



Regulatory Impact Statement: Transition of the New Zealand greyhound racing industry to closure

Decision sought	Cabinet policy decision on the transition of the New Zealand greyhound racing industry to closure
Agency responsible	Department of Internal Affairs
Proposing Ministers	Minister for Racing
Date finalised	7 August 2025

In December 2024, the Government announced the in-principle decision to close New Zealand's greyhound racing industry. Consequentially, the Minister for Racing established a Ministerial Advisory Committee to advise on and oversee the transition of the greyhound racing industry to closure.

In its interim report to the Minister for Racing, the Ministerial Advisory Committee recommended a package of legislative changes required to implement transitional processes for closure of the greyhound racing industry. The Minister for Racing recommends that the Ministerial Advisory Committee's package of legislative recommendations is progressed.

Summary: Problem definition and options

What is the policy problem?

In December 2024, the Government announced the in-principle decision that all commercial greyhound racing in New Zealand is to cease by 31 July 2026.

During the transition of the greyhound racing industry to closure, there are a number of risks to greyhound and industry participant welfare to be considered. There is public interest in how the welfare of greyhounds will be protected throughout the process of remaining races and in moving greyhounds into, through, and out of the greyhound rehoming system. Industry participants also need to know how closure will be implemented, their rights and responsibilities as part of closure, and that they will be supported.

What is the policy objective?

The policy objective is to effectively and efficiently transition the greyhound racing industry to closure in a manner that reduces the risk and severity of harm to animals and people during the transition.

Therefore, closure should be implemented in a way that:

- Is effective and efficient.

- Minimises negative animal welfare outcomes.
- Supports industry participants and stakeholders through the closure process.
- Provides certainty during the transition to closure.

What policy options have been considered, including any alternatives to regulation?

This Regulatory Impact Statement (RIS) assesses options to implement the closure of the greyhound racing industry. This RIS is intended to be read in conjunction with the Interim Regulatory Impact Statement: Future of New Zealand Greyhound Racing Industry (November 2024 RIS, **Appendix A**). The November 2024 RIS assessed options for the future of the greyhound racing industry, which included the option now taken by the Government of closing the industry.

This RIS undertakes analysis at two levels:

- **Section 2A:** High-level analysis of overall options for Government. Three options have been considered:
 - **Option One:** Counterfactual – industry continuation under status quo legislative settings (i.e. no legislative change, therefore, the greyhound racing industry will not close and the Government’s in-principle decision will not be implemented).
 - **Option Two:** Industry closure via minimal legislative change.
 - **Option Three [preferred option]:** Industry closure through implementation of the package of legislative recommendations made by the Ministerial Advisory Committee, which includes the creation of a Transition Agency.
- **Section 2B:** Detailed examination of specific issues within a transition package. The specific issues examined are:
 - The form of the Transition Agency.
 - Method to transfer functions.
 - Funding method for the Transition Agency.
 - Distribution of residual industry assets at the end of the transition process.

The high-level analysis at Section 2A finds that Option One would not achieve the primary objective of closing the greyhound racing industry, nor consequentially, any other policy objective. While Option Two would implement the policy objective of closure, it is not the preferred option as it only minimally implements the additional policy objectives of enabling an effective and efficient transition that minimises negative animal welfare outcomes, gives support to affected individuals, and provides certainty.

Option Three is the preferred option as it meets the primary policy objective, all other objectives, and is likely to deliver the highest net benefits.

The Department does not consider that the overall comparative assessment of a preferred high-level approach for closure in Section 2A is impacted by the key issues assessment in Section 2B.

What consultation has been undertaken?

As previously noted, the Minister for Racing appointed the Ministerial Advisory Committee to advise on and oversee the transition of the greyhound racing industry to closure. In developing the package of legislative recommendations to implement the transition, the Ministerial Advisory Committee has consulted with stakeholders and proposals are cognisant of stakeholder views.

The Department has not consulted stakeholders on the policy options in this RIS, however, has used insight into stakeholders' views as provided in the Ministerial Advisory Committee's interim report to inform the development and analysis of policy options.

Based on these views, it is likely that some stakeholders, particularly industry participants, would support Option One over the preferred option, as it would not implement closure of the greyhound racing industry.

It is likely that if the Government's in-principle decision to close the greyhound racing industry is to be implemented, most stakeholders would support the preferred option as it would maximise certainty in transitional processes and best mitigate risks to animal welfare and industry participants. Even stakeholders who argue that closure should not occur would likely be in favour of a more comprehensive legislative change option if closure must be implemented.

Is the preferred option in the Cabinet paper the same as preferred option in the RIS?

Yes.

Summary: Minister's preferred option in the Cabinet paper

Costs (Core information)

Outline the key monetised and non-monetised costs, where those costs fall and the nature of those impacts.

- The counterfactual would not implement legislative change and would have no transitional costs (as industry would continue) but would not achieve the Government's primary objective of ending greyhound racing by 31 July 2026.

Key monetised costs of the preferred option are:

- The total cost of the transition, over three years, is estimated to be up to \$60 million (paid for by industry via TAB NZ, excluding the Ministerial Advisory Committee cost of up to 9(2)(f)(iv) which is being paid by the Crown).
- Loss in industry contribution to the New Zealand economy of approximately \$159.2 million per annum.

Key non-monetised costs of the preferred option are:

- Negative impacts on industry participants (mental wellbeing, loss of the social elements of the industry community, necessity to find alternatives and/or sources of income).

Benefits (Core information)

Outline the key monetised and non-monetised benefits, where those benefits fall and the nature of those impacts

- The counterfactual would not implement legislative change and would have the benefit of addressing the closure related costs outlined above (as industry would continue) but would not achieve the Government's objective of ending greyhound racing.
- The preferred option is likely to deliver the highest net benefits. The preferred option was developed by the Ministerial Advisory Committee with explicit consideration of the livelihoods and wellbeing of industry personnel, and ensuring welfare outcomes for greyhounds.
- Many of these benefits will be realised via the establishment of a transition agency with functions including oversight of the welfare of greyhounds, facilitating rehoming, and of providing support and advice to former participants of the industry.

Balance of benefits and costs (Core information)

Does the RIS indicate that the benefits of the Minister's preferred option are likely to outweigh the costs?

- Most costs associated with the preferred option relate to the overall decision to close the greyhound industry itself. The industry supports 1,054 people and adds \$159 million value added to the economy. By nature, a closure will mean job losses and losses of income streams. Closure will likely have an impact on the mental health of individuals.
- However, these consequences are inevitable when the in-principle decision has been made that greyhound racing will end. The preferred option is likely to best mitigate these negative impacts and deliver the highest net benefits by meeting the policy objectives of ensuring animal welfare is managed and protected and affected people are well supported, by providing certainty and an effective and efficient transition to closure.

Implementation

How will the proposal be implemented, who will implement it, and what are the risks?

- To implement the recommended option and close the greyhound racing industry by 31 July 2026, the Department recommends that a Bill is enacted by April 2026 to allow for provisions to be in place before closure.
- In the meantime, the Ministerial Advisory Committee will continue its work to prepare a detailed transition plan, which will include negotiations and preparation with Greyhound Racing New Zealand and other key stakeholders such as the Racing Integrity Board and rehoming agencies.
- It is intended that a detailed transition plan will be ready for implementation when the Bill comes into force and a Transition Agency is established in April 2026.
- The Ministerial Advisory Committee is currently approved and funded to continue through to the end of greyhound racing on 31 July 2026. However, it is likely that the Ministerial Advisory Committee will not be required once a Transition Agency is established.
- Risks are managed through the requirement for a detailed transition plan to be developed to operationally implement the transition to closure. Further risks will be addressed by the Transition Agency as part of its responsibilities.

Limitations and Constraints on Analysis

The Government's in-principle decision to close the greyhound racing industry by 31 July 2026 has resulted in time constraints on analysis to allow time for proper Parliamentary/Select Committee processes. This time constraint has meant that the Department has not been able to consult stakeholders on the Ministerial Advisory Committee's recommendations, or other policy options.

The Department has used the stakeholder views contained in the Ministerial Advisory Committee's interim report to inform the development and analysis of policy options.

I have read the Regulatory Impact Statement and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.

Responsible Manager signature:

9(2)(g)(ii)

9(2)(g)(ii)

7 August 2025

Quality Assurance Statement

Reviewing Agency: Department of Internal Affairs

QA rating: Meets

Panel Comment:

The Department's Regulatory Impact Analysis (RIA) panel (the panel) has reviewed the Greyhound Racing Industry Closure RIA in accordance with the quality assurance criteria set out on the Ministry for Regulation website.

Overall, the panel considers that the information and analysis summarised in the RIA **meets** the quality assurance criteria.

