

## **Greyhound Racing Bill 2017**

### Second Reading

The Hon. RICK COLLESS ( 11:16 ): On behalf of the Hon. Niall Blair: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The bill being presented here today is critical to securing the future of the greyhound industry in New South Wales.

This bill does two things. First, it repeals the Greyhound Racing Prohibition Act 2016. In doing so, it removes the legislated prohibition on greyhound racing in New South Wales, which would otherwise come into effect from 1 July 2017. Second, it sets the foundations and governance arrangements for a sustainable greyhound racing industry with the highest animal welfare and integrity standards in the country.

The Government and many people in the industry have made it clear that together we must address issues of overbreeding, live baiting, high levels of injury and the euthanasia of healthy dogs.

This Government has listened to the support of the community who want the industry to have the opportunity to prove it can operate appropriately. It is clear that the community wants the industry to provide jobs and continue to make a valuable economic and social contribution to this State. Nowhere is that sentiment felt more strongly than in parts of regional New South Wales, where greyhound racing is the source of direct and indirect employment for so many and where clubs exercise an important social function in bringing people together and providing services to the community. We have listened to community and engaged with the industry to find a sustainable way forward for greyhound racing in New South Wales.

Many of us want to see a strong Greyhound Industry and many of us are sickened by the wrongdoing of those who continue to live bait and allow animal cruelty as was presented via the ABC's Four Corners program. We have seen the Special Commission of Inquiry undertaken by Justice McHugh, and the work headed by Dr John Keniry and the taskforce, where there was acknowledgement of genuine concern for the industry to change its ways.

It was also clear that sections of the community supported giving the industry a final chance to reform. The Government listened to all of these concerns and announced that the industry would be given a further chance to prove itself. In doing so, Government also made it very clear that there can be no return to the status quo. Live baiting, cruel treatment and unnecessary killing of healthy dogs will not be tolerated.

In October 2016, the New South Wales Government established the Greyhound Industry Reform Panel. The panel was asked to recommend a new regime that would allow the industry to continue while applying the strictest animal welfare standards in the country. The panel was chaired by former Premier Morris Iemma and included the Chief Executive Officer of RSPCA NSW, the Chief Executive Officer of the Greyhound Alliance, the New South Wales Chief Veterinary Officer and a Deputy Secretary from the Department of Premier and Cabinet.

The panel submitted its report to Government in February 2017, making 122 recommendations. I highlight something important. Of the 122 recommendations, the RSPCA and the industry representatives failed to agree on just two recommendations, and even then, their respective positions were not miles apart. I think this is remarkable and I thank both parties for the way they approached this work.

In summary, the panel's reforms involve:

- a new governance framework that separates the commercial and regulatory functions of the industry
- a comprehensive and best practice animal welfare plan
- registration and accreditation requirements for industry participants
- new offences and stronger penalties for animal cruelty.

The Government will implement all but one of the recommendations put forward by the panel in its report delivered to the Government earlier this year.

The one recommendation not accepted relates to the form of the commercial entity. That is, while the panel proposed Greyhound Racing NSW be reconstituted as a statutory state-owned corporation, under this bill it will remain a body corporate that does not represent the Crown. This is a more administratively appropriate form for the body.

This bill introduces new governance, regulatory and animal welfare arrangements that will build public trust in the integrity of the greyhound racing industry. These arrangements will set the benchmark for all other jurisdictions.

The bill will separate the regulatory and commercial functions currently being carried out by Greyhound Racing NSW. This will minimise potential for conflicts between the commercial imperatives of industry and animal welfare considerations. This separation will help build the community's confidence in the industry.

To perform the regulatory functions, a new Integrity Commission will be established. It will set standards, register participants, supervise and regulate greyhound racing across New South Wales. The Minister for Racing will be responsible for the commercial entity and the Integrity Commission, with the Minister for Primary Industries having a concurrence role for the Commission on certain key animal welfare-related decisions. This governance model is consistent with ministerial arrangements in Queensland.

The Government is confident this bill will put appropriate checks and balances in place for a thriving greyhound industry that adheres to the highest animal welfare standards in the world.

I now turn to the substance of the bill. The Bill is divided into nine parts. Part 1 of the bill provides preliminary information. Part 2 of the bill will establish a Greyhound Welfare and Integrity Commission which will:

- promote and protect the welfare of greyhounds,
- safeguard the integrity of greyhound racing and breeding, and

- maintain public confidence in the greyhound racing industry.

The Integrity Commission will be led by a Chief Commissioner and will supervise and regulate greyhound racing across New South Wales. The Chief Commissioner will be supported by two other commissioners, one of whom must have been an Australian lawyer for at least seven years. Commissioners will be appointed by the Governor on the recommendation of the Minister for Racing and with the agreement of the Minister for Primary Industries.

