

Submission  
No 387

## INQUIRY INTO GREYHOUND RACING IN NSW

**Name:** Name suppressed

**Date received:** 6/11/2013

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Partially Confidential

Submission to the Select Committee on  
Greyhound Racing in New South Wales

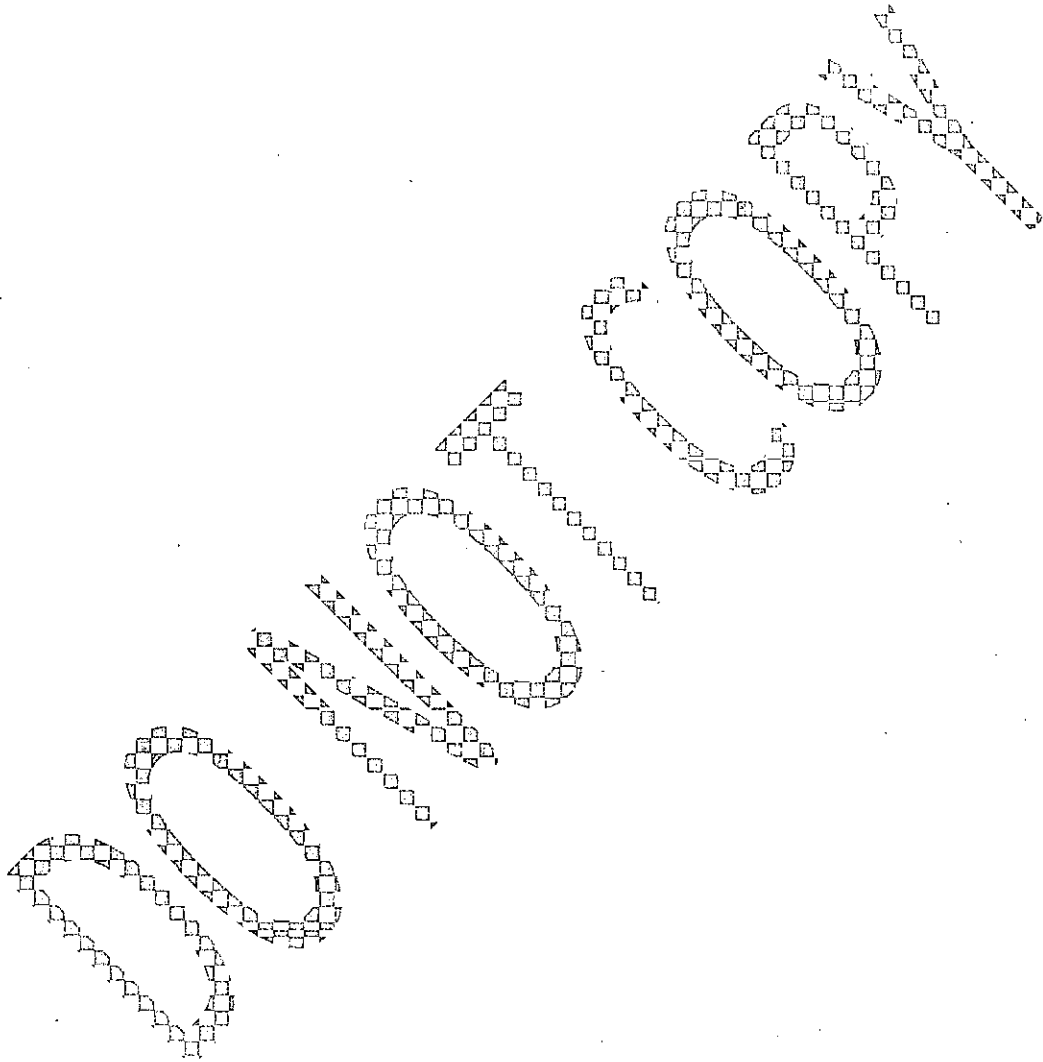
# Inquiry into Greyhound Racing NSW

October 2013

NSW Greyhound Racing Participant

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## Submission to the Select Committee - Summary