For the complete, convincing, and clear and concise criteria, the panel rated the paper as "meets". The paper strikes the right balance between presenting enough information but not overloading the reader with too much detail. The analysis is convincing. The paper is written in plain English and is easy to read.

For the consulted criterion, the panel rated the paper as "partially meets". The paper explains why the Department was not able to consult with stakeholders (because of time constraints). In the panel's view, the lack of consultation is mitigated by the fact that the Ministerial Advisory Committee consulted with stakeholders, and the Department used information on stakeholder views provided by the Committee during the development and analysis of policy options.

Section 1: Diagnosing the policy problem

Overall approach of this Regulatory Impact Statement (RIS)

1. In December 2024, the Minister for Racing (the Minister) announced the Government's in-principle decision to close the New Zealand Greyhound Racing industry (the industry). This RIS is based on this decision and assesses options to implement closure of the industry. If the in-principle decision was to change and the closure of the industry is not progressed, a new RIS would be required to adequately assess options related to industry continuation with increased oversight and regulation.
2. This RIS is intended to be read in conjunction with:
 - Interim Regulatory Impact Statement: Future of New Zealand Greyhound Racing Industry (November 2024 RIS): *this RIS assessed options for the future of greyhound racing (Appendix A).*
 - Interim report of the Greyhound Racing Ministerial Advisory Committee (MAC interim report): *The Ministerial Advisory Committee (the MAC) was established by the Minister to provide independent advice on transition of the industry to closure. The MAC interim report sets out the MAC's recommendations (Appendix B).*
3. As the present RIS builds on the above documents, it is not intended for information contained in those documents to be repeated here.
4. This RIS undertakes analysis at two levels:
 - **Section 2A:** High-level approach examining the overall approach to transition.
 - **Section 2B:** Detailed examination of specific issues within a transition package.
5. The Department considers that a two-level approach is valid for the following reasons:
 - As noted above, the MAC was commissioned by the Government to provide independent expert advice and planning on the transition to closure of the industry. On this basis, Cabinet will consider the MAC interim report and the Department's analysis will be supplementary to that report.
 - All recommendations made by the MAC interim report, including the package of legislative recommendations, are in line with the Department's own assessments. The MAC's recommendations are consistent with the assumptions and information contained in the November 2024 RIS, the approach of the Racing Industry Act 2020 (the Act), and the transitional approach used in the racing industry reforms which took place between 2018 – 2020. The proposals in the MAC interim report would either be the Department's preferred option in that area, or a viable option amongst other options on which the Department has no preference.
 - The Department does not consider that the assessment of the high-level approach in Section 2A will be impacted by any of the possible options considered in Section 2B. The preferred option in Section 2A will remain the same.

What is the context behind the policy problem?

6. The November 2024 RIS provides the context in which the Government's in-principle decision to close the industry in New Zealand was made. This RIS will not repeat this, however, at a high-level, the context covered:
- That the future of the industry has been in question since late 2021, as a highly contentious issue with a high degree of interest from both industry and animal welfare stakeholders who advocate banning the industry. Successive reviews throughout the last decade have highlighted animal welfare concerns about the industry.
 - The current size and nature of the industry.
 - Industry animal welfare regulatory setup.
 - The fact that New Zealand is one of only seven countries internationally where greyhound racing remains legal.
 - Recent reports on the progress of animal welfare metrics from the New Zealand Racing Integrity Board (RIB) and from Greyhound Racing New Zealand (GRNZ), and future welfare targets.¹
 - Stakeholder views on the industry.

The status quo

7. As noted above, the present RIS is intended to be read in conjunction with the November 2024 RIS as both together are an analysis package on options for the closure of the industry. For this reason, the status quo for the present RIS is the same as was presented in the November 2024 RIS.
8. The status quo is that industry will continue under the current legislative settings and closure would not be implemented. It has been accepted that greyhound racing has an inherent risk of harm to the animals and that industry have sought to reduce the risks of injury to the lowest point possible. If the industry continues to operate, greyhounds will continue to be injured, including serious injuries and death. This would not address some concerns around outcomes and enforcement of animal welfare standards. Additionally, because it is unlikely to address these concerns, the long-term future of the industry would likely remain uncertain.
9. We note that for the purposes of the present RIS, the status quo is used as the counterfactual option included to aid analysis and comparison between other options, and to comply with regulatory assessment requirements. We consider that as an option in itself, the status quo/counterfactual is of low value as the Government has announced the in-principle decision that greyhound racing is to come to a close, which this option would not implement.

¹ Reports from the RIB published following the November 2024 RIS can be found here <https://racingintegrityboard.org.nz/about-us/publications/>

Government decisions and the MAC's work so far

10. After the in-principle decision to close the industry was made, the Minister established the MAC to:
 - Provide independent expert advice and planning to the Minister on the transition to closure of the industry.
 - Provide independent oversight of the closure of the industry.
11. Since then, the MAC has met with key industry stakeholders to develop its recommendations. The MAC met with a large variety of stakeholders. Close contact with GRNZ was (and continues to be) maintained.²
12. On 29 May 2025, the MAC delivered its interim report. The interim report provides the MAC's advice on closure of the industry, including outlining a package of legislative changes that would implement closure.
13. The MAC recommends the Government introduces legislation to amend the Act. These changes are outlined in paragraph 103 of the MAC interim report and will be covered in further detail below. The full details of the package of legislative change are provided in Appendix 4 of the MAC interim report.

What is the policy problem or opportunity?

14. Transition of the industry to closure needs to be done in an effective and efficient manner, which provides certainty, for industry participants, the wider racing industry, and stakeholders to be able to make informed decisions for their futures.
15. Implementation of the closure must also protect welfare of greyhounds and prioritise the wellbeing of impacted individuals. Industry participants need to know how closure will be implemented, their rights and responsibilities as part of closure, and that they will be supported. There is also public interest in how the welfare of greyhounds will be protected throughout the process.

Assumptions, risks, uncertainties, and constraints

Assumptions

16. Our assumptions are that:
 - **Transitory activities are able to continue past the closure date of 31 July 2026** – The Department assumes that while all greyhound racing is to end by this date, other transition activities, such as the rehoming of greyhounds, is able to continue past this date.
 - **Wider economic impacts of closure will be limited** – The Department assumes that a closure would encompass only domestic commercial greyhound activities, and not wider activities (such as betting on overseas races).
 - **Funding for the transition and costs for additional regulation are to be paid by the greyhound racing industry** – The Department assumes that industry will pay

² A full list of stakeholders the MAC consulted with is contained in Appendix 5 of the MAC interim report.

for all costs during the transitional period through the redirecting of TAB NZ profits from betting on overseas greyhound races.

Risks and uncertainties

17. Closure of an entire industry will carry significant risks through direct impact on participants within the industry. Closure will likely have a dramatic impact not only on individual's livelihoods, but on their mental health as well. As some individuals may be more or less resilient than others, it is difficult to say what the real impacts of closure will be, which poses a risk and uncertainty. Risks and uncertainties associated with closure were explored in full in the November 2024 RIS.
18. As the Department has not consulted stakeholders directly, there is a risk that stakeholders will not feel adequately consulted by the Government. However, the MAC consulted with various industry stakeholders in developing the package of legislative recommendations and these are provided in the MAC's interim report. There is no reason for the Department to doubt these views as expressed in the interim report.
19. Stakeholders will have the opportunity to provide their views during Select Committee processes.

Constraints

20. The Government has announced the in-principle decision that greyhound racing is to end on 31 July 2026. To meet this timeframe, and allow for proper Parliamentary/Select Committee processes, it is necessary for policy development to occur at pace which has removed the ability for the Department to consult on the MAC's recommendations or alternative options (discussed further below).
21. This has meant that the Department is reliant on the facts and figures in the MAC interim report relating to the industry, as the Department has not been able to undertake its own consultation.

What objectives are sought in relation to the policy problem?

22. Objectives presented in the November 2024 RIS³ have been refined following the Government's in-principle decision to close the industry. This decision provides the Government's assumed primary objective of closing the industry by 31 July 2026. Further policy objectives are that the transition to closure:
 - **Is effective and efficient:** that implementation of the closure is feasible, that financial costs of transition are minimised, and transition processes are implemented in a timely manner.
 - **Minimises negative animal welfare outcomes:** greyhound welfare is prioritised and maintained. Negative outcomes such as injury, death, and distress are minimised as much as possible.
 - **Supports industry participants and stakeholders through the closure process:** that support for individuals who participate in the industry is prioritised throughout

³ At a high level, the objectives in the November 2024 RIS were: long term certainty about the future of the industry is provided; negative animal welfare outcomes are minimised; and neutral or positive economic impacts.

the transition process to closure, and risks to financial and mental wellbeing are minimised.

