

INQUIRY INTO GREYHOUND WELFARE AND INTEGRITY COMMISSION

Organisation: Greyhound Racing New South Wales

Date Received: 4 December 2020

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Written response provided by Ms Judith Lind published by resolution of the committee 5 May 2021 is hyperlinked [here](#).

4 December 2020

The Hon Robert Borsak MLC
Chair
Select Committee on the Greyhound Welfare and Integrity Commission
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Mr Borsak,

Greyhound Racing New South Wales Submission to the Select Committee on the Greyhound Welfare and Integrity Commission

We refer to the select committee (**the Committee**) established by the Legislative Council of the Parliament of New South Wales to inquire into and report on the Greyhound Welfare and Integrity Commission (**GWIC**) as the independent regulator of the greyhound industry in New South Wales.

Greyhound Racing New South Wales submission to the Committee in respect of the Inquiry is as set out below.

A. WELFARE OF GREYHOUNDS

1. The *Greyhound Racing Act 2017* (NSW) (**the Act**) and the industry reform that led to it has greatly improved animal welfare in the greyhound industry. Greyhound Racing in NSW is now a real success story. Even greater welfare initiatives are being self-introduced which have NSW leading the world in greyhound welfare.
2. The welfare of greyhounds is dependent on the implementation of numerous point-in- time and whole-of-lifecycle initiatives by all involved, led by GRNSW and GWIC.
3. GRNSW is largely focused on what might be called direct “boots on the ground” welfare initiatives including:
 - (a) participant training and education,
 - (b) improved club governance giving rise to thought-leadership in animal welfare,
 - (c) track improvements and safety-focused re-design,
 - (d) schemes for best treatment options for race injuries,
 - (e) adoption and rehoming.
4. GWIC, in line with its statutory obligations, focusses on Rule and Code compliance and veterinary attendance at race meetings leading to better welfare outcomes.
5. Since the commencement of the Act there has been a significant increase in greyhounds rehomed via GRNSW’s GAP program and through other recognised rehoming organisations. The increase in rehoming has been reported in GRNSW’s Annual Reports for 2017/18 and 2018/19 and 2019/20.
6. The total of 1,337 rehomed greyhounds in FY19-20 was up from 729 reported in FY18-19, with GAP now having three established pathways for rehoming: GAP Adoption Centres, GAP Regional Programs and Rehoming Assistance Schemes.
7. The success of new GAP regional programs resulted in 155 greyhounds being rehomed through regional pathways, which was an increase of 115 on FY18-19.

8. Greyhounds rehomed directly through GAP NSW facilities, programs and with GRNSW/GAP NSW support in FY19-20 were:

GREYHOUNDS AS PETS NSW (GAP) PROGRAM	GAP ASSISTED GREYHOUND REHOMINGS AS AT 30 JUNE 2020
GAP Adoption Centres (Londonderry/Wyee)	342
GAP Regional Programs (South and Northern Rivers)	155
GAP Rehoming Assistance Schemes	840
Total Individual Greyhounds Assisted (unique microchip numbers)*	1337

*Total adjusted for those greyhounds that may have utilised a Rehoming Assistance Scheme and later been rehomed through a GAP facility.

9. The introduction of the Race Injury Rebate Scheme in the past year has improved greyhound welfare outcomes.
10. To highlight GRNSW's role in welfare, it is first noted that as a consequence of GWIC commencing operation on 1 July 2018, oversight of the Welfare function of the NSW greyhound industry became a shared responsibility between GRNSW and GWIC.
11. Following their commencement, GWIC assumed responsibility for the development of the Code of Practice for the Welfare of Greyhounds, veterinary presence at greyhound racetracks and for the compliance of industry participants with respect to welfare of greyhounds in their care.
12. GRNSW retained responsibility for the rehoming of greyhounds, and training and education of participants and clubs to enhance welfare outcomes for greyhounds.
13. GRNSW programs include:

(i) **GREYHOUNDS AS PETS PROGRAM & REHOMING INITIATIVES**

- Greyhounds As Pets (GAP) NSW assisted in rehoming 729 Greyhounds in 2018-19 through its program and adoption centres, including the new Regional GAP program. It also increased funding to schemes providing financial assistance to greyhound owners, and other rehoming organisations to transition greyhounds from the racing industry into life as a pet.
- Unaudited GAP numbers for the 12 month-period comprising the 2019-20 Financial Year show more than 1300 greyhounds were re-homed through this program.
- Along with the GAP program run by GRNSW, there are several independent greyhound rehoming organisations in NSW and these groups, along with owners and trainers, play an active role in the rehoming of greyhounds.
- GRNSW continues to provide financial support to independent greyhound rehoming organisations for greyhounds rehomed throughout the year.

- In line with GRNSW's strategic pillar to be a responsible industry, GRNSW continues a "boots on the ground" welfare and re-homing focus.
- GRNSW notes that during the 2018-19 racing calendar, there were 6505 registered racing greyhounds in NSW, all of which have a pathway to re-homing.
- In the latter part of FY19-20, GAP NSW events and adoption days were postponed due to COVID-19 restrictions.
- In August 2019, Greyhounds As Pets again had a presence at the Sydney Dog Lovers Show, with thousands of the 30,772 show attendees visiting the GAP NSW stand over the two days of the Show on August 3 and 4.
- At the end of September 2019, GAP NSW held another successful adoption day at the Petstock at Belrose with 15 greyhounds finding their "forever homes" on the day.
- The final adoption day for 2019 was held in December at the GAP Western Sydney site at Londonderry and saw 16 greyhounds taken home to start their new lives as pets.
- During FY19-20, GRNSW announced an expansion of the Regional Greyhounds As Pets program around the State, with plans for the addition of four extra regions - the Hunter, New England, Western Districts and Riverina - bringing the total to six adoption regions across NSW.
- The catalyst for the expansion was to help build an alternative and sustainable rehoming pathway for all greyhounds in those and surrounding regions, particularly as more than 70% of the industry's participants are based outside the metropolitan area, and with the success of the inaugural regional GAP program in Southern NSW, followed by expansion into the Northern Rivers.
- The GAP Adoption Regions across New South Wales are shown in the map below:



(ii) FARM-STAY

- In July 2020 GRNSW announced a world-first Farm-stay facility in the Hunter Valley.
- Farm-stay is a key platform in GRNSW's goal of zero unnecessary euthanasia.
- Farm-stay will provide best-practice training for retired and non-racing greyhounds in an environment designed for their optimal transition into pets.
- Farm-stay will add significant additional domestication opportunities for greyhounds as a pathway to adoption and enable any greyhounds that are not yet ready for adoption to be housed and trained in a safe and supportive environment.

(iii) BREEDING

- GRNSW continues to encourage responsible breeding practices.
- The future of greyhound racing is dependent on the industry providing a socially acceptable racing product and optimal breeding is required to provide enough greyhounds to fill the race calendar while minimising the number of pups whelped.
- In July 2018, GWIC assumed responsibility for the controls related to breeding. Restrictions on the number of litters which a breeding female can have remained in place, as well as the rules on the age and frequency at which they can breed. This is a proper approach and supported by GRNSW.
- GRNSW notes that whelping numbers are at historically low levels, and less than the ideal number. Indeed, the demand for adoption of greyhounds exceeds dogs available.
- In those circumstances, GRNSW is very concerned about the ability of GWIC to impose a so-called "puppy bond" which would further disincentivise greyhound owners from breeding. A correction, even an excessive correction, has already been struck on breeding numbers.
- The introduction of a puppy bond would have potentially devastating effects on breeding numbers, reducing them to below replacement.
- GRNSW submits that the circumstances which motivated both Michael McHugh and the GIRP to recommend a puppy bond have now so significantly changed and corrected that the foundation for the recommendation has ceased. The industry has:
 - Reduced and managed breeding levels;
 - Is on the cusp of instituting whole-of-life tracking;
 - Focussed on post-racing lives of greyhounds; and
 - Developed a sophisticated and well- functioning rehoming program.
- Accordingly, any need that once existed for a puppy bond has been overtaken by better industry practice.
- Breeding in FY19-20 remained similar to FY18-19 with a slight reduction compared to the previous year reported towards the end of Q3 and in Q4.
- GRNSW continued to encourage responsible breeding practices throughout FY19-20.
- The long-term goal is to improve utilisation rates for pups whelped to support a sustainable industry. This is recognised in NSW and nationally, as requiring extensive research to identify additional breeding controls and industry best practice for management of greyhounds, from whelping to racing and throughout their racing career.

