



# Establishment of New Greyhound Racing Club Policy

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## Background

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Greyhound racing clubs in NSW must be registered with Greyhound Racing New South Wales (GRNSW) in order to conduct race meetings. In determining club registrations, GRNSW has the following objectives:

- To establish minimum governance and management standards for clubs;
- To protect the commercial viability and reputation of the industry; and
- To protect and develop the interests of the industry and its stakeholders generally.

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## Purpose

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To outline a set of guidelines and requirements for the creation of new greyhound racing clubs in NSW to ensure the adoption of best practice corporate governance principles and organisational practices.

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## Commencement Date

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This policy comes into effect on 1 October 2013.

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## Role and Functions of Greyhound Racing NSW

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GRNSW is a body corporate established under the *Greyhound Racing Act 2009* charged with providing strategic direction and leadership in the development, integrity and welfare of greyhound racing in NSW, ensuring its competitiveness and long-term commercial viability for the benefit of members of the sport.

The functions of GRNSW include:

- to control, supervise and regulate greyhound racing in NSW;
- to register greyhound racing clubs, greyhound trial tracks, greyhounds, owners and trainers of greyhounds, bookmakers for greyhound racing and other persons associated with greyhound racing;
- to initiate, develop and implement policies considered conducive to the promotion, strategic development and welfare of the greyhound racing industry in NSW;
- to distribute money received as a result of commercial arrangements required by the *Totalizator Act 1997* and via Race Field Information Use Fees; and
- to allocate the dates on which greyhound races may be conducted.

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# Role and Functions of NSW Greyhound Racing Clubs

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NSW greyhound racing clubs are responsible for the provision of greyhound racing on the dates allocated by GRNSW.

The functions of NSW greyhound racing clubs include, but may not be limited to:

- preparation for, and conduct of greyhound trials and race meetings;
- provision of all applicable greyhound racing related information to GRNSW in a timely fashion (i.e. race fields, results etc);
- administration of all club business activities;
- diligence in maintaining and improving the facilities at the venue to provide a safe and enjoyable experience for greyhounds, registered participants and spectators; and
- promotion of greyhound racing to the broader community.

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## Club Registration Requirements

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Club registration requirements are outlined in the GRNSW *Club Registration Policy*. All registered greyhound racing clubs in NSW must adhere to this policy.

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## Procedure for the Establishment of a New Club

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- 1 The incorporated entity submits an application to GRNSW to establish a new greyhound racing club, supported by a copy of its constitution and an extract from the minutes of a committee meeting at which the entity:
  - ▶ Certifies acceptance of, and compliance with, the requirements of this policy.
- 2 The GRNSW Board will consider the application.
- 3 If approved, GRNSW will forward a letter of acceptance to the new club.
- 4 The new club applies for registration with GRNSW, as required under the *Club Registration Policy* and the *Rules of Greyhound Racing*.

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## Policy Requirements

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Any new greyhound racing club formed in NSW must adopt the following best practice governance principles and organisational practices.

### Board Structure

New clubs should adopt a governance structure which reflects commercial and industry best practice in corporate governance principles. Best practice within the racing industry has seen a move to a mixed Board Structure of independent and member elected representatives.

Clubs require a strong business foundation and links to the local community in order to succeed in the competitive business environment. GRNSW believes that the Board of a new club should reflect these challenges and include independent directors with extensive business acumen, drawn from the club's local region.

New clubs, therefore, must adopt the following guidelines for director qualification:

A new club's constitution must provide for the following Board/Committee structure:

- A total of 7 directors.
- 4 directors are to be elected (and removed) by members of the club.
- 3 independent directors are to be appointed (and replaced if necessary) by a Selection Panel comprising of the following:
  - The Chairperson (or his or her nominee) of the club as elected by its members (with this person to be the Chairperson of the selection panel)
  - The President or Chief Executive of the local Business Chamber (or similar organisation); and
  - One Director of Greyhound Racing NSW.