- **Provides certainty during the transition:** that all parties, especially industry participants, but also animal welfare organisations (AWOs) and the general public, have certainty during the transition.

What consultation has been undertaken?

23. The MAC was appointed to provide advice on the legislative changes required to implement closure of the industry. In developing proposals, the MAC consulted with various industry stakeholders.⁴ The MAC's consultation informed the package of legislative recommendations in the interim report (**Appendix B**), which forms Option Three of this RIS (the preferred option). To maintain the MAC's independence, the Department has not been involved in this consultation process nor consulted with stakeholders separately.
24. As the MAC's consultation was undertaken with key stakeholders directly, the Department is not privy to the views and feedback that stakeholders provided. However, some insight into stakeholders' views is contained within the MAC interim report, and this has been used by the Department to inform the development and analysis of policy options.
25. The Department's role in this process is to provide additional analysis on the MAC's legislative recommendations. The Department has not consulted with stakeholders directly on the MAC's proposals, or alternate options following receipt of the MAC interim report due to the need to proceed at pace to implement the planned closure of greyhound racing on 31 July 2026.

⁴ The Ministerial Advisory Committee's interim report contains a list of stakeholders that were consulted.

Section 2: Assessing options to address the policy problem

26. As noted at paragraph 4, the analysis section of this RIS occurs in two parts:

- **Section 2A:** assessment of the high-level approach to the overall transition of the industry to closure.
- **Section 2B:** assessment of detailed key issues within the package of legislative recommendations provided by the MAC interim report.

Section 2A: The Overall Approach

What criteria will be used to compare overall options to the status quo?

27. Relating to the objectives provided at paragraph 21, the assessment criteria that will be used to compare the options for a high-level approach to closure of the industry are below.
28. The Department considers that all criteria are weighted equally as each is integral to implementing an effective and efficient transition of the industry to closure in a way that mitigates risks of harm to animals and people.

Criteria	Specific Aspects/Description
Implementation of closure through transition is effective and efficient	Transition to closure is effective and efficient in that closure is feasible and minimises costs. Risks to implementation of closure, such as lack of funding, are mitigated.
Animal welfare is managed and protected through transition to closure	The welfare of affected greyhounds throughout the transition process of closing the industry would be managed and protected. Throughout the transition period, kennel conditions and standards of care are maintained, and dogs move through the rehoming system as quickly and carefully/suitably as possible to minimise distress and anxiety associated with long-term kennelling. Traceability is maintained and appropriate inspection powers are in place to ensure greyhound welfare is protected and suitably rehomed.
Affected persons are well supported through transition to closure	Industry participants ⁵ are well supported in leaving the industry and have clarity over their rights and responsibilities through the transition to closure. The mental wellbeing of participants is prioritised, and industry support is readily available to ensure that adverse economic risks to individuals due to close is minimised. Participants are encouraged and supported to have agency and participate in decision making.
Certainty about transitional processes and closure is provided	Industry participants, key stakeholders, and the general public have certainty about the processes to implement closure of the industry, and what closure itself will look like. Industry participants can make informed decisions for their futures.

⁵ This includes the likes of trainers, owners, kennel-operators and track officials.

What scope will options be considered within?

29. On 10 December 2024, the Minister announced that, in-principle, the greyhound racing industry was to be closed by 31 July 2026. On the basis of this in-principle decision, the scope of the options considered is limited to closure of the industry.⁶

What options are being considered?

30. This RIS considers the following three overall options:
- **Option One: Counterfactual – Industry continuation under status quo legislative settings (i.e. no legislative change)**
 - **Option Two: Industry closure via minimal legislative change approach**
 - **Option Three: Industry closure through implementation of the package of legislative recommendations by the MAC**
31. For the purpose of Section 2A of this RIS, Option Three is being considered as a high-level option. Section 2B of this RIS will consider specific issues and details, including the recommendations provided by the MAC. The Department has concluded that the MAC's recommendations represent the best option, or a supportable option. Therefore, the Department's analysis on the high-level package of recommendations made by the MAC in Section 2A would remain the same, regardless of the recommendations made on specific key issues in Section 2B.

Stakeholder Views

32. The public were not consulted on the options. However, industry and government stakeholders and experts informed the MAC's development of its package of recommendations. This included GRNZ and greyhound rehoming organisations. The stakeholders were not consulted on the specific options, but the MAC made its recommendation cognisant of the general views of the stakeholders it engaged with.
33. The MAC's report indicates that while a number of stakeholders expressed their disagreement with the Government's decision to close the industry, if the industry is to close, some stakeholders believe that the current timeline should be extended to allow more time for the industry to adjust.

Option One – Counterfactual – Industry continuation under status quo legislative settings (i.e. no legislative change)

34. Option One would not result in legislative change to implement closure of the industry. This option would not achieve the primary objective of ending greyhound racing in New Zealand by 31 July 2026. The Act currently expressly provides for greyhound racing to occur and sets out the regulatory framework for greyhound racing and the betting on greyhound races. Without change to this legislation, the industry would continue as it does now and there would be no closure of greyhound racing in New Zealand.

⁶ If the government rescinds the decision to close the industry, a new regulatory impact statement would likely be required to examine options that would address key issues within the industry.

35. Explanation as to what industry would look like under the counterfactual is contained within the November 2024 RIS as part of the assessment for 'Option One: Counterfactual – Industry Continuation under Status Quo Legislative Settings (i.e. no law changes)'.
36. The counterfactual has been included only due to regulatory impact assessment requirements and to aid analysis and comparison between other options.
37. As outlined in the previous RIS, it is likely that in an industry continuation scenario, animal welfare and other related concerns would remain and that further reforms would be required (such as those outlined in Option Two of the previous RIS). When Cabinet made the in-principle decision to close the industry, it was noted that the future of the industry has been in question since 2021 due to animal welfare concerns.⁷ It was also noted that, although the industry has made progress in bettering animal welfare outcomes since 2021, the improvements, in particular with regard to injuries, were not significant enough for the industry to retain its social licence.
38. Therefore, there is potential for further reforms which could cause a degree of continued uncertainty in the industry. It is also possible in this scenario that questions around the social licence of the industry could remain which would have prolonged negative effects on those involved.

Stakeholder Views

39. Option One would likely be very unpopular with animal welfare organisations (AWOs) who have commended the in-principle decision to close greyhound racing. Members of the general public who support closure are also unlikely to support this option and it is likely that some stakeholders would still campaign for the industry's closure.
40. GRNZ and industry participants would welcome Option One as it would signal that the industry would continue. However, industry participants would likely remain frustrated at the original in-principle announcement of a closure.

Assessment against objectives

41. Under Option One, GRNZ and industry would continue to operate as provided for in the Act. This option would not meet the primary objective of closure, nor would it meet any policy objectives as objectives relate to the transition of industry to closure which would not occur in the counterfactual.

Option Two – Industry closure via minimal legislation approach

42. Option Two would implement the Government's decision to close the industry through minimal legislative change. This would involve removing all references to 'greyhounds' and 'greyhound racing' within the Act, and no other changes. The Government would not direct or implement any transitional or supporting measures to the industry and others impacted by the closure.
43. It is assumed that if this option were to be progressed, GRNZ, the MAC, and the Racing Integrity Board (RIB) would assist in the transition to closure on a non-legislative basis as per their current purposes, functions, and/or terms of reference. GRNZ would continue to act for the best interests of their members and the MAC would continue to give

⁷ CAB-24-MIN-0487.

direction and support for the transition to closure, but there would be no requirement for the MAC's advice to be followed. It is assumed that TAB New Zealand (TAB NZ) would provide limited voluntary funding for the transition to closure.

Stakeholder Views

44. No consultation has occurred on Option Two, however, it is highly likely that this option would have very little support across all stakeholders involved. Stakeholders who agree that closure should occur would prefer legislative change that supports industry participants, and even stakeholders who argue that closure should not occur, would likely be in favour of a more comprehensive legislative change option if closure must be implemented.

Assessment against objectives

45. It is unlikely that Option Two would result in an efficient and effective transition to closure as integral processes would be contingent on voluntary actions by relevant stakeholders.
46. Furthermore, while Option Two will close the industry which protects the future welfare of greyhounds, it would also likely result in harm as the option does not manage or regulate animal welfare through a transition to closure. It is noted that, under this option, animal welfare concerns could be alleviated through delaying removal of section 53A of the Act which establishes the offence relating to the unlawful destruction of a specified greyhound. Allowing the offence to continue past the 31 July 2026 date for closure of the industry will minimise harm to greyhounds.
47. Option Two also provides for some certainty that the industry will close. However, as transitional processes and support for affected persons would likely be undertaken by GRNZ, the MAC, and the RIB on a voluntary basis because of the closure, there would be little certainty about the transitional processes itself and the support that may be available for affected persons.