- The breeding statistics for the FY 19 – 20 are as set out below:

MONTH	WHELPED	BRED
Jul-19	184	30
Aug-19	188	57
Sep-19	216	55
Oct-19	349	78
Nov-19	277	75
Dec-19	509	69
Jan-20	452	81
Feb-20	306	29
Mar-20	408	36
Apr-20	355	31
May-20	220	49
Jun-20	210	45
TOTAL	3,674	635

(iv) RACING SAFETY AT NSW GREYHOUND RACING TRACKS

- Track safety and greyhound welfare is in a process of continual improvement through world's-best-practice track design, and improvements afforded by the Track Safety and Welfare Infrastructure Fund.
- During August and September 2018, GRNSW funded the purchase of 21 new response vehicles to assist track staff to manage on-track injuries.
- The response vehicles are electric and provide for an injured greyhound to be rapidly transported to the veterinary rooms for treatment. This initiative is not only a positive outcome for greyhound welfare, it also provides workplace health and safety benefits for track attendants who would otherwise have to carry a greyhound a considerable distance to the veterinary rooms.
- The Race Injury Rebate Scheme introduced by GRNSW in March 2019 has been well received by participants. The scheme provides funding for the veterinary treatment of serious injuries that occur during racing. The high cost of treatment for serious injuries may have limited treatment options for many participants in the past.
- Greyhounds treated under the new scheme are rehomed as pets, retired as a breeder or return to racing.

- GRNSW plays a key role in implementing new initiatives to reduce the risk of greyhounds being injured on or off tracks. Via its membership of the Race Injury Review Panel established by GWIC, GRNSW provides input on veterinary matters and the status of track maintenance to assist in identifying underlying causative factors, and preventing or reducing injuries going forward.

(v) EDUCATION

- To provide direction for education activities under the new regulatory structure, the Greyhound Industry Participant Education Steering Committee was established to determine the short, medium and long-term education requirements for participants.
- The intent is to determine the formal and informal education needs of participants and for GWIC to provide advice on courses and other education materials that will be required for accreditation of participants for future registration.
- To ensure the education activities meet industry expectations, the Committee includes membership from GRNSW, GWIC, GBOTA and the NSW Agrifood Industry Training Advisory Board.
- GRNSW provides a diverse and relevant education and training program for industry participants in accordance with regulatory requirements, with a strong focus on greyhound welfare. In 2016, a first aid course for participants was introduced.
- Interest in this course has been consistently strong and 466 industry participants had successfully completed the course as of 30 June 2019.
- The Pet Prep Program, which focuses on the preparation of greyhounds for rehoming from the time they are pups, was successfully introduced in 2018.

