

Questions On Notice

The Hon. LYNDA VOLTZ: Yesterday we heard evidence from the current President of the National Coursing Association [NCA] that at the time of The Gardens business plan Greyhound Racing NSW—and we would ask if you could send us this documentation—had written that it would provide a low interest or no interest \$5 million loan. Do you have any comments to make about that claim?

Mr HOGAN: The situation is that that was not a legally enforced document.

The Hon. LYNDA VOLTZ: No, sorry, he is saying that the offer was made. Was there ever an offer that was put forward for a \$5 million loan?

Mr HOGAN: That GRNSW would provide the NCA with a \$5 million loan?

The Hon. LYNDA VOLTZ: That is right.

Mr HOGAN: Not in my time.

The Hon. TREVOR KHAN: That is partly not responsive.

The Hon. LYNDA VOLTZ: What I am saying is that yesterday he claimed the NCA received correspondence from Greyhound Racing NSW that it would provide the \$5 million loan for that proposal. I do not want to know if it is in your time. I am happy if you take it on notice to clarify whether GRNSW actually wrote to the NCA at any stage regarding the loan provision.

Mr HOGAN: In my time at Greyhound Racing NSW an offer of \$5 million funding was never made for relation to The Gardens project.

The Hon. LYNDA VOLTZ: No loan provision was ever provided—

The Hon. STEVE WHAN: Or from its predecessors?

Mr HOGAN: My understanding—and I can check the record because The Gardens project goes back before the creation of GRNSW—is that the original loan, or grant—I need to check which it was—was in the vicinity of \$1.5 million towards the initial establishment cost of The Gardens.

Response: The predecessor of GRNSW, the Greyhound Racing Authority, made a funding offer of \$1.5 million to the NSW National Coursing Association with respect to the development of the Gardens by way of an Interest Free Interminable Loan. The review of the files could find nothing that indicates any offer of \$5 million was made by the Greyhound Racing Authority.

GRNSW has no record itself of ever making a loan offer, funding support offer or any other proposal to the NSW National Coursing Association to provide \$5 million of funding to the Association.

The Hon. LYNDIA VOLTZ: Does your organisation hold your predecessor's copy of the business plan of that model for The Gardens?

Mr HOGAN: We would need to check the files.

The Hon. LYNDIA VOLTZ: Yes. It would be fabulous if you could take that on notice.

Response: The first business plan that GRNSW holds on its files of the NSW National Coursing Association for The Gardens is November 2003 which we have enclosed (**Attachment A**). This is a business plan of the National Coursing Association as the venue operator as opposed to the Greyhound Racing Authority (GRA), the predecessor of GRNSW.

The genesis of The Gardens lay in the desire of the then NSW Minister for Gaming & Racing, Hon. Richard Face MP, and the Greyhound Racing Authority Board policy to rationalise operations throughout the state and establish various "centres of excellence". This policy of establishing centres of excellence or premier tracks emanated from a previous report prepared for the authority board on the "*Future of Greyhound Racing in the Lower Hunter*" by Lawler Davidson in 1997.

In mid-1998 the GRA Board and its Committee on Budgeting, Industry Development & Distribution set aside \$1.5 million for the purpose of developing a premier track somewhere in the Hunter.

Subsequent to this, the Hawkless Economic Appraisal of The Gardens was commissioned by the Authority. Having considered the Economic Appraisal, the Authority selected The Gardens as the premier venue in the Hunter and made a legally binding offer of \$1.5 million to the NSW National Coursing Association by way of an Interest Free Interminable Loan which was accepted.

The Hon. LYNDIA VOLTZ: There have been a number of tracks that have closed over the past number of years, so not one springs to mind. What has happened to those payments for those tracks?

Mr HOGAN: We would use a universal industry budget, if you like, so that money has been used elsewhere.

The Hon. LYNDIA VOLTZ: How much would come back from administration costs from the closure of those tracks?

Mr HOGAN: I would have to take that on notice to give you an accurate answer.

