

Submission to:

**The Director
Legislative Council
Select Committee on Greyhound Racing
in New South Wales
Parliament House
Macquarie Street
Sydney NSW 2000**

re: Greyhound Racing in NSW (Inquiry)

**From: NSW Greyhound Breeders, Owners and
Trainers Association,
PO Box 485, Glebe NSW 2037**

November 6, 2013

Submission re: Greyhound Racing In NSW Inquiry

To:	Select Committee on Greyhound Racing in New South Wales
From:	NSW Greyhound Breeders, Owners and Trainers Association
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Inquiry:	Greyhound Racing in NSW (Inquiry)

1. Overview of our organisation - NSW Greyhound Breeders, Owners and Trainers Association (NSW GBOTA)

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

- Wentworth Park (104 Metropolitan TAB meetings, 26 TAB meetings)
- Gosford (52 TAB meetings)
- Maitland (50 TAB meetings)
- Lismore (52 TAB meetings)
- Bulli (52 TAB meetings)
- Bathurst (52 TAB meetings)
- Appin (4 non-TAB meetings)
- Temora (25 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
- 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 an organised representative group on behalf of owners, trainers and breeders. The Association

currently has just under 1200 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

2. Our submission approach

The NSW GBOTA has elected to unite with other NSW greyhound industry stakeholders to present the one submission with regard to the economic and financial viability issues. This submission, title *“United for our Industry’s Future”* addresses Terms of Reference (a), (b) and (c).

Further, this standalone submission addresses, broadly, the Terms of Reference applying to the regulation of the NSW greyhound industry and its endeavours from an animal welfare perspective.

3. Our attitude and driving conclusions to this inquiry

The NSW welcomes the Inquiry and the opportunity to contribute to the various Terms of Reference being addressed.

The NSW greyhound industry makes a vibrant contribution to the community of New South Wales but faces serious viability issues.

The Terms of Reference can be summarised as addressing (a) Financial and economic factors (b) Regulatory; and (c) animal welfare issues. The combined submissions of the NSW GBOTA to the Inquiry propose that the NSW greyhound industry is addressing regulatory and animal welfare issues progressively, positively and openly. But it also concludes, that without serious adjustments to funding arrangements underpinning the industry, then its future sustainability is at imminent risk and further that the capacity to undertake ongoing regulatory and animal welfare advancements will be impaired significantly.

4. The effectiveness of current industry regulation, including the level of autonomy of Greyhound Racing NSW; and

The effectiveness and accountability of the board and management of Greyhound Racing NSW

(i) Functions of GRNSW

The regulatory and wider functions of Greyhound Racing New South Wales (GRNSW) are summarised as follows:

- Funding
- Club and participant registration
- Stewarding and integrity implementation and oversight

- Industry management via Operating Standards
- Race date allocation
- Industry strategy
- Marketing, media, promotions
- Animal welfare

The Board of GRNSW is of an independent structure and the Greyhound Racing Act (2009) (the Act) requires that the Board be supported by a Greyhound Racing Industry Consultation Group (GRICG). The Act requires that consultation take place between GRNSW and GRICG and that GRICG make recommendations to GRNSW.

GRICG is structured so as to represent a cross section of major industry stakeholders. Its membership undertakes its role voluntarily and receives limited resources in terms of secretarial support. This secretarial support is provided from the staff resources of GRNSW as opposed to it being an independent appointment.

Accordingly, GRICG operates on a well-meaning basis but is potentially under resourced given its function and is not independently resourced.

(ii) Level of Autonomy

The Greyhound Racing Act (2009) empowers the Board of GRNSW completely in the following key areas:

- Club administration payments
- Prizemoney distribution to clubs and minimum payment levels
- Race Club and venue registration
- Race Date allocations
- Development of Integrity Policy
- Industry Strategy

The Act also provides for an Independent Board, the membership of which is restricted to five persons, who must not be a member of a race club or eligible industry body.

Prior to this, the Act permitted industry representation amongst the membership of the Board of GRNSW.

The current structure means that the Board of GRNSW has extremely high levels of industry control. However, it could be argued that the current structure of the Board of GRNSW does not necessarily guarantee that effective levels of working industry knowledge will exist within the GRNSW Board membership.

In such circumstance, the need for industry consultation regarding significant decisions is heightened. This consultation needs to be undertaken with both major industry stakeholders and with the GRICG.

Since 2009, industry stakeholder consultation has been inconsistent in its form and often subsequent to decisions actually being made. In addition, GRICG's role, as opposed to its envisaged role, seems to be restricted to proposing recommendations rather than it being a major consultation point as GRNSW develops strategy and makes determinations.

The NSW GBOTA believes that these weaknesses are best addressed by changing the structure of the membership of the Board of GRNSW to provide a combination of independent and representative members. Such structure is likely to deliver a Board comprising views representing the "outsiders perspective" and the "insiders insight".

In addition, there are emerging needs within the industry which suggest greater levels of specialised regulatory and animal welfare expertise may be required on the Board. A restructuring of the Board composition would allow for this issue to be precisely addressed.