To ensure that the Integrity Commission operates independently and transparently, a person will not be eligible to be appointed as a Commissioner if the person is or has at any time been a greyhound racing industry participant. A chief executive will be responsible for the day to day management of the Commission and implementation of the Commissioners' decisions.

The Commission will initiate, develop and implement policies and standards relating to the welfare of greyhounds. It will also undertake research and investigations of best industry practice. The Commission will be responsible for monitoring and enforcing compliance with the regulatory framework including the Greyhound Racing Rules.

The bill makes it clear that the Government is committed to ensuring that the greyhound industry operates under the highest animal welfare standards in Australia.

Part 3 of the bill provides for the operation of the reconstituted Greyhound Racing NSW [GRNSW]. GRNSW will be responsible for developing greyhound racing in New South Wales as a competitive and sustainable industry. It will be independent of the Crown and does not represent the State. It will have significant autonomy in determining how to structure the industry in order to achieve commercial sustainability. It has been afforded a number of responsibilities through this bill, including:

- conducting greyhound race meetings or authorising greyhound race meetings to be conducted by greyhound racing clubs
- developing track safety standards
- operating the Greyhounds as Pets (adoption) program.

GRNSW will be required to hold an operating licence to authorise its role as the industry's commercial body. This will provide autonomy to meet its commercial imperatives and manage daily operations, while still allowing the Government to set the high order requirements and conditions for the industry's operation.

The Minister for Racing will be able to issue, amend, suspend or cancel the commercial body's licence. Prior to doing so, the Minister must consult with the Integrity Commission. This provides a mechanism for the Government to take action where, for example, the commercial entity is found to be breaching its license or the Integrity Commission identifies matters of concern.

I now turn to Part 4 of the bill, which builds on the establishment of the Integrity Commission. The bill creates a strong welfare framework for those greyhounds involved in the industry. Part 4 of the bill creates a Greyhound Industry Animal Welfare Committee to provide advice to the Commission. The five-person committee will provide advice to the Integrity Commission, including as the enforceable code of practice relating to the welfare of greyhounds is developed.

The code of practice will address standards for the keeping, treatment, handling and care of industry greyhounds. It will also set standards for the facilities, equipment and conditions at premises where greyhounds are kept, trained or raced.

The Commission may make compliance with the code of practice a condition of registration for industry participants, and any contraventions may constitute grounds for disciplinary action such as deregistration. For balance and appropriate scrutiny, the code must be signed off by the Minister for Racing and the Minister for Primary Industries.

Breaches of the code will be dealt with through new penalties, including also the option of prosecution action, with a potential jail term of two years for some offences.

This bill also amends other legislation. For example:

- Schedule 6 of the Bill inserts a new offence of serious animal cruelty into the Crimes Act with a maximum penalty of three years imprisonment.
- The offence for live baiting under the Prevention of Cruelty to Animals Act 1979 will be strengthened to prohibit the use of animal carcasses or products in training greyhounds.

These changes address the significant evidentiary issues that have been faced previously in prosecuting alleged live baiting offenders.

The problem of live baiting will also be addressed in other ways. Clause 40 of the bill puts in place a life ban where a person is found guilty of committing a live baiting offence under either the Crimes Act or the Prevention of Cruelty to Animals Act. This disqualification will provide a significant disincentive to doing the wrong thing.

Clause 41 of the bill prohibits keeping at the same time both greyhounds and animals that could be used as a lure. The offence carries a maximum penalty of \$110,000 for corporations and, for individuals, \$22,000 or imprisonment for two years, or both.

The Commission is permitted to make an exemption order to these requirements in very limited circumstances. However, no exemptions will be allowed for the keeping of possums or rabbits.

In summary, greyhound welfare is the centrepiece of this bill and the Government's reforms. The combination of a new Integrity Commission, a Greyhound Industry Animal Welfare Committee, an enforceable code of practice and strengthened live baiting offences demonstrate the Government's commitment to implementing the highest possible animal welfare standards in the industry.

I now turn to Part 5 of the bill, which sets out the control and regulation of the greyhound industry.

This bill introduces a new registration framework, which will improve transparency over the industry and enable the Commission to implement whole-of-life cycle tracking for every greyhound that enters and exits the industry.

This bill requires all greyhounds involved in the racing industry to be registered. It will be an offence to fail to register a greyhound, or not update the register as required. Registration will be crucial in addressing overbreeding and unnecessary euthanasia of greyhounds. The bill will allow for an upfront bond for each registered greyhound to be paid to the Commission, coupled with an ongoing registration fee. The bond would be transferable with ownership and will be refundable in prescribed circumstances, for example, if the greyhound is successfully rehomed or dies of natural causes.

