

INQUIRY INTO GREYHOUND RACING IN NSW

Name: Mr Anthony Gannon

Date received: 6/11/2013

To: Legislative Council Select Committee on Greyhound Racing in NSW

Date: 30 October 2013

Submission Heading: Performance of Main Race Clubs

Relevance/Terms of Reference:

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

What I would like to say:

I am disappointed that the operating standards which GRNSW has in place for the race clubs does not seem to prevent mismanagement at the clubs.

The first club I would like to talk about is the National Coursing Association (NCA). Finally this club has lost its licence to conduct meetings. The NCA was formerly one of two race clubs to have a licence to run metropolitan racing. This club has been involved in a number of grandiose projects none of which have gone smoothly. The first was the grandstand at Wentworth Park which suffered enormous cost overruns and led to the closure of the very popular Harold Park.

The next was what is known as the Gardens project in Newcastle. This latter project has really lead to the demise of the NCA. The idea might have been good but the money was not there. The NCA obtained a loan from the bank, guarantees from GRNSW to make the loan repayments if the NCA could not, money from GRNSW for construction and other works and finally conversion of a GRNSW loan to a grant and the sale of 70% of the venue to GRNSW. The question to be asked is why did GRNSW keep throwing money at the club without properly looking into the finances of the club? Even the GBOTA paid the NCA \$1.8m to take over the metropolitan race dates. This is strange because GRNSW controls the race dates and they are given out annually. It was not until the last two annual reports of the NCA became available and were given to GRNSW that GRNSW finally decided to appoint an auditor to look at the club. The annual report revealed misappropriation of funds by an employee. At first the press release from GRNSW stated that it was a club problem and they would not be involved. Over time the attitude changed and the NCA has now lost its licence to race.

Recommendation

That the Select Committee further investigate the funds given to the NCA by GRNSW including whether due diligence was followed by all parties, whether the funds were used for the purpose they were received, all the circumstances relating to the conversion of the loan to a grant and the 70% purchase of the property by GRNSW and how the issue of conflict of interest was addressed.

The second club I would like to mention is the GBOTA. This club runs the most number of tracks in New South Wales and is the sole club to conduct metropolitan racing. My concern relates to the amount of autonomy at each track. There seems to be too little control from the GBOTA head office. It has led to concerns about whether the tracks are properly maintained, is all income from trials being received, are there loans given out to family members, is there too much nepotism and

are the race meetings programmed to assist some trainers over others rather than ensure that the racing is attractive and allows greyhounds to progress from TAB to metropolitan. I am also concerned at the \$1.8m given by the GBOTA to the NCA. This money was to purchase the metropolitan dates and as a result the GBOTA became the sole provider of metropolitan racing. I think the transaction should be investigated. GRNSW owns the race dates so how could the NCA sell them to the GBOTA? Was it value for money for GBOTA members? Were there any commissions paid?

Recommendation

That the select committee look at how the GBOTA looks after its tracks both financially and performance wise.

That the select committee look into the sale of the metropolitan dates from the NCA to the GBOTA.

Industry participants are also concerned with the integrity of financial transactions at the Richmond Club prior to the new racing manager taking over. There are concerns about where sponsorship funds went, whether all income was accounted for and whether all trial money was collected and accounted for.

The last club I wish to bring to the attention of the select committee is the Dapto Club. The club is a sub-committee of the agricultural society and the members are all drawn from the agricultural society committee. It is understood that there are no greyhound people represented on the sub-committee. I am concerned that money meant for the greyhound industry actually goes to the greyhound industry rather than the agricultural society.

Recommendation

That the select committee look into the sponsorship and other income from the Richmond Club for the year ended 30 June 2012.

That the select committee look into the club structure at Dapto and particularly whether greyhound funds are correctly spend on the greyhound industry.

Yours Sincerely

Anthony Gannon