

QUARTERLY GREYHOUND RACING HANSEN REPORT UPDATE (Quarter 6, August 2019)

Our focus during this quarter has been on the introduction and staged implementation of our new rehoming program, as well as our improved lure roll out, ongoing greyhound population management (import fee and litter regulation), and prison program development.

This particular update focuses on these four recommendations.

Recommendation #15: REHOMING PROGRAMME

The GRNZ Rehoming programme continues to be a high priority for us.

The Hansen Report makes clear - in this particular recommendation - that our rehoming efforts should be a major focus for our sport. We accept that this is the case and we have been working for some time to manage and implement a wide-ranging and systemic improvement in our rehoming model.

After over a year of work and preparation, the first phase of the project was launched at Levin on 01 August 2019, where an additional 14 kennels were opened beyond the 29 existing operating kennels.

With the coming on line of this facility, GRNZ has also successfully employed 6 experienced kennel hands that will assist with the care of the dogs and their temperament assessments. This makes our Levin centre the heart of our rehoming efforts and the central 'hub' of a nationwide effort.

We include a number of pictures below, showing the development of the GRNZ Levin property:



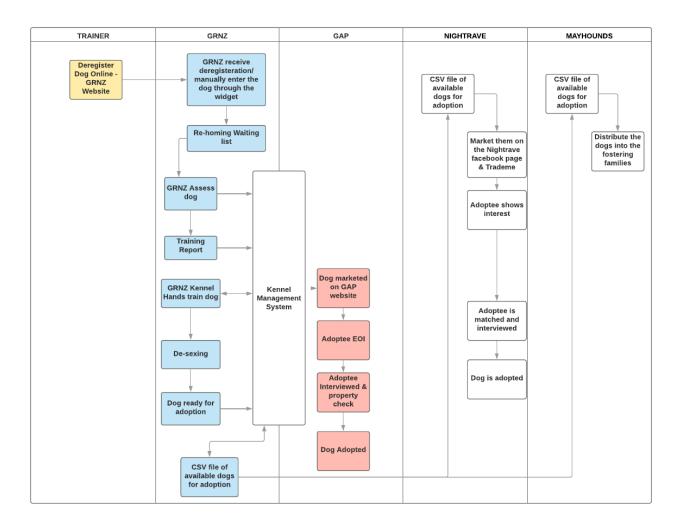


In conjunction with the site upgrade, GRNZ will continue to use the SAFER assessment tool at the kennels, modified for greyhounds and able to assess our animal athletes' potential rehoming temperament. This test is essentially one to confirm that the greyhound has the attitude and behaviours to be a safe and rewarding pet, depending on the circumstances and needs of each individual household.

This assessment tool will be standardized and used across the country to ensure both consistency in animal profile and family experience. To this end, it removes regional variability and allows us to build a consistent national database for animal rehoming.

The implementation of the new model is staggered from 1 August 2019 through to 1 October 2019 (this year) so as to allow us the opportunity to best manage it and deal with any unforeseen operational issues in manageable stages.

With respect to the actual new rehoming model, we set out below a flow-chart that outlines the process map we are transitioning to:



One final key element in the advance of the system is to more fully and successfully incorporate additional rehoming partners.

While we remain focussed on delivering the new model, our initial assessment is that the objectives intended for the project can and will be met, including that we:

- Deliver a national framework
- Standardize the way retired greyhounds are assessed and trained across the country
- Employ skilled staff at all GRNZ kennel locations (Levin, Cambridge and Rangiora) and create a nationwide service expectation; and,
- Develop a centralized database for holding and tracking adopted greyhounds (still in the development stages)

From a financial perspective, GRNZ has invested substantially into the rehoming programme. The previous rehoming model expenditure was around \$1.2 million and the new rehoming model expenditure is around \$2.3 - \$2.5 million. This funding covers operational costs for kennel locations across the country, vet bills, supplies for the kennels and kennel staff wages. GRNZ has also bought a vehicle to assist with the transportation of dogs between locations of the rehoming programme, which more effectively allows adopters to pick the perfect greyhound.

Rehoming partners are working closely with GRNZ, to the point that they have restructured their organizations to best fit with the new rehoming model. This has allowed some partners to expand their teams into new areas around New Zealand, bringing greyhounds to areas not previously aware of our presence. GRNZ will continue to support and fund rehoming partners during this model to ensure that they are successful.

