

Submission
No 382

INQUIRY INTO GREYHOUND RACING IN NSW

Organisation: Greyhound Racing NSW

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Select Committee on greyhound racing in NSW

Greyhound Racing New South Wales Submission

6 November 2013

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Executive Summary

Since 2009 Greyhound Racing New South Wales (GRNSW) has been the autonomous peak body charged with providing strategic direction and leadership in the development, integrity and welfare of greyhound racing in NSW.

The Joint Greyhound Racing Industry Submission prepared by GRNSW, the NSW Greyhound Breeders Owners and Trainers Association, the Metropolitan and Provincial Greyhound Clubs Association, the Greyhound Racing Clubs Association and the Greyhound Action Group, makes it clear that the major challenge confronting the sport in NSW is its economic viability. That submission sets out a number of necessary steps for Government, if the industry is to have a long term future.

GRNSW fully endorses the Joint Greyhound Racing Industry Submission.

The functions and powers of GRNSW are defined in the *Greyhound Racing Act 2009* and are independent of Government. Note that GRNSW is prohibited from conducting racing. GRNSW's commercial and regulatory responsibilities include the regulation and integrity of the racing clubs and participants, governance and industry development, plus animal welfare.

GRNSW's performance as an organisation since its inception in 2003 has been exemplary, highlighted by a large number of reforms and achievements delivered across several significant periods of instability.

GRNSW has implemented an extremely effective and transparent regulatory framework since 2009 that is built on best practice principles drawn from a number of different sectors, including the racing industry.

Integrity services are continually developed and improved by GRNSW. In 2011 GRNSW introduced industry-leading regulatory reforms which delivered enhanced scrutiny to TAB racing in NSW and led to a major overhaul of stewarding practices and race day integrity operations. Participants and punters can be confident in the integrity of greyhound racing in NSW.

The role and composition of the Board of GRNSW is defined by the *Greyhound Racing Act 2009*. The Act establishes a body to oversight the industry that is at arm's length and operates in line with best practice board governance.

There are a number of checks and balances in place to monitor and control the effectiveness and accountability of the Board and management of GRNSW, including, but not limited to, the Integrity Auditor, the Minister and the annual report and financial audit.

GRNSW considers that the welfare of all animals must be a primary consideration for all participants in the greyhound racing industry and that the industry must continue to improve in this area.

GRNSW has a zero tolerance for participants who do not meet our animal welfare standards.

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Glossary

AI	Artificial Insemination
ARFL	Australian Racing Forensics Laboratory
GA	Greyhounds Australasia Limited
GAP	Greyhounds As Pets program
GBOTA	NSW Greyhound Breeders, Owners and Trainers Association
GRA	Greyhound Racing Authority
GHRRA	Greyhound and Harness Racing Regulatory Authority
GRICG	Greyhound Racing Industry Consultation Group
GRNSW	Greyhound Racing NSW
GRV	Greyhound Racing Victoria
HRNSW	Harness Racing NSW
IAB	Internal Audit Bureau of NSW
IT	Information Technology
RAT	Racing Appeals Tribunal
RNSW	Racing NSW
RWWA	Racing and Wagering Western Australia
SOD	Scheme of Distribution

Introduction

Greyhound Racing New South Wales (GRNSW) welcomes the opportunity to provide a submission to the NSW Legislative Council Select Committee on Greyhound Racing in NSW.

GRNSW understands that the parliamentary committee was established to investigate the economic viability of the industry, as well as the effectiveness of the current industry regulation and governance.

This submission is made by GRNSW in response to the terms of references numbered 4 to 12. The submission of the Joint Greyhound Racing Industry Submission is endorsed by GRNSW and responds to terms of references 1 to 3. Both submissions are endorsed by the Board of GRNSW.

Please direct any inquiries regarding this submission, including any requests for further information, to Brent Hogan, Chief Executive, GRNSW either by telephone (02) 8767 0500 or by email bhogan@grnsw.com.au.

GRNSW welcomes the opportunity to respond to any specific matters raised in other submissions.

Role of GRNSW

Established in February 2003, GRNSW is a body corporate constituted by the *Greyhound Racing Act 2009* charged with providing strategic direction and leadership in the development, integrity and welfare of greyhound racing in NSW. It is the peak body of the sport and is responsible for ensuring the competitiveness and long-term commercial viability of greyhound racing for the benefit of participants, business partners and the community.

Greyhound Racing NSW is prohibited by legislation from running greyhound racing meetings. The conduct of racing is undertaken by clubs that are in turn regulated by GRNSW.

Up until 2003, both the commercial and regulatory affairs of the sport were the responsibility of the Greyhound Racing Authority (GRA), which was a statutory body under the control of the Minister for Racing.

The *Greyhound Racing Act 2002* established GRNSW in 2003 as an independent body to represent, fund and control the commercial operations of the greyhound racing industry. Responsibility for the regulatory affairs of the sport remained under the control of the government, firstly with the GRA and then the Greyhound and Harness Racing Regulatory Authority (GHRRA).

After years of separation between the regulatory and commercial functions of greyhound racing in NSW, administration of the sport was combined following the dismantling of the GHRRA and the granting of its regulatory responsibilities to GRNSW from 1 July 2009.

The business structure of GRNSW covers both the commercial and regulatory responsibilities with four core business units: Integrity, Industry & Strategy, Media & Content and Growth & Sustainability. The functions of each business unit are outlined in the table below.

<p><u>Integrity</u></p> <ul style="list-style-type: none"> • Stewarding • Race day operations • Inquiries • Kennel inspections • Branding, marking and identification • Determining eligibility of new licence applicants • Dealing with inquiries relevant to greyhound breeding activities 	<p><u>Media & Content</u></p> <ul style="list-style-type: none"> • Media and issues management • Publications, news service and e-communications • Website • Race form services • Community engagement • Events and promotions
<p><u>Industry & Strategy</u></p> <ul style="list-style-type: none"> • Processing of all licensing and registration transactions • Scheme of distribution payments • Club operating standards and registration • Club support on recurrent funding issues • Grading • Race programming • Wagering • Infrastructure planning and expenditure 	<p><u>Growth & Sustainability</u></p> <ul style="list-style-type: none"> • Ownership and syndication • Animal welfare • Greyhounds As Pets • Breeding programs • Membership education initiatives • Veterinary matters

Functions of GRNSW

As set out in the *Greyhound Racing Act 2009* the functions of GRNSW include the following:

- To control, supervise and regulate greyhound racing in the state;
- To register greyhound racing clubs, greyhound trial tracks, greyhounds, owners and trainers of greyhounds, bookmakers for greyhound racing and other persons associated with greyhound racing;
- To initiate, develop and implement policies considered conducive to the promotion, strategic development and welfare of the greyhound racing industry in the state;
- To distribute money received as a result of commercial arrangements required by the *Totalizator Act 1997*; and
- To allocate to greyhound racing clubs the dates on which they may conduct greyhound racing meetings.

The functions of GRNSW are exercised independently of government.

Structure of Submission

The structure of this submission follows the Inquiry Terms of Reference, including the use of the same headings for ease of cross referencing to the corresponding sections of the Inquiry. In addition a summary of the key points and recommendations are set out at the beginning of each section.

Terms of Reference

1 The economic viability of the greyhound racing industry in New South Wales

GRNSW refers the Committee to the Joint Greyhound Racing Industry Submission prepared by GRNSW, the NSW Greyhound Breeders Owners and Trainers Association, the Metropolitan and Provincial Greyhound Clubs Association, the Greyhound Racing Clubs Association and the Greyhound Action Group, with respect to this term of reference.

GRNSW fully endorses the joint submission.

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

GRNSW refers the Committee to the Joint Greyhound Racing Industry Submission prepared by GRNSW, the NSW Greyhound Breeders Owners and Trainers Association, the Metropolitan and Provincial Greyhound Clubs Association, the Greyhound Racing Clubs Association and the Greyhound Action Group, with respect to this term of reference.

GRNSW fully endorses the joint submission.

3 Government initiatives and assistance measures to support the industry and comparison of assistance to other racing codes

GRNSW refers the Committee to the Joint Greyhound Racing Industry Submission prepared by GRNSW, the NSW Greyhound Breeders Owners and Trainers Association, the Metropolitan and Provincial Greyhound Clubs Association, the Greyhound Racing Clubs Association and the Greyhound Action Group, with respect to this term of reference.

GRNSW fully endorses the joint submission and provides the following summary:

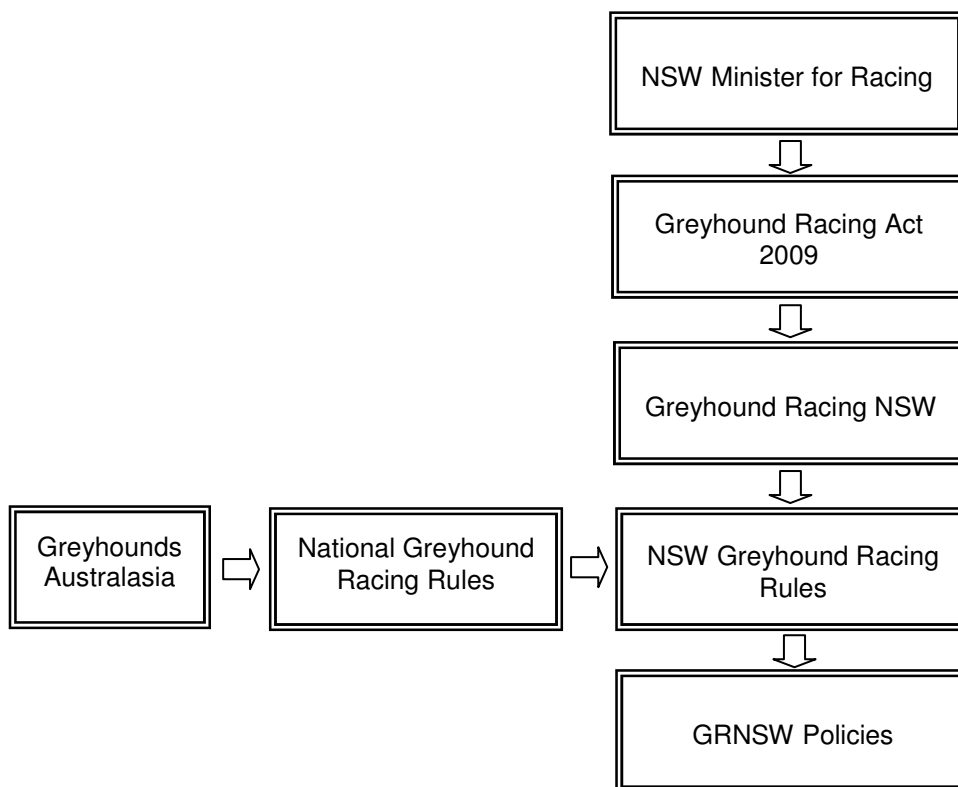
Summary of NSW Government initiatives and assistance measures to support the greyhound racing industry and comparison of assistance to other racing codes:

- GRNSW has received minimal funding from the NSW Government over the past decade when compared to the support provided to NSW thoroughbred racing and other racing jurisdictions.
- In 2010, the NSW Government announced up to \$174 million in funding for thoroughbred racing in NSW for major upgrades to the Rosehill and Randwick Racecourses.
- Greyhound Racing Victoria has recently received more than \$10.5 million from the Victorian Government for various track re-developments across the state and \$1 million for the state's greyhound adoption program.
- Other racing jurisdictions across Australia have received considerable financial support from their respective governments to help boost prizemoney, infrastructure, industry related initiatives and integrity services.

4 The effectiveness of current industry regulation, including the level of autonomy of Greyhound Racing NSW

- The NSW Government introduced legislative amendments in 2009 to reform and update the statutory arrangements that underpinned the governance of greyhound racing.
- The functions and powers of GRNSW are set out in the *Greyhound Racing Act 2009*.
- GRNSW continues to deliver industry leading regulatory reform and has significantly reduced the level of red tape and administrative burden within the NSW greyhound racing industry in recent years.
- GRNSW has an extremely effective and transparent regulatory framework that is built on best practice principles drawn from a number of different sectors, including the racing industry.
- There are a number of checks and balances in place to control and regulate the level of autonomy of GRNSW.

4.1 Regulatory Snapshot



4.2 Powers of GRNSW

As set out in the *Greyhound Racing Act 2009*, GRNSW has the power to:

- Investigate and report on proposals for the construction of new racecourses and inspect new racecourses or alterations or renovations to existing racecourses;
- Supervise the activities of greyhound racing clubs, persons registered by GRNSW and all other persons engaged in or associated with greyhound racing;
- Inquire into and deal with any matter relating to greyhound racing and to refer any such matter to stewards or others for investigation and report and, without limiting the generality of this power, to inquire at any time into the running of any greyhound on any course or courses, whether or not a report concerning the matter has been made or decision arrived at by the stewards;
- Direct and supervise the dissolution of a greyhound racing club that ceases to be registered with GRNSW;
- Appoint an administrator to conduct the affairs of a greyhound racing club;
- Disqualify a greyhound from participating in a race;
- Exclude a greyhound that is not registered from participating in a race;
- Prohibit a person from attending or taking part in a greyhound racing meeting;
- Impose a penalty on a person registered by it or on an owner of a greyhound for a contravention of the Greyhound Racing Rules;
- Consult, join, affiliate and maintain liaison with other associations or bodies, whether in the State or elsewhere, concerned with the breeding or racing of greyhounds;
- Enter into contracts;
- Acquire, hold, take or lease and dispose of real and personal property whether in its own right or as trustee;
- Borrow money;
- Order an audit of the books and accounts of a greyhound racing club by an auditor who is a registered company auditor nominated by GRNSW;
- Scrutinise the constitutions of greyhound racing clubs to ensure they confirm to any applicable Act and the Greyhound Racing Rules and that they clearly and concisely express the needs and desires of the clubs concerned and of greyhound racing generally;
- Publish material, including periodical publications, to inform the public about matters relating to greyhound racing, whether in the state or elsewhere;
- Undertake research and investigation into all aspects of the breeding of greyhounds and of greyhound racing generally; and
- Take such steps and do such acts and things as are incidental or conducive to the exercise of its powers and performance of its functions.

It should be noted that there is no power to conduct racing. The legislation maintains a clear division between regulation and racing to avoid any conflict of interest.

4.3 Industry Regulation

In fulfilling its functions under the *Greyhound Racing Act 2009*, GRNSW regulates all aspects of greyhound racing in NSW.

Effective, well-designed regulation is necessary to help achieve GRNSW's objectives with respect to integrity and probity. GRNSW has an extremely effective and transparent regulatory framework that is built on best practice principles drawn from a number of different sectors, including the thoroughbred racing industry.

Industry regulation within the sport in NSW can be split into three key areas: racing, clubs and greyhounds and people.

4.3.1 Racing

GRNSW inherited a number of legacy issues from the NSW Government during the merger with the NSW Greyhound and Harness Racing Regulatory Authority (GHRRA), including an inefficient industrial framework. This was particularly evident with respect to its regulatory operations, especially around matters of integrity. In addition, the legacy industrial framework saw the majority of stewarding and identification resources being employed with a guarantee of previous Award conditions that applied until 30 June 2011.

GRNSW also inherited a range of legacy Information Technology (IT) systems for the key functions of licensing, grading and stewarding, which were all outdated, largely unsupported and unable to be fully integrated. These issues hampered GRNSW's ability to make significant improvements to the way integrity services, such as race meeting preparation, bet monitoring and swabbing were delivered. The provisions saw the Integrity Department operate almost entirely the same as it had under the GHRRA. The total cost of the merger to the greyhound racing industry was over \$1.9 million and GRNSW received no capital injection from the NSW Government to assist with the transition process.

Despite this impediment, from as soon as it was able to do so, GRNSW implemented significant industry wide reforms. This has included a major change in GRNSW's approach to race day integrity operations and the identification process for greyhounds providing industry-leading integrity enhancements.

The reforms implemented include:

- A new approach to race day integrity services;
- Replacing Greyhound Certificates with Greyhound Identity Cards;
- Microchipping all greyhounds that are yet to be named;
- Establishing a Greyhound Welfare and Veterinary Services Unit within GRNSW; and
- Making the attendance of vets at all Non-TAB race meetings compulsory.

4.3.1.1 Greyhound Racing Rules

Apart from the *Greyhound Racing Act 2009*, the Greyhound Racing Rules is the most important document underpinning the administration of the sport in NSW. The Greyhound Racing Rules outline and define, in detail, the regulatory obligations and role of all individuals and organisations that participate in the sport of greyhound racing in NSW.

The Greyhound Racing Rules contain more than 150 Local rules (set by GRNSW) and National rules (set by Greyhounds Australasia) that are often supported by other policy documents. For example, Local Rule 21A, Grading of TAB meetings and Non-TAB meetings, is supported by the NSW Grading Policy, which outlines the methodology and process for forming race fields in NSW.

The Greyhound Racing Rules also outline the guidelines, operating requirements and regulations for all key aspects of the sport, including, but not limited to:

- Grading and formation of TAB and Non-TAB meetings - including box draws and scratchings;
- Licensing and registration of greyhounds and people - including criteria and declarations, paperwork requirements and submission timeframes;
- Club and trial track registration requirements and operating regulations;
- The powers of GRNSW and its officials;
- Control and regulation of race meetings - including minimum race day rules, standards and procedures;
- Procedures for the collection and finalisation of race results;
- Guidelines, procedures and regulations for testing and collections of samples for prohibited substances, both on course and out of competition;
- Conduct of inquiries and appeals, definition of betting offences, other penalties and fines for breaches of rules;
- Responsibilities of person in charge of greyhounds - including notification and paperwork requirements;
- Registration requirements for greyhounds relating to ownership and breeding - including breeding leases and syndicate registration;
- Breeding regulations - including the requirement for DNA testing and mandatory paperwork and notification requirements;
- Import and export regulations;
- Regulation, registration, storage and identification of frozen semen; and
- Licensing and control of bookmakers and clerks - including wagering regulations, compliance obligations, reporting requirements and operating guidelines.

The Greyhound Racing Rules and all GRNSW policy documents are available to the public at www.thedogs.com.au.

4.3.1.2 Breach of Rules

A person guilty of an offence or found to have breached the Greyhound Racing Rules shall, at the discretion of GRNSW or the stewards, be liable to any one, or combination of, the following:

- Fine not exceeding such amount as specified in the *Greyhound Racing Act 2009* (the Act) or Greyhound Racing Rules;
- Suspension;
- Disqualification; or
- Cancellation of registration.

The maximum fine that can be imposed under the Act is \$22,000 per offence.

4.3.1.3 Racing Appeals Tribunal

The Racing Appeals Tribunal (RAT) is constituted by the *Racing Appeals Tribunal Act 1983*. The office is currently held by retired magistrate David Armati.

In line with clause 9 of the *Racing Appeals Tribunal Regulation 2010* an appeal can only be made to the RAT in respect of a decision:

- To disqualify or warn off a person;
- To cancel the registration of, or refuse to register a person;
- To cancel the registration of, or refuse to register a greyhound;
- To fine a person an amount of \$200 or more;
- To disqualify a greyhound if the disqualification is made in conjunction with the imposition of a penalty on the appellant or any other person;
- To suspend any licence, right or privilege under the Greyhound Racing Rules; or
- To place an endorsement on the registration certificate of a greyhound for marring or failing to pursue the lure, that gives rise to a suspension of the greyhound for a period of more than four weeks.

While the RAT is independent of GRNSW, GRNSW bears the costs associated with its administration including fees paid to the sitting member.

4.3.1.4 Stewarding

The stewards panel is effectively the 'police force' of the greyhound racing industry responsible for the enforcement of the Greyhound Racing Rules.

Stewards have the power to control and regulate a race meeting. Amongst other things, they have the power to:

- Inquire into any matter or thing in connection with a meeting pursuant to their control;
- Require, obtain production of and examine all books, documents and other printed materials relating to a meeting;
- Enter all lands, booths, buildings, kennels, stands, enclosures and all other places used for the purpose of a meeting;
- Control, regulate, and inquire into the conduct of officials, bookmakers, bookmakers' clerks, owners, trainers, attendants and other persons participating in or associated with a meeting;
- Order the examination of a greyhound drawn in a meeting for the purpose of ascertaining its age or identity or for any other purpose;
- Remove at any time during a meeting any official and to appoint a substitute for any such official;
- Appoint any official necessary to the proper control, regulation or conduct of a meeting if in their opinion the club has failed or neglected to do so;
- Acting on veterinary advice order the withdrawal of a greyhound from a meeting if in their opinion the greyhound is unfit to run;
- Extend the starting time for any event where in their opinion exceptional circumstances make such action necessary or desirable;
- Alter the order in which events appear on the original draw for a meeting if in their opinion that action is necessary or desirable for the proper conduct of the meeting;
- Expel or exclude a person from a meeting;
- Refuse permission to any bookmaker or bookmaker's clerk to operate at a meeting;
- Determine any act, matter or thing that arises but is not provided for by the Greyhound Racing Rules; and
- Disqualify from winning or being placed in any event a greyhound used in connection with a breach of the Greyhound Racing Rules.

4.3.1.5 Integrity Enhancement Under GRNSW

GRNSW continually develops and implements best practice in integrity services. In 2011 GRNSW introduced industry-leading regulatory reforms which delivered enhanced scrutiny to TAB racing in NSW and led to a major overhaul of stewarding practices and race day integrity operations.

The innovative approach to policing race meetings maximises the use of technology for regulatory operations. This includes the use of a 'control room' at GRNSW's head office in Rhodes. This purpose-designed centre receives live feeds of the race broadcast footage, surveillance footage from the kennel blocks and utilises video conferencing equipment to facilitate communication between the tracks and office in real time, together with modern bet monitoring tools.

The central control room enhances integrity services by allowing for advanced monitoring of betting trends, early identification of potential incidents, detailed post meeting reviews and one central contact point for race day operational matters.

This technology has resulted in improved governance, operational efficiencies and innovative business practice. This world class integrity model provides increased certainty and confidence to punters.

GRNSW has emulated several other professional sports, which have used technology to overhaul traditional approaches to refereeing and umpiring.

A video production has been made detailing how the control room functions. This can be viewed at <http://www.thedogs.com.au/tv/?id=334>

In 2012, GRNSW reinforced its commitment to ensuring the integrity of greyhound racing by announcing an increase in its swabbing budget, which set a new benchmark for the sport in Australia.

The doubling of the swabbing budget for the 2012/13 financial year allowed for the number of swabs in the TAB sector to increase to 7.5 swabs per meeting and the swabs to starter ratio to more than 2.5. The increased expenditure on drug detection resulted in the number of swabs in the TAB sector increasing by just over 74% during this period. The increased budget enabled GRNSW to carry out 5,726 swabs in the 12 months up until and including the end of September 2013.

The increased expenditure on drug detection has also enabled GRNSW to increase levels of out of competition testing. Out of competition tests form an integral component of GRNSW's ongoing drug detection strategy.

GRNSW will continue to review its integrity policies and introduce new schemes to improve integrity services. Staying at the forefront of integrity developments is central to the ongoing success of greyhound racing in NSW.

4.3.1.6 Kennel Inspections

As part of GRNSW's ongoing integrity assurance program, routine kennel inspections are carried out across NSW to assess suitability of training facilities with regard to animal welfare, work health and safety, and security compliance. As part of this process, it is GRNSW's intent to conduct kennel inspections for all licensed persons once every two years, in order to improve greyhound welfare, increase the education of participants and ensure industry leading standards in integrity.

All kennels are inspected in accordance with the GRNSW Code of Practice for the keeping of greyhounds in training.

4.3.2 Clubs

4.3.2.1 Club Registration Policy

Club registration conditions are outlined in the current GRNSW Club Registration Policy and under Local Rule 88 of the Greyhound Racing Rules. Clubs are granted registration on a financial year basis for the period from 1 July to 30 June.

In determining club registrations, GRNSW has the following objectives:

- To establish minimum management standards for race clubs;
- To protect the commercial viability and reputation of the industry; and
- To protect and develop the interests of the industry and its stakeholders generally.