Independent directors are to be drawn from the local region with appropriate qualifications in the areas of law, accounting, construction, marketing, event management or other qualifications / experience that the Selection Panel considers to be appropriate.

Independent directors must not be:

- an employee of a greyhound racing club, or
- a member of the governing body of a greyhound racing club or eligible industry body, or
- registered or licensed by or with GRNSW, or
- registered or licensed by or with HRNSW, or
- registered or licensed by or with Racing New South Wales.

## Club Management

GRNSW believes it is integral for new clubs to be run by an experienced administrator or manager, and that, in general, competent administration is linked directly to a club's profitability. Further, competent administration should lead to efficient club operations and the generation of secondary income to provide a level of financial independence in addition to any GRNSW funding.

New clubs are required to include a clause in their constitution which stipulates that a member of GRNSW or independent person (such as, the local Business Chamber or similar organisation) must be invited / offered an opportunity to be involved in the selection process for the recruitment of senior administrative staff, such as the club manager or Chief Executive. It is in the best interests of the sport and its stakeholders that a club is run professionally in order to ensure its long term commercial and racing viability.

## Membership

A new club must adopt an open membership model and outline the details of its membership structure, including responsibilities, application process and fees, in its constitution.

GRNSW believes that the success of a greyhound racing club is ultimately determined by the level of integration with its local community. New clubs, therefore, must adopt an open membership model that provides all members of the community with an opportunity to contribute to and participate in the activities of the club.

## Media Rights

New clubs are required to assign control of their broadcast and digital media rights to GRNSW, or a body nominated by GRNSW. Media rights are integral to the generation of wagering revenue and a holistic approach is required in order to maximise the total financial benefits to the NSW greyhound racing industry.

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# Funding

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GRNSW understands that funding assistance may be required to facilitate the formation of a new club and to ensure an adequate level of working capital / cash flow for the club's operations in the early years.

GRNSW will consider providing new clubs with a fully repayable five year 'seed funding' type loan. A new club must submit a request for funding to GRNSW, including the amount of funding required, along with a proposed repayment schedule. The club would also be required to submit a comprehensive business plan to demonstrate its ability to repay any borrowed industry funds.

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## Review

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This policy will be reviewed by GRNSW on an annual basis to ensure it reflects ongoing shifts in best practice governance principles and organisational practices.

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## Pro Forma Committee Resolution

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Entities must support their application to establish a new greyhound racing club with an extract from the minutes of a committee meeting at which the following resolution was passed:

### **Application to establish a new greyhound racing club with GRNSW**

The entity resolves that:

- 1 The entity complies with the requirements in the GRNSW *Establishment of New Greyhound Racing Club Policy*.
- 2 All committee members have agreed that the core activity of the new club will be greyhound racing, including:
  - ▶ the preparation for, and conduct of greyhound trials and race meetings;
  - ▶ the provision of greyhound racing on the dates allocated by GRNSW; and
  - ▶ ensuring entity activities serve the best interests of greyhound racing in NSW.
- 3 The entity acknowledges that GRNSW is not responsible for the consequences of any loan taken or made by the entity, whether or not approved by GRNSW, and that it will have no claim against GRNSW as a consequence of GRNSW approving or declining to approve any transaction.
- 4 The entity acknowledges that it will repay any 'seed funding' loan provided by GRNSW within the agreed timeframes and in line with any other funding conditions.
- 5 The entity hereby assigns to GRNSW, or a body nominated by GRNSW, all broadcast and digital media rights immediately upon its creation and future rights (including copyright) which comprise any part of NSW greyhound racing vision, and will not dispute or challenge GRNSW's ownership of these intellectual property rights.
- 6 The entity's constitution will not be amended without notifying GRNSW of any proposed changes.
- 7 The entity will prepare an *Application for Registration of a Greyhound Racing Club* and submit it to GRNSW together with a signed declaration of the entity's compliance with this policy and an extract from the minutes of the meeting containing this resolution.