

A. Background – adequacy requirements of Regulatory Impact statements

The Regulatory Impact Statement (RIS) assesses the proposed Code of Practice for the Keeping of Racing Greyhounds.

As the proposed code is a mandatory code, and is a legislative instrument within the meaning of the Subordinate Legislation Act, a RIS is required to be prepared to identify any significant economic or social burden imposed by the proposed Code.

According to the Commissioner for Better Regulation, Ms Anna Cronin – **“a RIS is deemed to be adequate when it contains analysis that is logical, draws on relevant evidence, is transparent about assumptions made, and is proportionate to the proposal’s expected effects.”**

The Commissioner concluded that the RIS met the adequacy requirements of the Subordinate Legislation Act on this basis.

The objectives of the code according to the Department of Economic Development, Jobs, Transport and Resources are:

“To increase (improve) the quality of life and welfare of greyhounds throughout their lifecycle and provide consistent management which will alleviate stress and therefore enable an easy, smooth and rapid transition to a pet at any point in its lifecycle.”

To achieve this the RIS explains that the Code covers a range of matters related to:

“Management practices that impact on animal welfare and quality of life (excluding the issues of live baiting and wastage), and the transition to rehoming.”

The RIS uses a multi – criteria analysis to examine options against the criteria of animal welfare, rehoming potential, and net cost to industry and government.

B. Key conclusions of the Department supported by RIS analysis

The Department concluded that the code achieves the best welfare and rehoming outcomes, whilst also considering the costs.

The Department estimates that the code will impact a net cost of around \$118 million over 10 years, which will affect breeders and trainers directly and also GRV in administering and enforcing the Code.

The Department noted that many of these costs will be passed on to owners, which is likely to increase the cost by \$1550 per dog over their lifetime... a 7.8% increase from the average estimated costs of ownership and stated that “it is unclear if this will reduce involvement in the industry”.

The RIS in its required assessment of competition as to whether there is likely to be an impact on the number or size of participants in the markets identified of breeding, training and ownership concluded on page 86:

“The proposed Code is highly unlikely to have an impact on the number or size of participants in relevant markets (breeding, training, ownership). The code is not expected to affect the costs of a business (even small business) sufficiently or in an ongoing way as to create any significant impact on competition including any barriers to entry.

Breeders and trainers are expected to “fully” pass on any cost increase for rearing and training (\$1000 per dog) to owners. With respect to owners, DEDJTR notes that it is unlikely an increase of cost of \$1,000 in rearing and training and \$500 for rehabilitation for a dog that might cost over \$20,000 over 5 years will affect decisions of small owners to participate in an adverse way – given the hobby / social status of owning a greyhound.”

More:

The RIS says that 78% of all dogs have poor rehoming potential .. on page 57 of the RIS they outline how they came up with this flawed calculation and it shows that they worked backwards from an estimate of the numbers they believe will be rehomed under the code shown in appendix 4 on page 121, of 4,876 dogs and then subtracting the number of dogs rehomed in the last year of full reporting by GRV (686) to come up with the number who currently have poor rehoming potential. (4,189)

This calculation is so wrong, flawed and not based on current evidence of failure rates - they even show a figure of 686 dogs rehomed from 846 dogs that went to GAP - a failure rate of only 19%!

So how does a current failure rate of 19% correlate to their assumption that the new code will dramatically increase rehoming potential from their estimate of 78% failure rate now?!

B. GOTBA RESPONSE – Economic and Social burden of the Code

Fundamentally, we contend that there is a significant economic and social burden on participants that would be imposed by the Code, which has been grossly underestimated and the analysis is also deficient as it ignores relevant and available industry evidence as to crossover of participation roles, the extent of individual social benefit for participants and the broader Community Social Benefit of greyhound racing, particularly in regional communities.

As outlined previously, the RIS suggests it is highly unlikely whether there would be impacts on current or future participation due to the forecast increased costs, making a key assumption that these extra costs will be passed on to owners. There is no substantive analysis of the impacts of the additional prescribed duties on current participants or future participation

The assumptions made that increased costs can be passed on to “owners” who will happily accept these increased costs, ignores the reality of the participation mix in greyhound racing, with many breeders and trainers also being owners, so the suggestion that these costs will be absorbed by a supposedly “separate” groups of owners is erroneous and illogical.

The statistics as to the crossover of participant roles are held by the Victorian greyhound regulator, GRV, which has responsibility for the registration of owners, breeders and trainers and maintaining the data – why wasn’t this participant data requested or provided for the purposes of the RIS?

Further, the current cost of owning a greyhound has been grossly overestimated in the RIS, which has the effect of understating the percentage increase in total ownership costs due to the staff cost increases, for those owners who are in fact independent of breeders and or trainers.

Given the significant crossover of participation roles, with many Breeder/Owners and Trainer/Owners, these extra costs for additional rearing, pre training and training would have to be absorbed by current and future participants, who under the code would also be required to spend significant funds to upgrade kennels and perimeter fencing to maintain their registration.

The costs of infrastructure changes required, notably for perimeter property fencing and kennel construction changes are underestimated and incorrect.

The additional costs for staffing required to meet the Code’s prescribed duties and ratios for supervision are underestimated and incorrect. Even if these staff were to be sought, the difficulty of finding suitable staff particularly in regional areas where the overwhelming majority of participants live has been overlooked.