14. A TARGET DATE FOR UNECESSARY EUTHANASIA

- As required by clause 14(b) of its Ministerial Operating Licence, GRNSW has reported to the Minister on progress made and additional options for breeding controls and other total lifecycle initiatives including a target date of 1 July 2023 for achieving zero unnecessary euthanasia of greyhounds.
- GRNSW has instituted the following programs to achieve zero unnecessary euthanasia:
 - (i) the introduction and funding of the Race Injury Rebate Scheme to provide assistance with medical costs for greyhound racing injuries and to ensure that a seriously injured greyhound receives appropriate veterinary care and treatment;
 - (ii) the expansion of GRNSW's Greyhound As Pets program to improve regional rehoming of greyhounds which has resulted in an increase in the number of greyhounds rehomed under the GAP program via rehoming initiatives;
 - (iii) modifying support schemes for greyhound owners and other rehoming agencies to facilitate an increase in rehoming of greyhounds via those channels.
- The recently introduced Homing Assistance Scheme provides greyhound owners with a financial rebate of up to \$950 for NSW industry participants who have retired their greyhounds and are preparing them for life as pets in their own home, with friends or family or through GAP and other approved rehoming organisations. This new single scheme amalgamates the former Owner Incentive Scheme, Desex and Dental Scheme and non-participant rehoming schemes into one easy rebate scheme;

- (iv) monitoring whelping numbers to ensure a sustainable greyhound racing industry whilst at the same time having regard to whole-of-lifecycle initiatives for greyhounds following their racing career and suitability for rehoming through GRNSW's GAP program;
- (v) racetrack maintenance programs that assist in reducing on-track injuries;
- (vi) research into racetrack design and the development of minimum standards for racetracks by GRNSW as required by the provisions of the Operating Licence; and
- (vii) the purchase of a world-first farm-stay facility in the Hunter Valley to provide retired greyhounds an environment for their optimal development as part of GRNSW's strategic vision and responsibility to the industry in the area of animal welfare.

The farm-stay will also provide additional rehabilitation opportunities for greyhounds as a pathway to adoption and enable greyhounds that are not yet ready for adoption to be housed in a safe and supportive environment.

- As reported by GRNSW in its 2018/19 Annual Report and elsewhere in these submissions, there has been an increase in the number of greyhounds rehomed under GRNSW's Greyhounds As Pets program and through GRNSW's rehoming initiatives.
- GRNSW's ability to fund desirable welfare and sustainability initiatives is constrained by tax revenue distribution inequities that had their genesis in the RDA, and have been replicated in Tax Parity and POCT initiatives. A correction/balancing out of these inequities will without doubt lead to better animal welfare outcomes for both racing and retiring greyhounds.

15. RECOMMENDATION

- It is recommended that there be special funding granted for GRNSW's Farm-stay program and all rehoming and welfare activities. This will assist GRNSW to achieve its target of zero unnecessary euthanasia and create pathways for greyhounds born into the industry to be re-homed.
- It is recommended that in order to assist GRNSW with achieving the target date that there be an increase in funding for GRNSW's welfare initiatives. Specifically, there should be funding granted for the initial and continued operation of the Farm-stay program as it is projected that GRNSW's expenses, including those of a capital nature, will be substantial.

B. FUNDING OF THE COMMISSION

1. As threshold points, GRNSW accepts that:
 - (a) GWIC's legislative objectives and functions are appropriate;
 - (b) GWIC performs an important and necessary role in the matrix of greyhound racing;
 - (c) That GWIC's planning and reporting obligations are sufficient insofar as they relate to government.
2. However, GRNSW's position is that GWIC in its current form is too big, too expensive and logistically inefficient.
3. GRNSW submits that, for reasons set out below:
 - (a) GWIC's costs remain too high for the services delivered;
 - (b) GWIC ought to be subject to direct Treasury oversight as to its budget and efficiency;
 - (c) The funding arrangement between GRNSW and GWIC is not ideal in its current form and improperly and directly deprive the NSW greyhound industry of funds, reducing the ability to extend and improve on the already substantial reforms undertaken by GRNSW; and
 - (d) In lieu of the current arrangement, GWIC's costs should be funded directly by government.

Effective Action for Participants

4. Whilst GRNSW accepts that GWIC's functions are appropriate, it is concerned by:
 - (a) the lack of a Customer Service Level Agreement, which is necessary to reduce delay in the processing of transfers, registrations, naming and other basic administrative functions required by participants and the timely provision of statistics by GWIC to GRNSW;
 - (b) the significant waste of industry funds expended by GWIC in the unnecessary duplication of industry IT, instead of building on the very capable infrastructure already in place;
 - (c) the delay by GWIC to finalise the establishment of greyhound lifecycle tracking; and
 - (d) excessive staffing levels and inefficient staff arrangements leading to unnecessary costs.

