

Greyhound Racing Hansen Report Update at May 2018

Greyhound Racing New Zealand ('GRNZ') is the governing body for Greyhound Racing in New Zealand.

In October 2017, Rodney Hansen CNZM QC, delivered a report on the state of Animal Welfare standards as they then applied to the industry in New Zealand ('the Hansen Report'). The report was commissioned by the New Zealand Racing Board and intended to assist both the Board and GRNZ in assessing progress in the industry and opportunities for improvement. The report contained 20 recommendations which were accepted by GRNZ and incorporated into our current and ongoing work programme.

Not everything can be achieved at once but even the Hansen Report itself makes clear that we have '*made a genuine and determined commitment to improving Greyhound welfare across the board*'. (Para 13.2).

We also recognise that, as the Hansen Report notes, '*The scorecard is mixed*' (Para 13.2) and that '*Further rule changes and more rigorous enforcement of registration requirements are required*'. (Para 13.3). Key areas of concern focussed on our registry and database, rehoming numbers and track safety - we look to address these below.

This particular update focuses on 6 recommendations, being ones that are either more straightforward in their implementation and allow us to make immediate gains with them, or conditions precedent that need to be completed before others can be started. We believe that this will be a 2-3 year journey - some materials require a complete season to gather - but that real and tangible outcomes can be demonstrated along the way. We do note though that activity on all 20 recommendations continues throughout the year and remains a major focus of not just GRNZ, but the industry as a whole.

Focal Areas

The Hansen Report recommendations can be grouped into 4 general areas - Animal Health and Welfare, Registry and Database, Animal Tracking and Registration, and Track Safety.

For completeness, we note that some recommendations are contingent on others and that as a result we have acted in areas where we can have immediate impact, and begun longer term projects (such as database upgrading) necessary to achieve other recommendations.

First Quarter Interventions

GRNZ accepts the recommendations in the Hansen Report and has committed to implementing them: Some of these recommendations can be actioned quickly, others will take a substantial investment of time and resource.

The major first quarter interventions (as numbered by way of recommendations in the Hansen Report) are:

Rec #1: Introduce New Health and Welfare Standards

This recommendation recognised that the welfare landscape in New Zealand is changing. In effect, it sought to have GRNZ recognise changing social attitudes and updating national codes for animal welfare.

As a result, we can now confirm that the new Animal Health and Welfare Standards have been approved by the Board and will be in place for the coming 2018/19 season, beginning in August this year. The new standards are aligned with the recently updated Animal Welfare Act that becomes effective in October 2018. The specific actions and interventions relevant to this activity this quarter are recorded below:

- Work on new standards began in 2017 - contemporaneously with revisions in national animal welfare codes and ahead of the Hansen Report;
- New Health and Welfare Standards were passed by the Board of GRNZ in March 2018;
- These Standards replace the previous Code from 2013;
- The RSPCA, NZ Vet Assn, RIU and National Animal Welfare Advisory Committee (NAWAC) have been actively involved in reviewing and contributing to these standards;
- They will cover approx 750 Licensed Persons (Trainers, Breeders, Owners, Handlers);
- Their anticipated implementation date is 1 August - they need to be formally published and an introductory education programme is scheduled ahead of their application for the new 2018/19 season;
- Major changes include restrictions on number of litters and age of Dam, requirements for socialisation and the crystallizing of annual vaccination requirements.

Rec #2: Implement Annual RIU Kennel Inspections

This recommendation focussed on the independent role of the Racing Integrity Unit ('the RIU') and how it could assist GRNZ with both demonstrating an independent approach to the enforcement of welfare standards and the inspection of participant kennels.

As a result of this recommendation we have now set up the recommended annual inspections. However, this is only part of the undertaking. Additionally, we are working with the RIU on generating a new, more relevant set of investigation tools and checklists to help identify best practice and render inspections as meaningful as possible. The specific actions and interventions relevant to this activity this quarter are recorded below:

- GRNZ have been working with the RIU in February to align expectations and resources needed to deliver on compliance with the Hansen Report recommendations;
- There are approx 150 kennels nationally;
- These kennels have previously been subject to random bi-annual inspections by the RIU since 2011;
- We have agreed that commencing racing season 2018/2019 all kennels will be inspected annually;
- Inspections are mostly unannounced (i.e. when RIU are visiting for licence checks - then they need the licensed persons present);
- GRNZ has no involvement in the selection of kennels to be inspected;
- RIU, not GRNZ, has the authority to go onto a property keeping this process independent;
- The RIU has a national standard kennel checklist;
- GRNZ is working with the RIU to update kennel inspections and include new elements for review arising from the new Health and Welfare Standards in August.

Rec #5 Ameliorate Ear Branding

Ear branding in the industry is part of a 3 tier identification process:

1. Ear Brand;
2. Markings Record;
3. Microchipping.

GRNZ is a part of Greyhounds Australasia ('GA') which is the registry body for Greyhounds in New Zealand and Australia. GRNZ's Head of Welfare is an active member of GA's Animal Welfare Committee. As part of this Committee we are investigating non-invasive alternatives to earbranding such as facial recognition and the use of DNA. Until such time as this process has been concluded we are obliged to work within the Australasian framework.