Response: The following tracks have ceased to conduct licensed race meetings funded by GRNSW in the last five years, the table below indicates where the race dates and associated funding have been transferred:

Track	Year	Relocated to:
Appin	2013	Wentworth Park as TAB C meetings
Forbes	2012	Dubbo as TAB C meetings

With respect to Appin see: <http://www.thedogs.com.au/NewsArticle.aspx?NewsId=3701>

With respect to Forbes see: <http://www.thedogs.com.au/NewsArticle.aspx?NewsId=3274>
<http://www.thedogs.com.au/NewsArticle.aspx?NewsId=3312>

The Hon. LYNDA VOLTZ: Has it increased at the same rate as the administration budget for Greyhound Racing NSW?

Mr HOGAN: I would have to take that on notice.

Response: The following table outlines the net funding for club and GRNSW administration of the past period:

	2012	2013
Net Funding of Club Administration	8,269,774	8,915,036
Net Funding of GRNSW Administration	6,411,133	6,924,385

As evidenced above, the increase in Net Funding of Club Administration was 7.8% whilst the increase in Net Funding of GRNSW Administration was 8%.

The key cost driver to GRNSW administration costs is the number of TAB meetings run. The number of TAB meetings conducted directly impacts on:

- Stewarding costs;
- Drug detection costs;
- Veterinary costs;
- Grading costs;
- Race book costs
- Race vision costs

These costs represent the bulk of GRNSW administration costs.

Mr HOGAN: If the cap was removed we would not change our model. We would continue to charge on the basis of 15 per cent of the gross revenue with 4.75 per cent of turnover. The cap will simply allow us to capture that whole 15 per cent of margin, which the cap is cutting into at the moment. With the current modelling, in the current financial year, it is around \$5.5 million in revenue. I can provide on notice estimates going forward if that would be of assistance.

The Hon. STEVE WHAN: That would be useful if you could take that on notice.

Response: GRNSW notes that the transcript from the hearing states: "We would continue to charge on the basis of 15 per cent of the gross revenue with 4.75 per cent of turnover".

This should read: "We would continue to charge on the basis of 15 per cent of the grow revenue with a floor of 0.75 per cent of turnover".

The Forward estimates for Race Fields Fees based on the current Race Fields Cap remaining in place are as follows:

Race Fields Revenue	2013	2014	2015	2016	2017
interstate Totalisators	7,037,472	7,064,259	7,145,265	7,210,053	7,281,814
Corporate Bookmakers	2,561,293.82	2,929,132	3,167,574.83	3,344,256.06	3,513,489.35
Betting Exchange	228,020	240,883	246,604	258,934	271,880
RFIU Fees	9,826,786	10,514,273	10,559,443	10,813,243	11,067,184

In the event that the Race Fields Levy Fee cap was removed at the commencement of 2015/16, and GRNSW continued to levy Race Fields Fees on the basis of 15% of an operator's gross margin with a floor fee of 0.75% of turnover, the forward estimates would be:

Race Fields Revenue	2013	2014	2015	2016	2017
interstate Totalisators	7,037,472	7,064,259	12,195,263	12,286,590	12,390,213
Corporate Bookmakers	2,561,293.82	2,929,132	3,167,574.83	3,344,256.06	3,513,489.35
Betting Exchange	228,020	240,883	246,604	258,934	271,880
RFIU Fees	9,826,786	10,514,273	15,609,441	15,889,780	16,175,583

The Hon. STEVE WHAN: With regard specifically to Trackside or with regard to broader matters?

Mr HOGAN: The way it was drafted it could have been used for any provision in those agreements.

CHAIR: Can you take that on notice and give us the clause? That is very interesting.

Mr HOGAN: Absolutely.

Response: The Parliament gave the NSW Minister for Gaming & Racing the power to amend the Racing Distribution Agreement via the *Totalizator Amendment Act* 2010 in Schedule 1 which provided for the following change to the *Totalizator Act* 1997:

[4] Sections 117B and 117C

Insert after section 117A:

117B Minister may direct changes to racing agreement

- (1) The Minister may determine that specified changes to a racing agreement are necessary or desirable for ensuring that the agreement is in the best interests of racing in New South Wales.
- (2) The Minister may notify the parties to the racing agreement concerned of the determination and direct that the changes specified in the determination are to have effect. Those changes have effect for all purposes as if the agreement had been amended by the agreement of the parties.