The bond will increase the financial value of greyhounds bred for the purposes of potential use in the greyhound racing industry. Importantly, it will also assist in reducing unnecessary euthanasia of greyhounds and ensuring that all greyhounds bred are adequately cared for. The bill requires all greyhound racing industry participants to be registered with the Commission. This includes persons who own, keep or breed greyhounds that are, or are intended to be, used for the purposes of greyhound racing. It also includes greyhound trainers, greyhound handlers, greyhound racing bookmakers and bookmaker's clerks and persons who provide prescribed health services to registered greyhounds.

The Commission will be able to impose conditions on any registration, including, for example, requiring industry participants to comply with the code of practice for the welfare of greyhounds and to participate in education programs. This will help to ensure all participants understand their obligations to animal welfare and can be held accountable.

Evidence provided to the commission of inquiry highlighted questionable practices of "muscle men", which are often used as a cheap alternative to veterinary care. The bill will tighten oversight around such practices and ensure persons acting as greyhound health assistants are registered with the Commission and regulated as industry participants. This will assist with ensuring they are acting within their capabilities and not denying a greyhound the treatment it requires.

As I have already said, the Government is committed to stamping out the cruel practice of live baiting. The bill requires all greyhound trial tracks to be registered with the Commission. The Commission can also require the use of closed circuit television [CCTV] as a condition of registration. Knowing where these facilities are and understanding their usage will increase oversight over the industry's training practices.

The bill allows for the Commission, in consultation with Greyhound Racing NSW, to make rules relating to:

- the conduct of greyhound race meetings
- education and training requirements,
- the breeding of greyhounds and
- the functions of stewards.

The Commission may take disciplinary action for any contraventions of the greyhound racing rules, as outlined in part 6 of the bill.

Part 6 of the bill outlines a variety of disciplinary actions that can be taken by the Integrity Commission and by Greyhound Racing NSW. The Integrity Commission may take disciplinary action for any contraventions of relevant legislation, regulation, code or rule. Disciplinary action can also be taken if the Commission is of the opinion that a person is no longer fit or proper to be registered.

The Integrity Commission can impose sanctions including suspending or cancelling registration. It may impose conditions on a registration, impose a fine of up to \$22,000, disqualify or warn off a person and prohibit persons or greyhounds from participating in greyhound racing.

The bill provides that Greyhound Racing NSW may take disciplinary action against racing clubs, such as for non-compliance with a direction issued or a minimum standard set by Greyhound Racing NSW.

Like the Commission, Greyhound Racing NSW will be able to suspend, cancel or impose conditions on a club's registration. It may also issue fines of up to \$22,000 or disqualify or warn off any official of a club.

Division 3 of part 6 allows for complaints to the Commission, including with respect to functions carried out by Greyhound Racing New South Wales officials. It allows for the Commission to investigate and report to the Minister as appropriate.

I now turn to part 7 of the bill, which outlines the strengthened investigation and enforcement powers available to the Integrity Commission.

We know that both industry and the community wants to remove the unsavoury elements of the sport. These powers help make that happen.

In the first instance, the Integrity Commission will be able to appoint inspectors. The bill also allows the Commission to enter into arrangements with the police and animal welfare bodies to exercise inspector functions to better detect and respond to animal welfare offences. Strict eligibility requirements will be applied to inspectors to ensure independence and appropriate probity.

The bill contains a suite of new investigation powers. Inspectors will have powers to require information and records, enter and search premises at any reasonable time, inspect and seize objects and apply for search warrants. Appropriately, inspectors will not be able to enter any part of premises used only for residential purposes without the consent of the occupier or the authority of a search warrant.

These new powers will also allow inspectors to take photographs, films, audio, video and other recordings. These powers will enable inspectors to effectively monitor and enforce compliance with the new regime and ensure those who are doing the wrong thing are held accountable for their actions. However, there will be limitations on these powers to safeguard rights and privileges.

To ensure these new powers can be executed and our inspectors can do their jobs, we are creating offences for:

- failing to comply, without reasonable excuse, with a requirement of an inspector
- providing false or misleading information
- intentionally delaying or obstructing inspectors
- assaulting, threatening or abusing inspectors, and
- impersonating inspectors.

These new offences will attract maximum penalties of up to 100 penalty units—\$11,000—and for some offences imprisonment for six months. The offences in this part of the bill aim to promote cooperation with inspectors so that they are able to effectively discharge their functions under the new regime and create a framework of compliance.

Part 8 of the bill sets up a framework for inquiries that can be conducted by the Integrity Commission into any matter relating to the greyhound racing industry. Either the Minister for Racing or the Integrity Commission can determine that an inquiry can be conducted. Concurrency by the Minister for Primary Industries is required where an inquiry is to be related to animal welfare.

