



## **TERMS OF REFERENCE FOR AN INDEPENDENT ASSESSMENT OF THE CURRENT NEW ZEALAND THOROUGHBRED RACING GOVERNANCE ARRANGEMENTS**

New Zealand Thoroughbred Racing (NZTR) wishes to undertake an independent assessment of the suitability of current governance arrangements to meet future challenges. Changes that have occurred in the wider racing industry in the last five years have highlighted the need for responsive and effective leadership at the governance level of the NZRB and the racing codes.

NZTR wishes to ensure that it is well positioned to meet the needs of its stakeholders in what will continue to be a very dynamic and challenging environment.

It is proposed that a review of the current governance arrangements should have the following key components.

### **1. A description of the existing NZTR governance model and key governance systems and processes.**

This will be based on a review of relevant legislative and constitutional documentation and an examination of NZTR's internal documentation of governance processes, Board papers etc.

### **2. An examination of the efficacy of the existing NZTR governance structure and processes.**

In this respect the review will:

- a. Document the perceived strengths and weaknesses of the current governance arrangements;
- b. Identify the principal leadership challenges in the thoroughbred racing industry in New Zealand; and
- c. Consider whether the existing governance structure and related processes are likely to be effective in meeting those challenges (for example, compared to an ideal governance structure, is there a case for change?).

This aspect of the review will have a solid consultative element to it. It is envisaged that the reviewer will interview:

- Current NZTR Board members
- Key NZTR executives
- NZRB representatives

In addition, the reviewer will facilitate a series of four stakeholder forums (Auckland, Hamilton, Palmerston North, Christchurch) to which representatives of clubs and special interest groups will be invited (e.g. breeders, trainers, jockeys, owners etc).

The reviewer will also analyse governance related survey data collected by NZTR during 2007.

### **3. Evaluate the relevance and applicability to NZTR of other governance models**

In particular, the reviewer will examine relevant New Zealand models taken from other sectors and the applicability of existing and emerging Australian models (e.g. RWWA, Racing NSW, Queensland Racing). The former will include, for example, sporting (e.g. NZRFU) and cooperative models (e.g. Fonterra) where attempts have been made to address the needs of complex stakeholder interests within the overall governance structure.

### **4. Recommend changes in governance structure and processes if thought necessary.**

Having undertaken the previous steps of the review, all will be invited to recommend changes in the governance structure and processes of NZTR if these were thought appropriate and necessary. It is envisaged that the reviewer will:

- a. Identify the key components of an effective governance model;
- b. Recommend any changes to the current governance arrangements that will benefit the industry; and
- c. Recommend a process for implementing any recommended governance changes (reflecting the experience of other national organisations that have undertaken comparable governance changes).

### **5. Timing**

Steps 1 to 4 should be completed to a stage that will provide the basis for a presentation of basic conclusions at NZTR's AGM on 27 November 2008 with a final written review report completed by the end of December 2008. At this stage, dependent on the report's conclusions, it is envisaged that the review report will provide the framework for a stakeholder consultation process that will be led by the Board (see further comments on the Board's role below) during early 2009. This will be a prelude to a Special General Meeting (May-June 2009) to consider the adoption of changes that will be implemented at the start of the 2009/2010 racing season.

### **6. Role of the Board**

Although this exercise will be conducted by an independent reviewer, the participation of the Board of NZTR is central throughout this exercise. Initially, the Board will be a primary source of information relevant to the review. The reviewer will be expected to consult closely with the Board and individual members as appropriate. The reviewer will also report to the Board on the review's progress on the basis of an agreed schedule. Then, once the review report is completed, it will be the Board's responsibility to conduct whatever further consultation with clubs and other stakeholders it considers necessary to finalise any proposals for changes to governance arrangements and to oversee the implementation of agreed changes.