

**Submission
No 245**

INQUIRY INTO GREYHOUND RACING IN NSW

Name: Ms Maree Callaghan

Date received: 24/10/2013

RECEIVED

24 OCT 2013

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

October 21, 2013

ENQUIRY INTO GREYHOUND RACING IN NSW

Chairman, The Hon. Robert Borsak, MLC, and fellow select committee members

Attached please find my submission.

Albeit I have been a greyhound owner/attendant for 30 years, it is because my background is in corporate and community governance that I choose to focus on:

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

Point E. The selection process for the board of Greyhound Racing NSW

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

I appreciate your consideration of my submission.

Sincerely, Maree Callaghan

SUBMISSION, OCTOBER 2013, ENQUIRY INTO GREYHOUND RACING IN NSW, MAREE CALLAGHAN

The greyhound industry has long experienced delayed growth due to the performance of those charged with its administration and direction. This is in the main because of their lack of vision, lack of acumen, and basic lack of understanding of the industry.

The industry has been under the purview of ministers whose responsibility has encompassed other areas of sport (currently including tourism) which are seemingly more interesting and popular, thus little effort or proactive steps have occurred in greyhound racing. A revolving door of too many ministers, their interests spread too far, has not been a good template for the quality of governance.

EXAMPLES ... WHAT THE MINISTERS, MANAGERS AND BOARDS DID NOT SEE

OPPORTUNITIES MISSED

For more than 20 years, Australian trainers have been recruited to the Asian markets of Vietnam, Macau, more recently China and Scandinavian countries to set up those countries' fledgling new greyhound racing industries, oversee and teach the locals about racing and training, set up breeding programs and firmly establish the industry, even to the point where Australia exported meat and kibble. Our dogs were (and continue to be) exported there to create racing fields, with nowadays better quality racing dogs and bitches being purchased to stand at stud and enhance those countries' own racing industries. Nowadays young prime racing stock is also being purchased at inflated costs, particularly from buyers in China, so the growth continues.

Asia is recognised as one of the world's largest gambling regions ... it should have been clear decades ago that the industry was growing world wide, and that Australia had a prominent role in that growth. The larger point was also missed that, as interest grew, Asian gamblers would place bets on NSW dogs, growing our own state's finances.

SUBMISSION, OCTOBER 2013, ENQUIRY INTO GREYHOUND RACING IN NSW, MAREE CALLAGHAN

The advent of cable TV, and specifically the launch of Sky Racing, resulted in our industry experiencing rapid growth nationally ... a growth still far from reaching its potential.

These were just some of the indicators of the growth, opportunity and money to be made by government dividends from the TAB that greyhound racing had to offer two decades ago ... yet as there was no one governing our industry with any vision, nor anyone willing to listen, mistakes were made and opportunities were lost.

Had the powers-that-be been more knowledgeable or consultative about the industry it was charged to oversee, the disastrous inter code agreement would not have occurred and the industry would be far more financially healthy today.

LACK OF CONSULTATION WITH INDUSTRY PARTICIPANTS

As greyhound participants noticed in the 1990's how Victorian Greyhound Racing had come from a very long way back to overtake NSW, many participants tried to influence the NSW Government of the day on ways to promote our NSW industry and return NSW to its prominent position.

A family member met with the minister and CEO well over a decade ago, providing a well-researched submission to encourage greyhound breeding and promote racing (whilst increasing prizemoney) based on the then very successful Victorian GOBIS scheme, but his input was ignored.

It was only in recent years that NSW took that advice to emulate Victoria, introducing the now Blue Paws scheme.

My own 2008 submission to an earlier review (Greyhound Racing Act and Harness Racing Act 2002) included the following observations ... *incidentally, nothing much has changed, so hopefully this enquiry takes submissions and community consultation more seriously.*

SUBMISSION, OCTOBER 2013, ENQUIRY INTO GREYHOUND RACING IN NSW, MAREE CALLAGHAN

THE IMPACT ON OUR INDUSTRY ... it is being decimated

- Whilst all other states have increased prizemoney, NSW has gone backwards, until the new legislation was introduced, greyhound racing was on a similar surge to other States and destined to gain momentum. TAB turnover had increased, possibly due to Sky's coverage
- A vast number of our top greyhounds have been transferred to interstate kennels where they will increase TAB turnover for those states.
- A vast number of respected leading trainers have left the industry, some in a blaze of publicity
- A vast number of owners have chosen not to invest in greyhounds and "sold off" their dogs
- Breeders have left the industry
- The boards are loathed by the industry, all are held in very low esteem, an opinion shared by many in the media
- The GRNSW board is on very poor terms with the media, yet we need coverage to ensure the growth of our meetings

OTHER POOR DECISIONS

The decision to close Harold Park was not this board's decision, however the more recent decision to close Cessnock Greyhound Track resulted in the loss of the two major greyhound tracks in NSW with long straights, which favoured speedy dogs, were safer injury wise for dogs, and gave all 8 racers a more even opportunity. Nowadays, possibly for cost cutting measures, tracks are tighter, boxes are placed on turns, resulting in more injuries, with the dogs drawn in inside boxes having a far greater chance of winning, disadvantaging other runners. The closure of the nearby (so to speak) Wyong and Singleton tracks resulted in one region losing 3 tracks ... resulting in the loss of substantial numbers of breeders, owners, trainers and greyhounds.

