

INQUIRY INTO GREYHOUND RACING IN NSW

Organisation: Harness Racing New South Wales

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NSW LEGISLATIVE COUNCIL INQUIRY INTO GREYHOUND RACING IN NSW

SUBMISSION ON BEHALF OF HARNESS RACING NSW

(As Authorised by the Board)

1(a) The economic viability of greyhound racing in New South Wales

Harness Racing New South Wales (HRNSW) does not propose to comment on this particular term of reference. Clearly this is a matter for the greyhound racing industry.

1(b) The financial performance and conduct of the industry and of Greyhound Racing NSW including a comparison to other states of Australia

HRNSW does not propose to comment on this particular term of reference.

1(c) Government initiatives and assistance measures to support the industry and comparison to other codes

HRNSW does not propose to comment on this particular term of reference.

1(d) The effectiveness of current industry regulation, including level of autonomy of Greyhound Racing NSW

HRNSW does wish to comment on this particular term of reference as any recommendations emanating from this Inquiry may have ramifications for the harness racing industry, given the similarity of legislation governing both codes.

This term of reference is problematic to HRNSW as it is not clear what is intended by "effectiveness" and "autonomy" above. There can be numerous interpretations on either of these descriptions and where or what are the perceived problems inherent in the current legislation. As stated above, while HRNSW does not have any issue with the administration of greyhound racing in New South Wales, there would be a concern if any recommendations flowing from the Inquiry Report suggest changes which may impact on the administration and regulation of the harness racing industry in this State.

During recent years the Board and senior management of HRNSW have been required to deal with and manage one of the most significant regulatory failures across all three codes in recent years. The so called "Green Light Affair" had a major impact on the harness racing code in NSW. It involved collusion between two harness racing stewards and a number of licensed stewards to circumvent drug testing of horses at licensed meetings. This did untold initial damage to the reputation of the sport and had the potential to undo the work of the last decade in moving the perception of the "red hots" to one where the wagering public had confidence in the regulatory framework of the industry.

It was not the "effectiveness" of the regulatory framework (including the legislation) which failed but the governance around integrity and testing. In this respect, the governance and integrity practices allowed the regulatory decision-makers far too much latitude in determining the horses to be tested at a given meeting and in a specified race. It allowed corrupt stewards to collude with certain trainers to provide a "green light" that their horse would not be drug tested before or after a race.

If there was a saving grace for HRNSW out of this matter it was fortunate that the decision had been taken to appoint a Regulatory Manager just prior to the exposure of the corrupt practices. Even more fortunate that the person appointed to this position has proved in the eyes of the Board of HRNSW and the harness racing industry to be the most effective Integrity Manager across all three codes in Australia.

The investigatory work of the Integrity Manager in concert with exceptional support from the NSW Police has led to the arrest and imprisonment of a number of individuals (including a steward and licensed persons). This has required HRNSW to allocate significant additional funds to the regulatory role to ensure the effectiveness of its regulatory role.

The point of these comments is to identify that the problem with such occurrences is not a failure of the legislation but of governance and process. The current Board of HRNSW has strengthened the role of the integrity/regulatory function and has received favourable comment from the industry in NSW and colleagues in other jurisdictions for its leadership.

The HRNSW Organisation Chart is attached as an Annexure.

On the other description of "autonomy" it is not clear to HRNSW (with similar legislation) as to what is meant by this particular focus. HRNSW is supportive of the current arrangement and would oppose any change. The qualifications for Board membership are clear, an independent process is provided for selection of Board members and membership at director/committee member level of an industry organisation excludes appointment to HRNSW.

In the case of HRNSW the Board comprises a diverse range of skills and experience to provide leadership and direction to the industry and ensure that appropriate governance is in place. Any return to those with a vested interest in the outcomes of deliberations and decisions of the governing Boards would be anathema to harness racing. It would also potentially result in decisions being made on behalf of vested interest and not the industry as a whole.

1(e) The selection process for the Board of Greyhound Racing NSW

HRNSW has no issue with the process for selection of Board members. There must be confidence across all interested parties in the independence and experience on the Boards of the three racing codes. It is not merely the participants requiring confidence in the process but the wagering public, wagering bodies, race clubs and industry bodies. It is short sighted and dangerous to contemplate a backward step in this particular direction. If HRNSW were to make a comment it would be that consideration should be given by government policy makers to consider appointing a member (the Chair) or a retiring member as a member or observer on the selection committee. In such a case this may avoid the appointment of a potential member who would not have the confidence of the existing members or the industry.

1(f) The effectiveness and accountability of the board and management of Greyhound Racing NSW

It is the view of HRNSW that the management of HRNSW is accountable to the Board of HRNSW. It would be inappropriate for any other accountability to exist and counter good governance.

