

2018 RULE AMENDMENTS, CONSTITUTION AMENDMENTS, AND RESOLUTIONS

The proposed amendments to the New Zealand Rules of Harness Racing, amendments to the Constitution of Harness Racing New Zealand Incorporated, and resolutions for approval by HRNZ, to be considered at the 2018 Annual General Meeting (AGM) of Harness Racing New Zealand Incorporated on 29 September 2018 at Auckland are outlined below. The proposed amendments to the Rules will come into force following notification in the Gazette. The proposed amendments to the Constitution and potential purchase of property (see below) will come into force following the passing of Special Resolutions at the AGM.

AMENDMENTS TO THE RULES

1. Rule 402 Two year olds restrictions in races over 2200m (*proposed by HRNZ Board*)

Remit

Amend rule 402(2) (a) by deleting “2200 metres” and substituting “2400 metres”.

Reason

This remit will allow two year olds to compete in any race with a distance of up to 2400m prior to 1 January. The current rules preclude two year olds competing in any race over 2200m prior to 1 January. For some venues, particularly where trials and workouts are held over 2400m, this does generate problems in creating opportunities for two year old horses. It is felt extending the distance to 2400m will not over exert expectations on the two year old horses and be more appropriate for such venues than the current 2200m restriction.

2. Rule 502 Trainer Notifications (*proposed by HRNZ Board*)

Remit

Amend rule 502 by inserting a new sub-rule (1A) which states:

(1A) The Chief Executive may refuse to accept a Trainer Notification.

Reason

This remit will allow HRNZ to refuse to accept a trainer notification where, on the advice of the Racing Integrity Unit, it is felt that such a trainer notification is being proposed purely for convenience reasons. In the unlikely situation that such matters arise, this remit will give HRNZ the ability to refuse to accept the trainer notification if they are not satisfied that it is bona fide in nature.

3. Rule 505 Betting on Horseman’s Betting Account (*proposed by HRNZ Board*)

Remit

Amend rule 505 by inserting a new sub-rule (4) which states:

505 (4) For the purpose of this rule a bet placed on a horseman’s betting account shall be a bet of the horseman regardless of who placed the bet.

Reason

The proposed change to this rule is to clarify that any bet placed on the account of a horseman shall be deemed to belong to that horseman.

4. Rule 1001(1)(r) Possession of Modified Gear (*proposed by HRNZ Board*)

Remit

Amend rule 1001(1)(r) by re-numbering (ii) as (iii) inserting a new sub-rule (ii) where by rule 1001(1)(r) states:

- (i) at any time uses or permits or causes to be used or attempts to use or to cause to be used on or in relation to any horse any electrical, mechanical or galvanic device, equipment, appliance or apparatus which may affect either at the time of use or attempted use or subsequently the speed, stamina, courage or conduct of such horse; or
- (ii) at any time has in their possession any gear, equipment or device that has been modified in a manner which may cause pain, injury or distress to a horse; or
- (iii) inflicts undue suffering by any other means.

Reason

This remit proposes the introduction of a new rule creating a serious offence for a horseman to have in their possession any gear, equipment or device that has been modified in a manner that would cause pain, injury or distress to a horse. If a horseman is found to be in possession of such an item, for example gear with a nail that could protrude into a horse's body, it will be a serious racing offence and will be dealt with appropriately by the RIU. With increased expectations on the industry with respect to animal welfare, the possession of such instruments is completely unacceptable. The proposed remit will provide clarity to enable such matters to be addressed by the RIU if an item as described above is found in a trainer's possession.

5. Rule 1004(6) One clear day (*proposed by HRNZ Board*)

Remit

Amend the rules by deleting rule 1004(6) and inserting after rule 1004 a new rule 1004AA which states:

- 1004AA (1) For the purposes of this rule:
- (a) the day of racing commences at 12.01 am on the day on which the horse is to race and concludes half an hour after the last race;
 - (b) one clear day means the twenty-four hour period before 12.01 am on the day the horse is to race; and
 - (c) to administer includes:
 - (i) to cause to be administered to, or ingested by, a horse;
 - (ii) to permit to be administered to, or ingested by, a horse;
 - (iii) to attempt to administer or be ingested by a horse; and
 - (iv) to attempt to cause or permit to be administered to, or ingested by, a horse.
- (2) No person shall administer to a horse entered in a race on the day of racing and one clear day before the horse is to race (except under the direction or supervision of a club veterinary surgeon, Racecourse Inspector, or Stipendiary Steward) any substance by:
- (a) gastric tube or nasal gastric tube;
 - (b) injection, hypodermic needle, or oral syringe;
 - (c) aerosol, ventilator, nebulizer, atomiser, or face mask;
 - (d) topical treatment to the skin or tissues that contains or claims to contain medication, or has or claims to have a therapeutic effect, including analgesia or anti-inflammatory actions; or
 - (e) by any similar method.
- (3) The Prohibited Substance Regulations made by the Board may include a list of substances and practices to which this rule shall not apply.