Clubs must meet the following registration requirements:

1. The club must be a non-proprietary association holding a special perpetual licence pursuant to Part 2 of Division 1 of the *Racing Administration Act 1998*.
2. The club must comply with:
 - Applicable federal and state legislation including, in particular, Acts relating to racing administration and operations;
 - Local government requirements; and
 - The Greyhound Racing Rules.
3. The club must follow the directives and procedures set out in the GRNSW Operating Standards and Guidelines for NSW greyhound racing clubs.
4. The club must have a written procedure for the admission of new members, that includes the following:
 - The names and addresses of proposed members are recorded in the minutes;
 - Details of the proposer and seconder of the proposed members, and of any discussion about them, are recorded in the minutes; and
 - Any correspondence relating to membership is carefully checked and filed by the club secretary.

The Club Registration Policy also outlines the role and functions of clubs, the procedure for registration and clubs' record and reporting requirements. The Club Registration Policy and Greyhound Racing Rules are available at www.thedogs.com.au.

4.3.2.2 Operating Standards

GRNSW leads the Australasian racing industry in the areas of operating standards and controls for greyhound racing clubs. GRNSW has the goal to be the number one run racing code in the country.

The Operating Standards and Guidelines for NSW Greyhound Racing Clubs (Operating Standards) were introduced in 2004 to improve the performance, efficiency, safety and accountability of all clubs in NSW.

The Operating Standards were designed to facilitate standards of best practice in corporate governance – particularly in the areas of risk management, racing programs, racecourse facilities and financial management. The Operating Standards outline the minimum requirements that greyhound racing clubs must achieve to obtain registration in NSW.

Originally presented as a set of 32 standards that had to be met each year, GRNSW undertook a review of the Operating Standards in 2010 to make them more practical, simple and achievable for clubs. The GRNSW Board recognised a need to modernise the Operating Standards to meet the challenges of the existing operating environment. The review also formed an important part of the Board's ongoing commitment to regulation reform and reducing the burden of red tape within NSW greyhound racing.

Following the review, a new set of 16 Operating Standards were released by GRNSW, significantly reducing the regulatory and administrative burden on NSW greyhound racing clubs, while at the same time making it easier for clubs to comply with GRNSW registration requirements.

The current Operating Standards balance best practice in corporate governance with simplicity and practicality for clubs. They utilise simple language, are realistic, easy to navigate and understand, combining clear deliverables with practical tools and templates to assist clubs to comply.

GRNSW believes the Operating Standards have led to higher levels of compliance across all metrics and stronger operations that have improved the performance efficiency, safety and accountability of NSW greyhound racing clubs.

PDF versions of all Operating Standards are available for download at www.thedogs.com.au.

- Standard 1 - Club Constitution
- Standard 2 - Best Practice Governance
- Standard 3 - Complaint Handling and Dispute Resolution
- Standard 4 - Anti Discrimination and Harassment
- Standard 5 - Business and Marketing Plan
- Standard 6 - Clubs Secure - Racing Statistics Reporting
- Standard 7 - Clubs Secure - Finance Reporting
- Standard 8 - Financial Reporting At Committee Level
- Standard 9 - Insurance Coverage
- Standard 10 - Work Health and Safety Policy and Compliance
- Standard 11 - Incident and Injury Prevention

- Standard 12 - Emergency Procedures
- Standard 13 - Annual Report
- Standard 14 - Club Accounting Practices
- Standard 15 - Club Assets
- Standard 16 - Theft and Fraud Control

The ongoing modernisation of the Operating Standards continued in 2012. GRNSW reviewed and updated Standard 10 to reflect the introduction of new national model legislation that came into effect in NSW on 1 January 2012, known as the *Work Health and Safety Act 2011* and the *Work Health and Safety Regulations 2011*.

Standard 10 was reviewed to ensure it was consistent with the new work, health and safety laws and that clubs have up-to-date information on their obligations under the legislation.

4.3.3 Greyhounds and People

4.3.3.1 Licensing and Registration

The licensing and registration function of GRNSW is provided for under Section 9 (b) of the *Greyhound Racing Act 2009*. It states:

(b) to register greyhound racing clubs, greyhound trial tracks, greyhounds, owners and trainers of greyhounds, bookmakers for greyhound racing and other persons associated with greyhound racing.

Licensing requirements for participants of the sport - including mandatory criteria and declarations, paperwork requirements and submission timeframes - are defined and outlined in the Greyhound Racing Rules. All participants, with the exception of owners which are registered with GRNSW must be licensed in order to participate in the sport.

For all licence types GRNSW requires:

- A certified copy of identification (i.e. passport or birth certificate) and a current certified passport photo; and
- A National Criminal History Check - with the exception of applicants for an Attendant licence who are under the age of 21.

In addition to a National Criminal History Check, applicants for licences are required to answer a number of specific questions (Questionnaire) and provide a signed declaration that the information provided in their application is true and correct. More specifically, applicants are required to respond to the following questions:

1. Have you ever been or are you currently disqualified, suspended, warned off or listed as defaulter by any horse, harness or greyhound racing body?
2. Have you, in the last 10 years, been convicted of any criminal offence (or placed on a bond) under your own name or any other name?
3. Are there any charges or criminal prosecutions now pending against you?
4. Have you even been charged with or convicted of an offence under the *Prevention of Cruelty to Animals Act*?

For probity and integrity reasons, GRNSW does not process incomplete or unsigned licence applications under any circumstance.

All participant licences (Stud manager, attendant, owner trainer and public trainer) last for two years and are renewed biennially in June. As part of this renewal process, licensees are required to refresh their declarations and update all relevant personal details. If a participant fails to renew their licence within 12 months of it expiring, it will lapse. This means that an individual will be required to start the licence process again and re-apply as a new applicant if they wish to participate in greyhound racing in NSW. The same requirements apply to all persons returning from a period of disqualification.

Individuals applying for an owner trainer or public trainer licence must also have a kennel inspection before being granted a licence, to ensure their kennels meet the minimum standards as outlined under the GRNSW Code of Practice for the keeping of greyhounds in training. Applicants for these licence categories are also required to undertake a short examination with a steward, which tests their greyhound knowledge across a number of areas, including the GRNSW Code of Practice for the keeping of greyhounds in training, Greyhound Racing Rules and race day procedures. This examination is usually conducted in person as part of the compulsory kennel inspection process.

GRNSW Licence Types

Licence Type	Proof of Identity	National Criminal History Check	Questionnaire	Licence Term
Attendant	✓	For applicants over 21 years of age	✓	2 years
Owner Trainer	✓	✓	✓	2 years
Public Trainer	✓	✓	✓	2 years
Stud Manager	✓	✓	✓	2 years
Bookmaker	✓	✓	✓	1 year
Bookmaker Clerk	✓	✓	✓	1 year

In addition to its licensing activities, GRNSW is also responsible for the registration of greyhounds throughout the entire lifecycle – from breeding, racing and retirement.

GRNSW uses its purpose-built information technology system OzChase to record all licensing and registration data. The collection of the relevant information for each greyhound registration and licence application is captured via hardcopy and entered into the OzChase computer system. Following data entry, hard copy records are scanned into GRNSW's 'Alchemy' electronic filing system, while the original versions of the paperwork are archived.

GRNSW has stringent controls in place to ensure the integrity of the administration of the licensing and registration processes, including:

- Signature checks to verify the identity of individuals before processing paperwork;
- Maintenance of electronic copies of all licensing and registration paperwork; and
- The standard practice of not processing incomplete or unsigned paperwork.

4.3.3.2 Customer Service Commitment

GRNSW is committed to having a customer service culture that treats participants as valued members of the sport, servicing them in a responsive, timely, professional and inclusive way.

The GRNSW Customer Service Commitment provides members and stakeholders with information on:

- The services GRNSW provides;
- The process for connecting to GRNSW services;
- The levels of service that GRNSW aims to deliver; and
- Who to contact at GRNSW.

The Customer Service Commitment is available at www.thedogs.com.au.

4.4 Better Regulation Principles

GRNSW is committed to regulation reform and reducing the burden of red tape within NSW greyhound racing. As part of this commitment, GRNSW adopted the Better Regulation Principles in July 2010 to ensure all future regulation is effective and warranted providing positive benefits to the sport's participants.

The principles are used when preparing regulatory proposals to demonstrate that any new regulations or amendments to existing regulatory activities are required, reasonable, practical, responsive and enforceable. The principles ensure that regulation is only used by GRNSW when completely justified and the benefits clearly outweigh the costs of implementation and administration.

Under the framework, new regulations are only adopted if the change meets all of the eight Better Regulation Principles, which are as follows:

- Principle 1 - the need for action should be established;
- Principle 2 - the objective of action should be clear;

- Principle 3 - the impact of action should be properly understood by considering the costs and benefits of a range of options, including non-regulatory options;
- Principle 4 - action should be effective and proportional;
- Principle 5 - consultation should inform regulatory development;
- Principle 6 - the simplification, repeal, reform or consolidation of existing regulation should be considered;
- Principle 7 - regulation should be periodically reviewed and if necessary reformed to ensure its continued efficiency and effectiveness; and
- Principle 8 - regulation should be appropriate and enforceable.

4.5 Role of Greyhounds Australasia

Greyhound racing is a borderless industry that is administratively similar across Australia, with the exception of small policy and procedural differences. As a result, greyhounds are highly transportable, with owners and trainers able to race across borders under the guidance of National Rules.

Greyhounds Australasia (GA) comprises representatives from jurisdictional controlling bodies in Australian states and territories and New Zealand.

The charter of GA is to support these jurisdictions via a holistic approach to the Australasian greyhound racing industry and creating uniformity. For example, GA is responsible for developing and driving a national approach to welfare and breeding regulation.

GA has an important role across the industry and provides stakeholders with value-added services. It helps pursue best practices that support industry integrity and maximise returns to ensure a sustainable future for greyhound racing.

Some of the services GA undertakes on behalf of the Australasian greyhound industry are as follows:

- Aims to establish uniformity with policies and practices;
- Names greyhounds on behalf of its members;
- Administers a national frozen semen database;
- Provides DNA services for participants and its members;
- Produces an annual stud book of greyhounds named and litters registered;
- Funds national greyhound initiatives, including research and development into prohibited substances;
- Assists with the future direction of the Australasian greyhound racing industry, for example, in the area of greyhound welfare;
- Develops and enforces import and export rules and guidelines; and
- Monitors greyhound welfare through the development of the greyhound passport scheme and associated policies.

4.6 Separation of Powers

The primary objective of the *Greyhound Racing Act 2009* was to reform and update the statutory arrangements that underpinned the governance arrangements for the greyhound and harness racing industries, i.e. end the separation of commercial and regulatory controlling body functions.

In presenting the Bill to Parliament, the government at the time argued that change was necessary to meet the challenges of the economic climate, evolving laws and new ways of transacting cross border business, including novel technologies.

The government also noted that a number of comprehensive reviews had informed the policy and legislative changes. More specifically, the reforms were based on the recommendations made in the Malcolm Scott Review and the statutory Five Year Review of the greyhound and harness racing legislation.

Key to the legislative amendments and changes was the provision for:

- An independent board structure for GRNSW;
- An independent Integrity Auditor to receive and consider complaints about the conduct of racing officials; and
- The establishment a Greyhound Racing Industry Consultation Group to facilitate robust and productive consultation between the GRNSW and industry stakeholders.

4.7 Autonomy of GRNSW

Section 5 of the *Greyhound Racing Act 2009* (the Act) defines GRNSW's independence from government. The Act states that:

GRNSW or any of its subsidiaries:

(a) does not represent the Crown and is not subject to direction or control by or on behalf of the Government, and

(b) cannot render the State liable for any debts, liabilities or other obligations of GRNSW or its subsidiaries,

unless this or any other Act expressly provides otherwise.

The Act takes this a step further ensuring that the governance of GRNSW is independent from the sport, providing for an independent board structure as set out under Section 6 of the Act.

A detailed overview of the GRNSW independent Board structure is provided in Section 5.1.

4.8 Checks and Balances - Autonomy

There are a number of checks and balances in place to control and regulate the level of autonomy of GRNSW, including:

- ***Independent Audits of GRNSW***

GRNSW commissions regular independent audits of its governance frameworks to ensure they meet industry best practice and to increase organisation transparency.

- ***Integrity Auditor***

A detailed overview of the Integrity Auditors role is provided in Section 7.1.