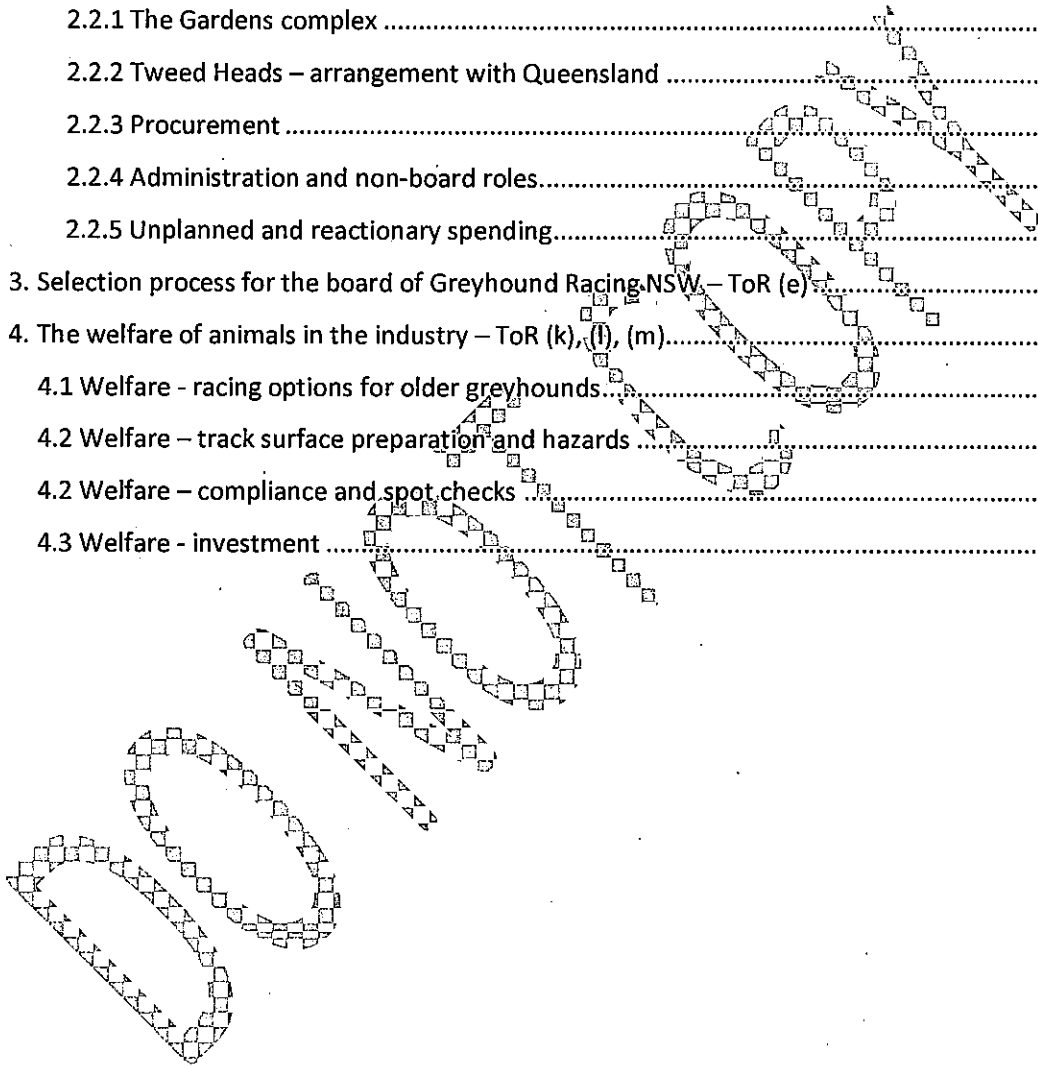
I submit to the Select Committee into Greyhound Racing in NSW the following information for its consideration in the *'Inquiry into Greyhound Racing in New South Wales'*.

