

**Scott Integrity Review & Five Year Review
Of the Greyhound Racing Act 2002**

***A Response submitted on behalf of the
NSW Greyhound Breeders, Owners & Trainers' Association Limited.***

**Submission Date:
August 15, 2008.**

1 . NSW GBOTA Profile

The NSW GBOTA is Australia's largest Greyhound Racing organisation. It has racing operations at the following venues:

- Wentworth Park (52 Metropolitan TAB meetings)
- Gosford (52 TAB meetings)
- Maitland (48 TAB meetings)
- Lismore (52 TAB meetings)
- Bulli (45 TAB meetings)
- Bathurst (26 TAB meetings, 26 non-TAB meetings)
- Appin (20 non TAB meetings)
- Temora (30 non TAB meetings)
- Gunnedah (25 non TAB meetings)

The following NSW greyhound racing clubs are also affiliated with the NSW GBOTA. The Affiliation relationships are based on the fact that the NSW GBOTA and its affiliates seek to foster the development of greyhound racing co-operatively and with industry outcomes in mind.

- Broken Hill GRC
- Dubbo GRC
- Goulburn GRC
- Grafton GRC
- Hastings River GRC
- Kempsey GRC
- Moree GRC
- Muswellbrook GRC
- Shoalhaven GRC

In addition to its racing function, the NSW GBOTA is also a highly organised representative group on behalf of owners, trainers and breeders. The Association currently has just under 1200 members and 30 Branches throughout NSW. The Branches meet on a monthly basis and promote suggestions via the Directorate. The NSW GBOTA believes this process enables it to represent the position of average participants accurately and effectively.

The NSW GBOTA Directorate comprises 10 members, all of whom are elected for two year terms by members.

The NSW GBOTA is represented on a number of State and National bodies as follows:

- Australian Greyhound Racing Association (NSW GBOTA Chairman is currently the AGRA Deputy Chairman)
- Australian Federation of Greyhound Breeder Owner Trainer Association
- Metropolitan & Provincial Greyhound Racing Clubs Association
- Greyhound Racing Clubs Association
- Racingcorp (NSW GBOTA Executive Officer is a Board member)
- Greyhound Racing NSW (the NSW GBOTA is currently provided with the right to nominate a Board member to GRNSW).

2. Introduction

The NSW GBOTA submits this submission in response to recommendations in (a) the Five Year Review of the Greyhound Racing Act (2002) and the Independent Review of the Regulatory Oversight of the NSW Racing Industry undertaken by Malcolm Scott (Scott Review).

Any further information needs arising from the NSW GBOTA's submission should be raised with Brenton Scott, the Executive Officer, NSW GBOTA by phone (02) 9649 7166 or email at brenton@gbota.com.au.

3. Act Review Recommendations

3.1 Act Review Recommendation 1.

The review **recommends** that in relation to the Boards of GRNSW and HRNSW the current structures for each in the relevant Act be replaced by:

- i. *A five member Board selected on merit in accordance with skills based criteria.*
- ii. *Eligibility restrictions on appointment that include the Board members cannot serve on the committee or governing body of a race club.*
- iii. *Appointments to be made by an Appointments Panel consisting of representatives from major industry groups, and a non-voting Government appointed Probity Auditor.*
- iv. *The Appointments Panel to be assisted by an independent recruitments consultant.*
- v. *The term of office for Board members to be up to four years, with appropriate regard to transitional arrangements for the first Board of the new body for the purpose of maintaining continuity of operation.*
- vi. *To promote consistency of approach across the three codes of racing, consideration to be given to the arrangements for these purposes contained in the thoroughbred racing controlling body legislation.*

3.2 Comment

The NSW GBOTA is opposed to this recommendation. The recommendation does not represent the most favoured structure of those making submissions to the Act Review.

The most popular suggestion was for the Board of GRNSW “to retain the existing arrangements but add more independent members” (page 9 Act Review).

The NSW GBOTA has observed the progress of both the proposed independent and nominee Board structures at peak body level over a long period of time. Each have and will continue to have their critics. Independent Boards are generally perceived as lacking in Industry knowledge and empathy and nominee Boards perceived as insular and prone to bias.

The above generalisations, however, should not apply to GRNSW. In the opinion of the NSW GBOTA, GRNSW has made a significant contribution to Industry progression since 2002, including:

- Introduction of Operating Standards for all Clubs which has ensured that clubs maintain appropriate attention to issues of corporate governance, asset management and financial management as well as their racing and marketing functions.
- Introduction of a superior approach to capital development and back-log maintenance via a Greyhound Industry Development Fund with forward plans.
- Introduction of Breeders Incentive Scheme.
- Appropriate reviews of the Scheme Of Distribution and Grading Policy.
- Improved focus on the value of media rights and intellectual property.