Option Three – Industry closure through implementation of the package of legislative recommendations made by the MAC [preferred option]

48. Option Three would implement the package of legislative recommendations to implement closure of the industry provided in the MAC interim report. The key recommendations in the interim report are that the Government introduces legislation to amend the Act to:
- Remove the mechanisms by which greyhound racing is lawfully undertaken, effective from 1 August 2026.
 - Establish a Transition Agency specifically charged with:
 - The orderly closure of the industry, the closure of GRNZ and greyhound racing clubs, and ensuring an appropriate transition plan is in place and implemented fairly.
 - Receiving the relevant functions and staff of the code as necessary to facilitate closure of the industry.

- The provision of support for the rehoming of greyhounds that are or were registered with GRNZ.
 - Clarify that, in considering dissolution of a club, a club is no longer deemed to be a racing club if greyhound racing is no longer allowed under the Act, and that in such circumstances, appeal rights and notice periods currently provided in the Act should not apply.
 - Insert provisions similar to those for the dissolution of clubs, to apply to the dissolution of GRNZ.
 - Require the development of a transition plan which would direct GRNZ as to how to discharge its functions until it is dissolved.
 - Provide that on dissolution of GRNZ, the racing code's assets vest in the Transition Agency.
 - Require TAB NZ, in each calendar year, to provide an amount of funding approved by the Minister, to enable the Transition Agency to perform its functions under the Act.
 - Provide for the dissolution of the Transition Agency after a period of 3 years (with an extension possible via an Order in Council of no more than 5 years).
49. The full details and additional minor provisions are set out in the MAC's interim report.
50. It is noted that the MAC continues to progress work on the transition plan and process in anticipation that the Government agrees to pursue the package of legislative recommendations in the interim report. Section 3 of this RIS provides more detail on this.

Stakeholder Views

51. As indicated above, in developing the package of legislative recommendations, the MAC consulted with various stakeholders across industry, and the interim report details the feedback that was provided. The interim report indicates that a number of stakeholders expressed their disagreement with the decision to end greyhound racing; however, the MAC focussed consultation on issues of implementation as per the MAC's terms of reference.
52. Some stakeholders expressed their views that if greyhound racing is to end, the current timeline should be extended to allow more time for the industry to adjust. However, we note this would run counter to the Government's objective of closing the industry by 31 July 2026. We also note the MAC were of the view :

"... that the date identified by the Government is achievable. An orderly wind-down of the racing sector can occur, and a smooth transition that takes account of the welfare of the dogs, and industry personnel, is feasible within that timeframe. This report therefore is premised on the timeline as announced by the Minister

Assessment against objectives

53. Option Three would meet all policy objectives at a level much greater than the status quo would achieve.

54. The package of legislative recommendations, alongside the operational guidance and processes contained within the interim plan, and the recommendation of developing a detailed transition plan will provide for an effective, efficient, and certain transition to closure.
55. The MAC also developed its proposals with explicit consideration of the livelihoods and wellbeing of industry personnel, and of ensuring the welfare of greyhounds. This is reflected in the package of legislative recommendations through the function of the Transition Agency including oversight of the welfare of greyhounds, as well as facilitating rehoming, and of providing support and advice to former participants of the industry. This meets the policy objectives of ensuring that animal welfare is managed and protected, and that affected persons are well supported, through the transition to closure.

Proactively released by the Department of Internal Affairs

How do the overall options compare to the counterfactual?

	Option One – Counterfactual – Industry continuation under status quo legislative settings (i.e. no legislative change)	Option Two – Industry closure via minimal legislative change approach	Option Three – Industry closure through implementation of the package of recommendations made by the MAC
Implementation of closure through transition is effective and efficient	0 No closure of greyhound racing, therefore, no closure to implement.	(+) As there would be no specific direction or provision regarding the implementation of closure, it is unlikely that transitional processes would be as effective or as efficient as is possible. However, closure would still be implemented.	++ Provides the most effective and efficient implementation of closure through establishing a Transition Agency to oversee implementation and to develop a transition plan.
Animal welfare is managed and protected through transition to closure	0 No closure of greyhound racing, therefore, no management or protection of animal welfare. Animal welfare in the industry will continue along the lines of GRNZ's current and/or projected key performance indicator (KPI) levels.	(+) Would provide for animal welfare in that greyhound racing would end, however, would not specifically manage or protect animal welfare throughout transition as there would be no legislative requirement to do so. Harm could be mitigated through delayed removal of section 53A of the Act.	++ Explicitly provides detail regarding how animal welfare is to be ensured throughout transitional processes and gives direction as to what should happen to greyhounds upon closure.
Affected persons are well supported through transition to closure	0 No closure of greyhound racing, therefore, no support would be provided. Uncertainty would be exacerbated for industry participants.	(+) No legislative requirement to provide support to those affected. GRNZ, the MAC, and the RIB are likely to implement some measures, but this will be on a voluntary basis so is only assumed.	+(+) Explicitly provides mechanisms, through obligations on the Transition Agency, to ensure that affected persons are well supported and that negative mental and financial impacts are mitigated. However, some participants may be hesitant to engage with a new entity (the proposed Transition Agency).
Certainty about transitional processes and closure is provided	0 No closure of greyhound racing, therefore, no transitional processes to implement.	(+) Would provide certainty that greyhound racing will end, however, no provision of certainty regarding the transition to closure.	++ Provides high level of certainty through the establishment of a Transition Agency as well as the requirement for a detailed transition plan to be developed.

Overall assessment	0	(+)	++
	Would not meet the policy objective of closing the industry.	Would meet the primary policy objective of closing the industry but would not fully meet other policy objectives as there would be no regulatory mechanisms in place to ensure that these are met.	Would meet the policy objective of closing the industry, would be much better than the counterfactual, and meet all criteria for transitional processes to implement closure <i>Preferred option.</i>

Key for qualitative judgements:

++ much better than doing nothing/the counterfactual
 0 about the same as doing nothing/the counterfactual
 -- much worse than doing nothing/the counterfactual

+ better than doing nothing/the counterfactual
 - worse than doing nothing/the counterfactual
 () brackets signal a half rating (either positive or negative)

What overall option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

The counterfactual is not a viable option

- 56. The counterfactual is not considered to be a viable option as it does not meet the primary policy objective of ending greyhound racing by 31 July 2026.
- 57. As previously noted, if the Government is to reverse its in-principle decision on the closure of the industry, a new RIS would be required.

Option Two is a practically viable option, however, is not preferred, and is unlikely to be supported by any industry participants or stakeholders

- 58. While Option Two would implement the primary policy objective of ending greyhound racing through minimal legislative change, other policy objectives would only be minimally met and assume that relevant organisations will provide support and direction on a voluntary basis. The lack of legal force poses risks to the effectiveness, efficiency and certainty of transition processes, and consequentially on animal welfare and the support industry participants will be provided with.

Option Three is the preferred option

- 59. Option Three is the preferred option as it meets the primary policy objective and criteria and is likely to deliver the highest net benefits. Under Option Three, a Transition Agency would be established to ensure that the process for transition to closure is clear, effective, and efficient, supports industry participants, and prioritises animal welfare.
- 60. However, it is noted that this option (and Option Two) will have a negative impact on the industry through closure. The industry supports 1,054 people and adds \$159 million value added⁸ to the economy.⁹ By nature, a closure will mean job losses and losses of income streams. Closure will likely have an impact on the mental health of individuals.
- 61. However, these consequences are inevitable when the in-principle decision has been made that greyhound racing will end in New Zealand by 31 July 2026. Option Three is the option that will best mitigate these negative impacts, and best support individuals through the transition to closure, as illustrated in assessment against the policy objectives

Is the Minister's preferred option in the Cabinet paper the same as the agency's overall preferred option in the RIS?

- 62. Yes, the Minister's preferred option in the Cabinet paper is the same as the agency's preferred option.

⁸ Value-added contribution is defined as the value of sales less the value of inputs used in production, i.e. it is equal to the income (wages, salaries and profits) generated in production.

⁹ These figures are taken from Greyhound Racing New Zealand's annual report. More detail is provided in the November 2024 RIS.

What are the marginal costs and benefits of the overall preferred option?

63. Section 2C outlines the marginal costs and benefits of the overall preferred option, and highlights, as necessary, any differences between any of the specific key issues outlined in Section 2B.