Recommendation #20: Safety / Improved Lure Roll Out

Recommendation 20 speaks to issues of continuing vigilance and improvement - that we have a forward program of safety initiatives, and that we should continue to work towards confirming and implementing those initiatives that prove successful.

Since our last Quarterly Report, we have completed an extended lure arm trial at the Christchurch track and we are now rolling that lure style out across the country. This will take some time as different tracks have different types of lures and will require some tailoring, but we anticipate a positive outcome by the end of the season, if not earlier.

In the period the arm has been put into operational use there has been a noticeable improvement in the greyhounds' running positions: They are running further away from the lure rail and each other. This means less opportunity for greyhounds to make contact with the inside rail, and less opportunity for bunching and colliding with each other. The arm has done what it was designed to do - effectively 'spread out the bunch'.

The arm has also been refined over the initial implementation period, particularly with respect to the height of the lure material from the track surface.

The next two lure upgrades will be at the Manukau and Cambridge race tracks, with the new arms and carriages already being manufactured. We anticipate that these will be in place and operational by the next quarterly review.



Recommendation #15 and #16: Population Management

Recommendations 15 and 16 really speak to the fact that rehoming cannot be the total answer to managing population numbers in the industry. They recognise that better database management, education and if needed, regulation, are also important parts of the industry's ability to respond to the population management challenge.

GRNZ is working through a number of options to augment rehoming effectiveness and,I below, you will see us explain two important steps we are taking to make sure that we have a more complete answer to the rehoming / population management question.

Australian Imports

As part of managing our racing population, we are obliged to monitor and consider the effect of Australian import animals in our jurisdiction. Further, there is the prospect of animals remaining in New Zealand after their racing lives for New Zealand to re-home - at a figure of approximately 200 per annum.

GRNZ has also been concerned about the issue of imported greyhounds from Australia with a history of marring or failing to pursue: Effectively animals with a propensity towards difficult behaviour and poor rehoming prospects.

After much deliberation, GRNZ settled on the following position, which will come into effect on 1st September 2019:

- When an Australian dog is imported into New Zealand, it will attract a \$2,000 "Visa fee"
- If that same Australian dog is exported back to Australia, the \$2,000 "Visa fee" will be refunded
- The current \$500 administration fee remains, however, this is now a non-refundable fee.

GRNZ will monitor the effect of this policy for the first 6 months of its' implementation and then consider the position. We remain focused on creating a future for New Zealand dogs, maintaining commercial flexibility for our LPs, while keeping our racing population at the right shape and size.

Breeding Regulation

A noteworthy comment in the Hansen Report in recommendation 16 called for GRNZ to consider regulating breeding as a tool for population management - should the need arise.

As a result of improved data management and real progress in other areas of the Hansen agenda, we have now begun to look at the legal ramifications and implications of implementing a quota management system ("QMS"). We believe that a series of financial incentives and interventions have already made good progress in best managing the industry's breeding, but it would be remiss of us not to begin considering this option.

The objectives of any proposed greyhound breeding quota system would include;

- improve the quality of greyhound litters, and
- establish a mechanism for managing the total number of greyhound litters in any given year, and as a long term trend.

GRNZ is comfortable noting that we are exploring the framework for such a QMS and exploring how it might be effective in our industry. We do not anticipate a roll out of the system in the 2019/2020 year and we will continue to monitor the effectiveness of our current breeding interventions.

We simply wish to note that - in the event we need an additional response in this area - we will be well advanced in the space by the 2020/2021 season.

Recommendation #15: Rehoming / Great Mates Prison program

After the successful pilot at Rimutaka, it was agreed that the Great Mates prison project be confirmed as a permanent feature of the prison's rehabilitation program.

As a result of this confirmation, GRNZ has built a more sizable and permanent structure that now comfortably houses up to six greyhounds, along with new paving and landscaping around the new kennels. The structure that the pilot had operated from has been donated to the prison and is now being used as the bone carving area.

The permanent prison program will be fully operational by early September (6 dog capacity), and supported with a new trainer who will work with offenders and prison officers to deliver a customised training / care package.

The international experience of these types of programmes is that they deliver major benefits to the primary carer - as well as the greyhounds - through one on one foster care. We are very proud of this development and the future for this programme to operate in other potential prison sites nationally.

We set out a photo of the site below:

