

**Supplementary
Submission
No 301c**

INQUIRY INTO GREYHOUND RACING IN NSW

Organisation: NSW GBOTA Kempsey Branch

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The Director
Select Committee on Greyhound Racing in New South Wales
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To whom it may concern

re: Inquiry into Greyhound Racing in New South Wales

Please accept this submission on behalf of the [Insert Branch] branch of the NSW Greyhound Breeders, Owners & Trainers Association (NSW GBOTA).

The *Kempsey* is part of the NSW GBOTA network which comprises twenty eight (28) branches supported by 1,300 members. This submission is supported by the membership of the *Kempsey Branch*

The *Kempsey* Branch notes that the Terms of Reference for the Parliamentary Inquiry into greyhound racing are very broad. We have chosen to respond on the following grounds; Inter-Code Agreement, taxation disparity between the NSW and Victorian Racing industries, prizemoney, integrity and animal welfare.

(1) Inter-Code Agreement

- The Inter-Code Agreement is an agreement between the thoroughbred, harness and greyhound racing codes entered when the Government determined to privatise the TAB. It determines the basis upon which funds received by Racingcorp (a body representing the interests of all three codes) from TAB Limited are distributed between the codes. It also outlines the terms under which Racingcorp is operated, controlled and funded. The funds are allocated primarily on fixed portions.
- Under this 99 year Agreement which was required by legislation, greyhound racing receives 13 per cent of TAB funds distributed but accounts for 20 per cent of TAB sales. There is no mechanism within the Agreement for a fundamental review of the basis of the arrangement for the life of the Agreement.

- Greyhound racing receives 13 per cent of TAB funds distributed but accounts for 20 per cent of TAB sales. Over the past 15 years, it is estimated that greyhound racing has subsidised thoroughbred and harness racing by over \$139 million.
- The 2008 Alan Cameron Report 'Correct Weight? A review of wagering and the future sustainability of the NSW racing industry' was commissioned by the former NSW Labor Government. The Report recognised that "*it is not possible to address the future growth and sustainability of the NSW racing industry without considering these agreements [Inter-Code Agreement]*". Mr Cameron recommended that the three racing codes should agree to amend the Inter-Code Agreement to reflect the proportion of wagering generated by each code. He further recommended that in the absence of an agreement, the Government should by way of legislation over-ride the Inter-Code to achieve this.
- The Government declined to implement the recommendation of Mr Cameron.
- It is hoped that the Parliamentary Inquiry will support the findings of Alan Cameron and further recognise the unjust hardship that is being forced on the NSW greyhound industry. An Inter-Code Agreement which distributes dividends to the code based on their commercial performance is fair to all.

(2) Taxation Disparity

- The NSW racing industry competes on a national scale and predominantly with the Victorian Racing Industry. There is an expectation that the NSW racing industry keeps pace with the Victorian racing industry.
- Currently however, different taxation levels apply in NSW vs Victoria as they relate to wagering revenue. NSW taxation on wagering revenue is double that which applies in Victoria. The NSW racing industry would receive in excess of \$80m per year from TABCorp than it currently does if taxation parity applied. If the NSW greyhound industry was to receive market share of the total industry payment its current position would improve by \$16m per annum.
- The taxation disparity will mean that the financial gap between the Victorian and NSW racing industries will widen. In such circumstances, the size and scope of the NSW racing industry is likely to contract, thus leading to reduced capacity to contribute to the State economy.

(3) Prizemoney

- Over the past six years, 75% of industry revenue has been allocated to prizemoney and club funding with 16% allocated towards administration costs and 9% towards supporting infrastructure projects at racetracks throughout the State.
- NSW greyhound racing prizemoney has increased from \$15.3 million in 2008 to \$22.5 million in 2013 – a 47% increase over the six year period.

- Greyhound Racing NSW has expanded TAB C racing at key venues across the State. This has resulted in the introduction of permanent TAB racing at Dubbo, Goulburn, Grafton and Wagga, and more TAB racing at Richmond and Wentworth Park.
- Despite this, prizemoney in NSW has dropped significantly behind that of Victoria. The Victorian greyhound industry paid out \$37m in prizemoney during 2012/13 as compared to \$22.5m in NSW in the same period.
- NSW Metropolitan greyhound racing has only one genuine metropolitan prizemoney night as compared to Victoria's two, provincial prizemoney is higher in Victoria. Group Racing in NSW and Victoria was once on a par but Victoria now enjoys an edge.
- Wagering on NSW product with TABCorp is stronger than on Victorian product. But the Victorian greyhound industry enjoys the benefit of a market share based Inter-Code arrangement and a lower wagering taxation rate.
- Government intervention with regard to Inter-Code reform and possibly the NSW/Victorian wagering taxation disparity is required or else the prizemoney gap will widen. Again the greyhound is likely to contract, thus reducing economic benefit to the State.