- (3) This section does not limit or otherwise affect the ability of the parties to a racing agreement to agree to make changes to the agreement.
- (4) In this section, ***racing agreement*** means the following:
 - (a) the agreement titled "Racing Distribution Agreement" dated 11 December 1997 between the NSW Totalizator Agency Board, NSW Racing Pty Limited, the NSW Thoroughbred Racing Board, Harness Racing New South Wales and the Greyhound Racing Authority (NSW), as in force from time to time,
 - (b) the agreement titled "Intra-Code Deed" dated 3 March 1998 between the NSW Thoroughbred Racing Board, AJC, Sydney Turf Club, Provincial Association of New South Wales and NSW Country Racing Council, as in force from time to time.
- (5) The Minister may not make a determination under this section after 31 January 2011.

Ms McGREGOR: The correspondence, the letter of resignation and my letter to him (David Landa), is not here, but we can provide that.

Response: See Attachment B

The Hon. MARIE FICARRA: It is an indicator to me that there seems to be a big surprise that this was released yesterday. It is fairly comprehensive from what you have outlined. Three complete sectors and directions and they sound admirable. The Committee is interested to know how much consultation took place. Will you provide the Committee with your process on community consultation during the past three years? How have you consulted with the industry that you represent? What are the processes and the number of people who may have attended those meetings? There seems to be incredible concern about a lack of consultation with your participating members. Will you provide the Committee on notice that detail? I would have thought you would have extensively consulted with them prior to releasing this strategy with Victoria. It seems that this inquiry was called and has gained traction and suddenly a joint strategy has been released. Am I being cynical?

Response: The following is an overview of the consultation GRNSW has undertaken since 2010.

2010

- Greyhound Clubs Information Seminar held on Friday 12 February 2010 - These seminars are a way of updating club personnel on developing areas of greyhound administration and provides clubs with opportunities to ask questions on operational and other important issues.
- As part of the strategic planning process in 2010, GRNSW released a discussion paper and Review of Market Environment document. From March – May GRNSW requested and took public submissions from any interested party on the aforementioned documents.
- On Friday 21 May 2010 GRNSW also held a Consultative Forum with industry stakeholder groups as part of the strategic planning process.
- Project Welfare Consultation - GRNSW commenced the development of Project Welfare as the first step in the implementation of a long-term welfare policy aimed at driving welfare improvement and cultural change within the industry. The process included extensive consultation with participants at all levels including those currently

not regulated including breeders and rearing establishments as well as animal welfare groups and agencies.

Consultation sessions were held at the following locations:

- Lismore
 - Wentworth Park
 - Nowra
 - Goulburn
 - Wagga Wagga
 - Dubbo
 - Richmond
 - Gosford
 - GRNSW Rhodes
 - Maitland.
- TAB Clubs Seminar held on 8 December 2010 - These seminars are a way of updating club personnel on developing areas of greyhound administration and provides clubs with opportunities to ask questions on operational and other important issues.
 - GRNSW held an Operating Standards Workshop with greyhound racing clubs on Friday 24 September 2010 to discuss how GRNSW's Operating Standards and Guidelines for NSW Greyhound Racing Clubs could be improved and streamlined.

2011

- As part of the commitment by GRNSW to provide of the best possible racing surfaces for greyhounds, consultation sessions with all TAB track managers and staff were held regarding methods of track preparation, standardisation of equipment and safe racing surfaces.