- ***The Minister***

Given its role in administering the *Greyhound Racing Act 2009*, GRNSW is effectively accountable to the Minister for Tourism, Major Events, Hospitality and Racing, who, if required, has the power to intervene in GRNSW's administration activities.

- ***The Greyhound Racing Industry Consultation Group***

A detailed overview the Greyhound Racing Industry Consultation Group is provided in Section 6.4.

- ***Annual Report and audit (financials)***

Under the *Greyhound Racing Act 2009* GRNSW is required to prepare and forward an annual report of its work and activities for the financial year to the Minister by 1 November of each year.

The report must include copies of the financial statements of GRNSW for the 12 month period to which the report relates, together with an auditor's report on those statements prepared by an independent auditor.

The Minister tables the annual report in both Houses of Parliament and copies of all GRNSW's annual reports are available at www.thedogs.com.au.

5 The selection process for the Board of Greyhound Racing NSW

- The selection process for members of the GRNSW Board is set out in the *Greyhound Racing Act 2009*.
- The legislation stipulates that the members of the Selection Panel are selected by the NSW Minister for Racing.
- The arrangement was designed to provide for business continuity following the disbanding of the former Greyhound and Harness Racing Regulatory Authority, and the transfer of its greyhound regulatory responsibilities to GRNSW.
- The five-member board structure is independent and appointments are based on merit in accordance with a skills-based criteria.
- The legislation stipulates that people are ineligible for the GRNSW Board if they are employees of a club or members of the governing body of a club.

5.1 Independent Board

The NSW Government introduced legislative amendments in 2009 to reform and update the statutory arrangements that underpinned the governance of greyhound and harness racing. The changes provided for an independent board structure for GRNSW, based on the Racing NSW (RNSW) Board model. The changes outlined a move to a five member independent board structure to replace the nominee representative structure at the end of its term in February 2012.

The arrangement was designed to provide for business continuity following the disbanding of the former Greyhound and Harness Racing Regulatory Authority, and the transfer of its greyhound regulatory responsibilities to GRNSW.

The five-member board structure is independent and appointments are based on merit in accordance with a skills-based criteria, including experience in a senior administrative role, or experience at a senior level in one or more of the following fields: business, finance, law, marketing, technology, commerce, regulatory administration or regulatory enforcement.

People are ineligible for the GRNSW Board if they are employees of a club or members of the governing body of a club and those appointed to the Board can only serve a maximum term of eight years – ensuring there is a regular reinvigoration of talent.

The move to an independent board structure was recognition from the NSW Government of the need to recruit persons with high-level business and management skills thus ensuring GRNSW was equipped to operate in a modern business environment. An independent board structure also nullifies the perceived conflict of interests inherent in the previous representative board model.

The independent board model is recognised as best practice across the racing industry as it provides the opportunity to develop whole of industry strategy and policy without overbearing influence of internal facets of the industry.

For greyhound racing, the independent board model has allowed for dealings and decisions to be made at arm's length to the industry, ensuring that strategy and policy has been developed for the betterment of the industry.

The selection process for members of the GRNSW Board is set out in the *Greyhound Racing Act 2009*. It is identical to the selection process that determines the members of the Harness Racing NSW Board and has similarities to the process that appoints members of the RNSW Board.

Under Part 2 Section 6 of the *Greyhound Racing Act 2009*, the GRNSW Board is to consist of five members recommended by a Selection Panel appointed by the NSW Minister for Racing.

6 The effectiveness and accountability of the Board and management of Greyhound Racing NSW

- Under the *Greyhound Racing Act 2009* GRNSW is required to prepare an annual report of its work and activities for each financial year.
- GRNSW commissions regular independent audits of its governance frameworks to ensure they meet industry best practice and to increase organisation transparency.
- The Greyhound Racing Industry Consultation Group is an important forum which provides input on industry regulation and a channel for participants to raise concerns about the autonomy of GRNSW.
- The GRNSW Board Code of Conduct provides a robust framework for Board members' ethical behaviour, actions and decisions, along with a set of principles they must adhere to whilst fulfilling their duties.

6.1 Checks and Balances - Accountability

There are a number of checks and balances in place to monitor and control the effectiveness and accountability of the Board and management of GRNSW, including, but not limited to:

- ***Integrity Auditor***

A detailed overview of the Integrity Auditors role is provided in Section 7.1.

- ***The Minister***

Given its role in administering the *Greyhound Racing Act 2009*, GRNSW is effectively accountable to the Minister for Tourism, Major Events, Hospitality and Racing, who, if required, has the power to intervene in GRNSW's administration activities.

- ***Annual Report and Financial Audit***

Under the *Greyhound Racing Act 2009* GRNSW is required to prepare and forward an annual report of its work and activities for the financial year to the Minister by 1 November of each year.

The report must include copies of the financial statements of GRNSW for the 12 month period to which the report relates, together with an Auditor's Report on those statements prepared by an independent auditor.

The Minister tables the annual report in both Houses of Parliament and copies of all GRNSW's annual reports are available at www.thedogs.com.au.

6.2 Independent Audits of GRNSW

GRNSW has a rolling three-year internal audit program focusing on its governance frameworks to ensure that they are transparent and meet industry best practice.

In August 2012, the Internal Audit Bureau of New South Wales (IAB) - independent auditors - was commissioned to undertake an assessment of GRNSW's governance framework. At

the same time, IAB updated GRNSW's risk management framework and outlined an internal audit plan.

The main objectives of the audit were to:

- Assess the robustness of GRNSW's governance framework;
- Benchmark compliance with respect to good public sector practice in accordance with IAB's public sector governance assessment methodology;
- Provide recommendations on areas for improvement where applicable;
- Re-assess GRNSW's key business risks and reappraise the related activities and functions for improvement in risk minimisation strategies;
- Update the risk register and provide recommendations for improvement where applicable with respect to GRNSW's Risk Management Policy and Framework; and
- Develop a three year internal audit plan.

The assessment of GRNSW's governance framework was positive. IAB identified no areas that required urgent attention and no major gaps or flaws in key governance areas. IAB found that GRNSW's senior management team, led by the Chief Executive and Chief Operating Officer, had demonstrated diligence and commitment in all areas of the governance assessment.

The results of the assessment compared extremely favourably with similar assessments that IAB have facilitated for other public sector clients. GRNSW exceeded the average ratings of other agencies in all 13 governance dimensions under review. In reviewing GRNSW's risk management framework, IAB found that there were no high residual risks.

In light of this review, management of GRNSW believes its current governance procedures are adequate and appropriate, given the organisation's size and level of funding.

Future audits proposed under GRNSW's three-year rolling audit program include an investigation into:

- Animal welfare practices;
- Effectiveness of club and trial track registration process; and
- IT strategy and disaster recovery planning.

6.3 Board Code of Conduct

The GRNSW Board Code of Conduct (the Code) provides guidance to members and delegates, to help them carry out their duties and responsibilities effectively. The Code has been recently reviewed to ensure it reflects best practice in corporate governance and the transition to an Independent Board. The Code provides a robust framework, based on best practice corporate governance, for Board members' ethical behaviour, actions and decisions, along with a set of principles they must adhere to whilst fulfilling their duties.

Some of the key requirements of GRNSW Board members, as outlined in the Code, include:

- Acting independently, bringing to the Board their experience in a senior administrative role or experience at a senior level in one or more of the fields of business, finance, law, marketing, technology, commerce, regulatory administration

or regulatory enforcement. Board members must strive to use their skills and experience to the best advantage of the Board and the greyhound racing industry in NSW;

- Performing their role objectively and impartially, using their best efforts to ensure equity and fairness to all clubs, participants, and stakeholders in the NSW greyhound racing industry that may be affected by a decision of the Board. The interests of all parties with whom the Board interacts must be dealt with impartially and free of intrusion of self-interest or outside influences; and
- Putting the interests of the industry before the interests of themselves.

In addition to these requirements, the Code outlines a number of other expected duties of GRNSW Board members and for the Chairman's role. Further, under the Code, all Board members are required to declare any conflicts of interest or pecuniary interests that could directly or indirectly compromise the performance of their duties.

The GRNSW Board Code of Conduct contains guidelines for Board members across a range of other important areas and a copy of the Code can be found at www.thedogs.com.au.

6.4 Greyhound Racing Industry Consultation Group

The Greyhound Racing Industry Consultation Group (GRICG) was established under the *Greyhound Racing Act 2009* and has the function of consulting with and making recommendations to GRNSW on matters concerning greyhound racing in NSW. The Board of GRNSW is committed to developing and ensuring that GRICG is an active channel for consultation and discussion of industry issues.

As defined under Section 33 of the *Greyhound Racing Act 2009*, GRICG is to consist of the following members:

- One person nominated by the New South Wales Greyhound Breeders Owners and Trainers Association;
- One person nominated by the clubs funded by GRNSW as TAB clubs;
- One person nominated by the clubs funded by GRNSW as country clubs; and
- No more than three persons, each to be nominated by a different eligible industry body.

GRICG is an important forum which provides input on industry regulation and is a channel for participants to raise concerns and make recommendations to GRNSW, providing an appropriate accountability mechanism between industry stakeholders and GRNSW.

7 The effectiveness of the current arrangements for, and role of, the Integrity Auditor of Greyhound Racing NSW

- The role of the Integrity Auditor of GRNSW is defined by the *Greyhound Racing Act 2009*.
- The Integrity Auditor has primary oversight over the integrity functions of GRNSW.
- The current Integrity Auditor is Graham Gorrie.
- Any member of the public can make a complaint to the Integrity Auditor.
- Since June 2012, the Integrity Auditor has received four complaints, with none of those complaints proven.

7.1 GRNSW Integrity Auditor

The role of the Integrity Auditor of GRNSW is defined by the *Greyhound Racing Act 2009* (the Act).

Under Part 3 Division 3 Section 26 of the legislation, the Integrity Auditor of GRNSW has the following functions:

- The primary oversight of those aspects of the functions of GRNSW that relate to stewards, drug testing and control and registration;
- Providing advice to GRNSW on the matters referred to in paragraph (a) of the Act;
- Receiving and investigating complaints against racing officials in respect of the exercise of functions relating to greyhound racing; and
- Such other functions as are conferred or imposed on the Integrity Auditor by or under this or any other Act.

The functions of the Integrity Auditor are to be exercised independently of GRNSW.

The Minister for Racing must approve the appointment of the Integrity Auditor.

The *Greyhound Racing Act 2009* allows any person to make a complaint to the Integrity Auditor of GRNSW in relation to the exercise of functions by a greyhound racing official.

The Integrity Auditor must investigate any serious complaint with due diligence and has the ability to require racing officials, that are the subject of an investigation, to provide records and information that is relevant to the investigation.

Once an investigation is complete and the Integrity Auditor is satisfied that there has been a contravention of legislation that relates to the conduct of greyhound racing, the Integrity Auditor must provide a written report to the NSW Minister for Racing and GRNSW.

It has been suggested that the Act lacks clarity in defining how the Integrity Auditor is to conduct an inquiry. As the Act stresses the independence of the Integrity Auditor, it can also be argued that too much prescription could serve only to restrict the Integrity Auditor in conducting an inquiry.

Since June 2012, the Integrity Auditor has received four complaints. No complaint was proven to demonstrate that a racing official had engaged in any corrupt, improper or unethical conduct.

Under the legislation, GRNSW is to appoint a person who has suitable legal qualifications to hold the office of Integrity Auditor.

The current Integrity Auditor of GRNSW is Graham Gorrie, who has held the position since June 2012.

8 The capability and performance of Greyhound Racing NSW and governance of the industry

- GRNSW's performance as an organisation since its inception in 2003 has been exemplary highlighted by a large number of reforms and achievements delivered across several significant periods of instability.
- GRNSW has had an extremely effective and transparent regulatory framework since 2009, which is explored in detail in Term of Reference number four.

8.1 GRNSW Achievements

GRNSW's performance as an organisation since its inception in 2003 has been exemplary, highlighted by the following significant reforms and achievements delivered across periods of significant financial instability caused by factors external to the greyhound industry (e.g. thoroughbred broadcasting dispute, equine influenza, the global financial crisis).