I wish to provide information pertaining to the following **(bold)** items from the Terms of Reference:

- (a) **The economic viability of the greyhound racing industry in New South Wales;**
- (b) **The financial performance and conduct of the industry and of Greyhound Racing NSW including a comparison to other states of Australia;**
- (c) Government initiatives and assistance measures to support the industry and comparison of assistance to other racing codes;
- (d) **The effectiveness of current industry regulation, including the level of autonomy of Greyhound Racing NSW;**
- (e) **The selection process for the board of Greyhound Racing NSW;**
- (f) **The effectiveness and accountability of the board and management of Greyhound Racing NSW;**
- (g) **The effectiveness of the current arrangements for, and role of, the Integrity Auditor of Greyhound Racing NSW;**
- (h) **The capability and performance of Greyhound Racing NSW and governance of the industry;**
- (i) The incidence of drug administration and doping in the industry and the efficacy of Greyhound Racing NSW's control and testing processes;
- (j) Sale and breeding of greyhounds including the market conditions and welfare of animals;
- (k) **The welfare of animals in the industry and the role of Greyhound Racing NSW in establishing and enforcing standards of treatment of animals;**
- (l) Financial incentives for reducing euthanasia and prosecutions for animal mistreatment;
- (m) The adequacy and integrity of data collection in the industry, including the number of pups born, the number of dogs euthanised and injury rates; and
- (n) Any other related matter.

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## Key areas for review - Greyhound Racing in NSW

### 1. Change in the 'Inter-code Agreement' – ToR (a), (b), (d), (f), (h)

The 99-year inter-code agreement (signed in 1997), fixes the division of the TAB revenue distribution at 13 per cent for greyhound racing, 17 per cent for harness racing and 70 per cent for the thoroughbreds. This agreement remains in effect despite a report<sup>1</sup> commissioned by the previous Labor government recommending in 2008 that it be amended.

*"The three racing codes should agree to amend the Inter-code Agreement to provide that returns to each code from TAB distributions are in proportion to the percentage of wagering generated by each code; in the absence of such an agreement, the Government should over-ride the Inter-code Agreement and the RDA such that the distributions from the TAB are made directly to each code and in proportion to the percentage of wagering generated by each code."*

To date government has refused to intervene in what it has described as a commercial agreement<sup>2</sup>.

The issue is not whether the agreement is commercial and consenting or otherwise - the concern of participants and the community is how the government could allow the respective racing administrations to lock themselves into such a flawed and irresponsible commercial arrangement over such an expansive timeframe (99 years).

At present the greyhound industry supplies in excess of \$21million to the NSW state coffers annually; the Government must revisit the recommendations of the Cameron Report and drive the discussion between the racing administrations to provide for an effective and transparent arrangement to be developed that recognises and rewards the industry for its percentage of wagering.

The issues surrounding the Inter-code agreement serves to highlight the reason why Greyhound Racing New South Wales (GRNSW) and its Board need to be held accountable for their actions and consideration be given over the level of autonomy that they possess.

The inter-code agreement was of such significance to the fabric of all three racing codes.

With the high revenue provided to State revenues through racing I consider that the Minister for Racing and the Office of Liquor, Gaming and Racing NSW needed to (and should in the future) provide a greater level of governance to ensure that this type of arrangement was effectively reviewed and controlled, ensuring that it was not compromising the sustainability of any of the three racing codes.

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<sup>1</sup> Alan Cameron A.M. - Correct Weight? 'A review of wagering and the future sustainability of the NSW racing industry'. (November 2008);

<sup>2</sup> The Hon. George SOURIS, Minister for Tourism, Major Events, Hospitality and Racing, and Minister for the Arts - <http://www.smh.com.au/environment/animals/dogs-want-bigger-bone-20120728-232t5.html> - accessed, 28<sup>th</sup> October 2013.



## 2. Management of racing in NSW

The board of GRNSW has made numerous decisions that highlight errors in judgement that simply should not be tolerated - it is evident that they need to be accountable.

