

15.1 *HRNZ's financial year shall commence on 1 August of each year and end on 31 July in the following year (the latter date being HRNZ's balance date).*

Funds received under the Racing Industry Act 2020

15.2 *All funds received under the Racing Industry Act 2020 must be applied in accordance with that Act, a commercial agreement between HRNZ and TAB NZ under that Act, and any distribution agreement under that Act.*

Board Expenditure

15.3 *Subject to any direction that may be given at a meeting of HRNZ the Board may incur necessary expenditure to carry out the business and activities of HRNZ.*

15.4 *In addition to all other powers of expending monies conferred by this Constitution or the rules of harness racing, the Board may:*

15.4.1 *maintain reserves containing amounts the Board considers appropriate and apply the funds held in reserve in accordance with any policy made by the Board;*

15.4.2 *contribute to any patriotic or charitable object;*

15.4.3 *expend such of the HRNZ funds as it thinks fit in promoting legislation in the interests of harness racing;*

15.4.4 *contribute to the funds of any association or body of persons established for furthering the interests of harness racing or any kindred sport; and*

15.4.5 *generally expend funds of HRNZ for the benefit or promotion the sport of harness racing; and*

15.4.6 *distribute funds to clubs as it sees fit.*

15.5 *No funds of HRNZ may be used for the placing of bets.*

Investment and control of funds

15.6 *The Board shall manage and administer the funds of HRNZ subject to any requirement under the Racing Industry Act 2020 and subject to any directions as may from time to time be given at any general meeting.*

15.7 *In respect of any arrears or money payable to HRNZ the chief executive may authorise the charging of interest on any monies unpaid after 28 days at a rate of 1.5% above the official cash rate in New Zealand per month or such other rate as prescribed by the Board.*

15.8 *In respect of any arrears or money payable to HRNZ together with any interest charged thereon, the person liable for payment of such arrears, money or interest shall also pay any fees, costs or expenses incurred by HRNZ either internally or by their agents in recovering such arrears, money, or interest including any commissions and legal costs on a solicitor-client basis.*

Budget

15.9 *The Board shall circulate to all clubs the budget of income and expenditure including the total amount of Board remuneration proposed 20 working days prior to the annual general meeting.*

15.10 *The budget shall include the details of the budgeted:*

15.10.1 *Operating costs of HRNZ.*

15.10.2 *Special projects and initiatives of HRNZ.*

15.10.3 *Funding to clubs for venue, raceday and track allowances, and for stakes.*

15.11 *When an amount is allocated in the budget for remuneration of directors, the apportionment of such amount allocated between directors shall be determined by the Board.*

Accounts

15.12 *The financial year of HRNZ shall be the 12-month period ending on 31 July.*

15.13 *The Board shall cause to be prepared and audited as soon as practicable after 31 July in each year financial statements in an approved standardised format (including a statement of financial performance and a statement of financial position) showing fully the financial position of HRNZ at the close of the period of 12 months ending on 31 July.*

- 15.14 *The financial statements shall also include details of budgeted income and expenditure for the period and information for comparison purposes in relation to the same period in the previous year, for:*
- 15.14.1 *Operating costs of HRNZ.*
 - 15.14.2 *Special projects and initiatives of HRNZ.*
 - 15.14.3 *Funding to clubs for venue, raceday and track allowances, and for stakes.*
- 15.15 *A copy of the audited financial statements shall be submitted to the annual general meeting of HRNZ and forwarded to each totalisator club and kindred body.*
- 15.16 *The Board shall cause to be prepared as soon as practicable after 31 January in each year interim financial statements in an approved standardised format (including a statement of financial performance and a statement of financial position) showing fully the financial position of HRNZ at the close of the 6-month period ending on 31 January. The interim financial statements shall be forwarded to each totalisator club and kindred body.*

Reason

These proposed amendments are to bring up to date the current and best practices and expectations in regard to finance matters within the Constitution.