- In the 2003/4 financial year total prizemoney paid out to participants was \$14.5 million, in comparison to the 2012/13 financial year when GRNSW paid out \$22.5 million in prizemoney – a rise of more than 50%.
- Over the past five years, GRNSW's investment in country racing has risen from \$7.4 million to \$9.2 million. This investment has included more than \$4 million in infrastructure spending and a 120% increase in the number of TAB meetings conducted in regional NSW.
- The development and implementation of Operating Standards and Guidelines for NSW greyhound racing clubs addressing issues of corporate governance, risk management, asset management, financial management, marketing and racing;
- The development of a Scheme of Distribution Policy enabling a fairer and more equitable distribution of funds across the industry;
- The establishment of Greyhound Media Services Pty Ltd, creating a special purpose vehicle in partnership with participating race clubs to better manage and maximise the value of the industry's broadcast rights;
- Addressing the dilapidated and poorly maintained asset base inherited by GRNSW, through the development and implementation of a comprehensive capital development strategy including significant facility upgrades to create premier racing facilities across NSW;
- Development and implementation of ongoing maintenance programs, previously through the Maintenance & Venue Improvement Allowance program and now through the Safety, Racing & Welfare Maintenance Fund, which focuses on club and industry expenditure to projects that improve the level of safety and compliance at NSW greyhound race tracks;
- Establishing Betfair Blue Paws, the NSW Breeders and Owners Incentive Scheme that offers owners and trainers opportunities for greater racing returns in NSW;
- The acquisition of deFax Sporting Publications Pty Ltd to protect the industry's intellectual property in its race form data and to maximise industry revenue;
- Executing the merger of GRNSW with the former Greyhound and Harness Racing Regulatory Authority on time, on budget and in a seamless manner;

- The implementation of a Metropolitan Racing Policy resulting in operational and financial synergies via one race club conducting all metropolitan race meetings;
- Introduction of TAB C meetings, which were implemented through GRNSW's product expansion strategy. TAB C meetings have resulted in permanent TAB racing at country tracks across the state such as Dubbo, Wagga, Goulburn and Grafton;
- Development of the Information Technology system 'OzChase'. A joint venture arrangement with Racing and Wagering Western Australia was formed in 2010 with the sole purpose of developing a brand new, custom built greyhound racing system for both NSW and WA, with the added benefit of the costs of development being shared by both states;
- The establishment of a comprehensive animal welfare strategy, including the formation of the Greyhounds As Pets program and the establishment of a Greyhound Welfare and Veterinary Services Unit;
- Establishment of the Greenhounds program which allows for pet greyhounds to go 'muzzle free' in public places after they successfully complete a re-training program and are deemed suitable by an approved Greenhounds' assessor;
- During 2012/13 GRNSW partnered with AgriFood Skills Australia, Hunter TAFE and the NSW Department of Education and Communities to develop a pilot training course – Certificate II in Greyhound Racing;
- As part of its ongoing commitment to achieving best practice in operating and financial management standards, GRNSW introduced the centralised payment of prizemoney in the TAB sector on 1 July 2013, with the first electronic payment made to owners and trainers on 17 July 2013;
- The creation of the website www.thedogs.com.au, which is the industry leader for fans and punters of greyhound racing from across Australia. Thedogs.com.au now has more than 25,000 members;
- The creation of The Dogs TV, which provides regular and engaging programming including exclusive trainer profiles, trackside interviews and various features on the many stories from within the greyhound racing industry; and
- Involvement in a number of fundraising campaigns to help raise money for charities such as the McGrath Foundation (\$120,500) and Cystic Fibrosis Australia and Cystic Fibrosis NSW (more than \$70,000).

The tremendous progress that has been made by greyhound racing in NSW over recent times has all been achieved while operating under an unfair funding model which has seen some \$154 million flow to the other racing codes in NSW.

8.2 Governance

For a detailed overview of the governance of the industry, please refer to Term of Reference number four which provides an outline of GRNSW's regulatory framework.

8.3 Policy Framework

GRNSW developed a robust policy framework for the industry that was lacking prior to the establishment of GRNSW. The policy framework was expanded following the integration of regulatory responsibilities to GRNSW in July 2009.

The policy framework covers the club sector, integrity services, animal welfare and GRNSW's governance framework. All of GRNSW's policies are available at www.thedogs.com.au.

9 The incidence of drug administration and doping in the industry and the efficacy of Greyhound Racing NSW's control and testing processes

- Participants in the industry can be confident in the integrity of greyhound racing in NSW.
- The incidence of drug administration and doping in the greyhound racing industry has been stable over the past decade and is relatively consistent with levels achieved across the racing industry.
- GRNSW nearly doubled its swabbing budget for the 2012/13 financial year, allowing for a record number of swabs to be taken in a 12-month period. This has been maintained in the current year.
- Over the past decade, GRNSW has carried out more swabs than any other greyhound racing state body.
- The NSW Government Casino and Racing Investigation Unit has advised GRNSW that it is not looking at any criminal matter that pertains to doping in the NSW greyhound racing industry.
- To further boost its race day integrity operations, GRNSW has introduced a set of industry-leading reforms in recent years including the establishment of a control room, a Greyhound Welfare and Veterinary Services Unit and initiatives to boost transparency.

9.1 Swabbing

The incidence of drug administration and doping in the NSW greyhound racing industry has been relatively stable in the past decade (see table below).

Year	Declared positives	% of positives to swabs taken
2003-04	40	1.30
2004-05	40	1.23
2005-06	51	1.68
2006-07	71	2.16
2007-08	32	1.01
2008-09	25	0.83
2009-10	32	0.94
2010-11	26	0.77
2011-12	48	1.27
2012-13	35	0.62

In 2011/12, GRNSW recorded 48 positive samples, the highest number of positives recorded since 2006/07.

The increase in the percentage of positives led GRNSW to carry out:

- A review of drug detection activities in other greyhound racing jurisdictions and racing codes. This included an analysis of the percentage of starters / races swabbed and positives to runners / swabs ratios to establish swabbing benchmarks;
- A review of all positive swabs for the 2011/12 financial year from a veterinary perspective, with substances broken up into sub-groups by type, effect and likely cause of positive result;
- A review of penalties imposed by GRNSW, benchmarked against other Australasian greyhound racing jurisdictions and racing codes;
- A review of best practice approaches to drug detection, including the policies and processes utilised in other sporting codes; and
- The development of education resources to better assist participants to improve their knowledge on a range of matters relating to greyhound performance and health.

Following these initiatives, the number of positive samples recorded in 2012/13 dropped to 35.

9.2 Level of Testing

GRNSW nearly doubled its swabbing budget for the 2012/13 financial year, which allowed the number of swabs in the TAB sector to increase to an average of 7.5 swabs per meeting. It also resulted in the swabs to starter ratio rising to more than 2.5.

The increase to the swabbing budget led to a record number of swabs taken in a 12-month period (see table below).

Year	No. of samples tested
2003-04	3,085
2004-05	3,241
2005-06	3,028
2006-07	3,277
2007-08	3,177
2008-09	2,996
2009-10	3,393
2010-11	3,398
2011-12	3,783
2012-13	5,562

Over the past decade, GRNSW has carried out more swabs than any other greyhound racing state body.

For TAB meetings alone, GRNSW carried out 4,820 swabs in 2012/13 - 40% more than the amount of swabs taken by Greyhound Racing Victoria, which undertakes the second most amount of swabs in greyhound racing in Australia.

GRNSW also increased the quantity of out of competition testing it conducts. Out of competition tests form an integral component of GRNSW's ongoing drug detection strategy as they assist with the discovery of certain substances.

9.3 Casino and Racing Investigation Unit

The NSW Government and state police established the Casino and Racing Investigation Unit in 2010 to help bolster drug detection, catch incidents of doping and investigate alleged organised crime links in all three codes of racing.

GRNSW is in regular contact with the unit, and on more than one occasion the unit has advised that it is not looking at any criminal matter that pertains to greyhound racing in this state.

9.4 Swabbing Procedures

GRNSW has a clearly defined Swabbing Policy that meets with industry best practice. The policy sets out GRNSW's approach to swabbing including factors relating to performance, status of the race and prizemoney that automatically require a greyhound to be swabbed.

This policy successfully replaced what was known as the 'red marble' system in 2009/10.

The suggestion, from some stakeholders, that a return to the red marble would act as a greater deterrent to those who may take the risk of using prohibited substances more so than what the current approach does, is strongly refuted by GRNSW.

The effectiveness of the red marble is questionable, because for metropolitan racing there is an 80% chance of winners not being selected and for other meetings there is an 87.5% chance of winners not being selected. Further, it is not representative of industry best practice, with no other racing jurisdiction in any code using the red marble as part of their swabbing policies.

As seen in the following tables, the top 10 trainers in terms of winners in 2012 all had a higher swabs to starters ratio and swabs to winners ratio when compared to the industry average. This was not the case in 2008, when the current Swabbing Policy was not in force.

Top Ten Trainer Statistics

2008

Trainer	Starters	Winners	Number of swabs	Swabs to starters	Swabs to winners
MAJELLA FERGUSON	460	73	18	4%	25%
GEOFFREY SHEATHER	630	70	7	1%	10%
ROSE BIRRELL	446	70	9	2%	13%
RODNEY MCDONALD	322	69	14	4%	20%
WALTER LUTIGER	484	69	13	3%	19%
JOHN FREE	317	68	11	3%	16%
JASON MACKAY	180	63	24	13%	38%
RUTH MATIC	269	63	20	7%	32%
RICHARD DEAN	207	60	26	13%	43%
GLEN MCLEAN	238	58	12	5%	21%

Industry Swabs to Starters Ratio 2.9%
Industry Swabs to Winners Ratio 21%

2012

Trainer	Starters	Winners	Number of swabs	Swabs to starters	Swabs to winners
ANTHONY LORD	855	122	57	6.7%	47%
JASON MACKAY	274	92	46	16.8%	50%
RONALD BELL	526	91	55	10.5%	60%
NORM BECROFT	481	79	53	11.0%	67%
MARK AZZOPARDI	242	75	42	17.4%	56%
ANTHONY AZZOPARDI	389	72	35	9.0%	49%
FRANK HURST	289	71	27	9.3%	38%
RUTH MATIC	313	69	26	8.3%	38%
JOHN FINN	260	68	30	11.5%	44%
PETER LAGOIANE	294	49	26	8.8%	53%

Industry Swabs to Starters Ratio 4.5%
Industry Swabs to Winners Ratio 35%

To further boost its race day integrity operations, GRNSW has introduced a set of industry-leading reforms in recent years.

Under the reforms, GRNSW established a control room at its head office in Rhodes in 2011 to oversee integrity services at all TAB tracks. The control room is manned by a Race Day Controller, who is assisted by an on-track Integrity Officer.

During a race meeting, the control room receives live feeds of race broadcast footage, surveillance footage from the kennel blocks, while utilising video conferencing equipment to facilitate communication between the tracks and control room in real time.

This Australian-first approach to stewarding has allowed GRNSW to improve the oversight of greyhound racing in NSW to unprecedented levels by making best use of technology.

The central control room has enhanced integrity services by allowing for advanced monitoring of betting trends, early identification of potential incidents, detailed post meeting reviews and one central contact point for race day operational matters. It also reflects modern wagering practices which have shifted from on-course to off-course wagering operators.

In addition, GRNSW established its own Greyhound Welfare and Veterinary Services Unit in July 2011. This resulted in GRNSW assuming responsibility for the provision of on-course veterinarians at all TAB meetings.

One of the primary functions and responsibilities of the GRNSW Greyhound Welfare and Veterinary Services Unit is to take strategic responsibility for the development and oversight of research programs into drug issues.

9.4.1 Swabbing Policy

Category A Wentworth Park Friday/Saturday Nights

- A minimum of four swabs per meeting at the direction of the stewards
- Placegetters in all Group finals swabbed
- All Group race heat winners
- All eight qualifying greyhounds for finals of Group 1 & 2 events
- All other swabbing at the direction of stewards based on performance.

Category B and C TAB Meetings

- Winners of all events with total prizemoney of \$3,000 or more
- Placegetters in all events with total prizemoney of \$5,000 or more
- All Group race final placegetters
- All Group race heat winners
- All other swabbing at direction of stewards based on performance.

Non-TAB Meetings

- 1st and 2nd placegetters in all events with total prizemoney of \$5,000 or more (this direction is contingent upon facility availability)
- Random Ballot system applies (1 in 8 chance)
- All other swabbing at direction of stewards based on performance.