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Section 2B: Specific Issues

Context

64. As assessed in Section 2A, the package of legislative recommendations in the MAC interim report is the clearly preferred overall option. This section assesses options to address four specific issues raised by a transition. The MAC package provides recommendations on each issue, and these are also assessed in this section.
65. The four specific issues are:
- Specific Issue #1:** The form of the Transition Agency.
- Specific Issue #2:** Method to transfer functions.
- Specific Issue #3:** Funding method for the Transition Agency.
- Specific Issue #4:** Distribution of residual assets at the end of the transition process.
66. Other elements of a transition that are addressed by the MAC package of recommendations are not focused on here as they are deemed to be integral to the MAC package of recommendations as a whole. These elements include issues such as the removal of legislative provisions by which greyhound racing is lawfully undertaken, establishment of a Transition Agency in some form, and providing for the dissolution of clubs and GRNZ as required. All elements of the MAC package can be found in the MAC interim report.
67. Section 2C outlines the marginal costs and benefits of the overall option and will highlight, as necessary, differences between any of the specific options outlined in Section 2B.

The counterfactual

68. Options in Section 2B are being assessed against the same counterfactual as used in Section 2A: industry continuation under status quo legislative settings (i.e. no law changes).
69. However, Section 2B will not explore the counterfactual as this has already been analysed in Section 2A. The counterfactual was assessed as not being a viable option as it does not implement closure of the industry.

What criteria will be used to assess the specific options?

70. The criteria used in Section 2B are the same criteria as in Section 2A.

Scope, assumptions, and stakeholder views of specific options

71. Scope and assumptions for Section 2B are the same as for the RIS overall, as outlined in Section 1.
72. In general, the public and stakeholders have not been consulted on the detailed options in Section 2B in line with the reasoning provided in Section 1. However, as previously noted, the recommendations in the MAC interim report were developed cognisant of the general views of stakeholders that the MAC engaged with. Where stakeholder views are

known or assumed by the Department on specific issues, these have been noted in the appropriate section.

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Specific Issue #1 – Form of the Transition Agency

73. For a transition process to operate smoothly, there needs to be some form of oversight and governance of the transition. Currently, some of this role is performed by the MAC. Specific Issue #1 assesses options for the form of a Transition Agency.
74. Two options have been considered against the counterfactual:
- **Option A: GRNZ as the Transition Agency**
 - **Option B: A separate Transition Agency as proposed by the MAC**
75. Discounted options included:
- *No Transition Agency* – Implementing the package of legislative recommendations proposed by the MAC will require a Transition Agency.
 - *Legislating for the RIB to act as the Transition Agency* – The statutory functions of the RIB are focused on regulating active racing, therefore, would not align with the functions of a Transition Agency implementing the closure of the industry. On this basis, this option was discounted.

Stakeholder views

76. Most stakeholders have general acceptance that there needs to be some form of Transition Agency in place to oversee the transition. Stakeholders were not consulted on specific options; however, the MAC made its recommendations in light of the feedback it received during consultation.

Option A – GRNZ as Transition Agency

77. Option A would expand the scope of GRNZ's current responsibilities to include that of a Transition Agency managing transition to closure of the industry. This would require legislative amendments to allow for the function of the role.
78. The MAC interim report notes that this option was suggested by GRNZ and considered by the MAC. The MAC stated that GRNZ believe itself to be the appropriate organisation to fulfil the role of Transition Agency. GRNZ accepted that if this were to be implemented, the existing GRNZ Board would need to be replaced.

Stakeholder views

79. The MAC considered that:

'the main purpose of GRNZ is to develop and promote the racing of greyhounds conducted by the code. The Committee (MAC) believes that the objectives and governance arrangements of GRNZ are not appropriate for an entity that will be required to manage the industry's closure.'

80. 9(2)(g)(i)

Assessment against objectives

81. GRNZ's existing structures are less likely to be appropriate to implement effective and efficient transition to closure as opposed to an entity specifically designed to manage closure. 9(2)(g)(i)

82. However, industry participants may feel more comfortable dealing with GRNZ as they have familiarity with GRNZ as an organisation which could offset some concerns about this option. GRNZ would also be able to utilise existing contacts in industry quicker.

83. There would be no significant difference to animal welfare compared to the overall assessment in Section 2A or Option B.

Option B – Separate Transition Agency as proposed by MAC [preferred]

84. Option B would establish a Greyhound Racing Transition Agency (GRTA) as outlined in the MAC interim report. The GRTA would be a separate new body corporate established to take over the function and assets from GRNZ via a transition plan mechanism in the Act (more details provided in Specific Issue #2).

85. In terms of governance of the GRTA, the Minister would appoint a chairperson and up to three other members for terms of up to five years, having regard to the need for the governing body to have collective knowledge, experience, and expertise relevant to the functions and powers of a Transition Agency

86. GRTA would be specifically charged with:

- The orderly transition to closure of the industry, closure of GRNZ and greyhound racing clubs, and ensuring an appropriate transition plan is in place and implemented fairly.
- Receiving the relevant functions and staff of the greyhound racing code as necessary to facilitate closure of the industry.
- The provision of support to the rehoming of greyhounds that are, or were, registered with GRNZ.

87. More information about this proposal can be found in the MAC interim report, in particular paragraphs 63 – 69, paragraph 103, and Appendix 4.

Stakeholder views

88. As noted above, GRNZ advocated that it be the designated Transition Agency, so will likely not be in favour of Option B. Stakeholders have not been consulted on this specific option, however, as previously noted, MAC recommendations were made cognisant of stakeholder views.

Assessment against objectives

89. This option would provide an independent entity with a clear mandate to implement closure effectively, efficiently and with certainty, especially due the requirement for relevant expertise across the governing body of the Transition Agency. There are also less likely to be concerns that current perspectives will influence decision making.
90. There would be no significant difference to animal welfare or to the support provided to affected individuals as compared to the overall assessment in Section 2A.

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Specific Issue # 1 (Form of the Transition Agency): How do the specific options compare to the counterfactual?

	Option A – GRNZ as Transition Agency	Option B – Separate Transition Agency as proposed by MAC
Implementation of closure through transition is effective and efficient	<p>++</p> <p>As the main purpose of GRNZ is to develop and promote greyhound racing, it is likely that GRNZ's existing structures are less appropriate to implement effective and efficient transition to closure, 9(2)(g)(i)</p>	<p>++</p> <p>This option would require the appointment of a governing body for the Transition Agency that has collective knowledge, experience, and expertise relevant to the functions of a Transition Agency. Combined with a clear mandate, this will ensure that transition to closure is implemented effectively and efficiently.</p>
Animal welfare is managed and protected through transition to closure	<p>++</p> <p>No significant difference to animal welfare as compared to overall assessment in Section 2A, nor with Option B.</p>	<p>++</p> <p>No significant difference to animal welfare as compared to overall assessment in Section 2A, nor with Option A.</p>
Affected persons are well supported through transition to closure	<p>++</p> <p>Some industry participants may feel more comfortable dealing with GRNZ as a Transition Agency as they have familiarity with the organisation and its processes. This means they may feel better supported through the transition.</p>	<p>+(+)</p> <p>No significant difference to support for individuals as compared to overall assessment in Section 2A.</p>
Certainty about transitional processes and closure is provided	<p>+(+)</p> <p>This option is likely to provide less certainty about transitional processes as Option B as GRNZ is in opposition to the closure itself.</p>	<p>++</p> <p>As the sole purpose of the Transition Agency would be to implement a transition to closure, this option is likely to ensure certainty is provided across all processes.</p>
Overall assessment	<p>++</p> <p>Would meet the primary policy objective of closing the industry but would not fully meet other policy objectives as GRNZ's existing functions are unlikely to be fit for the purpose of a Transition Agency.</p>	<p>++</p> <p>Would meet all policy objectives and would be much better than the counterfactual. Preferred option.</p>

Key for qualitative judgements:

++ much better than doing nothing/the counterfactual
0 about the same as doing nothing/the counterfactual
-- much worse than doing nothing/the counterfactual

+ better than doing nothing/the counterfactual
- worse than doing nothing/the counterfactual
() brackets signal a half rating (either positive or negative)

Specific Issue # 1 (Form of the Transition Agency): What specific option is likely to best address the problem, meet the policy objectives and deliver the highest net benefits?

Option B is the preferred option

91. While Option A is viable, it is not the preferred option as compared to Option B.
92. Even if GRNZ's objectives and governance arrangements are amended, the existing structures within GRNZ are likely to be less appropriate to implement transition to closure than an entity that is specifically designed to manage the industry's closure.
93. Some stakeholders may also be concerned with GRNZ overseeing a transition to closure when GRNZ has been vocal in its opposition to closure of the industry overall.
94. Therefore, Option B is the preferred option because it provides for an independent Transition Agency with a clear mandate. Furthermore, stakeholders would be less likely to have concerns that perspectives as to whether the industry should be closed will influence the way in which a transition to closure is implemented.