### 2.1 Strategic management - ToR (d), (f)

GRNSW has not demonstrated a strategic view in its planning, or its communications to participants. There is little evidence of direction and its actions appear reactionary rather than pro-active.

On 27 July 2010 GRNSW released its Strategic Plan, Chasing 2020. The plan provides stakeholders with an understanding of how GRNSW intends to grow and position the sport over the next decade.<sup>3</sup> The inquiry should review the strategic plan of GRNSW and establish the level of progress that has been made against its plan.

In early January 2013, the CEO of GRNSW, Mr Brent Hogan declared that a full financial plan of action would be released at the end of January 2013 – as per a further announcement in February 2013 its release was delayed due to the uncovering of issues with the financial viability of the National Coursing Authority. I believe it was rescheduled for release in June 2013, however a further 4 months has passed since the proposed release date and neither the action plan nor effective communications regarding its delay has been provided.

Another recent example a shortcoming in strategic management was the GRNSW response to the issues raised by the Greyhound Action Group – a group lobbying for fundamental change in the distribution of revenue from wagering in NSW. Rather than allowing a non-representative group push for change, GRNSW should have formed a working party to manage an industry focussed push for reform – its lack of control of those dealings and perceived inaction from participants is an indictment on the board's effectiveness.

Since the announcement of this inquiry, GRNSW has leapt into action - there are press releases weekly about changes and GRNSW is 'appearing' to be on the front foot. Unfortunately it is a clear case of reactionary management and indicative of the style of administration.

Not only is GRNSW a reactionary entity, they suffer from an overall lack of strategic vision and planning and it is evident that the Minister for Racing is not effecting any leadership over the industry. A good comparison is the relationship and governance structure between the racing codes in Victoria and their Premier and Minister for Racing the Hon. Dennis Napthine, who clearly supports the industry and guides them in the highly successful model in Victoria – the envy of most savvy greyhound racing participants across Australia (and the world).

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<sup>3</sup> GRNSW – Chasing 2020 - <http://www.thedogs.com.au/DPage.aspx?id=5> – accessed 28<sup>th</sup> October 2013

## 2.2 Fiscal management – ToR (a), (b), (f)

As a participant with a significant personal investment in the industry, I am particularly sensitive to the management of fiscal matters within the industry. Outside the issues associated with the Inter-code agreement and the stifling of its revenue streams, I consider that there are numerous recent examples of poorly managed financial outlays that need to be reviewed and addressed.

### 2.2.1 *The Gardens complex*

The Gardens complex at Newcastle - the industry was informed that this “state of the art” track would cost \$1.5m to \$2m. Why has it now cost upward of \$10m? Loans were arranged by and for the National Coursing Association (NCA) to build the complex. A licensed club was opened at the track to drive income, however this was at a time where small clubs were closing down all over the state.

Most of the executive of the NCA had resigned after a short time, the licensed club was closed, GRNSW wrote-off the NCA a debt of \$2.1m.

This whole situation warrants a clear investigation – something that the Integrity Officer could and should perform if they are afforded appropriate powers of enforcement and investigative powers.

### 2.2.2 *Tweed Heads – arrangement with Queensland*

Why was a multi-million dollar site offered to Queensland for development of its industry?

What other assets will be (or have been) offered to other states and what level of compensation will be attached to the provision of said assets outside of the jurisdiction of GRNSW?

What safeguards were put in place to preserve the rights and interest of NSW racing participants in this (and future ventures)?

### 2.2.3 *Procurement*

GRNSW has awarded a contract for the provision of starting boxes.

Was this procurement undertaken in an appropriate manner, and was the contract awarded to the vendor providing the product that best met the conditions of the Request for Tender?

Anecdotal evidence suggest that there are local companies in NSW that could have provided this service and at a comparative (or less) cost, however they were overlooked.

### 2.2.4 *Administration and non-board roles*

A scan of the non-board member roles and jobs at the GRNSW indicates a major overload of staff in unnecessary areas.