The NSW GBOTA would suggest a more effective Board composition would be as follows:

- Five independent members with specialised backgrounds in the disciplines of (a) Legal, (b) Business/Finance, (c) Business Marketing, (d) Regulation and (e) Veterinary.
- Two race club nominees – Metropolitan and Others
- Participant nominee

The independent members would be recruited by open nomination and selection would be undertaken by a specialised recruitment agency. Club nominees would be determined by a club voting process and the participant representative would be determined by a vote of all registered persons.

(iii) Recommendations

(a) That given the level of autonomy and authority granted to GRNSW regarding its functions under the Greyhound Racing Act (2009), that the composition and structure of the Board of GRNSW be adjusted to include a suitable mix of independent appointments and stakeholder representatives as follows:

- Five independent members with specialised backgrounds in the disciplines of (a) Legal, (b) Business/Finance, (c) Business Marketing, (d) Regulation and (e) Veterinary.
- Two race club nominees – Metropolitan and Others
- Participant nominee

(b) That, in the event that a restructuring is not able to be supported, steps be taken to independently resource GRICG so as to allow it to more effectively engage with GRNSW and make presentations of all significant issues; and GRNSW be required to follow a structured and consistent Industry Stakeholder consultation programme.

5. The selection process for the Board of Greyhound Racing NSW

The Greyhound Racing Act (2009) states that the Selection Panel which determines positions on the Board of GRNSW is established by the Minister for Gaming and Racing.

The NSW GBOTA believes that a more appropriate process would be for the role of the Selection Panel to be undertaken by a suitably qualified Recruitment Agency.

Recommendation:

- (a) That the Greyhound Racing Act (2009) be altered so as to stipulate that the Selection Panel will be a recognised recruitment agency, with experience in Director appointments.
- (b) That, in the event, that recommendation 6(a) was not supported the Minister adopt a policy that the Selection Panel outlined in the Act will be a recognised recruitment agency, with experience in Director appointments.

6. The effectiveness of the current arrangements for, and role of, the Integrity Auditor of Greyhound Racing NSW

The Greyhound Racing Act (2009) dictates that GRNSW appoints an Integrity Auditor and that the appointment will not take effect unless approved by the Minister for Gaming and Racing.

The powers of the Integrity Auditor appear to be sufficiently expansive. The findings of any investigation by the Integrity Auditor are to be presented to GRNSW and, in particular circumstances, to the Minister.

The NSW GBOTA believes that the appointment of the Integrity Auditor should be independent of GRNSW. Further, that in all circumstances, any reports of the Integrity Auditor should be presented to the Minister and that the capacity of the Minister to intervene,

where findings or recommendations of GRNSW have been ignored or rejected, be made clear given the autonomy and independence of GRNSW.

Recommendation:

- (a) That the process for appointment of the Integrity Auditor be independent of GRNSW and there be efforts made to enhance transparency regarding the consideration of findings and recommendations in any reports prepared by the Integrity Auditor, including actions open to the Minister.

7. The capability and performance of Greyhound Racing NSW and governance of the industry

GRNSW has achieved a number of industry advancements since its creation in 2002.

Foremost, has been the introduction of Club Operating Standards which have ensured that clubs have been expected to perform to common requirements. Club governance and management processes have professionalised considerably.

The introduction of central grading, a Welfare and Veterinary Services Unit, the Greyhounds as Pets Scheme and standardised funding arrangements have been generally successful innovations in more recent times.

The GRNSW public relations and media department have improved flow of information to industry stakeholders and access to racing form has been substantially increased.

GRNSW could, however, be more active promotionally, particularly in terms of partnering with clubs who have limited resources available to them. Funding is, however, a clear obstacle with regard to this objective.

In addition, the funding contribution able to be dedicated to addressing the industry Capital Development needs, increasing Workplace Health and Safety requirements, and developing all tracks to a standard comparable with Victoria is insufficient. This is again a simple

consequence of the current returns from wagering activities which disadvantage the NSW greyhound industry so significantly.

GRNSW has not been able to promote incentive schemes, feature race bonus systems or industry advertising programmes to the same level as that which applies in Victoria. Again, this pulls back to the unfair funding arrangements which apply to the NSW greyhound industry and a Government in Victoria which is inclined to more progressively support greyhound racing in that State.

8. The incidence of drug administration and doping in the industry and the efficacy of Greyhound Racing NSW's control and testing processes

Information provided by GRNSW indicates that the incidence of drug administration during the past decade has remained reasonably stable.

The NSW GBOTA holds the view that GRNSW has made serious attempts to curb any incident of drug administration by undertaking the following:

- Increasing swabbing levels to an average of 7.5 swabs per TAB meeting.
- Increasing the total number of swabs to 5,568 in 2012/13. This figure compares to 4,820 swabs being undertaken in the same period in Victoria.
- Introduction of a Control Room monitoring system that allows for swabbing to be targeted more specifically against improved or diminished performance and to have regard for wagering movement across all betting mediums.
- Swabbing protocols applying to feature races and events of certain prizemoney levels.