9.5 Testing Processes

GRNSW's principal laboratory for drug testing is the Australian Racing Forensics Laboratory (ARFL), which is owned and operated by Racing NSW.

The ARFL's methodology for drug testing is accredited by the National Association of Testing Authorities. In addition, the ARFL is internationally recognised for its expertise in drug detection in both horse racing and greyhound racing.

9.6 Control Mechanisms

GRNSW is subject to a number of internal and external review measures. These include:

- Internal Audit Bureau review of GRNSW's drug detection policies and procedures;
- A review by Greyhound Racing Integrity Auditor Graham Gorrie into GRNSW's swabbing procedures conducted in 2012;
- Internal meeting review structures; and
- The separation of GRNSW's Head of Integrity from field and operational duties.

9.7 Transparency

GRNSW has a number of measures in place to ensure its drug detection activities are as transparent as possible.

Every month, GRNSW publishes data on all the swabs taken that have been cleared by the ARFL as being free of a prohibited substance on its website. GRNSW is the only greyhound racing organisation in Australia that publishes this data.

GRNSW also publishes decisions on all stewards inquiries that are held into breaches of the Greyhound Racing Rules as well as all appeals heard by the Racing Appeals Tribunal.

In addition, GRNSW has reformed the way it conducts prohibited substance cases, with the introduction of new penalty guidelines as well as the option for trainers to enter an early guilty plea for certain offences.

The new system is a first for greyhound racing in Australia and similar to judicial systems used by the National Rugby League, the Australian Football League as well as other racing jurisdictions in Australia, such as Harness Racing NSW.

Inquiry into greyhound racing in NSW
GRNSW Submission

Under the reforms, GRNSW stewards dealing with a prohibited substance case are guided by a new penalty table when determining what penalty should be made for certain infringements.

A key aspect of the penalty table is placing common prohibited substances into five distinct categories, based on their severity and on advice from GRNSW's Greyhound Welfare and Veterinary Services Unit.

This new system has modernised the way GRNSW conducts prohibited substance cases and increased transparency of the integrity process for greyhound racing participants.

10 Sale and breeding of greyhounds including the market conditions and welfare of animals

- All greyhounds in NSW must be registered to an owner, who is responsible for the care and control of the greyhound at all times whilst registered in their name.
- All greyhounds are issued with unique identifiers in the form of an ear brand and microchip.
- The breeding of greyhounds is highly regulated and is a long process that begins well before conception and continues throughout the entire greyhound lifecycle.
- Breeding regulations are supported by Local and National Greyhound Racing Rules.

10.1 Sale of Greyhounds

The sale of greyhounds is not directly regulated by GRNSW, however, there are a number of regulatory mechanisms in place which provide individuals with the information they require to make informed decisions on their purchases and with a level of security throughout the selling process.

Under the Greyhound Racing Rules and the *Greyhound Racing Act 2009* (the Act) all greyhounds must be registered to an owner, who is responsible for the care and control of the greyhound at all times whilst registered in their name. The Greyhound Racing Rules and Act also stipulate that all owners - any person who has a legal or equitable interest in a greyhound, including lessees - must be registered with GRNSW. It should be noted that GRNSW is not responsible for regulating pet greyhounds or companion animals that are registered with local Councils in accordance with the *Companion Animals Act 1998*.

As part of the registration process with GRNSW, all greyhounds are issued with unique identifiers in the form of an ear brand and microchip.

The microchip and ear brand both form part of the identification protocols for a greyhound which includes sex, colour and distinguishing features. All of these details are recorded on the greyhound identification card which is issued to all owners when a greyhound is named with GRNSW.

Ownership of a greyhound cannot be transferred without the relevant paperwork being completed, whether it is an ownership transfer of a named or unnamed greyhound.

Whenever a greyhound is sold, the parties involved in the transaction are required to complete an ownership transfer or transfer of unnamed greyhound - a compulsory paperwork process that must be completed before the ownership can be changed in the OzChase computer system. Once submitted, GRNSW records all paperwork in OzChase and scans the documents into the electronic filing system 'Alchemy', which serves as an easily accessible archive of greyhound movement and transactions.

If a greyhound is named, the greyhound identification card must be passed on to the new owner as part of the transaction. If the greyhound is unnamed, then the registration papers must be passed on to the new owner.

When it comes to ownership related paperwork, the signatures on all ownership transfers are verified by GRNSW via the Alchemy database before being processed and finalised. GRNSW also provides signature checks for greyhounds that are sold or transferred across state and territory borders.

If there are ownership disputes, owners, trainers and owner trainers that are registered or licensed with GRNSW are covered by the Greyhound Racing Rules, which provide an avenue for hearing disputes that may be created through the sale and purchasing process.

All disputes need to be lodged with GRNSW in writing by the aggrieved party. GRNSW will then attempt to mediate the issue by bringing the relevant parties together to reach an outcome. GRNSW can only enforce binding outcomes, suspensions and other penalties when there is documentation available to support a particular position or claim in a dispute. Further, the powers to handout such penalties are only binding to registered and licensed persons.

As part of its commitment to improving the information and support tools available to owners, GRNSW has developed standard agreement templates for training and rearing. These agreements are available at www.thedogs.com.au and provide an important foundation to industry agreements between participants, that define the rights and responsibilities of the parties involved in training and breeding arrangements, as well as ensuring the welfare of greyhounds throughout their lifecycle.

10.2 Breeding Regulation

The breeding of greyhounds is highly regulated and is a long process that begins well before conception and continues all the way throughout the entire lifecycle. The breeding process takes, on average, 15 to 16 months and includes a large amount of paperwork and a number of important regulatory checks at key stages.

While GRNSW oversees the majority of the breeding process, parts are regulated by Greyhounds Australasia (GA) which is responsible for the registration of frozen semen, stud sires, approved frozen semen facilities / persons, as well as the control of DNA tests.

The following steps provide an overview of the breeding process, the forms that need to be completed and the timeframes that are required to be met by breeders and other key parties in the process.

Stud Manager Registration:

- The person who is going to be responsible for the sire (male greyhound) in a breeding pair must first be registered as a stud manager. A stud manager is required to be familiar with the Greyhound Racing Rules and will be the person responsible for the regulatory requirements associated with breeding.
- To register as a stud manager, a 'Registration as a Stud Manager' form must be completed and submitted to GRNSW.
- On approval of paperwork, GRNSW arranges for a steward to inspect the applicant's kennels and property to ensure they are compliant with the Code of Practice for the keeping of greyhounds in training.
- If approved, the applicant is issued with a certificate of stud manager registration and a service notice book to facilitate record keeping requirements.

Stud Sire Registration (Male Greyhound)

- To be able to breed in Australia, male greyhounds must first be registered as stud sires. Stud sire registration is not administered by GRNSW, it is overseen by the national controlling body GA.
- To register a greyhound as a stud sire the owner must complete a 'Stud Sire Registration' form which can be found on the GA website.
- One of the key requirements of a sire being registered is a DNA test. DNA tests are also facilitated through GA and the required forms and information are available on their website.
- The owner submits the registration form with the associated requirements and payment to GA.
- If the stud manager that is going to be responsible for the stud sire is not the original owner of the dog, a 'Sire Authorisation' form must be completed by the stud manager and owner/s. This form is available at www.thedogs.com.au.

Preparing the Dam / Broodbitch (Female Greyhound)

- A broodbitch must be DNA tested before she is mated with. DNA tests are facilitated through GA and the required forms and information is available on their website.
- In addition, if the person responsible for breeding the litter of pups is not the original owner of the broodbitch, a 'Breeder's Authority' form must be completed by the owner/s and the authorised breeder. This form is available at www.thedogs.com.au.

When Mating with Frozen Semen (FSI)

- If an owner intends to have a dam / broodbitch (female greyhound) served using frozen semen, this must be done by an approved clinic. Details of approved clinics can be obtained through GRNSW.
- Once the clinic has conducted the medical procedure, it must submit a notice of service through to GA using an internal database. The notice of service must be lodged within 14 days of the broodbitch being served, as failure to do this will delay the process.

- Before or following the procedure, the owner / authorised breeder must transfer the frozen semen breeding Unit¹ into their name. This must be done within five days of the broodbitch being inseminated.
- Most stud managers or approved clinics supply owners with the 'FSI Transfer of Ownership' form to facilitate the transfer of the breeding unit into the correct name. Alternatively, this form can be found on the GA website.
- Once all of this is complete, GRNSW generates the Whelping Notice and posts it to the owner. The Whelping Notice is the paperwork that records the result of the mating, i.e. the number of pups born. It also records the address of where the pups are located and re-confirms the details of the breeder.

When Mating Naturally or Through Artificial Insemination (AI)

- When a broodbitch is to be served naturally or through AI, the stud manager must submit an 'Application to Register a Service by a registered Stud Dog' form to GRNSW within 14 days of the broodbitch being served.
- Prior to having their broodbitch served, an owner must have their broodbitch DNA tested.
- Once all of this is complete, GRNSW generates the Whelping Notice and posts it to the owner.

Whelping Notice

- The Whelping Notice must be completed and returned to GRNSW within 14 days of the pups being born, or within 14 days of the broodbitch's expected due date. Owners must return the Whelping Notice even if no pups are born.
- If an owner is whelping their litter interstate, they must inform GRNSW.
- After receiving the Whelping Notice, GRNSW will send this information to an Integrity Officer who attends the property where the pups are located to ear brand and microchip each pup.
- The ear branding and microchipping can only be done once pups reach a minimum of 12 weeks of age.
- Until the litter is ear branded and microchipped, the pups must remain in the same location as the broodbitch to assist with identification purposes. If it is necessary to move the pups or the broodbitch, they must all be moved together. If separated prior to ear branding and microchipping, GRNSW requires all pups from the litter to be DNA tested to confirm parentage.
- On completion of the ear branding and microchipping, the Integrity Officer leaves a 'Litter Registration' and 'Confirmation of Identification' form with the pups. The Confirmation of Identification form is for the owner's records, while the Litter Registration form must be returned to GRNSW.

¹ Semen collected from stud dogs is often stored in frozen units called 'frozen semen breeding units', which are then used to artificially inseminate broodbitches.

Litter Registration

- The 'Application to Register a Litter' form must be returned to GRNSW within four months of pups whelp date (date of birth).
- This form requires that all pups be treated with the appropriate inoculations as listed on the form.
- It is also a requirement of getting a litter registered that both parents (sire and dam / broodbitch) have been DNA tested and the results have been confirmed through GA. GRNSW will not issue any naming application forms until all required DNA tests have been completed.
- If DNA tests have been completed, GRNSW processes the Litter Registration form and issues an 'Application for the Naming and Registration of a Greyhound' form for each pup in the litter.
- The owner / authorised breeder is provided with copies of the 'Application to Transfer an Unnamed Greyhound' which must be completed and returned to GRNSW each time the pup is sold or transferred to a new owner prior to the greyhound being officially named.
- A copy of the 'Application to Transfer an Unnamed Greyhound form' can also be found at www.thedogs.com.au.

Naming Application

- When pups reach a minimum of 12 months old, the owner, group or syndicate Manager must complete the 'Application for the Naming and Registration of a Greyhound' form and submit to GRNSW along with the appropriate fee and inoculation forms in order to have their greyhound named.

All of the above requirements are supported by Local and National rules, meaning GRNSW has the power to issue penalties to participants of the sport that do not comply with the regulations. Drawing on this power, GRNSW introduced a set of late fees for participants that fail to lodge the mandatory paperwork within the defined timeframes for the above breeding related transactions, which if not processed, can potentially lead to negative outcomes in the area of greyhound welfare.

10.3 Market Conditions

The GRNSW Code of Practice for the keeping of greyhounds in training outlines the minimum standards of accommodation, management and care that are appropriate to the physical and behavioural needs of greyhounds. The Code of Practice applies to all licensed and registered persons who care for or control a greyhound that is registered with GRNSW.

