

The Hon. TREVOR KHAN: That does not really help me. Are you able to provide us with a list of the tracks that had their dates cut?

RESPONSE:-

It is our understanding that:

- Previously country tracks were allocated race dates and paid administration allowances based on an amount per meeting
- Dates for the current racing year were reduced for this calendar year, with some tracks allocated nominal race dates
- Policy then changed to instead deregulate the number of dates, giving the individual clubs discretion over dates, but without reversion/effect to the prior year allocation but rather the reduced allocated dates.
- Funding was in effect cut reducing the capability of each club
- We do not have the resources to answer this question statistically.

With respect we suggest that the Committee seek the following information from GRNSW:-

1. The number of race dates allocated to country tracks in previous years
2. Confirm that their race dates allocations have been deregulated and are now discretionary upon the track committees (subject to GRNSW confirmation)
3. Provide a table which shows by Track its number of race dates and level of funding, relevant to current and prior years.

The Hon. TREVOR KHAN: Would you provide the Committee with further information with regards to those four dot points in 4.2? I am inviting you in a general sense to expand upon those four dot points so that when the Committee gets GRNSW back in February we might be able to have a more expansive discussion with them on the issues that you raise. Is that all right?

RESPONSE:-

1st dot point - EXTENDING METROPOLITAN RACE DATES TO WENTWORTH PARK -

We believe the industry needs to consider the performance of GBOTA and Wentworth Park in respect to metropolitan racing and the branding of its premium racing product. We are concerned that GRNSW board has not placed sufficient accountability upon GBOTA nor explored alternatives. This emanates from our concerns over the quality of the selection process for the current board and in particular three of the positions, as outlined on Submission 398 from Mr Carl.

To expand:-

1. Trading performance is poor and despite the prime Friday and Saturday entertainment times slots, Wentworth Park costs the industry \$1.4M per annum to operate. The GBOTA Annual Report declares a profit of \$672,378 (Y12 \$844,286) after receipt of GRNSW distributions of \$2,104,848 in excess of prize money payouts. That is, to the industry, this venue cost us \$1.4M for the year.
2. Our view is that GBOTA is paid an excessive amount in administration cost for the venue. It previously reached agreement for NCA to exit the venue and in turn took over receipt of the full administration allowance. GRNSW could have re awarded the venue to GBOTA in the interests of the industry, and there is not as we see it, any contractual right for GBOTA to continue to receive such substantial administration income. This in effect rewards / encourages non-performance
3. Travel - participants find the venue awkward and inefficient to reach for racing and trialing.
4. Crowd figures – poor, with insufficient promotion, particularly given the time slots
5. Only one track style for all premium race product. When Harold Park closed we lost the horseshoe larger style track. Now we have one venue which suits speedier dogs and effectively encourages stronger dogs to be bred out of the system (as they do not have a premium prizemoney avenue). A dual track capability in metropolitan area, at one venue would provide efficiencies

6. Poor infrastructure for race viewing compared to venues such as Sandown (where for example there is enclosed spectator viewing, elevated restaurants, a genuine entertainment facility). Wentworth Park is simply too outdated to compete as a genuine entertainment venue.
7. No 600 metre start, which could be a step up between sprinting and staying distances; the premium tracks interstate have 600 m starts.

We believe the industry should introduce accountability as to performance at Wentworth Park and explore alternatives, including considering building a Centre of Excellence for the Sydney metropolitan area; this requires widespread industry consultation and government support but could consolidate Potts Park (Yagoona), Richmond, Appin and Wentworth Park. This would be a purpose built, new, high quality and robust facility. The stand could be built like Sandown to accommodate greyhound racing headquarters (GBOTA and GRNSW) to save rental costs and provide first class enclosed viewing, dining and entertainment facilities. It would include dual first class tracks. It could be styled for the dogs entering/ exiting the track via the patron areas. The facility could include club facilities to become a social point for metropolitan participants. Training and welfare facilities could be incorporated as well as accommodation for interstate travelling for Premium Feature Racing nights/events. Please refer pp 33-34 of Submission One for further detail of this concept.

2nd dot point - Reducing the funds flow to country clubs and deregulating their race dates

Please refer page two (2) above.

3rd dot point - The manner in which prize money increases are allocated

The point here is that with prizemoney scarce, participants would like to be consulted on how prizemoney is distributed. The latest prizemoney increase was paid by means of a travel allowance, an effective increase of \$40 per starter. We are not saying this is a bad thing, just that we would like to see a full proper consultation process. GRNSW is now holding consultation seminars with participants, participants are skeptical as to whether this is a fully committed process.