On the downside, GRNSW has not been able to increase the prizemoney to the degree that the Industry or GRNSW would like. However, it has worked hard to control costs and build a foundation upon which future prizemoney growth at acceptable levels is more likely.

The NSW GBOTA also notes that the Scott Review has proposed increasing the scope of functions carried out by GRNSW. In making this recommendation, the Scott Review does not suggest a need for Board composition change.

GRNSW has not failed commercially and its Board has shown itself to be strategically progressive and fair.

The Act Review does not conclude or provide any evidence of structural failure on the part of GRNSW. It simply advises that there is a perceived conflict of interest.

Given this, the shift from a nominee Board to a totally independent Board is needlessly dramatic.

The NSW GBOTA would, therefore, re-inforce its belief – and the majority view of the initial submissions – that the most appropriate reaction is to maintain something similar to current arrangements balanced by some independent additions.

The NSW GBOTA would propose the following structure apply specific to the commercial functions of GRNSW:

- Independent Chairman
- A nominee of Metropolitan racing club(s)
- A nominee of TAB clubs
- A nominee of non-TAB clubs
- A nominee determined by election of all NSW registered participants.
- Two independent appointments (skills based).

In addition, the NSW GBOTA would propose that an Industry representative Appointments Panel be responsible for the two independent appointments, assisted by a recruitment agency and that the Chairman be selected by the Board of GRNSW, again under a formal, public recruitment process. (The composition of the Appointments Panel is to be identical to the Advisory Board structure – refer to comment on Recommendation 3).

The NSW GBOTA believes that its proposed structure would ensure an excellent blend of Industry knowledge and expert external independence.

3.3 Act Review Recommendation 2.

*The Review **recommends** that the Acts which establish the Boards of GRNSW and HRNSW be amended to provide for a 'fresh recruitment' process to be undertaken by an Appointments Panel consistent with the approach taken in the Thoroughbred Amendment Bill 2008.*

3.4 Comment.

The NSW GBOTA believes that appointments should be for a fixed three or four year term. Under the nominee/independent Board structure suggested by the NSW GBOTA, the Appointment Panel would only be responsible for the appointment of the independent members so the recommendation would not apply.

Even if an independent Board is ultimately endorsed, the NSW GBOTA does not see the need for a fresh recruitment procedure to apply. Assuming properly defined governance structures and dispute resolution processes are in place between GRNSW and the Appointments Panel, then the fresh recruitment option appears to add a needless level of complexity.

3.5 Act Review Recommendation 3

*The Review **recommends** that relevant legislation be amended to provide for:*

- i. *A single governing body to control and regulate each of the three codes of racing.*
- ii. *The possible adoption by the controlling bodies or racing of the recommendations of the Independent Review of the Regulatory Oversight of the NSW Racing Industry (Malcolm Scott June 2008) as they relate to the provision of steward and Licensing and Registration services across the three codes of racing.*
- iii. *Appropriate savings and transitional arrangements in respect of the transfer of functions to GRNSW and HRNSW.*

- iv. *Appropriate measures to safeguard the rights and entitlements of the non-executive officers and temporary employees of the GHRRA.*

3.6 Comment

The NSW GBOTA does not believe that any real effectiveness or efficiency gains will be achieved by a tri-code regulatory body.

On balance, the NSW GBOTA supports Judge Thorley's view that the codes are unique and specialised. They provide differing levels of TAB and non-TAB racing and have different rules and race reading requirements.

The NSW GBOTA would be concerned that the NSW Greyhound Industry would incur overheads higher than it would like and may have standards and costs placed before it which are in excess to the current situation.

The regulatory role and specifically the role of stewards management, would appear easily absorbed by GRNSW. The NSW GBOTA would suggest that a division of the GRNSW 'full' board be responsible for regulatory matters, that is the Chairman and the two independent members.

The NSW GBOTA believes that the benefit of cross-code training on matters of common interest can be achieved without the formation of a single body.

3.7 Act Review Recommendation 4

*The Review **recommends** that the relevant Acts be amended to abolish GIRPAC and HRIPAC and replace them with an advisory body for each of the two codes that is the equivalent of the RICG, and has the statutory role of RICG as set out in the Thoroughbred Racing Amendment Bill 2008.*

3.8 Comment

The NSW GBOTA does not believe the RICG structure, as proposed in the Thoroughbred Racing Amendment Act 2008 is suitable for duplication in the Greyhound Industry.

In addition, the NSW GBOTA does not support the need for an Advisory Board if the nominee/independent model (as proposed by the NSW GBOTA) is supported.