- (4) A breach of the sub-rule (2) is committed regardless of the nature of the substance administered.
- (5) Where an administration under sub-rule (2) occurs both the person who administers the substance and the trainer of the horse commit a breach of the rules and are each liable to the sanctions set out in rule 1004(7).
- (6) Any horse connected with a breach sub-rule (2) shall be disqualified from the race.

Reason

This change is proposed on the recommendation of the RIU and the Equine Codes' Veterinary Advisor (Dr A Grierson), with the support of the NZ Harness Racing Trainers & Drivers' Association.

Under the new rule, there would need to be a clear one day in the administration to a horse any substance by way of gastric tube, injection, nebuliser or ventilator. Topical treatment to the skin of substances containing, or claiming to contain medication, or a therapeutic effect or anti-inflammatory actions would also be prohibited one clear day of racing.

This remit provides for one clear day in the administration of substances, including alkalising agents, to a horse prior to racing by the methods outlined above. A clear day means a 24 hour period from 12.01 am to 12 midnight the day prior to racing. For practical purposes a clear day restriction, with respect to the proposed Rule means that if a horse was racing on a Friday then the latest time it could be treated by the methods outlined above would be 11:59 pm on the Wednesday night.

It has been shown internationally that by prohibiting administration of substances on the day prior to the race, the incidence of prohibited substance breaches is significantly reduced. This remit will further enhance stakeholder confidence in the harness racing industry and hopefully reduce situations of inadvertent breaches of the Prohibited Substances regulation.

The proposed change is consistent with the Harness Racing Australia rules framework.

6. Rule 215(2) - Testing of Horses (*proposed by HRNZ Board*)

Remit

Amend rule 215(2) so that it states:

- (2) Where the inspection, examination, observation, testing or sample taken from a horse indicates that a prohibited substance may have been administered a further blood or urine sample must be taken from the horse each time it races until the further blood or urine sample taken is free of any prohibited substance.

Reason

The current rule requires that any horse that returns a positive test shall continue to be tested in all races where such horse finishes in a stakes bearing place until such time as the initial positive test is subject to a judicial decision. The remit proposed will change this requirement whereby such horse will be tested at its subsequent start to confirm that it does not still retain the prohibited substance. Testing its subsequent races will then be at the discretion of the RIU and is not mandatory until the case is heard as the rule currently provides.

7. Rule 1004(8) – Prohibited Substance Rule Breaches (*proposed by HRNZ Board*)

Remit

Amend rule 1004(8) so that the rule states:

- (8) Any horse connected with a breach of this rule shall be disqualified from the race and may in addition be disqualified for a period not exceeding five years.

Reason

The current rule states that a horse that has breached this rule shall be disqualified from any race entered. The proposed change clarifies that the disqualification will be from the race in which any breach of the prohibited substance rule occurred.

8. Rule 1004D - Timing of Disqualification from Races (*proposed by HRNZ Board*)

Remit

Amend the rules 1004D so that the rules state:

- 1004D (1) Any horse taken to a racecourse for the purpose of engaging in a race which is found to have administered to it or ingested by it a prohibited substance (which includes out of competition prohibited substances) must be disqualified from that race.
- (2) The mandatory disqualification under sub-rule (1) applies regardless of the circumstances in which the substance came to be present in or on the horse.
- (3) When the owner and trainer of the horse has been advised of the analysis which indicates that a prohibited substance may have been administered to, or ingested by, the horse and the owner, trainer, or their authorised representative does not request under the Swabbing Instructions that the reserve sample be analysed at an approved laboratory by 4:00 pm on the third working day after being so advised, a Judicial Committee must disqualify the horse, amend the placings and the stakes shall be paid in accordance with that decision.
- (4) Where the owner, trainer, or their authorised representative does request the reserve sample be analysed at an approved laboratory by 4:00pm on the third working day after being advised of the analysis and the analysis of the reserve sample indicates that a prohibited substance may have been administered to, or ingested by, the horse, a Judicial Committee must disqualify the horse, amend the placings and the stakes shall be paid in accordance with that decision.
- (5) The owner or trainer of the horse subject to a positive result may notify in writing the General Manager of the Racing Integrity Unit that they intend to challenge the analysis and the basis for that challenge. The notification must be within 10 working days of being advised of the results of the analysis, or the result of the reserve sample (if applicable). The Judicial Committee shall then determine whether the horse is to be disqualified after hearing from the parties.
- (6) Disqualification and changes of placing under this rule, will take effect from the immediate Monday following the judicial decision or such other time as the Judicial Committee determines.