Specific Issue #2 – Method to transfer functions

95. For the industry to close, there needs to be some method in which the existing functions of GRNZ are transferred and/or closed.
96. Two options have been considered against the counterfactual:
- **Option A: Via all functions transferring by operation of law on closure date**
 - **Option B: Via transition plan as proposed by the MAC**
97. Discounted options included:
- *Transfer of functions via Regulations or an Order in Council method* – this option would be too slow and inefficient for the present case.

Option A – Via all functions transferring by operation of law on closure date

98. Option A would transfer all relevant functions of GRNZ to the new Transition Agency on 31 July 2026.

Stakeholder views

99. We understand this option was considered by the MAC but discounted in favour of Option B. Other stakeholders have not been consulted on this option.

Assessment against objectives

100. Option A may result in inefficiencies if some functions are ready to be transferred earlier than the date of closure. This option could also provide some risk to animal welfare and support to affected persons if not all functions of GRNZ are ready for transfer at the time of closure.
101. However, this option would provide a high degree of certainty for all parties.

Option B – Transition plan as proposed by MAC [preferred]

102. Option B would follow the MAC recommendation that the Act provides a mechanism for the Transition Agency to create a transitional plan issued to GRNZ, after consultation with GRNZ to guide the transition to closure for GRNZ and the industry.
103. The transition plan would direct GRNZ as to how it is to discharge its functions until all assets and liabilities of GRNZ are ended. It will also provide for the early transfer of some of GRNZ's functions and/or staff to the Transition Agency. The transition plan would also provide for the transfer of some of GRNZ's assets to help fund the Transition Agency's operations.
104. More information about this proposal can be found in the MAC interim report at paragraphs 75 – 79, paragraph 103, and Appendix 4.

Assessment against objectives

105. Option B would allow flexibility for the transfer of functions which would maximise effectiveness and efficiency as functions would be able to transfer as and when they are ready to be transferred. The requirement of a transition plan would ensure certainty throughout transition processes. There would be no significant difference to other objectives as compared to analysis in Section 2A.

Specific Issue # 2 (Method to transfer functions) - How do the specific options compare to the counterfactual?

	Option A – Via all functions transferring by operation of law on closure date	Option B – Transition plan as proposed by the MAC
Implementation of closure through transition is effective and efficient	<p>+</p> <p>Inflexible and raises risks to efficiency and effectiveness if some functions are not ready for transfer at the cessation of racing.</p>	<p>++</p> <p>Allows flexibility for functions to be transferred earlier and later than the fixed date for the cessation of racing, dependent on when individual functions are ready to be transferred.</p>
Animal welfare is managed and protected through transition to closure	<p>+</p> <p>Potential that there may be some risks to animal welfare if some functions are not ready for transfer at the cessation of racing.</p>	<p>++</p> <p>No significant difference to animal welfare as compared to overall assessment in Section 2A.</p>
Affected persons are well supported through transition to closure	<p>+</p> <p>Potential that there may be some risks to the support affected persons are provided with if some functions are not ready to be transferred at the cessation of racing.</p>	<p>+ (+)</p> <p>No significant difference to the support provided to affected persons as compared to overall assessment in Section 2A.</p>
Certainty about transitional processes and closure is provided	<p>++</p> <p>Provides a high degree of certainty to all stakeholders as there is a single date on which all functions will be transferred.</p>	<p>++</p> <p>Provides certainty through implementation of a transition plan to be followed for transition to closure.</p>
Overall assessment	<p>+ (+)</p> <p>Would meet policy objectives but would not fully meet most criteria as does not account for the potential that some functions may not be ready for transfer on closure date.</p>	<p>++</p> <p>Would meet Government policy objectives and would be much better than the counterfactual. Preferred option.</p>

Key for qualitative judgements:

++ much better than doing nothing/the counterfactual
 0 about the same as doing nothing/the counterfactual
 -- much worse than doing nothing/the counterfactual

+ better than doing nothing/the counterfactual
 - worse than doing nothing/the counterfactual
 () brackets signal a half rating (either positive or negative)

Specific Issue # 2 (Method to transfer functions) - What specific option is likely to best address the problem, meet the policy objectives and deliver the highest net benefits?

Option B is the preferred option

106. While Option A is viable, it is not the preferred option as compared to Option B.
107. Option A does provide for a high degree of certainty to all stakeholders, however, it is inflexible and runs the risks that some functions may not be ready for transfer at the date set for the industry to close. This may have consequential impacts on the welfare of animals and the support that affected people are provided with.
108. Option B is the recommended option. This option provides the best balance between providing certainty through a transition plan, while also allowing for the flexibility of some functions to be transferred earlier than the cessation of racing if required, as well as for transfer to be delayed past this date for functions that may not be ready for transfer at the time.

Specific Issue #3 – Funding mechanism for the Transition Agency

109. The Transition Agency will require funding to fully transition the industry to closure. The MAC has initially estimated that closure costs could be up to \$60 million for the three years following the end of greyhound racing.
110. In line with the assumption that the costs of closure will be funded by the racing industry, two options have been considered:
- **Option A: Via current code funding mechanism**
 - **Option B: Via RIB funding mechanism as proposed by the MAC**
111. Discounted options included:
- *General taxation* – this option would be counter to the assumption that the costs of industry closure will be funded by the New Zealand racing industry.
 - *New levy in the Act* – this option is not considered to be truly viable as it would take a substantively novel approach compared to the two options canvassed which would introduce workability issues and implementation and certainty risks.

Stakeholder views

112. Most stakeholders were not consulted on the specific options, however, the Department understands that the MAC consulted with TAB NZ on this matter. The MAC made its recommendation cognisant of the general views of the stakeholders it engaged with.

Option A – Via current code funding mechanism

113. Under Option A, the Transition Agency would take the place of GRNZ and receive funding from TAB NZ under section 72 of the Act.
114. In effect, the Transition Agency would, alongside the two equine racing codes (New Zealand Thoroughbred Racing (NZTR) and Harness Racing New Zealand (HRNZ)), be treated as a shareholder of TAB NZ and receive distributions after all of TAB NZ's other costs, and any monies withheld as TAB NZ reserves, are accounted for.
115. Under this model the actual amount received by the Transition Agency would be subject to agreement with NZTR and HRNZ.

Stakeholder views

116. Stakeholders have not been consulted on this option.

117. s(2)(g)(i)

A large rectangular area of the document has been redacted with grey bars, obscuring several lines of text.

Assessment against objectives

118. Any disputes over funding, and the associated uncertainty with these would impact the policy objectives of effectiveness, efficiency, and certainty within a transition to closure. This option also poses risks to other policy objectives in that both animal welfare and the

support provided to affected people may be negatively impacted if funding is disputed by NZTR and HRNZ.

Option B – Via RIB funding mechanism as proposed by the MAC

119. The MAC interim report proposes that the Transition Agency be funded from TAB NZ based on the current model used to fund the RIB.
120. This would mean that the Act would require TAB NZ to provide funding, as approved by the Minister, to enable the Transition Agency to perform its functions. However, unlike section 46 which provides the funding mechanism for the RIB, the MAC does not propose that TAB NZ would need to approve the budget for the Transition Agency.
121. This option would allow TAB NZ flexibility in determining which sources are used to provide this funding. This could be from monies derived from TAB NZ's Class 4 gaming operations, in addition to funds received from other betting sources including from overseas greyhound betting (assuming this continues).
122. More information about this proposal can be found in the MAC interim report, in particular at paragraphs 88 – 94, paragraph 103 and Appendix 4.

Stakeholder views

123. General stakeholders have not been consulted on this option, ^{9(2)(g)(i)} [REDACTED]

Assessment against objectives

124. This option would provide certainty and maximise effectiveness and efficiency as it allows flexibility for TAB NZ to determine what sources are used to provide funding.
125. There would be no significant difference to animal welfare, or the support provided to affected individuals as compared to the overall assessment in Section 2A.

Specific Issue # 3 (Funding mechanism for the Transition Agency)- How do the specific options compare to the status quo/counterfactual?