However, in the event that the Act Review ultimately endorses the Independent model, then the NSW GBOTA supports the following Advisory Board composition:

- One representative of the Metropolitan racing club(s)
- One representative of the NSW Metropolitan & Provincial Greyhound Clubs Association
- One representative of the Greyhound Racing Clubs Association
- One representative of the NSW GBOTA membership to be determined by ballot of NSW GBOTA members, conditional on the NSW GBOTA, being properly constituted and having 400 or more financial members at the time of ballot.
- One representative of the Registered Greyhound Participants Association membership to be determined by ballot of RGPA members, conditional on the RGPA

being properly constituted and having 400 or more financial members at the time of ballot.

- Two representatives of licensed participants determined by ballot of all licensed owners, trainers and breeders
- One non-voting probity officer appointed by the Government.

In the event that the NSW GBOTA or RGPA membership levels fall below 400, then they would not have the right to provide a representative. Whenever this circumstance arose, a further representative of licensed persons would be determined by ballot of all NSW licensed owners, trainers and breeders.

The NSW GBOTA believes that the suggested Advisory Board structure is fair to clubs, will acknowledge representative groups of reasonable size and properly constituted and also provide adequate input for licensed persons not belonging to a representative group.

3.9 Act Review Recommendation 5

*The Review **recommends** that the relevant Acts be amended (consistent with the equivalent provisions in the Thoroughbred Racing Amendment Bill 2008) to require GRNSW and HRNSW to:*

Prepare business plans for their estimates from time to time;

Undertake formal consultation on a regular basis with the equivalent of the greyhound and harness RICG;

Prepare a strategic plan every three years in consultation with the equivalent of the greyhound and harness RICG;

Provide a progress report in their Annual Reports on the implementation of the business plan and strategic plan for the period relating to their respective annual reports.

3.10 Comment

The NSW GBOTA supports the recommendation.

4. Scott Review Recommendations

4.1 Scott Review Recommendation 1 – Racing Disciplinary & Appeal Structures.

The NSW GBOTA sees merit in the recommendation but believes a similar structure can and should be effected within the greyhound code rather than applying a tri-code approach.

4.2 Scott Review Recommendation 2 – Disbanding Racing NSW Appeals Panel.

The NSW GBOTA makes no submission as the recommendation is not relevant to the Greyhound code.

4.3 Scott Review Recommendation 3 – Expanding the Functions and Powers of the Racing Appeals Tribunal.

The NSW GBOTA supports the recommendation.

4.4 Scott Review Recommendation 4 – A Tri-code Approach to Stewarding

The NSW GBOTA does not support the recommendation and is not convinced that it will be any more effective or efficient than the single code approach. A subsequently detailed operation model, including cost sharing arrangements and an outline of matters of control for the individual codes would need to be provided before any form of support could be considered.

The NSW GBOTA believes that its stewarding requirements are unique and best handled by GRNSW. Day to day management would be under the control of the GRNSW Chief Executive Officer and policy control would fall of the full Board (if independent) or the independent section of the full Board should a nominee/independent mix apply to the composition of the GNRSW Board.

4.5 Scott Review Recommendation 5 – Benchmark Qualifications for Stewards.

The NSW GBOTA supports the recommendation.

4.6 Scott Review Recommendation 6 – Accreditation of Stewards.

The NSW GBOTA supports the recommendation.

4.7 Scott Review Recommendation 7 – No Change to the Structure of Racing NSW.

The NSW GBOTA makes no submission as the recommendation is not relevant to the Greyhound code.

4.8 Scott Review Recommendation 8 – Transfer of GHRRA Functions to GRNSW and HRNSW.

The NSW GBOTA supports the disbanding of GHRRA and the total transfer of its operations to GRNSW with appropriate adjustments to the Board composition of GRNSW.

4.9 Scott Review Recommendation 9 – Senior Racing Officials Banned from Betting.

The NSW GBOTA supports the recommendation.

4.10 Scott Review Recommendation 10 – Small Claims Arbitration.

The NSW GBOTA makes no submission as the recommendation is not relevant to the Greyhound code.

4.11 Scott Review Recommendation 11 – Swabbing of Thoroughbreds at Point of Sale.

The NSW GBOTA makes no submission as the recommendation is not relevant to the Greyhound code.

4.12 Scott Review Recommendation 12 – Standard Clause in Contacts for Sale of Thoroughbreds.

The NSW GBOTA makes no submission as the recommendation is not relevant to the Greyhound code.

4.13. Scott Review Recommendation 13 – Racecourse Invasions.

The NSW GBOTA supports the recommendation.