Reason

The purpose of this remit is to provide for more timely disqualification of horses subject to a positive prohibited substance test. General practice over the years has been for the potential disqualification to be considered at the same time charges against the trainer are considered by the Judicial Committee. Often this delays the disqualification for a period of months while the RIU investigate reasons and culpability for the positive result.

From a handicapping perspective, the more timely resolution of the potential disqualification is better for the connections of the horse concerned and also those likely to be promoted. This remit will help to enable the disqualification hearing to be considered in a more timely basis, separate to the more complicated issue of determining the culpability of the person in charge of the horse when it returned the positive result.

9. Rule 1004E – Positive Tests for Out of Competition Substances (*proposed by HRNZ Board*)

Remit

- 1004E (1) Where the inspection, examination, observation, testing or sample taken from a horse indicates that a prohibited substance referred to in clause 6.5 of the Prohibited Substance Regulations (anabolic androgenic steroids) or its metabolites, artefacts, isomers and analogues may have been administered to, or ingested by, the horse that horse shall be:
- (a) ineligible to be entered or start in a race for a period of 12 months, from the date of inspection, examination, observation, testing, or on which the sample was taken; and
 - (b) disqualified from any race in which it starts during the 12 month period referred to in paragraph (a).

Reason

This remit proposes that a horse that is subject to a positive test for anabolic steroids shall be stood down for 12 months from the date on which the sample of the said horse is taken. Under the current rules, the 12 month stand down is worded to take effect from the time at which the Judicial Committee considers the matter and makes its decision. Having the 12 month stand down linked to the date on which the sample that returned a positive result was taken, is seen as more appropriate and practical, given the delays that sometimes arise in having these matters heard by a Judicial Committee. This is consistent with the purpose of the stand down period.

10. Rule 105, 813(5)(b), 920(1), 920(3), 920(3)(c), 920(3)(d), 920(4), 920(5)(b), 920(6), 920(7), 920(8), 1006, 1101, 1105(a), 1109(2), and clauses 3.1 and 11.1(a) of Rules of Practice and Procedure for the Judicial Committee and Appeals Tribunal set out in the fifth schedule- Race Day Registrars (*proposed by HRNZ Board*)

Remit

- a. Delete definition of Registrar in rule 105;
- b. Amend rule 813(5)(b) by deleting the words “Secretary and Registrar” and substituting the words “and Secretary”;
- c. Amend rule 920(1) and 920(3) by deleting the words “Registrar of the” whenever they appear;
- d. Amend rule 920(3)(c) by deleting the word “Registrar” whenever it appears and substituting it with the words “Judicial Committee”;
- e. Amend rule 920(3)(d) by deleting the words “direct the Registrar to”
- f. Amend rule 920(4) by deleting the words “shall direct the Registrar to”;
- g. Amend rule 920(5)(b) by deleting the word “Registrar” and substituting it with the words “Judicial Committee”;
- h. Amend rule 920(6) by deleting the words “Registrar of the”;
- i. Amend rule 920(7) by deleting the words “direction to the Registrar”;
- j. Amend rule 920(8) by deleting the word “Registrar” and substituting it with the words “Judicial Committee”;
- k. Amend rule 1006 by deleting the word “Registrar” and substituting it with the words “Judicial Committee”;
- l. Amend rule 1101, definition of Registrar, by deleting paragraph (b);
- m. Amend rule 1105(a) by deleting the words “Registrar of the”;
- n. Amend rule 1109(2) by deleting the word “Registrar” and substituting it with the words “Judicial Committee”;
- o. Amend clause 3.1 of the Rules of Practice and Procedure for the Judicial Committee and Appeals Tribunal set out in the fifth schedule (fifth schedule rules) by deleting the definition of Registrar where it first appears and where it second appears deleting paragraph (a)(ii);
- p. Amend clause 11.1(a) of the fifth schedule rules by deleting the words “Registrar appointed for a race meeting” and substituting the words “race day Judicial Committee”

Reason

Based on the recommendation of the Judicial Control Authority, it is considered no longer necessary for raceday judicial hearings to have the role of the Registrar. In practical terms, this is no longer necessary and in cases of non raceday hearings, it is handled by the Executive Officer of the Judicial Control Authority. The proposed amendments delete reference to the role of the Registrar in the Rules which is considered no longer necessary.