THE FUTURE

I feel the industry would be better governed if greyhound racing participants themselves elected the majority of board members. The independent selection panel of 2011/2012 which appointed the current board seemingly did not place a premium on industry knowledge, with its criteria being:

"Members are appointed based on merit in accordance with the following prescribed skills criteria: experience in a senior administrative role or at a senior level in one or more of the fields of business, finance, law, marketing, technology, commerce, regulatory administration or regulatory enforcement".

So whoever determined the criteria did not consider industry knowledge as being relevant.

I accept that, similar to statutory authorities, in any revamped process for the board, the Minister may wish to nominate the chairperson, and perhaps a staffer from Gaming and Racing, however were the majority of the board elected by and subject to re-election by registered participants, at least we would know that there was industry participation in decision making, and any future negotiations relating to the inter code agreement would be based on industry knowledge.

Such direct election is a part of everyday life in Australia:

As a Cessnock City councillor for eight years, I and every other councillor were subject to re-election every four years, and we were elected dependant on our performance by the public (industry participants).

As an NRMA director for 11 years I was subject to re-election by NRMA members (industry participants), with bi-annual elections.

SUBMISSION, OCTOBER 2013, ENQUIRY INTO GREYHOUND RACING IN NSW, MAREE CALLAGHAN

As a former 12-year member of the NSW Coal Compensation Board, my appointment was revisited by four different ministers at 3-year intervals.

The ALP has recently embraced member participation in elections of key officers, as is done in the US, the UK and elsewhere, nowadays the "rank and file"/ industry participants, have a voice.

In short, there has been industry participation in board elections across many spheres for decades, and as shown by the more recent ALP experience, this participation (which could be termed consultation) is growing in the 2000's.

I want to have a vote in who is appointed to any regulatory/controlling board because I want to have confidence that the voice of greyhound participants is heard. I want the usual "band of brothers" ... the former government department heads/bankers/accountants/CEO's appointed to similar boards to know more about the industry they are making decisions about ... I do not want them to be led/bamboozled/influenced by people of the short-sighted calibre who made the disastrous inter code agreement.

COMPARISONS

In our own industry, GBOTA (Greyhound Breeders, Owners and Trainers Association) has regular elections, ensuring that management represents the view of its participants.

I checked the composition of the Australian Turf Club (elected every four years) ... of the eight, six are thoroughbred owners ... so the vast majority of those who determine the future of the successful thoroughbred industry ... are industry participants with hands on knowledge.

Thoroughbred racing is the key contributor to TAB finances and KEY BENEFICIARY in the three member inter code agreement.

SUBMISSION, OCTOBER 2013, ENQUIRY INTO GREYHOUND RACING IN NSW, MAREE CALLAGHAN

Only two of the five directors of Harness Racing NSW have industry knowledge and experience, albeit all five are outstandingly competent business wise and in other fields. *Harness racing is the lowest contributor to TAB finances BUT SECOND BENEFICIARY in the inter code agreement.*

Comparing these to GRNSW, the chair has experience with Tabcorp, vitally needed for any future negotiations. Of the other 3 current members, one is a greyhound participant. One member is a former GRNSW chief executive, and whilst no personal criticism is intended, in my corporate history experience, it is not best practise to appoint a former CEO to a body they formerly headed, because old practices and beliefs are maintained*.

**The Australian Business Manufacturing Council researched change many years ago, and surveys have proven that new ideas in government, corporations and organisations in this country are only generated by new management. As an example, newly elected governments introduce major changes, whereas after a government has been in for a long period, it becomes fixed in its thinking. When someone has been at the management helm or in the boardroom or in government for too long organisations are saddled with ideas from the past. So whilst the organisations have grown and changed, the managements have not and we are stuck in a time and culture warp if those from senior executive positions from the past ... run our organisations.*

Regretfully, industry participation and knowledge is not currently a criteria for appointment to GRNSW, but if we can emulate the Australian Turf Club experience, where knowledge equated to power and financial success, we will prosper.

I urge the committee to consider recommending industry participation as being a criteria for the majority of the GRNSW board.