If an industry participant has an issue with its Board then there are sufficient mechanisms to raise those concerns. Importantly, simply because a participant does not like the decision of a Board is not reason for removal. The industry is wider than participants, with stakeholders (including wagering operators and those who wager). The legislation provides remedies for inappropriate behaviour and that is where it should rest – with one proviso. In this respect removal of the regulatory framework from government administration also removed Board members and staff from the remit of the Independent Commission Against Corruption (the ICAC). As the Boards of the three racing codes administer their industries under legislation it might be useful to consider placing them under similar “watch” as that provided to local councils and we understand universities.

1(g) The effectiveness of the current arrangements for, and role of, Integrity Auditor of Greyhound Racing NSW

As a similar role is provided under the harness legislation HRNSW proposes to make a short comment.

This issue has not arisen in the harness racing industry and HRNSW believes that this is due primarily to the confidence the industry perceives in the actions taken to strengthen the integrity and regulatory framework post the “Green Light Affair”. It is the view of HRNSW that if the Board places a high priority on the integrity of the regulatory framework, funds the role appropriately and is transparent in the decision-making and outcomes then the expectations of industry of the role of the Integrity Auditor are much more realistic.

HRNSW is committed to the role of Integrity Auditor and works in co operation with the appointee and is careful to provide all relevant material to assist in any inquiries.

1(h) The capability and performance of Greyhound Racing NSW

HRNSW has no comment.

1(i) The incidence of drug administration and doping in the industry and the efficacy of Greyhound Racing NSW’s control and testing procedures

Given the damage the “Green Light Affair” did to confidence both within and outside the harness racing industry the Board of HRNSW has made integrity the number one priority and above all commercial decisions. Significant funds have been allocated to the integrity function and the outcome for offenders has been significant.

A comprehensive summary of our integrity strategies and various outcomes since August 2011 is provided below:

FROZEN SAMPLES

- HRNSW is the only harness racing regulator in the world that tests frozen samples. The Ontario Racing Commission in Canada stores frozen samples, but at this time does not test them.
- HRNSW has increased its storage capacity for frozen samples and now has two freezers at

the ARFL.

- To date HRNSW has retrospectively confirmed four positive tests as a result of our frozen sample strategy.

TESTING NUMBERS

- HRNSW sets a clear benchmark on the ratio of runners tested to starters. Last financial year it was 23% and it is a Board resolution for it to remain higher than 1:5.
- HRNSW has introduced real time TC02 testing through investment in iStat machines.
- As a result of such strategies the average TC02 level has dropped from 31.9 to 30.4 since August 2011.

WORK WITH NSW POLICE

- HRNSW has worked closely with NSW Police on Strike Force Tairora and Strike Force Trentbridge resulting in numerous arrests, convictions and, in some cases, imprisonment.
- Strike Force Trentbridge was originally set-up to investigate corruption in harness racing, but also resulted in arrests pertaining to thoroughbred racing.

OTHER STRATEGIES SINCE AUGUST 2011

- An expansion of the Integrity and Regulatory Budget from \$700,000 per year to \$1.4 million per year.
- The appointment of a full-time regulatory vet and investigator.
- The introduction of covert surveillance and out of competition drug testing.
- A more rigid licence and re-licensing process including a fit and proper person test.

1(j) Sale and breeding of greyhounds including the market conditions and welfare of animals

HRNSW has no comment other than to indicate that any inappropriate treatment of an animal will be dealt swiftly by HRNSW.

1(k) The welfare of animals in the industry and the role of Greyhound Racing NSW in establishing and enforcing standards of treatment of animals

HRNSW does not propose to comment on this particular term of reference.

1(l) Financial incentives for reducing euthanasia and prosecutions for animal mistreatment

HRNSW notes that financial incentives for reducing euthanasia are open to misuse and potentially corrupt processes. The emphasis needs to be placed on encouraging re-homing and an

understanding that the animal has a role as a companion animal or indeed a pleasure or working role. HRNSW is working to encourage greater re-homing of retired or injured harness horses.

While every effort should be made to re-home animals HRNSW is concerned to ensure that where an animal cannot be re-homed every effort should be made at the end of life process for it to occur in a humane way. Unfortunately, when stories of inappropriate actions occur they are the worst of the worst and carried out by the uncaring.

HRNSW is not aware of the legislative arrangement for euthanasia it is understood that knackeries and the like are not required to stun animals before death. The obvious question is why is the process for an animal destined for the table to be treated differently to other domestic animals ?

1(m) The adequacy and integrity of data collection in the industry, including the number of pups born, the number of dogs euthanized and injury rates

HRNSW makes no comment other than to indicate that the issue should be about humane treatment of animals at end of life, but this is a matter for legislators.

1(n) Any related matter

HRNSW makes no further comment.