**Terms of Reference for the Ministerial Advisory Committee**

**Context**

The racing industry is responsible for generating more than $1.6 billion in value-added contribution to the New Zealand economy, although this value has been eroded over time because the New Zealand industry is in a state of serious decline. Prize money is meagre, so returns to owners are significantly below other jurisdictions. Foal crops are declining which inhibits future field sizes, leading to less wagering and less revenue for the racing industry. Industry infrastructure and governance is poor.

The Government is committed to reforming the New Zealand racing industry and seeks the scoping up of a detailed plan to operationalise the Messara Report, the ‘Review of the New Zealand Racing Industry’s’ recommendations once approved by Cabinet, to deliver better governance and economic outcomes for the industry.

To enable the timely delivery of a racing reform programme, a Ministerial Advisory Committee (the Committee) is being created as a precursor to a Racing Industry Transitional Authority being established in legislation (subject to future Government decisions on the recommendations of the Messara Report).

**Purpose of the Committee**

The Committee is a ministerial advisory committee appointed by the Minister for Racing. The Committee will be charged foremost with setting a sense of direction for the intended racing reformswith particular focus on prioritising those recommendations that have been identified as the main drivers required for successful industry reform. This will provide the basis for a prioritised work plan for the Committee, to be provided to the Minister of Racing early in 2019. It is also charged with scoping up the operational decision points (whether technical, legal, financial or process orientated) for racing reform, engaging with industry throughout, and offer analysis to the Minister for Racing on opportunities (i.e., the industry’s untapped potential) as well as roadblocks to returning the industry to a well-managed and sustainable economic growth path.

It will involve the Committee gathering and analysing a wide range of inputs and carrying out engagement, investigation, and analysis about the effects of specific proposals under core areas of the Messara Report, including:

* the governance and structure of racing;
* finance and distribution to the codes;
* new legislation to support the various dimensions of racing reform;
* wagering and the TAB;
* club consolidation, racecourses and prizemoney; and
* any other matters that the Committee considers relevant to its work, including establishing the Racing Industry Transitional Authority (RITA).

**Outputs**

***Interim report***

The Committee will provide an interim report to the Minister for Racing by 28 February 2019.

The Committee’s interim report should include:

* Advice to the Minister based on the Committee’s analysis of the six core areas listed immediately above;
* A detailed plan for the Committee’s remaining work until RITA is established in legislation; and
* Any other matters the Committee wishes to raise with the Minister for Racing.

***Further direction may be provided by the Minister for Racing in March 2019***

The Government is expected to make decisions on the recommendations of the Messara Report in March 2019. This will identify which of the Report’s recommendations the Government agrees to implement and at this time the Minster of Racing may provide the Committee with further direction about its direction of travel.

***Final Committee Report***

The Committee is to provide its final report to the Minister for Racing no later than 30 June 2019. The purpose of the Committee’s final report is to support a transitional agency to manage the implementation of the changes approved by the Government, particularly any structural changes.

The requirements for the Committee’s final report are:

* final advice on any operational or other matters that the Government should consider in its response to the Report; and
* a draft transition plan for the racing sector, identifying key steps, processes, and timings.

**Membership**

The Committee will consist of a Chairperson (the Chair) and four members appointed by and accountable to the Minister for Racing.

Members will be appointed because of their personal expertise and ability to provide independent, strategic assessments of business change proposals for the racing industry. They will not act as advocates or representatives of a particular interest or sector group.

It is intended that the Committee’s Chair would have a track record in delivering significant sector reform. Racing sector experience, although valuable, would not be a pre-requisite for the Chair’s position. Other Committee members could have a range of skills and backgrounds including in the racing, legal, commercial, and wagering sectors.

**Secretariat**

The Committee will be supported by a Secretariat within the Department of Internal Affairs. The role of the Secretariat is to prepare a range of resources and materials at the direction of the Committee Chair.

**Relationship with Ministers and officials**

To ensure independence, the work of the Committee will be conducted in accordance with this Terms of Reference. The Committee is expected to meet with the Minister for Racing before starting its work to discuss these Terms of Reference and clarify any details of scope. The Committee may also meet with the Minister for Racing to provide information as its work progresses, and act in accordance with a “no surprises” approach.

**Operations**

The Committee is expected to meet as required to enable the completion of the work in this Terms of Reference, subject to budgetary constraints. In addition, there may be work completed by Committee Members either individually or with other Committee Members. The scheduling of these processes will be determined by the Chair and Members as part of their establishment phase.

The Committee and Secretariat will be co-located at the Department of Internal Affairs, and have their own secure filing structure within the Department’s knowledge management system (“Cohesion”).

The Committee will manage all its own communications with specialist support from the Secretariat.

**Consultation**

Engagement will be a critical part of the Committee’s work. The Committee is expected to engage with the racing industry, technical experts, special interest groups, sector lead groups and other interested parties. Committee members may be accompanied and supported by Secretariat staff during such engagement.

**Timeframes**

The Committee is expected to begin its work in December 2018, and provide an interim report by 28 February 2019 and its final report by 30 June 2019. The timeframe for the Committee can be changed with the agreement of the Minister for Racing.

**Fees and reimbursements**

Letters of appointment will detail the remuneration and reimbursement arrangements for the Chair and members.

**Consensus**

The Committee will operate on the basis of consensus and, where it is not possible to achieve a consensus, on the basis of majority vote with the Chairperson having the final casting vote. The Chair will determine the meeting processes.

**Media**

The Chair will be responsible for any public statements on behalf of the Committee.

**Attendance and substitutions**

Members who are unable to attend a meeting of the Committee cannot be represented by a substitute or proxy.

**Declarations of conflict**

Members are responsible for declaring any actual or potential conflict of interest to the Minister prior to appointment, and to the other members of the Committee, as soon as a conflict arises.

**General confidentiality requirements**

In order for the Committee to operate effectively, members must maintain the confidence of the Committee, including maintaining confidentiality of matters discussed at meetings, and any information or documents (not otherwise publicly available) provided to the Committee.

**Removal of members**

Any serious breach of any of these Terms of Reference may result in the Minister removing a member from the Committee at their sole discretion. Serious breaches of the Terms of Reference include, but are not limited to, a breach of confidentiality, unauthorised communication with media about the Committee, or a failure to declare, or appropriately manage, a conflict of interest.

Any member removed from the Committee can be replaced with a new member at the discretion of the Minister for Racing.