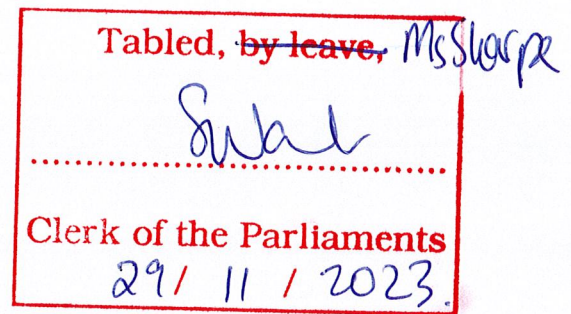




for



THOROUGHBRED RACING AMENDMENT BILL 2023

STATEMENT OF PUBLIC INTEREST

Need: Why is the policy needed based on factual evidence and stakeholder input?

The NSW racing industry is associated with significant economic activity, generating over \$3.3 billion in economic activity each year. It employs more than 50,000 people directly or indirectly, with over 90,000 people engaged in the industry as employees, participants or volunteers.

Racing NSW is constituted by section 4 of the *Thoroughbred Racing Act 1996 (the Act)* with its functions including the control, supervision and regulation of thoroughbred racing in the State. It is responsible for the regulatory and commercial functions of the industry, covering all commercial, welfare and integrity issues relating to horse racing.

The Racing NSW Board consists of a Chief Executive Officer and seven members appointed by the Minister for Gaming and Racing, as required under the Act, including the Chair and Deputy Chair. The terms of both the current Chair and Deputy Chair expire on 18 December 2023.

This Bill implements the Government's decision to extend the term of appointment of Mr Russell Balding AO as Chair of Racing NSW for two years from the end of his current term (from 19 December 2023 to 18 December 2025).

The proposed amendments are required for Mr Balding to continue to serve as Chair and as a member of the Racing NSW board. This is because he will reach the maximum tenure of 12 years for Racing NSW members permitted under section 6(4) of the Act when his current term ends.

The decision to proceed with these Racing NSW appointment extensions is based upon the need for continuity of corporate knowledge to navigate changing regulatory and economic reforms confronting the racing industry over the next two years.

Key challenges facing the racing industry over the upcoming two-year period include:

- addressing funding challenges in response to changing wagering environments
- the need for increased transparency around animal welfare
- implementing a new training and skills program across the industry
- delivering a significant capital works program, mostly focussed on country racetracks, to future proof the industry.

The Government carefully considered feedback from a number of industry organisations and stakeholders in relation to extension of the Chair's appointment.

Objectives: What is the policy's objective couched in terms of the public interest?

The Bill will provide the necessary certainty to industry on Racing NSW leadership ahead of the Chair's term of office expiring on 18 December 2023. Given its functions in relation to the thoroughbred racing industry, there is a strong public interest in ensuring that Racing NSW has the ongoing leadership and member resourcing to operate effectively.

The proposed amendments apply only to the current Chair and ensure that the Minister continues to have powers to remove any person from office as a member of Racing NSW or the Chair, under existing sections 15(2)-(4) and 16(5) of the Act.

Options: What alternative policies and mechanisms were considered in advance of the bill?

The Government considered a range of options to address the upcoming expiry of the terms of office of the Chair and Deputy Chair of Racing NSW. The options contemplated the legislative amendment proposed, as well as other alternatives available under the Act – including direct reappointment by the Minister for Racing and Gaming and selection panel consideration.

The Government’s decision to extend the Chair’s tenure requires legislative amendment.

Analysis: What were the pros/cons and benefits/costs of each option considered?

Each option was considered in the context of the state of the thoroughbred racing industry and critical issues on the horizon, and the relevant legislative framework and guidance on appointments.

While there are risks associated with long tenure of board members generally, it is important to consider the circumstances of each case and balance these considerations against the implications for corporate knowledge and stability. A key consideration is also how the mix of tenure on a board in future will affect the retention of corporate knowledge.

Ultimately, the Bill is considered the most effective way to ensure that there is the necessary continuity of corporate knowledge on the Racing NSW Board to shepherd the industry through significant upcoming challenges over the next two years, with legislative amendment necessary to extend the Chair’s tenure.

Pathway: What are the timetable and steps for the policy’s rollout and who will administer it?

The proposed amendment is intended to commence on the date of assent to the *Thoroughbred Racing Amendment Act 2023*. The Minister for Gaming and Racing will advise Mr Balding and other key stakeholders of the extension accordingly.

Consultation: Were the views of affected stakeholders sought and considered in making the policy?

The Government has carefully considered feedback from a number of industry organisations and stakeholders in relation to the upcoming Racing NSW appointments.