	Option A – Via current code funding mechanism	Option B – Via RIB funding mechanism as proposed by the MAC
Implementation of closure through transition is effective and efficient	<p>+</p> <p>Leaves room for dispute over funding which may lead to negative implications for effectiveness and efficiency as disputes may need to be settled before progress can be made.</p>	<p>++</p> <p>Provides flexibility for TAB NZ to diversify the sources through which funding is provided and is based on an existing process which models how the Transition Agency would work.</p>
Animal welfare is managed and protected through transition to closure	<p>+</p> <p>There may be some risks to animal welfare if funding is disputed.</p>	<p>++</p> <p>No significant difference to animal welfare as compared to overall assessment in Section 2A.</p>
Affected persons are well supported through transition to closure	<p>+</p> <p>There may be some risks to support provided to affected individuals if funding is disputed.</p>	<p>+(+)</p> <p>No significant difference to the support provided to affected persons as compared to overall assessment in Section 2A.</p>
Certainty about transitional processes and closure is provided	<p>+</p> <p>Leaves room for dispute over funding which may lead to negative implications for certainty.</p>	<p>++</p> <p>Based on an existing mechanism which models how the Transition Agency would work, so provides certainty in how this will be implemented in practice.</p>
Overall assessment	<p>+</p> <p>Would meet the primary policy objective of closing the industry but would not fully meet other objectives due to the risk that the amount of funding the Transition Agency should receive is disputed by NZTR and HRNZ.</p>	<p>++</p> <p>Would meet policy objectives and would be much better than the counterfactual. Preferred option.</p>

Key for qualitative judgements:

++ much better than doing nothing/the counterfactual
 0 about the same as doing nothing/the counterfactual
 -- much worse than doing nothing/the counterfactual

+ better than doing nothing/the counterfactual
 - worse than doing nothing/the counterfactual
 () brackets signal a half rating (either positive or negative)

Specific Issue # 3 (funding method for the Transition Agency) - What specific option is likely to best address the problem, meet the policy objectives and deliver the highest net benefits?

Option B is the preferred option

126. While Option A is viable, it is not the preferred option as compared to Option B.
127. Option A is a more complicated mechanism which provides less certainty over the quantum of the funding stream for the Transition Agency and leaves more room for dispute between parties.
128. Option B is preferred as it is based on an existing mechanism which more closely models the circumstances in which the Transition Agency would be established and would provide greater certainty over funding in allowing TAB NZ flexibility in sourcing the funding.

Specific Issue #4 – Distribution of residual assets at the end of the transition process

129. An option to implement closure of the industry must consider the distribution of any residual assets at the end of a transition process.
130. It is noted that ideally the Transition Agency would be using all assets and funding prudently and for the effective closure of the industry. Therefore, it is possible that there will not be many residual assets left at the end of transition processes.
131. Two options have been considered against the counterfactual:
- **Option A: Distribution of residual assets to former industry participants**
 - **Option B: Distribution of residual assets to other codes as proposed by the MAC**
132. Discounted options included:
- *Remaining funds going to the Crown* – The Department considers that this would be an inappropriate option as it would be against the purposes of the Act to ensure that the value of racing property is retained in the industry and is used for maximum industry benefits (section 3 (a)(iv)). It is also likely that most, if not all, key stakeholders would be in opposition to such an option.

Stakeholder views

133. Stakeholders were not consulted on the specific options, but the MAC made its recommendations cognisant of the general views of the stakeholders it engaged with.

Option A – Distribution of residual assets to former industry participants

134. Option A would involve a legislative provision requiring the Transition Agency to, prior to the end of the Transition Agency itself;
- identify former industry participants/organisations and/or current owners of former industry dogs;
 - develop a formula for determining an appropriate amount of funding owing to that person/organisation; and
 - ensure there is a mechanism to distribute the funding.
135. Depending on the quantum of residual assets from the Transition Agency that are to be distributed, this may or may not be a viable economic option.

Stakeholder views

136. Stakeholders were not consulted on this option.

137. 9(2)(g)(i)
- [Redacted text]
- [Redacted text]
- [Redacted text]

Assessment against objectives

- 138. Compared to Option B, Option A provides a more complicated system that may not be economically viable once the quantum of residual assets is determined at the end of transition processes. This could negatively impact efficiency and effectiveness.
- 139. There is no significant difference to animal welfare, or certainty, if this option is implemented, as opposed to the overall assessment in Section 2A, or to Option B.
- 140. Industry participants may feel more support through transitional processes if they understand that there is to be a payout to them once the industry is closed. However, the amount of funding that would be provided would not be certain which would limit this.

Option B – Distribution of residual assets to other codes as proposed by the MAC

- 141. Option B would follow the proposal in the MAC interim report that the Transition Agency acquires assets from GRNZ and racing clubs when established, and upon disestablishment, distributes any surplus assets to NZTR and HRNZ.
- 142. This would involve a legislative provision requiring the Transition Agency to, as a last step in implementing closure of the industry, transfer these assets either to Racing New Zealand, or directly to NZTR and HRNZ.
- 143. 9(2)(g)(i) [Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
- 144. More information on this proposal can be found in the MAC interim report, in particular paragraphs 103 and Appendix 4.

Stakeholder views

- 145. Stakeholders were not consulted on the specific options, but the MAC made its recommendation cognisant of the general views of the stakeholders it engaged with. It is likely that NZTR and HRNZ would support this option.

- 146. 9(2)(g)(i) [Redacted]
[Redacted]
[Redacted]

Assessment against objectives

- 147. Option B provides for a simpler and more cost-effective administrative process than Option A.
- 148. There is no significant difference to animal welfare, or certainty, if this option is implemented, as opposed to the overall assessment in Section 2A, or to Option A.
- 149. However, it is likely that affected persons will feel less supported through transition as they may consider it unfair that the residual assets from greyhound racing are redistributed to equine racing codes.

Specific Issue # 4 (Distribution of residual assets at the end of transition processes) - How do the specific options compare to the status quo/counterfactual?

	Option A – Distribution of residual assets to former industry participants	Option B – Distribution of residual assets to other codes as proposed by the MAC
Implementation of closure through transition is effective and efficient	++ (+) Would institute a more complicated system for determining redistribution of residual assets as compared to Option B which may not be economically viable.	++ Administratively simpler and more cost effective than Option A.
Animal welfare is managed and protected through transition to closure	++ No significant difference to animal welfare as compared to overall assessment in Section 2A, nor with Option B.	++ No significant difference to animal welfare as compared to overall assessment in Section 2A, nor with Option A.
Affected persons are well supported through transition to closure	++ Affected persons may feel more supported as they know that residual assets will be distributed to former industry participants.	++ (+) No significant difference between this Option and overall assessment in Part 2A, nor with Option A.
Certainty about transitional processes and closure is provided	++ No significant difference to certainty as compared to overall assessment in Section 2A, nor with Option B.	++ No significant difference to certainty as compared to overall assessment in Section 2A, nor with Option A.
Overall assessment	++ Would meet policy objectives and would be much better than the counterfactual. <i>Department has no preferred option.</i>	++ Would meet policy objectives and would be much better than the counterfactual. <i>Department has no preferred option.</i>

Key for qualitative judgements:			
++	much better than doing nothing/the counterfactual	+	better than doing nothing/the counterfactual
0	about the same as doing nothing/the counterfactual	-	worse than doing nothing/the counterfactual
--	much worse than doing nothing/the counterfactual	()	brackets signal a half rating (either positive or negative)

Specific Issue # 4 (Distribution of residual assets at the end of transition processes) - What specific option is likely to best address the problem, meet the policy objectives and deliver the highest net benefits?

The Department has no preference between Option A and Option B

150. Option B may be more in line with the purposes of the Act and administratively simpler and cost-effective. However, Option A better prioritises the wellbeing of those within the industry who are affected by the changes.
151. It is noted that the appropriateness and preference of either Option A or Option B will be ultimately determined by the decision-maker's views on whether the residual assets should 'belong' to former industry participants and assets were originally generated from the industry.

Section 2C: What are the marginal costs and benefits of the preferred option in the Cabinet paper?

152. As outlined earlier, this section provides the marginal costs and benefits of the overall preferred option as assessed in Section 2A: Option Three – Industry closure through implementation of the package of legislative recommendations made by the MAC.