Consultation sessions held were as follows:

- Monday 16 May 2011 – Gosford Greyhound Racing Club
 - Tuesday 17 May 2011 – Richmond Greyhound Racing Club
 - Monday 23 May 2011 – Grafton Greyhound Racing Club
- In 2011, GRNSW conducted a review of its grading policies. As part of this process a number of seminars with participants, administrators and industry groups were conducted across the state at the following locations:
 - Wagga Greyhound Club
 - Bathurst Greyhound Club
 - Dubbo Greyhound Club
 - Dapto Greyhound Club
 - Wentworth Park
 - Richmond Race Club
 - Gosford Greyhound Club
 - Maitland Greyhound Club
 - Grafton Greyhound Racing Club

- Following the consultation sessions, GRNSW released a discussion paper on the review of the TAB Grading Policy. The public and participants of the sport were invited to provide submissions on the discussion paper.

2012

- During 2012 Information Sessions on the introduction of Penalty Guidelines for Prohibited Substance breaches were held at the following locations:
 - Tuesday 16 October – Goulburn
 - Wednesday 17 October – Richmond
 - Thursday 18 October – Maitland
 - Monday 22 October – Bathurst
 - Tuesday 23 October – Gosford
 - Friday 9 November – Casino
 - Wednesday 14 November – Dapto
 - Thursday 15 November – Dubbo.
- GRNSW in partnership with NSW Dept of Education & Communities - State Training Services & Hunter Institute of TAFE launched a Certificate II in Racing (Greyhounds) pilot program in 2012.

GRNSW held the following information sessions during 2012:

- Thursday 4 October - Dapto
- Friday 5 October - Wentworth Park
- Saturday 6 October - Richmond
- Tuesday 9 October - Gosford
- Wednesday 10 October - The Gardens
- Tuesday 16 October – Lismore.

2013

- In February 2013, the GRNSW Chairman and Chief Executive conducted forums with the Chairman and Chief Executive from all TAB clubs
- In April 2013, GRNSW staged a meeting with the Executive of the Greyhound Racing Clubs Association to discuss changes to the Non-TAB sector.
- In May 2013 GRNSW called for public feedback via submission, over a period of three weeks, on grading clauses relating to the inclusion of Category D meetings into the Grading Policy.
- Tab Clubs Seminar held on Wednesday 5 June 2013 - These seminars are a way of updating club personnel on developing areas of greyhound administration and provides clubs with opportunities to ask questions on operational and other important issues.
- In November 2013, the GRNSW Chairman and Chief Executive conducted forums with the Chairman and Chief Executive from all TAB clubs
- As part of the strategic planning process GRNSW held a series of focus groups around the state to discuss the key challenges and issues facing the sport including a

range of welfare initiatives. In addition to the focus groups, GRNSW also accepted written submissions from any interested party.

Details of the individual focus groups held are outlined below:

Group	Date	Venue	Attendees
Northern Rivers	Tuesday 12/11	Lismore	Any Interested party related to/from the Northern Rivers Region
New England	Saturday 16/11	Tamworth	Any Interested party related to/from the New England Region
Breeders	Monday 18/11	GRNSW	Studs, Commercial Breeders, Owner-Breeders,
Trainers	Monday 18/11	GRNSW	Professional and/or Hobby Trainers
Metropolitan	Monday 18/11	GRNSW	Any interested party related to/from the Metropolitan & Provincial Area
TAB Clubs	Tuesday 19/11	GRNSW	Chairman & Secretary / Managers of TAB Clubs
GBOTA	Wednesday 20/11	GRNSW	GBOTA representative group
Animal Welfare/Greenhound Groups	Wednesday 11/12	GRNSW	Re-homing and Greenhound Assessors
Owners	Thursday 21/11	GRNSW	Owners, Owner-Breeders
Wagering	Thursday 21/11	GRNSW	Punters, Representatives from Wagering Operators and Media
GRICG	Wednesday 27/11	GRNSW	GRICG Members only
Hunter/Nth West	Friday 29/11	Newcastle	Any interested party related to /from the Hunter region
Mid North Coast	Saturday 30/11	Wauchope	Any Interested party related to/from the Mid North Coast Region
Western Districts	Thursday 12/12	Dubbo	Any Interested party related to/from the Western Districts Region
Riverina	Friday 13/12	Wagga	Any interested party related to/from the Riverina Region