Why are there up to nine form analysts doing work for 'the dogs' website – this number seems highly inflated given the number of meetings and especially when there are only approximately 18,000 members overall.

Why do administration tasks such as litter registration, naming of greyhounds, and registrations take weeks longer than the administration from Victoria?

Over 18% of GRNSW's income<sup>4</sup> is spent on Administration at GRNSW, with a further 19% on club administration. How does this compare with Victoria and other states?

Once again let's compare this to the successful model of Victoria and ask how many employees have GRNSW got compared to its Victorian counterpart?

A review of administrative processes would undoubtedly uncover inefficiency in processes, as well as behaviours of staff that are not conducive to productive work outputs.

#### *2.2.5 Unplanned and reactionary spending*

GRNSW has allotted \$1.23 million for Animal Welfare - the Senate Committee should investigate whether there has been a diversion or increase in funding as a result of this increase, or whether GRNSW has changed its planning and commitments as a result of this inquiry.

### **3. Selection process for the board of Greyhound Racing NSW - ToR (e)**

The Board of GRNSW should at all times be representative of the participants and open to appropriate democratic processes. If he or she is aligned with any club or organisation, then the GRNSW Board Code of Conduct must not only be followed in terms of the behaviour of the Board member but any direct lobbying on behalf of their direct interests should be monitored and any breaches punished accordingly.

It has been noted that one board member has resigned since this inquiry has been announced. Why? Members of administrations that have been found to be negligent in their handling of their duties as board members should be referred for appropriate action if found to have breached the GRNSW Board Code of Conduct<sup>5</sup>, irrespective if they are a current or past Board member.

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<sup>4</sup> GRNSW – Brent's Blog - <http://www.thedogs.com.au/DPage.aspx?id=54>, accessed 28<sup>th</sup> October 2013.

<sup>5</sup> GRSWN Board Code of Conduct - <http://www.thedogs.com.au/DPage.aspx?spid=117&id=9>; accessed 28<sup>th</sup> October 2013.

## **4. The welfare of animals in the industry – ToR (k), (l), (m)**

### **4.1 Welfare - racing options for older greyhounds**

To improve welfare for veteran racing greyhounds, there could be 3yo+ and 4yo+ class of racing, enabling older stock to race older stock and remain competitive.

This would extend the opportunity for extending the racing career of greyhounds and also provide more sustainable options for owners in managing their greyhounds.

### **4.2 Welfare – track surface preparation and hazards**

The tracks play a major issue in welfare across NSW and Australia in general, they are rock hard causing injuries and short careers.

If one looks outside Australia at the USA the average amount of starts and age is over double the Australian greyhounds. Why, because the track surface is loose and soft instead of like concrete.

With experience in racing many types of animals over my life, track surface preparation and safety is the number ONE welfare issue faced. Changes in this regard would create a huge change to the life expectancy of greyhounds across the state if tracks had to be loose and soft.

We should be aiming like the American model to get 100 plus starts and be racing our stock till 5yo, not the current model of 20 starts 3yo and there broken down unable to race and this is the core to the major issue s in racing greyhounds in NSW.

### **4.2 Welfare – compliance and spot checks**

Greyhounds are one of the most documented and controlled breed of any animal across the world and especially here in NSW.

Animal welfare is at the forefront of most owners and trainers mind these days and I see no real issue apart from rearing farms were improvements could be made. Having public rearing yards open to spot checks unannounced and being held to a strict code of practice and quality standards is paramount to ensuring the safety and appropriate development of younger greyhounds, significantly improving the chance of the pup maturing into a sound mature greyhound. That is one area which would have a clear flow-on effect in getting more dogs to the track and ensuring that wastage is minimised.

### **4.3 Welfare - investment**

If the opportunity exists for the greyhound industry to receive its fair share of the Inter Code agreement/money, I would expect that the increased monies would go directly into prize money - especially in creating veterans racing and the provision of safe SOFT tracks and not availed to GRNSW's extravagance.

GRNSW has done very average job in managing the Industry in this state, and I consider that their ability to control its finances has to be questioned.