Many participants involve family members, including children, with a sharing of the tasks of looking after their greyhounds, and this is core to their enjoyment and ability to be involved in the sport. Accordingly, the assumption that external help to complete all of the prescribed tasks is a readily available and an acceptable option to greyhound families is flawed.

There appears to be no consideration in the RIS evaluation as to whether family participants or individuals would be keen to seek external assistance, given the personal nature of the current involvement in and around the family home and the trust required in those outside the family unit.

The nature of this typical family environment where greyhound activities are carried on, which is different to other codes including Thoroughbred Racing, has been overlooked, leading to illogical conclusions in the RIS and a simplistic view that the participants will stay on in the industry with the engagement of staff.

Further there is limited analysis of the social burden of the Code and expected impacts on an industry that is composed predominantly of hobby participants, who derive significant individual social benefit from their involvement with family, friends and community, including race clubs.

This invalidates the assessment that the analysis in the RIS is proportionate to the expected effects of the code, as is required for a RIS to be considered adequate.

There is no analysis of the Community Social Benefit of greyhound racing and particularly the specific benefits for individuals of all ages in health and well-being and most notably residing in regional areas.

The Size and Scope Study of the Victorian Racing Industry, which was published by consultants, IER, in September 2013 and supported by the State Government, has not been referenced in the RIS bibliography.

This study which is across all codes of racing, and which should have been part of the relevant evidence considered by the RIS, outlines the economic and social benefits of greyhound racing.

The social benefits of all codes of racing, as outlined by IER, include a significant impact in the critical areas of community building, family, education and training, health, leisure, employment and environment.

In addition to the general community benefit, the greyhound industry makes a difference to the lives of participants through the opportunities provided for an enjoyable leisure pursuit or career, by strengthening family relationships and also by creating a sense of belonging for individuals who are proud of their involvement in a shared pursuit.

These benefits are important in the health and wellbeing of individuals, especially at a time when families and individuals are under stress and looking for work / life balance.

The RIS states that there are gaps in the knowledge of participants that impact the welfare of greyhounds in their care. We acknowledge that education and training is critical for new participants and to also assist existing participants.

The welfare inspectorate engaged by the regulator, GRV, is significant and allows for the regular inspection of greyhound operations. The race night checking of greyhounds by the track vets provides a further ongoing and regular opportunity for inspection of greyhounds, (2,300 per week) with any recommended follow up action to be carried out including kennel inspections.

C. GOBTA Conclusion – RIS adequacy

In contrast to the conclusions of the RIS, we contend that the impact of the Code would be for the overwhelming majority of participants to discontinue their participation in greyhound racing for two key reasons:

1. The significant and unreasonable financial imposts that won't be simply absorbed by a supposed separate group of owners, many of whom are also those breeding, rearing and training greyhounds.
2. The additional administrative and management burden that either cannot be simply passed on due to lack of suitable staff or the unreasonable expectation that hobby participants will invite outsiders into their family environment to assist with what is essentially a family activity.

The RIS doesn't fully meet the test of logical analysis and nor does it deliver a proportionate assessment of the expected effects of the Code as required, for the following reasons:

1. Failure to reference critical information and available statistics that highlights a unique participation structure, which features cross over of roles for the overwhelming majority of participants.
2. Use of incorrect financial information relating to the current costs of ownership, cost of infrastructure enhancements and additional staffing required to meet new management protocols and prescribed tasks outlined in the Code.
3. Key Industry analysis has been overlooked including evidence that relates to the significant Community Social Benefit of greyhound racing, including contributions to individual well-being and health. Accordingly, the RIS ignores potential impacts of the Code that are material to the proportionality of the assessment of benefits and burdens on implementation.
4. The analysis of risk to greyhound welfare under current conditions is unreasonable and overstated, with a reliance on a small number of welfare cases brought against participants, and a failure to properly take into account the active GRV inspectorate including a proposed increase from 18 to 40 full time welfare staff and the race night vet checks of 2300 dogs every week of the year.
5. Education and Training materials and advice to participants are currently limited, with important work continuing by the regulator to address the knowledge gaps that may exist for some participants and the needs for new participants to be fully informed.
6. The estimated enhancement in rehoming potential is based on the assessment of the efficacy of the prescribed methodology in the Code. However, opinion from acknowledged expert in canine training and behaviour, Steve Austin and US research on canine behavioural development including socialization, challenges much of the detail of prescribed tasks and particularly the timing of the extra work mandated in the Code for mature adult dogs that are racing.
7. For these reasons, we contend that the RIS fails to meet the fundamental test of adequacy of analysis.

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D. Alternatives to achieve objectives of the Code

As summarised in the GOBTA submission on the Code, we support a less prescriptive, outcomes based code, properly tailored to the greyhound industry so as to allow flexibility in animal husbandry backed by a well-resourced GRV inspectorate to advise participants and monitor greyhound welfare compliance.

Comprehensive education and training materials that can be accessed by current participants and used for the induction of new participants will complement the outcomes based code to achieve the stated objectives of the Code.

The alternative methodology proposed to achieve the stated objectives of the Code will effectively shut down the industry in time and punish the overwhelming majority of participants.

The significant Economic and Community Social Benefits of greyhound racing, that have been identified and measured in successive State Government reports particularly in regional Victoria will be lost if the code was implemented in its current form.

NOTE: the Chief Vet Dr Milne ruled out the option of an outcome based code in his report into the greyhound industry. Times have changed considerably since then and with improved regulation and a well-resourced GRV inspectorate we support a less prescriptive, outcomes based code, properly tailored to the greyhound industry ... as stated above