That said, we have immediately taken steps to introduce a trial for topical anaesthetic cream and once that is completed - assuming there are no negative or unintended consequences - we see this becoming an industry wide practice, paid for by GRNZ. The specific actions and interventions relevant to this activity this quarter are recorded below:

- Ear Branding is a requirement of Greyhounds Australasia ('GA') for racing integrity and animal identification and welfare. GA are the Australasian Registry Body for Greyhound Racing;
- Identification of dogs is a critical part of maintaining the integrity of the sport;
- We are working closely with GA to investigate alternatives to ear branding;
- Alternatives currently under investigation are improved microchipping, improved marking identification recording, DNA testing, and topical anaesthetic;
- The solution will have to be agreed with GA for compliance as all dogs in NZ have to be registered with GA;
- We commit to aligning with GA best practice;
- As an interim solution, GRNZ will be trialling the use of a topical anaesthetic cream solution to be applied in every instance, due to commence 15 June 2018.

Rec #7 Database Revamp

A major concern in the Hansen Report related to the effectiveness and accuracy of the GRNZ database.

In simple terms, our current database was designed to support racing operations only and as a result it has limited functionality for the wider Greyhound lifecycle. While accuracy has improved considerably since 2013, and many consequential forms and materials have been updated to further increase input accuracy, the database is not yet finished for lifecycle management.

We have committed to a major two year modernisation investment and allocated capital expenditure of up to \$500k to address it. This will involve moving to a cloud base, upgrading functionality, moving to a Customer Relationship Management platform, significantly improving reporting functionality, and standardising the format of all data.

When combined with the results of census taking and annual inspections, we believe that this will give us a much more specific and successful tool for the management of Greyhounds as a breed within New Zealand. The specific actions and interventions relevant to this activity this quarter are recorded below:

- In April GRNZ engaged a database specialist on a 12 month contract to oversee the database project;
- This is a three stage project:
 - Stage 1 - Completed August 2018
 - Project evaluation and project plan plus upgrade frameworks and basic admin functions
 - includes licensing changes, deregistrations - exception reporting, data cleansing, RIU interface
 - Stage 2 - Timing to be scoped - determined by Stage 1
 - TBC - Migration of race day functions to web interface
 - Stage 3 - Timing to be scoped - determined by Stage 1
 - TBC - Migration of On Track operations to web interface
- GRNZ have set aside a budget of \$500k to undertake this project.

Rec #8 Database Accuracy

Interconnected with the work we are undertaking with the RIU and the database, this recommendation really targets the accuracy of data, and the usability of data within our system.

We considered a range of steps to best increase accuracy and in the end identified a census project as the best way to capture an accurate snapshot of the New Zealand Greyhound Industry. This undertaking is a serious matter that we have worked closely with the RIU to implement. Additionally, we are preparing a software upgrade for the database specifically designed to process the census information and report the results. We are committed to this outcome and should meaningfully increase the accuracy of our database moving forward as a result of this 're-baselining'. The specific actions and interventions relevant to this activity this quarter are recorded below:

- The RIU, on behalf of GRNZ, is undertaking a comprehensive Nationwide census;
- The Census pilot commenced in March 2018;
- A database update (as part of Rec #7, Stage 1) will allow the Census material to be inputted and de-duped;
- Additional Census data collection will be undertaken as part of RIUs annual kennel inspection process, from 1 August 2018;
- In subsequent seasons the RIU will undertake a count of all dogs (including non-microchipped puppies) present at the time of the annual kennel inspections;
- The annual relicensing process incorporates a declaration from the trainer on the number of dogs at their facility as another cross check.

Rec #15 Increase Rehoming

GRNZ has made a serious commitment to rehoming our animals and commits to doing more.

The key elements of our rehoming efforts include seeding/funding rehoming entities and networks - such as Greyhounds As Pets ('GAP'), looking for new partnerships and opportunities such as Great Mates (a new prison fostering program, currently in pilot) and working closely with breeders and industry leaders to manage breeding levels at the outset.

In the 2016/2017 racing season we rehomed 414 Greyhounds and we are looking to significantly increase this activity. We recently instructed KPMG to report on our rehoming efforts and advise us of steps to take moving forward. This forms an important part of our strategy and informs a number of steps we are currently taking.

Growth and better outcomes from rehoming is reliant on tighter management by GRNZ and hence we will be undertaking the management of the Levin kennels from August 2018. This direction is in line with the recommendations in the KPMG report. Levin will be used as a GRNZ funded and operated rehoming distribution centre for all our rehoming partners. We believe that this will meaningfully increase the efficiency and coverage of rehoming efforts throughout New Zealand. We maintain strong relationships with all the rehoming programmes across Australia and look to learn from them and implement the best practice examples. The specific actions and interventions relevant to this activity this quarter are recorded below:

- We have arranged for and completed a KPMG report into rehoming options;
- We are undertaking a range of actions suggested in the KPMG report, most significantly we are working towards centralising rehoming facilities and introducing multiple rehoming partners for the 2019/2020 season;
- We have signed off an MOU for a pilot of the Great Mates Prison program with corrections, which started in April at Rimutaka Prison. This has not been widely publicised as we wish to confirm the trial and it's success before a more wide ranging program and supporting comms.

Summary

GRNZ is working on a sustained and committed course of action that will give shape and form to the insight and recommendations provided in the Hansen Report.

Most importantly, we recognise that social acceptance for Greyhound Racing to operate in New Zealand is dependent on how we rise to the challenges in the Hansen Report and continue to show ourselves as a reasonable and responsible member of the community. We seek to do just this.