Importantly, the bill specifies that inquiries will be public and transparent.

Part 9 of the bill covers a range of miscellaneous but important matters. To ensure the new Integrity Commission, local councils, animal welfare bodies and the NSW Police Force can effectively work together, the bill allows for information sharing arrangements to be put in place.

This key new provision will allow for a range of information about greyhounds to be shared, for example whether a greyhound is registered under the Companion Animals Act, so appropriate action can be taken and agencies can work together cooperatively.

Appropriately, the bill ensures individuals who are aggrieved by a reviewable decision made by the Commission or a steward can seek an internal review. This new internal review right is in addition to any right of appeal a person has under the Racing Appeals Tribunal Act 1983.

Another change will enable all management members of a syndicate to be held accountable for breaches of the Act, regulations, code of practice and rules of racing, including the potential for prosecution or disciplinary action.

Finally, this part of the Act contains a regulation-making power and a provision requiring a statutory review of the Act three years following assent. This is consistent with the recommendations of the reform panel and will assess the effectiveness of the reforms in improving animal welfare outcomes. The bill allows for the review to be comprehensive, and it will cover the appropriateness of a target for unnecessary euthanasia of greyhounds and a breeding cap using the comprehensive data collected by the Commission through the new greyhound racing register.

This bill reflects the outcomes of exhaustive public inquiry and stakeholder engagement over the past several years. This includes a 2014 New South Wales parliamentary inquiry into the industry which saw extensive public and industry input through written submissions and committee appearances.

The Special Commission of Inquiry undertaken by Justice McHugh resulted in more than 800 submissions and over 150,000 pages of evidence.

Dr Keniry was asked to head a transition taskforce; he visited greyhound clubs across the State to hear first-hand the concerns of industry participants. He also engaged directly with businesses and community representatives to understand their concerns about a future without greyhound racing.

The Greyhound Reform Panel under the leadership of former Premier Morris Iemma had access to all this material and also undertook consultation of its own, including with regulators from other jurisdictions. Members representing the RSPCA and the Greyhound Alliance were each encouraged to talk to their stakeholders, and voice these issues during the panel's discussion.

Implementing the new governance, welfare and integrity arrangements outlined in this bill will present challenges. These will be in terms of both the logistics of moving to the new arrangements and the financial support that is required to enable the industry to adjust to the new governance, animal welfare and integrity requirements.

Separating the welfare and integrity and commercial functions of the two new bodies will take time. In the short term it will involve some sharing of functions as recruitment for the Integrity Commission is undertaken, information technology [IT] systems are established and registration of participants is completed.

As the new entities become operational, there will be a focus on developing the central pillars of the new arrangements, particularly the Rules of Racing, the Animal Welfare Code of Practice and track safety standards.

It is expected that all aspects of the new arrangements will be finalised before mid-2018, with a statutory review occurring by mid-2020.

When the Greyhound Industry asked Government to give it an opportunity to reform, it said it could implement the requisite animal welfare standards within the existing resources.

With the release of the panel report, some individuals raised concerns that the costs of the new arrangement would be too high and could impact on the industry's sustainability. It is important to remember that right now under current arrangements the industry is responsible for funding GRNSW's integrity, welfare and commercial functions. The new arrangements are in effect a continuation of the status quo.

I have heard greatly exaggerated statements about what these new rules and governance arrangements will do to the industry. Those fears are overstated. The new arrangements will not be setting the industry up to fail. That is not and was never the intention. For emphasis, I again state this Government's acknowledgement of the important social and economic contribution the greyhound racing industry makes to New South Wales and, in particular, to regional New South Wales.

The panel report acknowledged the new arrangements would result in increased costs to industry and that a pathway to sustainability was necessary. Recognising these real concerns, funding will be provided to support the transition process. This will be directed at offsetting the start-up and operational costs of the new integrity body, as well as capital contributions to support the upgrade of infrastructure to meet new safety and animal welfare standards.

On the operational side, a public contribution of \$11 million will be provided towards the costs of regulation. Funding will commence in 2017-18 and will continue for four years.

This contribution is based on the bottom-up development of what the new welfare and Integrity Commission will need in its initial set-up phase, its staffing requirements—and associated staffing costs—and realistic assumptions of additional non-staff costs.

In terms of capital funding, \$30 million over five years has been proposed as appropriate to meet minimum requirements for capital upgrades.

This bill aims to fundamentally reform the regulation of greyhound racing in this State. As I have outlined, the provisions in the bill demonstrate the Government's commitment to upholding the highest possible standards of animal welfare, governance and integrity in the greyhound racing industry. I commend the bill to the House.