



NSW Greyhound Breeders, Owners and Trainers Association

Response to:

Special Commission of Inquiry

**Issues Paper on Governance and Social
Contributions**

January 15, 2016

To:	Special Commission of Inquiry By email: sigri@csso.nsw.gov.au
From:	NSW Greyhound Breeders, Owners and Trainers Association
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Proposal:	Issues Paper on Governance and Social Contributions

NSW Greyhound Breeders, Owners and Trainers Association (NSW GBOTA) company profile

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

- Bathurst
- Bulli
- Gosford
- Gunnedah
- Lismore
- Maitland
- Temora
- Wentworth Park
- Appin (currently operating as a trial track)

In addition to its racing function, the NSW GBOTA is also an organised representative group on behalf of owners, trainers and breeders. The Association currently has just under 1,200 members and 28 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 Associations
- Metropolitan & Provincial Greyhound Racing Clubs Association
- Greyhound Racing Clubs Association
- Greyhound Media Services
- Greyhound Racing Industry Consultative Group

Governance

1. Should the commercial and regulatory functions of the greyhound industry be separated into two different bodies? If yes, why? If no, why not?

The NSW GBOTA holds the strong view that there needs to be a very clear separation of regulatory and commercial functions of the peak body. At its heart, regulation is a policing function and steps should be taken to ensure that the risk for conflict between the industry's regulatory oversight and its commercial endeavours is minimised.

Whilst supporting separation, the NSW GBOTA simultaneously holds the view that both the regulatory and commercial functions of the industry must be undertaken with balanced regard for financial efficiency.

Given this, the NSW GBOTA would propose that separation of regulatory and commercial functions could be achieved by the one administration serving both a regulatory and commercial board.

The NSW GBOTA submission speaks further to the composition of the separate Boards in the answers below.

It is important, at this point, to emphasise that a safeguard must be built into the system to ensure that the funding of regulatory and integrity requirements should not be able to be compromised by a funding focus on commercial activities.

This safeguard can be achieved via two mechanisms in our view:

- (1) The Strategic Plan of the NSW greyhound industry would be required to have joint sign off by both the regulatory and commercial Boards.
- (2) The annual budget of GRNSW would be determined under a process which had the regulatory costs of the industry being determined as a first charge on wagering revenue.

2. If the commercial and regulatory functions of the greyhound racing industry in NSW are to be separated into two separate bodies:

a. What is the appropriate composition for the Board of the body vested with regulatory functions? Why do you take this view? Should it include industry participants? If so, please provide reasons why.

Whilst the NSW GBOTA is clear in its view that strategic decision making and industry oversight, as it relates to regulatory and commercial functions, should be separated, it believes that this can be achieved with either separate administrations or a combined administration.

Ultimately, however, the industry re-structuring must strike a balance between the effectiveness and efficiency of its peak body undertakings. Against this test, the single administration (including a single Chief Executive) with separate Board's model takes on considerable merit.

The Regulatory Board should be a five person board with independent, skills based Directors. These specialised skills would include: Legal, regulation, compliance and law enforcement, animal welfare and veterinary, and finance.

The failings of the NSW greyhound industry must be countered with an iron clad commitment to integrity and animal welfare. This is central to the industry having an ethical and sustainable future.

Regulation oversight does not require and should not have any input from industry stakeholders. It is specialised function best undertaken by a Board of specialised appointees.

b. What is the appropriate composition for the Board of the body vested with commercial functions? Why do you take this view? Should it include industry participant? If so, please provide reasons.

The Commercial Board would comprise seven members. Four members would be independent, skills based appointees (finance/commercial, operations, media/marketing) and three members would be elected by industry stakeholders.

The three elected members would still be required to meet a skills qualifying criteria but would have the additional benefit of an industry stake holding or background. The NSW GBOTA is comfortable that any persons elected to the Commercial Board would still be able to continue to hold industry participant registration but would not be able to continue serving on any other industry body or club while holding a position on the commercial Board.

The NSW GBOTA believes that its suggested composition comprises an appropriate blend of independent expertise and insider's insight.

In its submission to the Review of the Greyhound Racing Act 2009, the NSW GBOTA provided the following reasoning for the inclusion of industry stakeholders being part of the peak body making major commercial decisions for the industry:

“The NSW GBOTA holds the view that it is simply incomprehensible that the major stakeholders of the NSW greyhound industry currently have no direct input to substantial strategic and commercial decisions taken by GRNSW despite the fact that these decisions drive the future viability of the various stakeholders.”

c. Is there a continuing need for a Greyhound Racing Industry Consultation Group? If so, should its role be limited to consultation with the Board of the body vested with commercial functions? Please provide reasons for your view.