The NSW GBOTA is opposed, however, to the exclusive reliance on targeted swabbing and feature race swabbing. The current swabbing approach can be, in the view of the NSW GBOTA, enhanced by the addition of a random selection process applying to some of the swabs taken. A random process (red marble barrel spin) applies at all non-TAB races but no random process applies at TAB tracks.

Recommendation:

- (a) That a percentage of swabs taken by GRNSW be inclusive of a random process, similar to that in place at non-TAB tracks. By way of clarification, the NSW GBOTA supports the current quantum of swabs taken but simply proposes a random element within that quantum.

9. Sale and breeding of greyhounds including the market conditions and welfare of animals; and

The welfare of animals in the industry and the role of Greyhound Racing NSW in establishing and enforcing standards of treatment of animals; and

Financial incentives for reducing euthanasia and prosecutions for animal mistreatment; and

The adequacy and integrity of data collection in the industry, including the number of pups born, the number of dogs euthanised and injury rates.

- (i) **Current Activities of the NSW Greyhound Industry with regard to Animal Welfare**

The NSW GBOTA submits the following points:

- Greyhound Racing NSW has launched a number of initiatives to ensure that the welfare of all animals must be a primary consideration for all participants in the greyhound racing industry.
- Greyhound Racing NSW assumed responsibility for animal welfare matters within the NSW industry in July 2009. Prior to that it was the responsibility of successive government authorities.
- The greyhound industry has now developed and funds its own adoption agency – Greyhound as Pets.
- Greyhound Racing NSW developed and now manages the NSW Muzzle Exemption Program – Greenhounds - on behalf of the NSW Department of Local Government. The program has changed the perception that greyhounds are an aggressive breed, it

has also improved the transition of greyhounds from racing to life as a companion animal and is likely to make more people consider adopting retired greyhounds.

- In July 2011 Greyhound Racing NSW established its own Greyhound Welfare and Veterinary Services Unit. This resulted in Greyhound Racing NSW assuming responsibility for the provision of on-course veterinarians at all TAB meetings. The unit employs full-time veterinary surgeons and an animal behaviourist to oversee the welfare of racing greyhounds and those transitioning to life as a pet.
- The NSW greyhound industry will invest \$1.3 million on greyhound welfare in 2013/14. The investment includes funding for the establishment of a new Education and Support Unit. The unit will train new industry applicants, as well as up-skill existing participants' adherence to welfare standards by undertaking inspections of racing kennels as well as rearing, breeding and greyhound education facilities.
- The NSW greyhound racing industry has race day and club welfare policies, including the hot weather policy
- The NSW greyhound industry has a mandatory Code of Practice for the keeping of greyhounds in training. The code outlines the minimum standards of accommodation, management and care that are appropriate to the physical and behavioural needs of greyhounds

(ii) Ongoing and future initiatives

The NSW greyhound industry will work with Greyhound Racing NSW to bring about the following animal welfare initiatives:

- Development of new race programming initiatives that maximises the racing career of greyhounds;
- Prioritisation of race track capital expenditure to focus on the continual improvements to minimise risk to the racing greyhound;
- Education Programs that will potentially refine breeding quality.
- Development of advanced injury reporting systems and data collections
- Ongoing development of welfare standards on a whole of life basis

- Ongoing attention to strategies that are likely to increase options for retired greyhounds and increased commitment including financial commitment by the industry to consistently improve retirement outcomes.

10. Any other related matter

i. Prizemoney – The bottom line

- Over the past six years, 75% of industry revenue has been allocated to prizemoney and club funding with 16% allocated towards administration costs and 9% towards supporting infrastructure projects at racetracks throughout the State.
- NSW greyhound racing prizemoney has increased from \$15.3 million in 2008 to \$22.5 million in 2013 – a 47% increase over the six year period.
- Greyhound Racing NSW has expanded TAB C racing at key venues across the State. This has resulted in the introduction of permanent TAB racing at Dubbo, Goulburn, Grafton and Wagga, and more TAB racing at Richmond and Wentworth Park.
- Despite this, prizemoney in NSW has dropped significantly behind that of Victoria. The Victorian greyhound industry paid out \$37m in prizemoney during 2012/13 as compared to \$22.5m in NSW in the same period.
- NSW Metropolitan greyhound racing has only one genuine metropolitan prizemoney night as compared to Victoria's two, provincial prizemoney is higher in Victoria. Group Racing in NSW and Victoria was once on a par but Victoria now enjoys an edge.
- Wagering on NSW product with TABCorp is stronger than on Victorian product. But the Victorian greyhound industry enjoys the benefit of a market share based Inter-Code arrangement and a lower wage taxation rate. Both of these issues have been expanded upon in the combined GRNSW/Industry Stakeholders submission titled – "*United for our Industry's future*".
- Government intervention with regard to Inter-Code reform and possibly the NSW/Victorian wagering taxation disparity is required or else the prizemoney gap will widen and the industry is likely contract and reduce its capacity to make both an economic and social contribution to the State.