(4) Integrity

- For the 2012/13 financial year the greyhound industry doubled its swabbing budget, an increase that allowed the number of swabs in the TAB sector to increase to 7.5 swabs per meeting. It has resulted in the swabs to starter ratio rising by more than 2.5 times.
- Greyhound Racing NSW's swabbing policy sets out its approach to swabbing including factors relating to performance, status of the race and prizemoney that automatically require a greyhound to be swabbed.
- Greyhound Racing NSW has established a 'control room' at its head office in Rhodes, which receives live feeds of the race broadcast footage, surveillance footage from the kennel blocks and utilises video conferencing equipment to facilitate communication between tracks and the control room in real time.
- The increased swabbing and the control room approach appear to have been successful integrity improvements. The disposal of the post-race random swabbing draw was not favoured by the NSW GBOTA. Random swabbing combined with targeted swabbing is considered the optimum outcome.

(5) Animal Welfare

- Greyhound Racing NSW has launched a number of initiatives to ensure that the welfare of all animals must be a primary consideration for all participants in the greyhound racing industry.

- Greyhound Racing NSW assumed responsibility for animal welfare matters within the NSW industry in July 2009. Prior to that it was the responsibility of successive government authorities.
- The greyhound industry has now developed and funds its own adoption agency – Greyhound as Pets.
- Greyhound Racing NSW developed and now manages the NSW Muzzle Exemption Program – Greenhounds - on behalf of the NSW Department of Local Government. The program has changed the perception that greyhounds are an aggressive breed, it has also improved the transition of greyhounds from racing to life as a companion animal and is likely to make more people consider adopting retired greyhounds.
- In July 2011 Greyhound Racing NSW established its own Greyhound Welfare and Veterinary Services Unit. This resulted in Greyhound Racing NSW assuming responsibility for the provision of on-course veterinarians at all TAB meetings. The unit employs full-time veterinary surgeons and an animal behaviourist to oversee the welfare of racing greyhounds and those transitioning to life as a pet.
- The NSW greyhound industry will invest \$1.3 million on greyhound welfare in 2013/14. The investment includes funding for the establishment of a new Education and Support Unit. The unit will train new industry applicants, as well as up-skill existing participants' adherence to welfare standards by undertaking inspections of racing kennels as well as rearing, breeding and greyhound education facilities.
- The NSW greyhound racing industry has race day and club welfare policies, including the hot weather policy
- The NSW greyhound industry has a mandatory Code of Practice for the keeping of greyhounds in training. The code outlines the minimum standards of accommodation, management and care that are appropriate to the physical and behavioural needs of greyhounds
- The NSW GBOTA will work with Greyhound Racing NSW to bring about the following animal welfare initiatives:
 - Development of new race programming initiatives that maximises the racing career of greyhounds;
 - Prioritisation of race track capital expenditure to focus on the continual improvements to minimise risk to the racing greyhound;
 - Strategies to improve breeding standards, increase racing opportunities and increase re-homing options.

Conclusion

The [Insert Branch] Branch of the Association believes that the NSW greyhound industry has attempted to introduce the most appropriate regulatory and integrity measures. Any increase above the current service level will come at cost and the industry has limited funds available to it.

In addition, we believe that the NSW greyhound industry has made considerable inroads regarding Animal Welfare. Greyhounds are well cared for, policies are in place to ensure this and considerable focus is being applied to the re-homing of greyhounds who have completed their racing careers. Some further initiatives regarding animal welfare, including the following:

- *Development of new race programming initiatives that maximises the racing career of greyhounds;*
- *Prioritisation of race track capital expenditure to focus on the continual improvements to minimise risk to the racing greyhound;*
- *Strategies to improve breeding standards, increase racing opportunities and increase re-homing options.*

These initiatives again come at cost and without fundamental change to current funding arrangements, the pace of further reform will not be as desired.

Clearly, the Select Committee Inquiry must support the need for funding reform.

The NSW greyhound industry is expected to be competitive with the Victorian greyhound industry but cannot achieve this with an Inter-Code Agreement that returns 13% of TABCorp NSW Racing Industry dividends, despite the NSW greyhound industry generating 20% of these profits.

In addition, the industry deals with the further burden of the Victorian industry operating with wagering taxation rate that is half of that which applies in NSW.

We view the Select Committee Inquiry as a final opportunity for fair funding arrangements to apply within the NSW racing industry. The recommendations of the Cameron Report as they related to the funding arrangements were dismissed by Government when made. The Thoroughbred and Harness Racing Industries will not support cooperative change to the Inter-Code, given that both are currently subsidised by the greyhound industry.

Government intervention is, in the circumstances required, and the [Insert Branch] Branch membership would ask that the Select Committee make recommendations that ensure Inter-Code funding arrangements are adjusted on a commercially fair and just basis.

For and on behalf of
NSW GBOTA Kempsey Branch

Authorised by:

Daphne Heuston

Date: 31.10.13.