

**Submission
No 299**

INQUIRY INTO GREYHOUND RACING IN NSW

Name: Mr Paul Wheeler

Date received: 28/10/2013



RECEIVED

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Wednesday, 23 October 2013

To the Select Committee Greyhound Racing in NSW

Introduction

My Name is Paul Wheeler I am the Owner manager of the above kennel I am 58 years old and was basically born into the greyhound industry

My parents started in this industry in the early 1960's I am the second generation and my son Brendan who is married with two young children is the third generation and who knows maybe one or both his children will be the fourth generation involved in this industry and Business

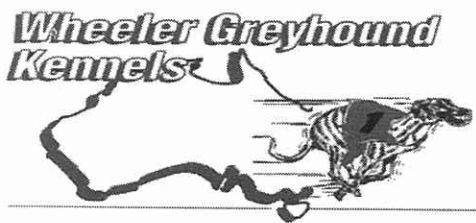
Our Business started all those years ago as a hobby with my mum and dad, us children would help with the care of the greyhounds before and after school and on weekends

Our hobby grew bigger and bigger till with my father at the helm we went professional in the early 70's

Our Kennel has grown to probably one of the largest and most successful greyhound complexes in the world today.

It is now a multi Million Dollar Business employing around 12 to 14 people in rural NSW, with greyhounds racing all over the nation as well as New Zealand .We also deal with the USA and have a stud dog standing at stud in Ireland

I was appointed to the NSW Greyhound Control Board in 2000. So I do have some understanding of how the NSW greyhound Authority performs its duties



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My thoughts on the review

a. the economic viability of the greyhound racing industry in New South Wales,

The greyhound industry in NSW is at a very serious financial point in its existence.

There is very little investment from the private sector in the NSW greyhound industry. Such as setting up complexes for training greyhounds to trial tracks etc. this is because of the poor return in NSW for the participants investment or Prize Money.

This will have an adverse impact on the NSW Greyhound industry and hamper its ability to rebuild because without private facilities such as private trial tracks, rearing establishments, training complexes etc., it becomes increasingly difficult for participants to be involved in this industry and to conduct themselves in a proper and competitive manner to train and care for their greyhounds in the modern day

There are larger privately owned training complexes in South Australia than there is in NSW and these large training complexes in SA generate more Prize Money annually than leading trainers in NSW

This has been brought about through by the lack of funds the NSW greyhound industry generates mainly due to Intercode agreement which locks NSW income to a fixed 13.2% when we are contributing around 20% of TAB turnover.

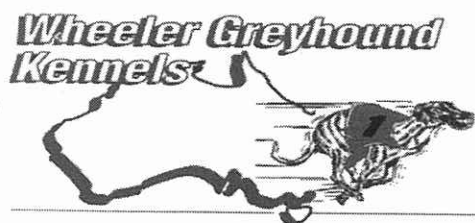
Without increasing its income base I can see the NSW greyhound industry further deteriorating

In our kennel operation the NSW Greyhound Industry is coming in well down the list in the nation on a per starter to prize money ratio and if this is not addressed will fall further behind the rest of the nation.

Even though our kennel has built a new complex in rural NSW during the past decade we were forced many years ago to shift the majority of our kennels racing activities Interstate for racing due to the poor returns via prize money in this state.

Approximately 95% of our annual income is derived from our racing activities interstate.

If we did not make that move approximately 15 to 20 years ago we would be out of business today. This is because the greyhound industry in NSW is so unviable compared to other states in Australia and it could not support our operation.



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Find attached annex 1.

These figures were obtained from our financials.

I use these figures to identify and target the best locations in Australia to race our greyhounds to give us the maximum return Via Prize Money to support our kennel operation

These figures show our kennels national percentage of starters in each state compared to the percentage of our kennels prize money from that state

You will also note the amount of Victorian (Interstate Trainers) trained greyhounds that race in the various states chasing feature races

This occurs because Victorian Racing is so viable it has attracted private sector investment from trainers etc. to set up large scale training complexes which NSW has very few or none and they train greyhounds not only for Vic races but frequently make up feature race fields all over the nation.