11. Rule 1513 – Juniors Drivers Saving Scheme (*proposed by HRNZ Board*)

Remit

Amend the rules by inserting a new 1513 which states:

- 1513 (1) The Junior Drivers Saving Scheme may be established under this rule.
- (2) The Junior Drivers Saving Scheme shall be conducted in accordance with Junior Drivers Saving Scheme Regulations made by the Board.

Reason

This remit provides for the introduction of a Junior Drivers Saving Scheme with the associated approval of Regulations that will govern how this scheme is administered. HRNZ's intention is to introduce this saving scheme in 2018 on a voluntary basis for junior drivers.

12. Resolution to purchase HRNZ's Birmingham Drive property and raise finance secured by mortgage under clause 11(3)(j) of the Constitution of Harness Racing New Zealand Incorporated (*proposed by HRNZ Board*)

Resolution

That HRNZ approve the:

- a. purchase the property at 17 Birmingham Drive, Christchurch including the land and buildings comprising 2520 m2 and held in Lot 2 DP 69849 and CB 40C/839 under an option to purchase which is required to be exercised on or before 1 February 2019 and as otherwise contained in clause 48 of the lease for the premises for \$3,800,000 plus GST (if any); and
- b. in the event the option to purchase is exercised to raise finance on terms and conditions satisfactory in all respects to the Board of HRNZ to fund the purchase of the property at 17 Birmingham Drive, Christchurch not exceeding \$3,000,000 and to be secured by registered mortgage(s) over the property.

Reason

In line with HRNZ's Constitution, approval is sought to confirm HRNZ's purchase of its current office building in Birmingham Drive, Christchurch. The need to potentially relocate was approved by clubs and kindred bodies at the 2017 Annual Conference. HRNZ has prepared a business case based on selling its former Lincoln Road property and purchasing its current premises at Birmingham Drive, along with raising finance to facilitate this. The business plan for this transaction is centred around revenue from tenants covering mortgage repayments that will be required on the new facility. This is considered financially prudent and the impact on the industry through this transaction will be minimised. The sale of HRNZ's former premises at 135 Lincoln Road is unconditional with settlement due on 13 September 2018 for \$1,015,000.

A presentation will be made in a working session at the Annual Conference to further explain the details and rationale for this proposal.

13. The Constitution of HRNZ (*proposed by HRNZ Board*)

Resolution

A special resolution be passed:

- a. To amend the Constitution of HRNZ as provided in appendix 1 to these remits;
- b. The amended Constitution comes into force on 1 October 2018; and
- c. Amend the rules by deleting rules 108 and 113.

Reason

Changes are proposed to the Constitution to reflect current practice, update specific clauses re latest financial reporting requirements and bring the kindred bodies requirements under rule 113 into the Constitution, consistent with the approach already taken with clubs in the Constitution.

For example, the section relating to the general and raceday levy is proposed to be changed to reflect the current practice of having this charged against the Distribution Account. This was seen as more efficient and practical than the levy process which was last charged in 2011/12, with accountability through the budget process. Other changes are largely cosmetic in nature in line with accounting standards and current processes.

The process for the election and appointment of Board members is proposed to be two months later than was previously the case. This will bring this process closer to the new timing of the AGM at the end of September/early October. The basis on which members are appointed or elected is unchanged.

The amended Constitution also provides for flexibility in the conduct of Special Meetings of HRNZ, which may allow for increased use of technology rather than requiring meetings always being held in person. Similarly Board elections can be held in such a manner as the Board determines appropriate, which will allow technology changes to be considered.

Minor changes are also proposed in relation to clubs' and kindred bodies' financial accountability to ensure consistency with the requirements under the rules and accounting standards.

The overall substance of the Constitution outlining the structure of HRNZ and the basis of its operations is unchanged, apart from the details above.