11 The welfare of animals in the industry and the role of Greyhound Racing NSW in establishing and enforcing standards of treatment for animals

- GRNSW considers that the welfare of all animals must be a primary consideration for all participants in the greyhound racing industry and that the industry must continue to improve.
- GRNSW has a zero tolerance for participants who do not meet our animal welfare standards.
- The welfare of greyhounds is one of the key priorities for GRNSW. When GRNSW assumed regulatory control in 2009, there were limited welfare initiatives in place. In just four years GRNSW has implemented a number of important welfare initiatives aimed at improving welfare outcomes.
- GRNSW has its own greyhound re-homing program and, with the assistance of the NSW Government, created the Greenhounds program which allows for pet greyhounds to go muzzle free in public places.
- The GRNSW Code of Practice for the keeping of greyhounds in training outlines the minimum standards of accommodation, management and care that are appropriate to the physical and behavioural needs of greyhounds.
- In 2013/14, GRNSW will spend \$1.3 million on greyhound welfare initiatives with a further \$1.4 million to be invested in industry infrastructure and maintenance.
- Greyhounds Australasia is responsible for developing and driving a national approach to greyhound welfare.

11.1 Welfare Commitment

GRNSW considers that the welfare of all animals must be a primary consideration for all participants in the greyhound racing industry. As such, GRNSW has been committed to driving welfare improvements in the industry since it assumed responsibility for all animal welfare matters within the NSW greyhound racing industry in July 2009.

GRNSW has a zero tolerance for participants who do not meet our animal welfare standards, see Section 12.

11.2 What GRNSW Inherited

Prior to 2009, GRNSW established a state animal welfare framework – which became the national framework – and invested in significant capital expenditure to improve the animal welfare outcomes at tracks across the state.

Before GRNSW assumed responsibility for animal welfare in NSW, it was the responsibility of successive state government authorities. During this time, minimal welfare initiatives in the NSW greyhound racing industry were enacted and education of participants on animal welfare matters was non-existent.

GRNSW therefore made it one of its key priorities to embark on a range of reforms to drive welfare improvements in the greyhound racing industry, including improving its IT services to improve data collection, educating participants and increasing re-homing opportunities.

11.3 Welfare Initiatives

Following the abolition of the Greyhound and Harness Racing Regulatory Authority (GHRRA), GRNSW was able to build on its commitment to welfare, putting in place a constant improvement program.

Since 2009, GRNSW has been proactive in ensuring the continual improvement in greyhound welfare.

In 2011, GRNSW introduced a mandatory Code of Practice for the keeping of greyhounds in training, which defines the minimum standards required for the treatment of and facilities required for the kennelling of greyhounds in NSW.

The code emphasises the importance of good management practices and the legal liability and requirements under the NSW *Prevention of Cruelty to Animals Act 1979* and Clause 20 of the *Prevention of Cruelty to Animals Regulation 2006*.

Also in 2011, GRNSW became the first greyhound administrator in Australia to have its own dedicated Greyhound Welfare and Veterinary Services Unit.

The unit is primarily responsible for:

- Provision of veterinary services at TAB meetings and in the Greyhounds As Pets program;
- Development and implementation of a canine health and welfare program;
- Providing expert advice to GRNSW on veterinary matters; and
- Taking strategic responsibility for the development of research programs into drug issues.

The Greyhound Welfare and Veterinary Services Unit has provided specialist advice and training throughout all stages of a greyhound's lifecycle, and across both TAB and Non-TAB tracks alike has been responsible for:

- The development of a GRNSW Hot Weather Policy and associated protocols;
- Improvement in the treatment of greyhounds suffering from Pannus – a viral eye condition which previously would have resulted in them being excluded from racing;
- Development of an Animal Evacuation Protocol in association with the RSPCA, NSW Department of Primary Industries and Rural Fire Service; and
- Improving the education of participants and track staff in relation to greyhound health and welfare issues.

Prior to GRNSW assuming regulatory control only TAB race meetings were required to have an on-course veterinarian, while Non-TAB meetings only required a first aid officer. In 2012 GRNSW moved to ensure that all race meetings would have the services of a qualified veterinary surgeon.

Other welfare initiatives launched by GRNSW since 2009 include:

- Improved licensing and regulation of breeders, trainers and rearing establishments;
- Improved track preparation;
- Race programming that maximises the racing life of greyhounds;
- Increased re-homing;
- Introduction of race day and club welfare policies (including veterinarians at all meetings);
- Improved life cycle tracking through the introduction of micro-chipping and the OzChase computer system;
- Continued funding and management of the Greyhounds As Pets initiative and promotion of the greyhound breed; and
- The development and management of the NSW muzzle exemption program Greenhounds.

During the 2013/14 financial year, GRNSW will invest \$1.3 million on greyhound welfare initiatives. In addition, a further \$1.4 million has been earmarked for industry infrastructure and maintenance with a clear prioritisation on minimising potential risk for racing greyhounds.

11.4 Greyhounds Australasia

Greyhounds Australasia (GA) is responsible for developing and driving a national approach to greyhound welfare.

GRNSW understands that the welfare of greyhounds is an issue that affects all states and territories. As a result, GRNSW has been a supporter of welfare initiatives launched by GA.

GA recently reconfirmed its ongoing commitment to improving the welfare of greyhounds and reducing the incidence of euthanasia by building on the significant advancements already made by its members. These include:

- The introduction of mandatory micro-chipping that improves industry wide integrity and facilitates more accurate tracking of individual greyhounds throughout their lifecycle;
- The strengthening of Greyhound Racing Rules to ensure owners are required to notify their controlling body when a greyhound has been retired from racing;
- The establishment of a dedicated GA Animal Welfare Committee which is tasked with the development, implementation and monitoring of national welfare initiatives and setting of industry benchmarks;
- The introduction of export guidelines that ensures Australasian greyhounds can only be exported to countries that have a standard of care and accountability comparable to Australia;
- Reducing injury risks for racing greyhounds by prioritising capital works at racetracks;
- Increasing the number of kennel inspections and penalising participants for non-compliance; and

- The development in each state of a dedicated and industry resourced re-homing program for greyhounds that are no longer suited to racing.

GA and its members are now working together to build on these initiatives to ensure the welfare of greyhounds meets best practice and to further reduce the incidence of euthanasia. All members are committed to:

- Reducing the number of greyhounds that are bred through the expansion of responsible breeding strategies and education initiatives;
- Improved tracking mechanisms and data collection throughout the life of a greyhound, enabling the monitoring of both participants and greyhounds;
- Continued development of mandatory education and licensing across the racing sector;
- Mandatory education competencies linked to licensing for greyhound breeders, including hobby and commercial operations;
- Licensing of participants involved in the rearing, educating and pre-training of greyhounds;
- A consistent approach to the provision of veterinary services and injury reporting at race meetings to assist in development of minimum standards for track preparation and the monitoring of injury trends; and
- Increased investment in greyhound adoption or re-homing programs and the promotion of the breed outside of racing.

11.5 Education and Training

GRNSW's policy framework in education initiatives supports the notion that owners and trainers are responsible for the complete lifecycle of a greyhound, including its post-race life.

Part of GRNSW's investment earmarked for welfare initiatives in 2013/14 will go towards the establishment of a new Education and Support Unit.

The unit will be tasked with training new industry applicants as well as up-skilling and monitoring existing participants' adherence to welfare standards. This will be undertaken through regular kennel inspections of racing, rearing, breeding and greyhound education facilities in NSW.

The new unit follows the creation in 2013 of the pilot education program - Certificate II in Greyhound Racing - which GRNSW launched in partnership with the NSW Department of Education and Communities, and Hunter TAFE.

The Certificate II in Greyhound Racing was developed by GRNSW in response to feedback from participants, who expressed a desire for there to be more training and development opportunities made available to the next generation of participants in the greyhound racing industry.

The primary aim of the pilot education program is to address significant skill gaps within the industry and to train participants in relevant skills, such as work place health and safety; greyhound first aid and welfare; complying with the Greyhound Racing Rules; and, the general care of greyhounds.

The program received \$77,000 in funding from the NSW Government's Smart and Skilled program to develop the resource materials required for the course, with a further \$28,000 contributed by GRNSW.

The course materials developed as part of the pilot program will provide GRNSW with the tools to further expand the link between education and licensing, which will enable the industry to meet the challenges of the future.

Through greater education and skills development of new industry participants, it is envisaged that participants will develop long-term career opportunities by being part of a vibrant NSW greyhound racing industry.

To date, the funding received for the Certificate II in Greyhound Racing remains the only government funding GRNSW has received, compared to the \$3.4 million estimated to have been directed to Racing NSW for training and education purposes.

11.6 Code of Practice

The GRNSW Code of Practice for the keeping of greyhounds in training outlines the minimum standards of accommodation, management and care that are appropriate to the physical and behavioural needs of greyhounds. The Code of Practice applies to all licensed and registered persons who care for or control a greyhound that is registered with GRNSW.

GRNSW developed the Code of Practice for licensed participants involved in the activity of training greyhounds and for prospective new entrants to the industry.

To ensure compliance with the Code of Practice, GRNSW requires each new applicant to have his/her kennel inspected to ensure the welfare of greyhounds, as well as compliance with the Greyhound Racing Rules.

On average, a licensed person can expect to be inspected biennially as a condition of their licence or more frequently if required.

The Code of Practice is designed to encourage a consistent approach that will provide for the welfare of greyhounds. The overriding theme of the Code of Practice is that the well-being of the greyhound must at all times be considered above the demands of owners, breeders, trainers, sponsors, officials or spectators.

11.7 Notification Requirements

Under the Greyhound Racing Rules, persons in charge of greyhounds are required to inform GRNSW of a greyhound's location at all stages throughout the lifecycle – from breeding, racing and retirement.

Kennel Notifications

Trainers are required to submit a kennel notification whenever a greyhound exits or arrives at their kennels – in both instances this should be done as soon as possible.

If a kennel notification has not been completed for a greyhound prior to nominating, then it will not be eligible to race. The OzChase system automatically cross-checks the kennel

location of the greyhound with the kennel address of the trainer nominating the greyhound. If the kennel address of the greyhound does not match the nominating trainer's address, the greyhound will not be eligible for nomination.

Greyhound Status

National Rule 106 requires registered persons who are responsible for a greyhound to notify GRNSW if there has been a change to a greyhound's status, i.e. if a greyhound has transferred ownership; been retired as a pet or a breeding greyhound; been transferred to an adoption program; exported; surrendered to another agency; or, been humanely euthanised by a veterinary surgeon or is deceased. This information must be lodged with GRNSW using the prescribed form that represents the greyhound's status. The rule states:

R106 (3)

At any time after the registration of a litter, the last registered owner or person responsible for the greyhound at the relevant time, shall, within ten working days, notify the Controlling Body by lodging of the prescribed form, if that greyhound has transferred ownership, been retired as a pet or a breeding greyhound, been transferred to an adoption program, exported, surrendered to another agency, been humanely euthanised by a veterinary surgeon or deceased.

Going forward, further development of the OzChase computer system will provide GRNSW with the functionality that will enable automatic notification of a greyhound's status at key stages throughout the lifecycle. This functionality will enhance compliance with National Rule 106 and lead to significant improvements in the quality and accuracy of greyhound data.

11.8 Greyhounds As Pets

In 2009 GRNSW established its own re-homing program - Greyhounds as Pets (GAP). The aim of GAP is to:

- Provide an avenue for people to adopt former racing greyhounds;
- Educate participants on the options for their greyhound after racing; and
- Promote the merits of greyhounds as a pet to the wider community.

In November 2009, GAP entered into a partnership with Corrective Services NSW, with the 'Second Chance at Life' pet fostering prison program, which started at the Dillwynia women's prison at Windsor. Since its inception 80 greyhounds and 16 inmates (who have undergone TAFE NSW training as well as specific training regarding the care and maintenance of greyhounds specifically) have taken part in the prison program.

In addition to re-homing greyhounds into domestic households, GAP has also worked with a number of partners for greyhounds to be used as therapy dogs in retirement homes and special needs facilities.

11.9 Greenhounds

In 2011, GRNSW and the NSW Department of Local Government launched the Greenhounds program. The Greenhounds program allows for pet greyhounds to go muzzle free in public places after they successfully complete a re-training program and are deemed suitable by an approved Greenhounds assessor.

Once approved, all 'Greenhounds' must wear a special green collar with a certified ID tag at all times in public.

The Greenhounds program has already delivered numerous benefits since its launch, with more than 200 Greenhounds now muzzle free.

Not only has it 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, which is an ongoing commitment of GRNSW.

