

**Supplementary
Submission
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INQUIRY INTO GREYHOUND RACING IN NSW

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Submission to the inquiry on matters not covered in the joint industry and control board approaches concerning the viability of greyhound racing through tab turnover and receipts reform.

The approach of all industry and control bodies is welcomed but there is also a need for wider comment.

The recent publication of the 2013 Annual Report of Greyhounds New South Wales illustrates problems within the administration. The report is insular and this is evident as the Chairman Report which heads the publication is not addressed to anyone particular or anyone at all. Why it is painful for GRNSW to address the report to the Minister as is normal practice for a report that has to be presented to the Minister and both houses of parliament is not known, perhaps it is an astonishing admission that GRNSW regards itself as being on its own.

The report suggests a new direction. This will not enthuse the new direction weary that have been spinning around in "new directions" repeatedly for many years with no one willing to clean up the mess left by the previous reforms before going forward.

The report spends two pages on reporting on freedom of information statistics that shows all of the three requests for information not being able to be fully satisfied due to information "not being held." This is a common problem in units where there have been a series of rapid changes over short period of time and there have been more changes in the last 15 years to greyhound administration in NSW than have occurred in all English racing since Henry V111 to the present time. Interestingly, the Governance of greyhound racing in Victoria has been fairly stable since 1958.

Under the circumstances, where the past historical record is obscure to GRNSW (through failings not of their own making) the statement made by the Chairman in the report referring to a 47% increase in prize money being unprecedented is reckless and worse still, wrong. The same profile has existed before and as recent as the early nineteen nineties when the same paradox of a sharp rise in prize money and corresponding drop in participants numbers was mentioned in reports for the Government.

The above was mentioned is to make the point that there is a need for administrations to have a corporate history particularly in the field of integrity where discretionary decisions need to be made with past knowledge.

GRNSW needs to be wary in my view, that they do not follow the example of administrations in the past of doing the best they can with the difficult situation confronting them and soldiering on instead of sorting it out by protest. In administration term, the selection of the previous CEO to GHRRA must have been totally defective because how could a criteria and a selection process pick someone for a top job when an administrative audit and the auditor general in

reports revealed that the officer was working without a clue and his deputy was unable to assist him. This situation caused a trauma of great proportions probably slightly less for the greyhounds who were shielded to some degree by their previous exposure to the ICAC inquiry. I still grieve for my friends at the other end of the GHRRA , the harness participants.

When I was previously employed in the federal public service eruptions happened from time to time similar to the GHRRA situation and the Government always went in with an experienced team and provided up to date training for the staff to provide a better service. The projects were always costly to Government at the beginning but paid efficiency dividends in the long run.

The first GRNSW, which was the one I served on, spent copious monies fixing up a lot of deficiencies in the commercial side of greyhound racing and introduced many worthwhile reforms particularly to the country areas and specifically to distribution schemes and corporate governance and this only represented 20%+ of the functions.

The continuing GRNSW have received the other 80% of the functions in the form or the regulatory side and do not have anywhere near the reserves for the industry to pay for the ongoing reforms which include a large portion of Government responsibility to fix.

Returning to the commercial side of the picture, the scene for regional development is much more difficult in NSW than other States because monies gleaned from racing and most gaming finds its way into consolidated revenue and once in there it becomes too competitive a race for the greyhounds to receive the various community schemes that are available out of funding votes. The other States have various intermediate community purpose funds that make moneys more available to racing.

Under these circumstances it is necessary for a commercial board or a special external fund to be expert in regional development and external funding. These skills are not sought at the moment but GRNSW does get asked to rule on the apportioning of available extra funding to industry from time to time.

The viability of greyhound racing in my view does not swing on the allocation of increased prize money although it is an important factor in a competitive racing sense. The distribution of prize money will affect the various bands of owners and trainers within the system and change the fortunes and entries of the top percentile.

The viability swings on the capital works wealth and associated corporate practices and opportunities.

Viability also depends on the creative funds such as the previous IAF fund administered by the GRNSW and the viability of Greyhound Racing would have been increased if the GRA was allowed to continue on its regional development and marketing plans after its third show cause collapse.

The periods of creativity since the Commercial Boards have come into existence have been the short period in the GRA after the three show causes were defeated and the GRA agreed to settle. This period was interrupted by the creation of yet another reform the separation of the boards and then the amalgamation of the regulatory bodies in the harness and greyhounds. The amalgamation was intended to pay for the separation of the other.

The period of creativity in GRNSW was produced after the settlement produced after the show cause of all tracks reform failed. This IAF (industry advancement fund) was created from synergy from the Tab Merger and the funding which was struck at a surplus of monies over 3% of the increase in yearly tab distribution. This looked promising, a CEO with expansive visions was appointed on a temporary basis, the current CEO was at the time experienced in promotional and marketing duties and the CEO's secretary was a professional singer with a producer partner. I thought I was in heaven but it did not last, we were just unlucky on one sense with the external tragedy which absorbed us. Also the surplus over 3% was not attainable in any case after the blip we received from the merger.

The problem with the various funds administered by GRNSW is that the distribution fund for prize money needs to be used in the good times when gains in income are easier to get in the wider world.

The capital funds including the IAF need to be spent in harder times when the costs are lower. This situation suggests that GRNSW needs considerable reserves and the other problem is that the IAF is currently funded from Tab distribution where it needs to be independently funded and the spending does not follow the normal pattern.

During the currency of the capital funding to the racing industry apart from the distribution fund to clubs the greyhound racing did not receive their fair share of this either as all codes contributed proportionally and the greyhound only got about half of their payments back in infrastructure. If the previous racing development fund apportioned shares to the codes in a cyclic basis then we (greyhounds) would be getting a lions share now instead of the horses.

The inquiry is asked to look at having Government resources in place to bring GRNSW up to speed on its regulatory knowledge.

The inquiry is asked to recommend an urgent review into the need for human resources training within its responsibilities to include proper training in appointment selection.

The inquiry is asked for the advice of government to greyhound racing to extend into advice from the small business, tourism and arts portfolios.

The inquiry is asked to recommend a standard of reporting in annual reports to be consistent across the three racing codes in NSW and to be of good practice.