A Unique Funding Model

5. Under the current terms of section 24(1)(f) of the Act, GRNSW is required to directly fund the costs of the Commission.
6. That current statutory provision is contrary to recommendation 47 of the Greyhound Industry Reform Panel ("GIRP"), which advised that GWIC's budget "should be based on the efficient cost of performing its functions and it should seek annual funding from the consolidated fund via normal State budgetary processes."
7. Thus, GWIC is the subject of a funding arrangement that is both contrary to the recommendations of the GIRP, and unique amongst NSW government agencies. That is, instead of being funded either entirely from general revenue or by special appropriation, GWIC enjoys an indemnity for its costs from a commercial entity, GRNSW, without GRNSW having any power to require efficiencies.
8. The effect of the unique GWIC funding model is that GWIC has little Treasury oversight into how many people it employs, how much money it spends, or what it spends it on. The cost burden, whatever it happens to be, efficient or otherwise, is simply imposed upon the commercial operator GRNSW, and thus on all greyhound participants.

9. The unique funding arrangements have protected GWIC from being required to provide productivity dividends, unlike nearly every other State agency.
10. It should be noted that GRNSW is the designer, funder and deliverer of all “boots on the ground” greyhound welfare programs in NSW. GRNSW desires to continue in this role, and to expand both the breadth and scope of such programs.
11. The Recommendations of the Greyhound Industry Reform Panel of February 2017 included a stated intention that:

If they [the Recommendations] are implemented, it will mean:

- (a) A new governance framework will be put in place that builds public trust in the integrity of the greyhound industry and sets the benchmark for all other jurisdictions.*
- (b) The NSW greyhound racing industry will be subject to strict animal welfare regulations with no tolerance for animal cruelty.*
- (c) The industry will be self-sustaining and meet the costs of greyhound racing including the new governance and animal welfare arrangements.***
- (d) Progress will be reviewed after two years with an expectation that improved data should allow a specific target to be put in place for unnecessary euthanasia. A full statutory review would not occur until at least three years after the legislation is commenced.*

[our emphasis]

12. GRNSW has five sources of funding:
 - i. TAB-derived revenue distributed via the Inter-code Deed (RDA);
 - ii. Tax Harmonisation (Tax Parity) distributions;
 - iii. Point of Consumption Tax (POCT) distributions; and
 - iv. Race Field Information Use Fees (RFIU) income;
 - v. Modest non-wagering revenue.
13. It is well-known that distributions via the first three income streams are inequitable.
14. They are so because the distributions from each of those streams are not market-aligned, and instead are either rooted in outdated agreements (RDA), or have suffered from some arbitrary assignment of distribution (Tax Parity), or the arbitrary and inequitable mirroring of the RDA split (POCT).
15. With regard to the fourth income source, RFIU Fees, income is artificially limited and the market distorted by an arbitrary cap on RFIU Fees that is unique to NSW.
16. It is directly within the power of government to fix the inequity problems with Tax Parity and POCT distributions, and to lift the cap on RFIU fees.
17. The unfortunate original source of the Tax Parity and POCT inequity is the RDA which sets out what Tabcorp is required to pay the industry, with the RDA distribution to each of the three racing codes calculated according to formulas set out in the 1998 Inter-Code Agreement (ICA). Under this agreement, funding is distributed between the three racing codes according to fixed percentages that, in 1998, represented the then market share (or popularity) of each racing product. Under this agreement Greyhound racing receives only 13% of the available funds.
18. Since that time, Greyhound racing has grown to be the second most popular racing product in NSW behind thoroughbred racing. GRNSW has a NSW TAB market share of 21.51% in FY2020.
19. In other words, greyhound racing is directly responsible for 21.51% of the RDA funds, yet actually gets just 13%. Flowing from that, 8.51% of the whole RDA funding “pie” is unfairly redistributed to other codes.
20. As the RDA runs for 99 years, this iniquitous funding arrangement improperly deprives GRNSW and the industry of substantial income, and leaves GRNSW with very little opportunity to influence and

grow funding through NSW TAB distributions. The lost income is income that would otherwise be used to fund GWIC and GRNSW world- leading animal welfare programs.