In addition, the Greenhounds website (www.greenhounds.com.au) provides the public with accessible information about greyhounds, including those that are available for adoption.

The Greenhounds program is fully funded and administered by GRNSW's Greyhound Welfare and Veterinary Services Unit.

12 Financial incentives for reducing euthanasia and prosecutions for animal mistreatment

- GRNSW does not support financial incentives to reduce euthanasia levels.
- GRNSW has a zero tolerance for participants who do not meet our animal welfare standards.
- The mistreatment of animals is a criminal offence under the NSW *Prevention of Cruelty to Animals Act*.
- GRNSW has a strong working relationship with RSPCA NSW underpinned by a Memorandum of Understanding.
- Since September 2011 GRNSW and RSPCA NSW have conducted 29 joint investigations with 100% effectiveness.

12.1 Financial Incentives

GRNSW can see no justifiable reason for providing financial incentives to reduce euthanasia levels. Any policy such as this would reward the wrong behaviour and would do little to improve welfare outcomes in the greyhound racing industry.

Greyhound owners are ultimately responsible for the welfare of their animals. It is for this reason that GRNSW is determined to focus on education initiatives that will change the behaviour of owners and eventually lead to better ownership decisions and smarter breeding practices.

12.2 Prosecutions for Animal Mistreatment

GRNSW has a zero tolerance for participants who do not meet our animal welfare standards.

Any participant found mistreating animals would be violating GRNSW's Code of Practice for the keeping of greyhounds in training as well as the Greyhound Racing Rules (R106 Proper care (welfare) of greyhounds, R86 (q) Offences) and would be subject to a significant penalty, with their ongoing participation in the sport very unlikely.

They would also be committing a criminal offence under the NSW *Prevention of Cruelty to Animals Act 1979* where they could face fines of up to \$5,500 for each offence or up to two years imprisonment.

12.3 Memorandum of Understanding

GRNSW has a strong working relationship with RSPCA NSW. In 2010, the two organisations entered into an operational Memorandum of Understanding (MOU), which provides a foundation to improve the welfare of greyhounds throughout NSW.

The key objectives of the MOU are to:

- Adopt a proactive approach to greyhound welfare in NSW;
- Develop the relationships and communications between the organisations;
- Ensure enforceable welfare policies are in place;
- Develop policy and education in the area of greyhound welfare;
- Encourage responsible breeding within the industry in order to reduce numbers of greyhounds unsuitable to race;
- Co-ordinate training and education between the staff of each organisation and any associated officials or other persons;
- Co-operate with intelligence on suspected breaches of greyhound welfare;
- Develop the Greyhound As Pets program and increase the number of greyhounds re-homed under this program;
- Pursue laws and projects which promote the welfare of greyhounds in the industry; and
- Ensure adherence to relevant legislation and privacy provisions.

The MOU also has a range of agreed principles that relate to the care, welfare and training methods of racing greyhounds as well as the regulation of race meetings that ensure the safety and well-being of greyhounds participating.

Under the responsibilities of the MOU, GRNSW and RSPCA NSW assist and accompany each other in connection with inspections or investigations of greyhound kennels, breeders and trainers, as well as any animal welfare issues relating to the greyhound racing industry.

Since September 2011, 29 investigations have taken place relating to animal welfare or cruelty in the greyhound racing industry, all of which involved the participation of GRNSW and RSPCA NSW.

Of the 20 investigations that have been finalised, eight resulted in GRNSW either disqualifying a licensed participant or refusing to register a member of the public, five were issued with improvement notices which they complied with and seven could not substantiate the allegations made.

GRNSW and RSPCA NSW have also worked together during events that have required the transportation of greyhounds due to extreme weather events (i.e. flooding, bushfires).

13 The adequacy and integrity of data collection in the industry, including the number of pups born, the number of dogs euthanised and injury rates

- GRNSW inherited a range of legacy IT systems from the NSW Greyhound and Harness Racing Regulatory Authority (GHRRA).
- The legacy systems have seriously affected GRNSW's ability to maintain accurate and reliable data.
- The GHRRA systems were totally incapable of collecting the required data to monitor the entire greyhound lifecycle.
- Through the development of OzChase, GRNSW has invested in critical IT infrastructure for the sport that provides the foundation for continued improvements in operational efficiency, data management, productivity and improved customer service levels.

13.1 Background

When GRNSW assumed responsibility for the regulatory functions of greyhound racing in July 2009, the organisation inherited a range of legacy IT systems that were vital to the daily operations of GRNSW.

The key IT business functions of licensing, grading, stewarding, race form maintenance and race book production were all operated on legacy systems that were outdated, largely unsupported and unable to be fully integrated, which prevented GRNSW from achieving further efficiency gains and service enhancements.

The various systems inherited included:

- AS400 – Responsible for the licencing and registration of people and greyhounds;
- CGS – Central Grading System for the grading of greyhound races;
- STISS – Swabbing; and
- DeFax – Collection of race results, racing form and the production of race books.

The number and age of these systems caused constant issues for GRNSW in maintaining accurate and reliable data. To keep the business operating, it was necessary for many of these systems to maintain their own data sets, while at the same time sharing data between them all.

Given the age of the systems and the amount of data contained within, GRNSW experienced daily problems with poor data quality and system failures, making it difficult to operate efficiently.

As a result, GRNSW made it a top priority to immediately address the ongoing severe data problems and limitations of the inherited systems through the investment and development of an improved IT platform - OzChase.

13.2 OzChase and FastTrack

Prior to OzChase being developed, GRNSW discovered it was not the only governing body that had system inadequacies, with Western Australia (WA) and Victoria also stating their intention to build new IT systems. Discussions for a national system followed, however, this was not achievable after Greyhound Racing Victoria (GRV) withdrew its support, preferring to build their own system to replace its existing PICK system.

A joint venture arrangement with Racing and Wagering Western Australia (RWVA) was formed in 2010 with the sole purpose of developing a new, custom-built greyhound racing system for both NSW and WA, which was subsequently known as OzChase.

At this time, South Australia (SA), Tasmania and Northern Territory (NT) had moved onto the GRV PICK system, however, when GRV informed its host states of the costs involved to move to their new system (FastTrack), the smaller states needed to look for an alternative.

In late 2010, SA, Tasmania and the NT stated their interest in joining OzChase. Both GRNSW and RWVA saw this as a unique opportunity to finally create an almost national operating system for greyhound racing. After a prolonged period SA, NT and Tasmania all signed up to use the OzChase system. Subsequently, Queensland has also committed to the OzChase platform, meaning that seven of the eight Australian jurisdictions will eventually be using OzChase (ACT's requirements are handled exclusively by GRNSW). The operational efficiencies OzChase will deliver Australia wide cannot be overstated.

13.3 The New NDR

Historically greyhound racing across Australia has been run independently by all states with no national operating system. The National Data Repository (NDR) is a storage house only and does not provide a system for the states to undertake their daily business activities. Rather, the NDR simply collected and disseminated data between the states, however, this data transfer often resulted in duplication, misinterpretation and sometimes data loss. It was an in-effective, cumbersome way for the states to share data that is essential for their daily functions.

In January 2012, Greyhounds Australasia (GA) embarked on a re-build of the NDR to improve the technology by which the data is sent and received by the NDR. Whilst this re-build has resulted in operational efficiencies through faster data transfer, there were minimal enhancements made to the NDR itself and almost no time was dedicated to data cleansing which means that the data problems of the past continue to impact the states today.

13.4 Data

Using the systems inherited from the GHRRA, GRNSW found it difficult to rely on the data and therefore any statistical reporting provided by the various legacy systems. This was one of the driving factors for the move to develop and implement OzChase. The AS400 (the previous system for licensing, registration and penalties) was plagued by incorrect data and duplication of records that had been overlooked for in excess of 20 years.

In addition to poor data management within the AS400, there was never an agreed approach on how to deal with people that moved between states given that each state maintained their own independent database of people and greyhounds. Because the NDR

was un-reliable and many of the state systems could not be integrated to receive data from it, records for people and greyhounds outside of NSW were simply created on an 'as needs' basis with very little structure or attention to detail.

During the move to OzChase a complete evaluation of the data from the AS400 was required and it was evident there had never been any emphasis placed on data integrity or robustness. Individual people had numerous profiles in the AS400, greyhound litters had pups missing, records were incomplete because data was simply left out and the idea of quick 'workarounds' to any data entry problems was very evident.

GRNSW invested significant funding and man hours in deduplicating, completing and sorting the AS400 data before moving to OzChase. As part of the move, data had to meet strict business rules otherwise it could not be imported into the system. Whilst extremely time consuming and frustrating, there was no alternative.

13.5 Changes in Requirements

One of the biggest changes since GRNSW took control in 2009 has been the increased importance of animal welfare. The existing GHRRA systems inherited were totally incapable of collecting the range of information required to enable GRNSW to monitor this aspect of the industry. There were issues with tracking the number of litters born, number of pups named, greyhound injury statistics and information on greyhounds after their racing career.

Through OzChase, GRNSW has been able to build a customised system that can cater for the changes in this area. OzChase now gathers more detailed information on pups from the time they are born right through until the end of their career and beyond, providing a one-stop-shop for statistics. OzChase also provides GRNSW with the opportunity to make changes and enhancements as necessary to make sure that information is readily available to assist in addressing animal welfare concerns.

Whilst GRNSW is still plagued by historical data issues which will never be remedied – i.e. inaccurate and missing data – any new data collected in OzChase is something that GRNSW will be able to rely upon in the future and continue to improve.

13.6 Since the Introduction of OzChase

Following the introduction of OzChase, GRNSW has been able to capitalise on the benefits of having a customised, user friendly system. The industry has seen enhancements to the online nominations portal which now allows all trainers to see a list of every greyhound that they train and the ability to quickly and easily nominate them to race.

The introduction of centralised prizemoney payments would also not have been possible if GRNSW was still operating on legacy systems. This initiative has made prizemoney payments more transparent, has improved GST compliance and has taken away some of the administrative burden from tracks.

Only through the efficiencies gained via OzChase was GRNSW able to commit to centralised grading of all meetings (TAB and Non-TAB) in NSW. Using the legacy Central Grading System, GRNSW was able to grade only TAB meetings (approximately 18 per week), however maintaining the same number of staff, GRNSW can now grade an additional 10 Non-TAB meetings per week.

The decommissioning of deFax, made possible by the introduction of OzChase, means that clubs in NSW are no longer required to enter their race fields and results into multiple systems in order to populate the race books and thedogs.com.au website. In addition, GRNSW has been able to expand 'the dogs' brand to include other states using OzChase. This means that states like Tasmania, SA and WA will be using thedogs.com.au as their main form and results website, their race books will also be produced by thedogs.com.au. This is just another example of the efficiencies and consistencies that can be gained by having an almost national approach to greyhound racing administration - it creates uniformity for participants and punters alike.

13.7 Vision for the Future

By launching the OzChase computer system, GRNSW has invested in critical IT infrastructure for the sport that provides the foundation for future technological innovation as part of the ongoing move to best practice in operational efficiency, data management, productivity and improved customer service levels. As a co-owner of the system GRNSW is now well placed to continue to drive improvements and enhancements to OzChase which will benefit all participants in the sport.

GRNSW's vision for the future is for a portal where members can complete the majority of their transactions (licencing, registration, nominations, ownership transfers etc) online. This portal will be directly linked to OzChase, providing real time responses and fast and efficient transactions with GRNSW. This vision also includes automated email and SMS technology to help us service our members better.

Whilst this technology is not new, considering the systems that GRNSW inherited in 2009, it is a huge leap forward in the way we interact with our customers.

13.8 Summary

GRNSW has fully funded the development of the OzChase computer system without any support from the NSW Government. Further, GRNSW was astute by entering into a joint venture to reduce costs and increase returns to NSW participants by using industry funds more prudently.

The OzChase project, which started as a cost sharing exercise between NSW and WA, will ultimately deliver unprecedented uniformity in greyhound racing administration across Australia.

Without these important changes to the systems that GRNSW inherited in 2009, the industry in NSW would barely be able to continue, let alone keep pace with others or improve as required.

The foresight and leadership shown by GRNSW and RWWA in establishing the system from scratch and accommodating all willing states is not something to be underestimated. It is a legacy that will benefit the greyhound racing industry in Australia for many years to come.

14 Any other related matter