2014

- Treatment Record Information Sessions - to assist trainers in meeting their obligations in relation to GAR 84A Treatment Records, GRNSW's Education, Welfare and Veterinary Services Unit will be conducting on track information sessions between close of kennels and the first race at the following tracks on the dates outlined below:
 - Goulburn - Tuesday 4 February
 - Richmond - Wednesday 5 February
 - Bathurst - Monday 10 February
 - Wagga Wagga - Friday 14 February
 - Nowra - Monday 24 February
 - Gosford - Tuesday 4 March
 - Dapto - Thursday 6 March
 - Lismore - Tuesday 25 March
 - Grafton - Thursday 27 March
 - The Gardens - Friday 28 March
 - Maitland - Thursday 17 April
 - Dubbo - Thursday 1 May.

Other Consultation Activities

Greyhound Racing Industry Consultation Group

Established under the NSW *Greyhound Racing Act 2009*, the Greyhound Racing Industry Consultation Group (GRICG) has the function of consulting with and making recommendations to GRNSW on matters concerning greyhound racing in NSW.

GRICG is required to meet at least six times a year. The members of GRICG are honorary and no remuneration is payable to them in respect of the duties they perform.

The current membership of GRICG is as follows:

Ron Arnold (Chairperson)	Country Clubs Representative
George Hayes (Deputy Chairperson)	NSW Greyhound Breeders Owners and Trainers Association
Wayne Billett	TAB Clubs Representative
Bob Green	NSW Greyhound Breeders Owners and Trainers Association
Mark Merlino	Bookmakers representative
Mark Alamango	Registered Greyhound Participants Association

As outlined in GRNSW's submission to the Inquiry, GRICG is an important forum which provides input on industry regulation and is a channel for participants to raise concerns and make recommendations to GRNSW, providing an appropriate accountability mechanism between industry stakeholders and GRNSW.

Veterinary Advisory Panel

The Veterinary Advisory Panel (VAP) was established to provide independent technical advice in relation to regulatory and animal welfare issues where veterinary views are relevant to the matters being considered by GRNSW.

The VAP was an independent group of veterinarians, with particular expertise in respect to greyhounds. The panel consists of Dr. Ted Humphries, Dr. Peter Yore, Dr. Linda Corney, Dr. Rob Zammit and Dr. Bob May.

The VAP met three times until 2012, including meeting representatives of the Australian Racing Forensic Laboratory, and provided professional advice to GRNSW in areas relating to the detection of prohibited substances and other veterinary related policy proposals. such as pannus and procaine.

With the establishment of the Welfare and Veterinary Services Unit in 2012, the VAP ceased. However, GRNSW has continued to regularly consult the Australian Greyhound Veterinary Association (AGVA), which is the recognised national body of greyhound veterinarians and of which many of the former VAP are members.

Greenhound – Muzzle Exemptions

Between 2010 and 2012 GRNSW - in partnership with NSW Department of Local Government - consulted extensively in relation to the implementation of the NSW Greenhounds Muzzle Exemption, this included;

- Rehoming Groups in NSW
- National GAP Bodies
- Victorian and Queensland local government
- Association of Council Rangers
- RSPCA NSW
- Greyhounds Australasia

Welfare Issues

GRNSW's Education, Welfare and Veterinary Services Unit has, where possible, aimed to raise the profile of welfare issues within wider community. More specifically, GRNSW has attended and presented at the following events:

- 2011 RSPCA NSW State Inspectors Conference
- 2012 NSW Council Rangers Conference - GRNSW Code of Practice and Greenhound Muzzle Exemptions
- 2012 Councils Unite for Pets (CUPS) - Presentation of Greenhounds and Greyhound Welfare
- 2012 Corrective Services NSW - Presentation of the Role of Greyhounds in Prisons
- 2013 AgrifoodSkills National Racing Standing Committee - Education and Cultural Change in the NSW Greyhound Industry
- 2012 and 2013 Greyhounds and Pets National Conference.