The vast majority of our interstate Trainers come from Victoria one is from WA

This means around. 80% of our income come from Vic trained greyhounds in 2012 and to date in 2013 so far approx. 85% of our income has come from Vic trained greyhounds

% Our Kennels National Prize Money -----% our kennels national starters

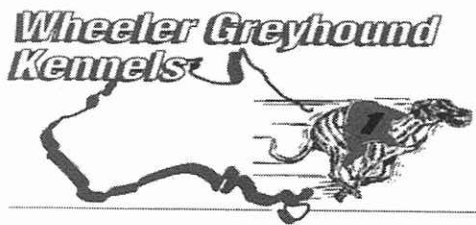
Year 2012

WA----	4.3%	-----	1.9%
Vic----	72.7%	-----	52.9%
NSW---	3.1%	-----	3.4 %

Jan 2013 to August 2013

WA----	5.2%	-----	1.0%
Vic----	67.1%	-----	59.1%
NSW---	1.4%	-----	2.6%

You will also note the return in Prize Money per starter in each location in the far right hand column, NSW ranks well down the list



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B. the financial performance and conduct of the industry and of Greyhound Racing NSW including a comparison to other states of Australia.

Financially I think the greyhound industry in NSW is doing about as good as it can under the financial restrictions placed on it with the current intercode agreement which has locked the greyhound industry in NSW to 13.2 % and the lack of Government support which is evident in Victoria

Under these restrictions the NSW greyhound industry is losing approximately \$15,000,000 to \$20,000,000 annually and cannot compete with other states such as Victoria in all areas such as prize money, facilities at race tracks, the tracks themselves and animal welfare

Find attached annex 2

These figures were obtained from GRNSW, I had my accountant do a summary to show what the greyhound industry in NSW has actually lost in revenue since the intercode agreement was introduced in 1997/98 to 2011/12.

Find attached annex 3

I have contacted the Victorian Government to see what they have done for the racing industry in their state particularly the Greyhound Industry

At Victoria's last state election the Liberal /National Party put out a Plan for racing which is attached

For the Greyhound Industry the Victorian Government has

1. Provided \$1,000,000 over four years to the Greyhound Adoption programme
2. Provided approximately \$4,650,000 over four years to the greyhound industry to improve racetracks and facilities
3. Provided approximately \$1,550,000 to boost the greyhound breeding industry in their state

These figures represent a total of \$7,200,000 in financial support from the Vic Government over a four year period.

I am not aware of any financial support from the NSW government to the greyhound industry in NSW



Further I sent the reply from the Vic Government to the CEO of GRNSW Mr Brent Hogan and asked him does the NSW government do anything similar to support the greyhound industry in this state, below is his reply

Hi Paul

Thank you for the email, I have had a read over what the Premier's office had provided you.

Neither Party put out a Racing policy like the one attached at the last NSW election.

There is no commitment to returning State wagering taxes to the racing industry through any scheme, such as the Victorian on-course scheme below.

With respect to unclaimed dividends the arrangements are different in NSW to Victoria. In Victoria the monies become Government revenue. In NSW the monies belong to the TAB and the racing industry receives a split of this through the profit share arrangements.

Regards,
Brent

brent hogan

CHIEF EXECUTIVE

greyhound racing new south wales

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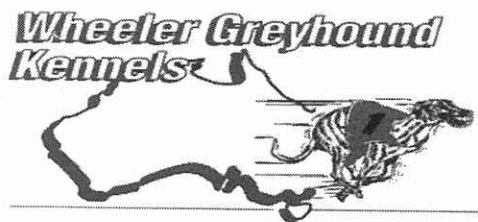
Find attached annex 4

This is a reply from the CEO of Greyhound Racing Victoria and as can be seen GRV is expecting around \$70,000,000 gross income from its financial arrangements in that state this year. Their Prize Money budget for 2013 is approx. \$40,000,000 which represents Approx. 57% of gross income

During conversations with the CEO of GRNSW . NSW in 2013 expecting approximately \$40,000,000 gross income and to pay approx. \$23,000,000 in Prize Money approx. 57% of gross income

So both NSW and Vic are performing level on their prize money paid compared to their Gross income.

NSW is financially disadvantage through it arrangements with the inter code agreement in NSW and does not receive any extra financial support from the government as is the case in Victoria.



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Also a document from the Victorian Government 16-10-13 Titled

Victorian Greyhound Racing Industry Powering Ahead

Showing the Financial gain the Vic economy gets from Greyhound racing in Vic

Contributing \$200,000,000 in economic benefits and 2,000 job's across the state of Vic

This shows that the NSW economy is missing out on huge gains in its economy if racing and in particular the greyhound industry was supported to the extent of Victoria in this State by the NSW Government

C. government initiatives and assistance measures to support the industry and Comparison of assistance to other racing codes,

In Victoria and Minister for racing is the Premier of that state Dr.Dennis Napthine
The Victorian Government supports racing and the Premier frequently attends greyhound race meetings he also makes himself available for greyhound functions and open forums as well as the Vic government contributing financially to capital improvement at race tracks

I am not aware of any support from the NSW government to the greyhound industry in NSW

D. the effectiveness of current industry regulation, including the level of autonomy Of Greyhound Racing NSW,

I think that this area is at an appropriate level in NSW and I do not think this is a concern

E. the selection process for the board of Greyhound Racing NSW,

I was on the Greyhound Racing Authority in NSW in 2000.