Affected groups	Comment.	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
GRNZ NZ	Transition to closure	High <ul style="list-style-type: none"> Job and revenue loss. Additional costs for liabilities and outstanding estimates. 	High
Industry participants	Transition to closure (paid for by industry via TAB NZ)	High <ul style="list-style-type: none"> Overall economic costs with the loss of the industry and cost to participants. 1,054 total full time equivalent (FTE) jobs supported by the industry. The industry contributes over \$159.2M to the New Zealand economy. Additional funding would be required to support participants leaving the industry. 	High
Wider racing industry/TAB NZ	Transition costs (paid for by industry via TAB NZ)	High <ul style="list-style-type: none"> The total cost of the transition, over three years, is estimated by the MAC to be up to \$60 million (paid for by industry via TAB NZ, (excluding the MAC cost itself). The MAC will continue to refine these cost estimates as it continues its work. The majority of these costs are expected to relate to rehoming, however, this cost will be highly dependent on the uptake of greyhound adoption, and the pressure on the greyhound rehoming 	Low/medium

		<p>system. Overall costs will also depend on the level of support to industry participants provided facilitated by the Transition Agency.</p> <ul style="list-style-type: none"> Tracing greyhounds also has an additional cost. 	
Greyhound rehoming organisations/ SPCA/AWOs	Rehoming costs	<p>High</p> <ul style="list-style-type: none"> Paid by industry (see above). 	High
RIB	RIB costs (paid for by industry via TAB NZ)	<ul style="list-style-type: none"> Costs will be paid by industry as per current funding arrangements. 	High
Crown	MAC	<p>Low/Medium</p> <ul style="list-style-type: none"> The cost of the MAC and additional Departmental support, based on operating for 20 months. Up to 9(2)(f) (from its beginning in December 2024 until its forecasted end in July 2026). 	High
	Loss of tax	<p>Medium</p> <ul style="list-style-type: none"> There will be a loss of tax collected from greyhound racing (however the quantum of this is unknown). 	Low/Medium
	Industry support	<p>High</p> <ul style="list-style-type: none"> industry participants will likely require/request varying degrees of support from Government agencies. 	Medium
Racing industry (and sporting codes)	Reduced distributions	<p>High</p> <ul style="list-style-type: none"> GRNZ's 2024 Annual Report states that TAB NZ's total turnover from greyhound racing was \$337M (representing 12.4% of its domestic turnover and 22.6% of its overseas turnover). 	<p>High</p> <p>Medium</p>
Total monetised costs		<p>High</p> <ul style="list-style-type: none"> The total cost of the transition, over three years, is estimated to be up to \$60 million (paid for by industry via TAB NZ, excluding the 	High

		<p>MAC/Transition Agency cost)</p> <ul style="list-style-type: none"> Loss in industry contribution – about \$159.2M to the New Zealand economy per annum. Loss of tax collected. 	
Non-monetised costs		<p>High</p> <ul style="list-style-type: none"> Negative impacts on industry participants (mental wellbeing and loss of the social elements of the industry community). 	Medium
Additional benefits of the preferred option compared to taking no action			
GRNZ NZ		N/A	High
Industry Participants		<p>Low</p> <ul style="list-style-type: none"> Overall, no benefits to industry participants with closure as compared to the status quo, however, if Option A is selected for Specific Issue 4, there may be some residual funds to participant on industry closure. 	High
Wider Industry /TAB NZ		<p>Low</p> <ul style="list-style-type: none"> Overall, no benefits wider with closure when compared to status quo, however if Specific Issue 4 Option A is selected there may be some residual funds to other codes on industry closure. However, TAB NZ would be able to continue taking bets on offshore greyhound races estimated \$40M profit pa. Should this continue post transition this funding would be available to other codes. 	High
Greyhound organisations/ SPCA/AWOs		<p>High</p> <ul style="list-style-type: none"> Benefits to animal welfare under this option. 	High
Total monetised benefits		No monetary benefits.	High

Non-monetised benefits		<p>High</p> <ul style="list-style-type: none"> • Would achieve the Government objective of ending greyhound racing and associated animal welfare benefits. • The preferred option is likely to best deliver the highest net benefits by meeting the policy objectives of ensuring animal welfare is managed and protected and affected people are well supported, by providing certainty and an effective and efficient transition to closure. 	<p>High</p>
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Section 3: Delivering an option

How will the new proposal be implemented?

A Bill will be enacted by April 2026 to enable a transition to closure

153. To implement the recommended option and to close the industry by the agreed date of 31 July 2026, the MAC and the Department recommend that a Bill is enacted by April 2026 to allow for provisions to be in place for closure. This will require policy decisions in the upcoming months.

154. Broadly we anticipate the following timeframes:

- Cabinet Policy Decisions: August 2025
- Drafting of a Bill and LEG paper processes: August – September 2025
- Introduction of Bill and First Reading: October 2025
- Select Committee: October 2025 – February 2026
- Final House Stages and Enactment: March-April 2026.

In the meantime, the MAC will continue its work

155. We understand and expect that from now until the MAC is wound up (see below) its work will primarily concentrate around the preparation of a detailed transition plan, which will be required under the upcoming industry closure Bill. The work for this will involve extensive negotiations and preparation with GRNZ and other key stakeholders such as the RIB and rehoming agencies.

156. The transition plan will focus on the detailed functions of GRNZ and other stakeholders (e.g. traceability systems for greyhounds and the setting of industry-specific welfare rules) and how and when they will be transferred to the new Transition Agency. Also in the transition plan, and a major focus of the MAC's upcoming work, are three specific areas:

- **Greyhound rehoming** – involving the coordination of all stakeholders to ensure one standard and smooth pathway to rehoming (this is likely to involve standardisation of processes, fees, and welfare requirements, and the creation of a single portal/process for rehoming dogs regardless of the rehoming agency).
- **Closure of racing clubs and GRNZ** - involving how the transfer of any assets and liabilities will occur in practice, as well as distributions to communities. Much of this is expected to occur under existing processes in the Act.
- **Support for affected industry participants** – the MAC will work with GRNZ and Muka Tangata (the workforce development council with coverage of the racing industry) to develop pathways to assist those whose livelihoods will be affected and highlight alternative employment options. The MAC will also look at how more resources can be made available to OnTrack (the racing industry mental health advice and support agency) to ensure that it can develop and implement an expanded and coordinated programme of support through the transition.

157. The intent is for the detailed transition plan to be ready for implementation when the Bill comes into force and the Transition Agency is established in April 2026.
158. As per Cabinet decisions, the MAC is currently approved and funded to continue through to the end of racing (31 July 2026). However, it is likely that the MAC will not be required once a Transition Agency is established in April 2026.
159. The MAC has also suggested that the Minister might choose to appoint an establishment board in the coming months. One way of achieving this is for the Minister to change the MAC's Terms of Reference to more closely focus on transition planning as outlined above.

How will the proposal be monitored, evaluated, and reviewed?

Post enactment there will be three phases of closure

160. The MAC has identified three phases of closure within which the recommended amendments to the Act would be sequenced:
- The period between commencement of the Bill and the last scheduled day of racing (31 July 2026).
 - The period between the last scheduled day of racing (31 July 2026), and the end of the Transition Agency's operations.
 - At the conclusion of the Transition Agency's operations.

The period between commencement of the Bill and the last scheduled day of racing

161. Racing will continue within this period. The Transition Agency would be in operation, able to implement a transition plan for GRNZ's closure and potentially assume some of GRNZ's relevant functions and staff
162. The Minister will be able to:
- Provide a letter of expectations to the Transition Agency regarding strategic direction and specific priorities
 - Give written directions to the Transition Agency to use its resources or powers to enable winddown of the industry.
 - Require the Transition Agency or GRNZ to provide the Minister with relevant information.
163. In addition to the Transition Agency, until the end of racing, the RIB will continue its role in monitoring and regulating GRNZ and its races.
164. When it disbands, the MAC will produce a final report. At this stage this is required by 31 July 2026, but the MAC will likely disband when the Transition Agency is established. This report will:
- document the steps taken up until that time to facilitate the closure;
 - outline any further steps needed to complete any remaining aspects of the closure – including any operational steps as well as recommendations for further required regulatory or legislative changes; and

- provide advice about any general lessons learnt from this process should the Government consider disestablishing any other industry in the future.

The period between the last scheduled day of racing and the end of the Transition Agency's operations

165. This period is expected to be completed within three years (with the ability to extend by Order in Council up to no longer than five years). During this period GRNZ's remaining relevant functions and powers would pass to the Transition Agency, and GRNZ and clubs would be dissolved. The Transition Agency would be responsible for completing the rehoming of greyhounds.
166. The Transition Agency would monitor and report on the outcomes of the transition plan and the overall closure. This is expected to include information about rehoming progress and the need for the Transition Agency to continue past the expected three-year period.
167. During this period the Minister will also be able to exercise the powers outlined above.

At the conclusion of the Transition Agency's operations

168. The Agency would be disestablished, residual assets would transfer to the two remaining racing codes, and any residual provisions relating to the greyhound racing industry would be removed.
169. Similar to the MAC's final report, the Minister could require a final separate closure report from the Transition Agency on the facilitation of the closure and outline any outstanding steps required (if any). The Transition Agency could also provide advice on lessons learned from the process.

**Appendix A: Interim Regulatory Impact Statement: Future of New Zealand
Greyhound Racing Industry**

Withheld under 18 (d) - that the information requested is or will soon be publicly available

Proactively released by the Department of Internal Affairs

Appendix B: Interim report of the Greyhound Ministerial Advisory Committee

Withheld under 18 (d) - that the information requested is or will soon be publicly available

Proactively released by the Department of Internal Affairs