In addition, since 2009 GRNSW's Greyhounds As Pets program has participated in over 140 promotion events in the wider community throughout NSW and the ACT, aimed at creating greater awareness of the greyhound breed outside of racing.

The Hon. TREVOR KHAN: There has been a submission, and also comment made this morning, with regards to an incident when three greyhounds died at Dapto on 10 April 2013. There seems to be a degree of conjecture as to any investigation that is apparently going on. Can you describe to the Committee the nature of that inquiry, when it was initiated and where it is up to?

Mr HOGAN: That was initiated by me the day after.

The Hon. TREVOR KHAN: Do you say on 11 April?

Mr HOGAN: Yes. That was completed internally within our integrity and veterinary units. The circumstances in which those greyhounds died were ultimately not found to be at fault of the track preparation or any pre-existing condition in those particular greyhounds that succumbed to injury that night. It was one of those "freak" nights of coincidences from that perspective. I am happy to take part of the question on notice in terms of the finalisation of that report.

The Hon. TREVOR KHAN: I would invite you, and if you are able to, will you provide the Committee with a copy of the report simply because certain allegations have been made in one submission with regards to it and I would like to clear that up.

Mr HOGAN: Yes, we will do that.

Response: See **Attachment C**

The Hon. STEVE WHAN: I think the allegation was that the report said it had been rested and it had been destroyed at the track.

The Hon. TREVOR KHAN: Yes.

Mr HOGAN: I am happy to take that on notice and come back to you on what was the particular circumstance.

Response: Stewards Reports are intended to report incidents relative to the Rules of racing and impacting on the outcome of a race. Incapacitation certificates issued under the Rules of Racing are recorded in the Stewards reports. Stewards reports are not intended to be the primary source of information with respect to injuries and are not relied upon for same by GRNSW.

In relation to the incident with Papalii, the greyhound did suffer an injury when it competed in a Performance Trial at Richmond on 11 December 2013. The greyhound was euthanised by a veterinarian due to its injuries at the request of its owner at some point after the Performance Trial.

The Hon. LYNDA VOLTZ: How much was paid for the land?

Mr HOGAN: I would have to confirm that in terms of what the NCA paid for it. I will take that on notice.

Response: Our records indicate a total of \$1.3 million across two separate transactions.

Mr HOGAN: The \$2.1 million was extinguished. I would have to check the language. I am not aware that that would say—

The Hon. LYNDA VOLTZ: I have just read the annual report and that is what it says.

Mr HOGAN: I do not have that in front of me to refer to confirm one way or the other.

Response: Note 1(n) of the GRNSW Financial Statements for the year ending 30 June 2012 provide:

“GRNSW acquired a 70% share of the property known as the Gardens from the NSW National Coursing Association on 1 March 2012. The transaction involved a \$2,100,000 interest free repayable loan to the NCA being forgiven and an additional payment of \$1,200,000. GRNSW’s 70% share of the property was valued at \$1,020,000 resulting in an impairment expense of \$149,503.”

This reflected the following resolution of the GRNSW Board made on 31 January 2012:

RESOLUTION

Ref:12128

“That the Board resolve:

1. Make an allocation from the TAB Dispute monies of \$1,200,000 to be used to purchase a 70% share of the Gardens;
2. Note the NCA’s in-principle support of the 20 December 2011 GRNSW funding offer subject to the formal documentation of the arrangement;
3. Authorise the chief executive to finalise, make non-material amendments as necessary and execute the following:
 - a. Contract for the sale of Land to acquire a 70 per cent interest in the property known as 104 Sandgate Road, Birmingham Gardens NSW 2287;
 - b. Co-Ownership Agreement with the NCA;
 - c. Operator Agreement with the NCA.
4. Convert the existing \$2.1m interest free repayable loan from the GIDF to the NCA with respect to the Gardens to a grant.”

CARRIED

Dr JOHN KAYE: That is a fair enough point. If the land value plus the stadium that was there was worth, say, \$1.7 million, are you saying that the additional infrastructure was worth an additional \$4 million?

Mr HOGAN: I can provide the Committee with the specifics, but it would be.

