INQUIRY INTO GREYHOUND RACING IN NSW

Organisation: Date received:

NSW Greyhound Breeders, Owners and Trainers Association 21/02/2014

Supplementary Submission to NSW GBOTA Submissions 380 and 383

The Director Legislative Council Select Committee on Greyhound Racing in New South Wales Parliament House Macquarie Street Sydney NSW 2000

re: Greyhound Racing in NSW (Inquiry)

From: NSW Greyhound Breeders, Owners and Trainers Association, PO Box 485, Glebe NSW 2037



February 2014

Please accept this brief submission in support of the following NSW Greyhound Breeders, Owners & Trainers Association (NSW GBOTA) contributions to the Select Committee Inquiry into Greyhound Racing in New South Wales:

- (1) Submission 380 (in conjunction with GRNSW, M&PGCA and GAG)
- (2) Submission 383
- (3) Witness presentation by NSW GBOTA, Chief Executive, Brenton Scott to the Parliamentary Hearing at Penrith on November 15, 2013.

A number of key points were made across the aforementioned contributions, summarised as follows:

- (1) That the NSW greyhound industry is currently disadvantaged on three financial fronts outside of its direct control.
 - The current Intercode Deed distributes industry returns from the NSW TAB to the Thoroughbred, Harness and Greyhound industries on fixed percentages of 70%, 17% and 13%. This is despite the greyhound industry providing 20% of the turnover generating industry returns.
 - The NSW racing industry is burdened with a taxation rate of 19.1% compared with equivalent rate of 7.6% in Victoria.
 - The NSW regulation restrictions within "Race Fields Legislation" cap earnings in NSW at 1.5% of turnover, despite such cap not existing interstate.
- (2) That the financial disadvantage being incurred by the NSW greyhound industry as a result of the three specific financial imposts amounted to the following:
 - Intercode Deed: \$15m per annum (difference between market share and fixed distribution).
 - Taxation disparity: \$15m per annum (difference between Government Wagering Tax at Victorian rate vs NSW rate).
 - Race Fields Regulation cap: \$4m to \$5m per annum (difference between 1.5% of turnover cap vs the 15% of gross revenue model charged by GRNSW and its interstate counterparts).
- (3) That the NSW and Victorian greyhound industries generate similar levels of wagering support but the funding disadvantage currently endured by the NSW greyhound industry (\$35m per annum) is driving on outcome whereby the NSW greyhound industry is completely non-competitive with its Victorian equivalent.

- This reality in 2012/13 enabled the Victorian racing industry to fund prize money levels of \$37m as compared to \$22.5m in New South Wales.
- The capacity of the Victorian greyhound industry to grow prize money and finance ongoing regulatory, integrity and animal welfare expectations will, going forward, completely outstrip the NSW greyhound industry.

In addition to the key points already established, the NSW GBOTA would draw further attention to the fact that the Queensland Racing Industry will during the course of coming months, review its Intercode Deed.

Currently, the Queensland greyhound industry receives 9% of the TAB distribution to codes. Unlike the NSW Intercode Deed review, the Queensland review is understood to be unrestricted and will almost certainly lead to a considerable increase in funding for Queensland greyhound racing industry.

Just as the disparity in prize money returns between NSW and Victoria has led to a migration of participants and greyhounds to Victoria, a less significant drain to Queensland in the future can be safely anticipated without Government interaction regarding the key factors driving the financial advantage being endured by NSW greyhound racing participants.

The NSW GBOTA would conclude that the joint submission (380) of GRNSW, NSW GBOTA, M&PGCA and GAG submits reasonable and justifiable recommendations which we would again commend to the Select Committee.

Signed for and on behalf of:

NSW Greyhound Breeders, Owners and Trainers Association

Name: Brenton Scott

Position: Executive Officer for NSW GBOTA

Signature:

Dated:

21/2/14