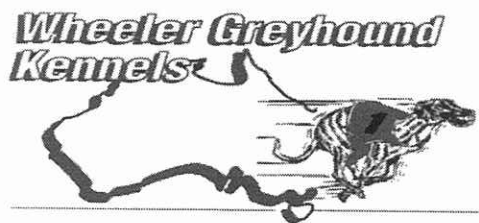
One huge problem in those days was the board was mainly made up of club represientives and even though these people had the best intentions their decisions were made for the one sector of the industry they represented The **Clubs**

This was to the detriment of all other sectors of the industry.

The clubs were all important and prize money increases were non existent for years,

During most of the 80's and 90's

Since the changing of the structure of the NSW Authority (No Club Reps) there have been many positive changes.



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Prize money has increased, not to the extent of states such as Vic, this is primarily because of the lack of funds and support that the industry receives in NSW compared to Vic,

But still there have been increases.

Positive grading changes, central grading and recently the NSW Authority has come in line with the rest of the nation paying of prize money direct in bank accounts

I believe current selection process for the NSW authority is appropriate, but I think it should be reviewed every five or six years to make sure it meets that times needs

F. the effectiveness and accountability of the board and management of Greyhound Racing NSW,

Same as D

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

Same as D

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

Same as D

I. the incidence of drug administration and doping in the industry and the efficacy Of Greyhound Racing NSW's control and testing processes,

I believe NSW is as good or better than most other states in area, I do not think drugs are a problem in greyhound racing.

The NSW authority in the last year substantially increased the number of swabs done in this state.

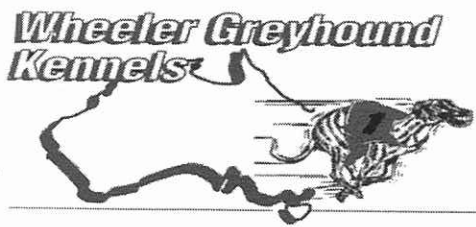
The greyhound industry in NSW seems to have a public perception that greyhounds are doped or drugged to make them run which is **Totally Untrue.**

Trainers cannot even use liniments or eye drops in fear of getting a positive swab .Swabbing is so sensitive now that people get a positive through food sources such as meat and even bread that has poppy seeds on it.

The other thing that we as an industry must do and most participants agree , is to give all participants a level playing field and punters the confidence in our product.

I think NSW does this very good for the limited financial recourses they have,

One area that needs substantial investment is promoting the greyhound industry to show the general public that it is not full of drug use and is a highly regulated industry to ensure this type of offence does not occur, but without the funds to do this it is an impossible venture at present.



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J. sale and breeding of greyhounds including the market conditions and welfare of Animals,

The greyhound breeding industry has grown from a state based industry to a national / international Industry

There is a national and international exchange of Greyhound Semen and greyhounds in and from Australia

NSW breeds for interstate and international racing, many greyhounds that are bred in NSW end up racing interstate and over sea's

The reason for this is that all states in Australia and New Zealand except for NSW and Vic do not breed enough greyhounds to be self sufficient they depend on the over production of greyhounds in NSW and Vic to put on races that they are contracted to by TAB's etc.

Breeders in NSW capitalise on this and breed for interstate and international markets for financial return to prop up their financial position in the industry in this state.

The national greyhound industry works together for the welfare of greyhounds as the various locations in the different states provides for the variety in racing.

This suits the different quality greyhounds to find where they are best placed for racing.

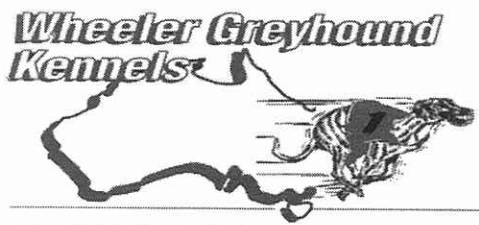
This situation allows some one with say a greyhound that in not quite good enough quality to race in Metropolitan NSW or Vic to still be a viable prospect in a lesser state or area and can be sold or relocated to these locations as the quality of racing in these areas is usually weaker and rather than disposing of this greyhound it gives it a place to be valuable and wanted.