An objection by participants is that we provide a TAB national product for prizemoney of first place \$500 which is generally then split 50/50 owner/trainer. This compares against Victorian lowest tier racing which pays prizemoney minimum of \$1,325 per win and our estimated training costs of \$100+ per week (the average greyhound may only win a few races). Our 2nd tier racing is approximately \$1,080 per win and 1st tier is also inferior to Victoria.

This is simplified in that in our Submission One, we showed calculations that prizemoney per starter in Victoria averages approximately \$444 per starter compared to \$226 in NSW. We are well below WA as well (above \$300).

4th dot point - Increases in GRNSW cost budgets - still not communicated to the industry for Y2013/14

We would like the Inquiry to query Mr Hogan as to page 5 of the transcript from the Initial Hearing where he says GRNSW's administration costs are \$5.7M as we are directly sourcing our analysis from GRNSW Annual Reports and obtaining different data. (example,. The Y2013 Annual Report clearly states Admin expenses \$8,694,217).

By way of background, the ancestor of the current authority was Greyhound Racing Authority. In Y2003 the role of the authority was split and the regulatory functions passed to GHRRA and commercial functions managed by GRNSW. At the start of financial Year 2010, the regulatory function was passed and combined within GRNSW.

A review by historical cost indicates the following:-

Year	Cost	Body
2000	\$ 3,500,000	Former body GRA ¹ .
2004	\$ 4,600,000	Combined GRNSW & GHRRA ²
2010	\$ 6,600,000	GRNSW ³
2012	\$ 7,400,000	GRNSW ⁴
2013	\$8,694,217	GRNSW ⁵

There are rumors that the current operating budget for the Y2013/14 year is approximately \$10M and Submission 304 says going forward it will be \$17M +.

In respect to GRNSW, it operates in a hierarchical environment. It should be operating as a lean organization and so only needs a flat structure. A look at the "Our Team" on their website⁶ shows a Chief Executive Officer, a Chief Operating Officer, 4 General Managers, a Chief Steward, 5 managers and a Chief Vet. Surely that is top heavy and is a cause for wages above what they probably should be. We believe the ICAC recommendations were that it had to give value for money but this is unclear nor is there any accountability as to whether this is the case.

¹ Y2000 GRA Annual Report, p5, hard copy held

² GRNSW Y2004 Annual Report p36, <http://www.thedogs.com.au/resources/pdfs/2004AnnualReport.pdf>

³ GRNSW Y2010 Annual Report p41, [http://www.thedogs.com.au/Uploads/Userfiles/Annual%20Report%202009-10\(1\).pdf](http://www.thedogs.com.au/Uploads/Userfiles/Annual%20Report%202009-10(1).pdf)

⁴ GRNSW Y2012 Annual Report p43, [http://www.thedogs.com.au/Uploads/Userfiles/GRNSW%20AR12%20LR%20F%20\(2\).pdf](http://www.thedogs.com.au/Uploads/Userfiles/GRNSW%20AR12%20LR%20F%20(2).pdf)

⁵ GRNSW Y2013 Annual Report p8, <http://www.thedogs.com.au/Uploads/Userfiles/GRNSW%20AR13e.pdf>

⁶ <http://www.thedogs.com.au/DPage.aspx?id=3>

Dr Kay's question on p38 - in relation to item 2.8.5.

RESPONSE>

Item 2.8.5 forms part of the executive summary.

This is not intended to be a welfare issue and was poorly written in the executive summary format.

The point is explained in item 3.6.9 under the heading 'Resulting market inefficiencies due to restricted capital development'.

The point being made is that trainers are incurring excessive travel costs travelling the dogs large distances to race.

If the industry was more financial as it was years ago, the markets would work such that dogs with particular traits would be bought by participants in areas with tracks suiting those traits (example, lower class short distance dogs would be bought by participants racing lower class meetings with short distance racing). Because people and the industry are non financial, these dogs are not being transferred via resale markets to those areas.

As a result, trainers are even more uneconomic because he/she has to travel the longer distances at a high fuel and maintenance cost, instead of the greyhound being bought by a local and raced locally meaning lower travel costs.

We believe the vast majority of trainers have their dogs well travelled. It is not in the trainer's interests to have anything but a very well greyhound on arrival at the track.