The NSW GBOTA believes that it remains crucial for the peak body decision making process to be supported by an effective industry consultation group.

The Greyhound Racing Industry Consultative Group has not been effective. Much of this seemingly relates to the fact that there is no alignment between the resources it has been provided with and the role envisaged in the Greyhound Racing Act 2009.

The NSW GBOTA believes that the future industry consultation group's role should involve input to both regulatory and commercial functions.

With regard to the Regulatory Board, the consultation group should be utilised as a sounding board on major issues.

With regard to the Commercial Board, the consultation group should be utilised as both a sounding board and a strategic advisor. The importance of the strategic advisor role would be even more critical should the Commercial Board not involve industry stakeholder representation.

The NSW GBOTA would summarise its views as follows:

- The composition of the future consultation group needs to be reassessed, though a cross section of industry stakeholders should still be a primary expectation.
- Members should be appointed on a skills based nomination criteria.
- The consultation group needs to be properly resourced, in line with its role.
- The consultation group needs to have a formal set of communication and interaction protocols with the regulatory and commercial Boards.
- The consultation group needs to be consulted with regard to regulatory strategy and rule changes.
- The consultation group needs to have an influential advisory role on commercial strategy.
- The consultation group needs to have input to budget considerations.

d. What functions should a greyhound racing Integrity Auditor undertake? What powers should that person be able to exercise? Please provide reasons.

The NSW GBOTA believes that it is essential that the NSW greyhound industry have an independent Integrity Auditor. The current Integrity Auditor does not appear to be fully independent of GRNSW nor does the position appear free to act autonomously in terms of regulatory audit.

As a general guide, the NSW GBOTA would be comfortable with replicating procedures in place in Victoria, so long as the following principles are central to the role and powers:

- That the position is a Government appointment, independent and required to report to the Government annually.

- That the position is able to and must undertake regular audits regarding the appropriateness and fairness of the regulatory framework with specific regard to integrity assurance and animal welfare procedures.
- That the position be able to explore all integrity issues where evidence, including reasonable supposition, is presented.

e. Who should fund the new regulatory body? Please provide reasons for your view.

The NSW GBOTA believes that regulation is a cost of the NSW greyhound industry. So long as the needs are properly considered and with regard to best practice efficiency, the NSW GBOTA believes regulatory costs should be determined annually as a first charge against industry wagering revenue.

Social Contribution

3. Aside from direct financial contribution, does the greyhound racing industry provide a social contribution to cities, towns and communities in NSW? If yes, please provide reasons, which may include personal anecdotes and examples.

The NSW greyhound industry makes a significant social contribution to the cities and towns at which it is located. All greyhound venues are used for activities other than greyhound racing.

Some of these activities are commercially based but a lot are community based. An outline of the activities at various NSW GBOTA tracks are attached. They provide clear evidence of how greyhound racing clubs and venues have become part of the social fabric in their communities.

4. Does the greyhound racing industry provide a social contribution to the lives of industry participants in NSW? Please provide reasons, which may include personal anecdotes and examples.

Greyhound racing makes a significant social contribution to the lives of many industry participants in NSW. Racing has long been part of the Australian way of life and greyhound racing is presented with a cost structure that is much more accessible to average, working class people.

Greyhound racing becomes a way of life and a life long interest for people. They enjoy the capacity to become involved, the friendships forged on common interest grounds and caring and sharing that exists in the industry. This is at the heart of the industry's capacity to generate such significant levels of voluntary input.

Participants enjoy being able to make a difference. They enjoy the interaction with the wider community and the fact that greyhound racing has a strong track record for working with communities and charities connected to it.

The individual NSW GBOTA track submissions (attached) speak further to this.

5. Does the greyhound racing industry in NSW contribute to community development by, for example, providing community facilities, and promoting networking and socialising opportunities? Please provide reasons, which may include personal anecdotes and examples.

Given the wide and varied community and commercial use of greyhound racing venues, there is little doubt that they make a significant contribution to community interaction, networking and socialising.

NSW GBOTA tracks have worked hard to establish key community relationships. Ongoing development of these relationships is a central component of current business plans. The individual NSW GBOTA track submissions (attached) speak further to this.