



MARCH 2019

# NSW GREYHOUND RACING FUNDING IS UNFAIR

# FACT SHEET

## NSW GBOTA - Since 1939

The NSW Greyhound Breeders, Owners & Trainers Association was formed in 1939 after an enthusiastic group of greyhound owners and trainers formed a body to support and sustain Greyhound Racing in NSW.

NSW GBOTA has two functions; Advocacy for members and Racing operations. Within the industry there is hundreds of years of experience in owning, breeding, training, and administering the sport. It is this experience and knowledge that can develop and shape the future of greyhound racing.

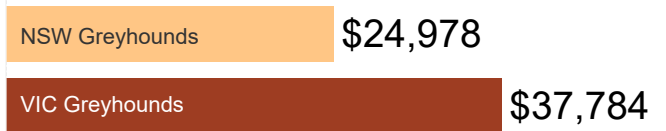
Despite our history, the working man's sport is under threat. With the amount of money being spent (rightfully so) on animal welfare and administration, the economics of the industry is being pounded.



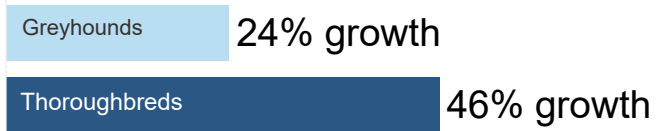
## Income of racing participants too low

The key source of participant income is prize money. Higher potential prize money rewards owners and trainers for effort, and establishes larger amounts to help cover welfare and compliance costs. Yet, in NSW, the prize money is growing at a slow pace and is low relative to Victoria. The first chart compares NSW to Victoria in terms of prize money per race meeting. The second chart shows five-year growth in prize money between NSW Greyhounds and NSW Thoroughbreds.

### Prize money available (per race meeting):



### NSW prize money growth (5-years):



Source: Estimates from data published in the Annual Reports of Greyhound Racing NSW (GRNSW), Greyhound Racing Victoria (GRV), Racing NSW, various issues. Some assumptions made for comparability.

## NSW Greyhound Racing funding is unfair - it doesn't get its fair share

> 22%

NSW Greyhound Racing generates this much wagering activity in NSW

< 13%

Yet...of the amount returned, we only get this

In NSW, wagering is subject to Government tax. This money is used to pay for Government services. To compensate the racing codes for providing the racing product of which is taxed, some money is returned to the racing codes: greyhounds, horses, and harness racing.

This money helps keep the codes viable and is needed to sustain and strengthen the greyhound racing industry, to keep and make the industry safe and fair for all. Greyhounds currently account for more than 22% of the racing revenue. Yet, greyhounds get just 13% of one NSW Government revenue source - and even more unfairly - 10% of another. Greyhound racing deserves and needs a fair go on funding.

(Source: The 22% revenue estimate is a conservative estimate by NSW GBOTA. The estimate was made as part of GBOTA submission to the NSW Government in relation to the Draft Betting Tax Amendment (Point of Consumption) Bill 2018. Based on anecdotal information, NSW GBOTA believes the turnover of wagering on greyhounds in NSW may account for as much as 27% of total race wagering. The 13% figure is in reference to the Intercode agreement. The 'less than' symbol is in reference to the tax harmonisation distribution to greyhounds of 10%.)

# INDEPENDENT EXPERTS AGREE: GREYHOUND FUNDING IS UNFAIR

## Greyhound Industry Reform Panel

*“Government should consider intervening to increase revenue to support the greyhound industry meet the additional welfare, integrity costs and operational costs of the integrity commission and the industry by;*

- (a) *legislating to amend the Intercode Deed so distributions better reflect contributions to TAB turnover...or*
- (b) *revisiting the distribution of tax harmonisation revenues.”*

(Source: NSW Greyhound Industry Reform Panel, 2017, *Recommendations of the Greyhound Industry Reform Panel*, Recommendation 118, February, pp. 16, 55-58)

## Alan Cameron AO

*“The three racing codes should agree to amend the Intercode Agreement to provide that returns to each code from TAB distributions are in proportion to the percentage of wagering generated by each code:*

*in the absence of such an agreement, the Government should over-ride the Intercode Agreement and the RDA such that the distributions from the TAB are made directly to each code and in proportion to the percentage of wagering generated by each code.”*

(Source: Cameron, A., 2008, *Correct Weight? A review of wagering and the future sustainability of the NSW racing industry*, Report to NSW Government, Recommendation 21, pp. ix and 103-104)

## NSW LC Select Committee

*“The Committee finds that with its current structure and sources of revenue, the greyhound industry in NSW may be unsustainable.*

*Returns to trainers and owners do not cover costs, which leads to the loss of quality dogs to Victoria and elsewhere, a reduced number of industry participants and contributes to making existing clubs and tracks unviable.”*

(Source: NSW Legislative Council Select Committee on Greyhound Racing in NSW, 2004, *Greyhound racing in New South Wales*, First Report, Finding 1, 28 March, pp. xii, 41)

## Special Commission of Inquiry

*“If the racing codes cannot agree on a more equitable distribution of TAB revenue...*

*the parliament of New South Wales should legislate to amend the current arrangements by providing for a distribution that reflects each code’s contribution to TAB revenue.”*

(Source: Special Commission of Inquiry into the Greyhound Racing Industry in NSW, June 2016, *Report of the Special Commission of Inquiry into the Greyhound Racing Industry in New South Wales*, Recommendation 64, Volume 3, p. 116.)

## Productivity Commission

Ideally, the share of TAB payments should correspond to the proportion of wagering turnover derived from each code of racing...Funding agreements that are unresponsive to changes in market share between the racing codes have several adverse implications: Competition between the racing codes is stifled. The incentive to offer high quality and innovative racing product or marketing campaigns is diluted because some of the rewards from such efforts will be diverted to competing racing codes.

For example, if an advertising campaign by Greyhound NSW generated \$100 of additional wagering turnover at the TAB, the largest benefactor would be thoroughbred racing industry... Likewise, the funding agreements shield poorly performing codes from adverse financial effects.

(Source: Gambling, Productivity Commission Inquiry Report, Volume 2, 2010, pp. 16.24 - 16.25)

## By subsidising other codes, how much is the greyhound industry losing?

*(This money is needed for animal welfare and long-term viability!)*

**\$18M lost**

Currently per year, due to:  
Harmonisation & TAB

**\$226M lost**

Since 1998, due to  
Harmonisation & TAB

**\$3.6M more lost**

Additional loss per year:  
When PoCT starts

Source: GBOTA estimates included in submission responding to Draft of the Betting Tax Amendment (Point of Consumption) Bill 2018

## NSW greyhound participants get a low \$ and % of racing funding

**\$99M**

Revenue of  
Greyhound Racing VIC

**45.5%**

Of the revenue, VIC  
participants get this

**\$67M**

Revenue of  
Greyhound Racing NSW

**41.8%**

Of the revenue, NSW  
participants get this

Source: GBOTA estimates based on data in Annual Reports of Greyhound Racing NSW (GRNSW) & Greyhound Racing Victoria (GRV), 2018.