Find attached annex 5

This is a reply from the CEO in South Australia

It shows that the greyhound industry is not only a State Industry but a National Industry; the smaller states depend on greyhounds bred in other states such as NSW and Vic to survive.

As stated above this is not just the case for S.A. alone but all states outside NSW and Vic and this includes New Zealand ,which I have heard has a many as 40 to 50% of starters in their races are made up of Australian bred greyhounds.



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K. the welfare of animals in the industry and the role of Greyhound Racing NSW in Establishing and enforcing standards of treatment of animals,

Same as D

L. financial incentives for reducing euthanasia and prosecutions for animal Mistreatment,

GRNSW has all the power it requires to prosecute participants for animal Mistreatment, this is evident in their rules to be a registered greyhound participant in NSW. To my knowledge no one has ever questioned these rules and everyone supports GRNSW in this area

The biggest financial incentive anyone can have in reducing euthanasia is to make the industry as viable as possible because the more viable it is the more valuable their animals are and the more likely their owners are to care for them and to place them in appropriate premises

NSW is hampered in this area because of the lack of funds to grow the industry and this has occurred primarily because of a fixed share of the NSW TAB of 13.2 % rather than receiving market share as in Victoria of approx. 20%

NSW receives about \$15,000,000 annually less than our counterparts in Victoria

M. the adequacy and integrity of data collection in the industry, including the Number of pups born, the number of dogs euthanased and injury rates, and

I think this is OK as participants are now required to notify GRNSW of any deceased greyhounds and give the cause of death



N. any other related matter.

Inquiry into the NSW Greyhound Industry signing the Inter Code agreement

The greyhound industry in NSW is well below other states in Australia financially if you compare NSW to other states in regards to the number of tracks and participants in this state.

This has come about primarily because of the inter code agreement in this state

All areas within the greyhound industry in this state from track infrastructure to returns in Prize Money to participants is second rate and unless the gross income to this industry is increased it will fall further behind

When I was on the NSW Greyhound Racing Authority in 2000 there were many heated discussions about the deal that was done with the NSW TAB Privatisation and the locking of the Greyhound industry into 13.2 % for 99 years in 1997, and on more then one occasion members of the Authority that were signatures to that deal suggested they were put under extreme pressure to sign off on the deal.

I think that this should be investigated as the very future of the greyhound industry in NSW is at stake

I would also ask that if it is proven correct that NSW greyhound industry was unduly pressured to sign against the industries best interest it should not only be given market share but should be compensated for loss of earning and interest in all the years from privatisation of the TAB in NSW

Find attached annex 6

This article was published in the Daily Telegraph written by John Davis
Mr Ross Magin was the Chairman of the Greyhound Racing Authority in 2000 when I was on the Authority and he was not the only one that I heard similar comments from on this topic

Owner Manger
Wheeler Greyhound Kennels Pty Ltd

Paul Wheeler

Annex 1

Wheeler Greyhound
Kennels



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Report Date: 30/09/2013

Racing Statistics by State

State	Percent of Prizemoney	Percent of Starters	Prizemoney per Starter
NSW (NSW trainers)	1.4%	2.6%	91
NSW (Interstate trainers)	9.7%	1.1%	1,537
VIC (VIC trainers)	67.1%	59.1%	195
VIC (Interstate trainers)	1.1%	0.4%	456
QLD (Interstate trainers)	2.0%	0.4%	1,162
SAU (SAU trainers)	6.5%	27.9%	35
WAU (WAU trainers)	5.2%	1.0%	959
WAU (Interstate trainers)	2.2%	0.2%	2,141
TAS (Interstate trainers)	1.7%	0.3%	1,551
Remainder	3.0%	7.0%	62
Total for Period			164

Average for Period

Period between : Jan-2013 and Aug-2013.

Report Date: 30/09/2013

Racing Statistics by State

State	Percent of Prizemoney	Percent of Starters	Prizemoney per Starter
NSW (NSW trainers)	3.1%	3.4%	147
NSW (Interstate trainers)	3.0%	0.8%	518
VIC (VIC trainers)	76.9%	56.4%	215
VIC (Interstate trainers)	0.7%	0.1%	1,153
QLD (Interstate trainers)	0.6%	0.1%	1,701
SAU (SAU trainers)	7.9%	26.6%	42
SAU (Interstate trainers)	1.2%	0.5%	483
WAU (WAU trainers)	1.1%	0.9%	194
WAU (Interstate trainers)	0.6%	0.2%	562
TAS (Interstate trainers)	1.0%	0.2%	1,023
Remainder	3.8%	10.9%	46
Total for Period			150

Average for Period

Period between : Jan-2012 and Dec-2012.