21. From 1 January 2019 the NSW government introduced a 10% Point of Consumption Tax (POCT). The distributions to the industry from POCT were based on the RDA fixed percentages: that is, GRNSW receives only 13%. This amount does not reflect the growth or popularity of greyhound racing as a betting product in NSW and did not reflect the funding requirements of establishing and operating a separate independent commission to manage welfare and integrity (GWIC). Greyhound racing is the only racing body in NSW to have a separate entity manage integrity and welfare.
22. In the Financial Year 19/20, this ongoing inequity has resulted in direct lost revenue to GRNSW of \$29,626,005.
23. A summary of the inequity situation is as follows:

GRNSW FUNDING SHORTFALLS DETERMINED FROM MOST UP-TO-DATE NUMBERS AND RELATIVE MARKET SHARE											
18/19		RDA / Inter Code Deed			TAX PARITY				POCT		
Total TAB Income		\$34,244,576		GRNSW Tax Parity Receipts		\$5,622,095		GRNSW 18-19 FY POCT receipts		\$2,317,329	
GRNSW Share of Distribution		13%		GRNSW Share of Distribution		10%		GRNSW Share of POCT Receipt Distribution		13%	
RDA Funding for distribution		\$242,496,651		Tax Parity Pie		\$56,220,950		Total redistributed to Racing = 2% GGR from WSP in NSW		\$17,825,608	
Market Share	21.95%	\$53,228,015	\$18,983,439	Market Share	21.95%	\$12,340,499	\$6,718,404	Total GGR of WSP's in NSW determined by GRNSW Payments		\$891,280,385	
								POCT Tax applied at 10% of GGR		\$89,128,038	
2018/19 FUNDING SHORTFALL		\$27,297,234		Market Share: 21.95% \$3,912,721 \$1,595,392							

24. GRNSW has been invited to make submissions to NSW Treasury in relation to an upcoming Treasury review of POCT arrangements. A further detailed examination of all POCT arrangements and distribution distortion will also be made in that submission.
25. GRNSW entirely endorses the views expressed by the Australian Government Productivity Commission on this issue in its Report on Australian Gambling Industries (2010) (Part 16.24):

Ideally, the share of TAB payments should correspond to the proportion of wagering turnover derived from each code of racing. However, in between review periods, these inter-code agreements can lead to an inappropriate allocation of funding if the share of wagering that takes place on one code of racing changes, relative to the other two (or if agreements are entered into that do not properly reflect market share in the first place). For example, greyhound racing accounts for 17 per cent of wagering turnover, but the industry receives only 13 per cent of the total payments made by the New South Wales TAB to the three racing codes. The greyhound racing industry estimates that:

... over the past 11 years because of the inequities of this arrangement, they have subsidised thoroughbred and harness racing in New South Wales by the tune of \$92 million. (sub. 248, p. 7)