Response: The complex was valued in September 2013 for insurance purposes by an independent valuation firm at \$9.3 million.

CHAIR: I still have not heard an answer from you to my original question on what strategy you have would in place to try to increase prize money to a level that will make us competitive. I have another question: What proportion of your revenue dollar goes into prize money? How does that compare to Victoria?

Mr HOGAN: I can provide you with that breakdown. I am having to provide that breakdown to you on notice.

Response: The following table outlines the total revenue and prizemoney comparisons between GRNSW and Greyhound Racing Victoria for FY13 which demonstrates that GRNSW dedicates a higher percentage of its overall revenue towards prizemoney:

	GRNSW	GRV	Difference
Total Revenue	39,905,344	70,986,000	31,080,656
Prizemoney	21,545,817	36,730,000	15,184,183
Prizemoney as % of Revenue	54%	52%	

The Hon. LYNDA VOLTZ: So your administration cost went down the next year?

Mr HOGAN: It took our headcount, yes.

The Hon. LYNDA VOLTZ: It took you headcount down, but your costs actually went up.

Mr HOGAN: I can provide you with a breakdown of the savings that were achieved through that initiative. I can provide that to you.

CHAIR: If you could do that, please take it on notice too, please.

Response: GRNSW introduced changes to Race Day Integrity Services progressively in 2011/12. This involved the establishment of a central control room at GRNSW which is serviced by a high speed private network and manned by a Race Day controller, who is also assisted by an on-track Integrity Officer.

The network beams live pictures back to the control room of raw race vision and closed circuit TV of restricted areas on the track while also allowing for video conferencing between the race track and control room.

The central control room has enhanced integrity services by allowing for advanced monitoring of betting trends, early identification of potential incidents, detailed post meeting reviews and one central contact point for race day operational matters. A similar model is now under trial by Australia's leading racing regulator, Racing Victoria Limited.

The project has been delivered in accordance with the business case that was developed. That business case demonstrated savings over a five year period of \$569,420. The project had a Net Present Value of \$82,274.

As is evident from the above, this is relatively immaterial to the overall budget position of GRNSW. By way of comparison, in August 2012 GRNSW announced its decision to nearly double its swabbing budget, an increase that allowed the number of drug detection samples taken at TAB meetings to increase to 7.5 swabs per meeting. It also resulted in the samples to starters ratio rising by more than 2.5 times. From a budgeting perspective this initiative - aimed at reinforcing the commitment of GRNSW to ensure the integrity of greyhound racing in NSW and ensuring the drug sampling levels in NSW met with national best practice - increased expenditure by \$600,000 per annum.

CHAIR: Okay. Getting back to Mr Landa, was there a written charter of the integrity auditor's role within the organisation when he started? Is there one now?

Mr HOGAN: The role, powers and the function is as per the Act. That is the guiding principle used.

Integrity auditors—all three who have held that position—have put in place processes and published processes for how they would deal with complaints and how they will progress an investigation.

Ms McGREGOR: And we can send that.

Response: See **Attachment D**

The Hon. LYNDA VOLTZ: I would be interested to see the figures, if you can break them down, because I do not see how you get the \$6.4 million without the infrastructure money being in there. I would be interested to see how that \$6.4 million was broken down and again, how it relates to the \$7.2 million in the 2013 financial year.

Mr HOGAN: We can attend to that.

Response: The cost difference is made up due to three separate items. They are:

- The CPI rise for the administration costs paid to all clubs in NSW;
- The addition of 40 Goulburn TAB C meetings and the administration costs that were associated with the introduction of these meetings;
- The costs associated with the administration process of The Gardens.

The Hon. TREVOR KHAN: Will you be able to provide us with a table that shows where the transfers have occurred with any appropriate comment as to why?

Mr HOGAN: Yes.

Response:

- Due to the closure of Forbes, 12 Non-TAB meetings were transferred to TAB C status. Nine of these were transferred to Dubbo and three to Richmond
- Due to the end of Appin's licence, 27 Non-TAB meetings were transferred to TAB C status at Wentworth Park