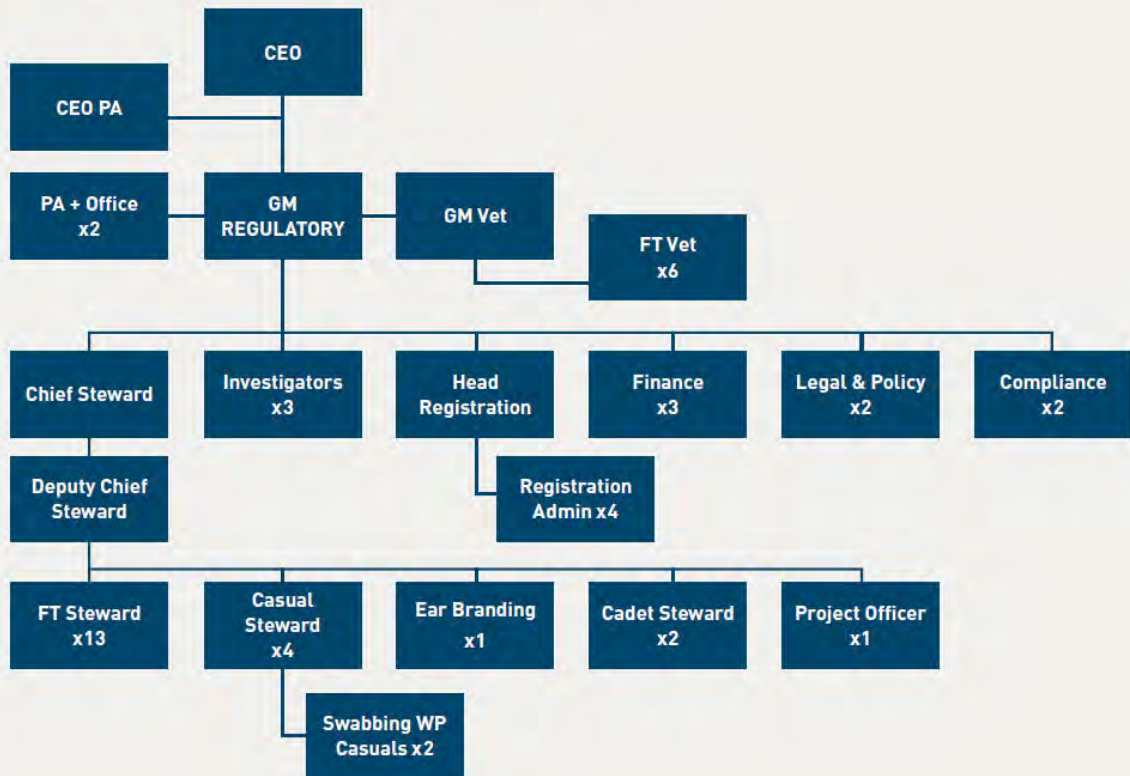
Note: The wagering turnover percentage in the Report was for that year, 2010. It is now more iniquitous at 21%.

26. The inequity addressed by the Productivity Commission continues unabated even a decade later. In FY20, the same factor criticised by the Productivity Commission will cost the greyhound industry \$18,732,753; the three distortions together – RDA/TAB, Tax Parity and POCT – will cost the greyhound industry \$29,626,005 in FY20 alone.
27. The Act, the GRNSW Operating Licence and the NSW Government's Ministerial Statement of Expectations all refer to GRNSW's obligation to ensure that it is a viable commercial entity and to promote the greyhound racing industry as a sustainable one. However, faced without access to a fair share of funding under POCT (and other industry-derived revenues) it follows that GRNSW is artificially hampered from sustainably funding the industry, GWIC and the important welfare programs both actual and planned.

Benchmarking the costs of GWIC

28. GWIC is disproportionately expensive when benchmarked against other jurisdictions and other similar integrity bodies.
29. GWIC is operating a model that costs approximately 50% more to run than it should. According to its own 2019 Annual Report, GWIC has more than 70 non-executive staff, staffing costs of more than \$8.8 million and total expenditures of \$15.7 million.
30. GWIC's budget projections for FY2021 have staff costs at \$10.49 million out of a total budget of \$16.697 million.
31. GRNSW proposes that with efficient management and staffing measures introduced, GWIC could efficiently and properly deliver all of its functions with 52 staff, and at a total annual cost of \$11.9 million.
32. Below is an organisation structure which GRNSW proposes would allow GWIC to function efficiently and fulfil all of its legislative objectives and functions at an appropriate cost:

GWIC - A proposed efficient organisation chart



33. Set out below is a costing of a better GWIC business model. The model is based on actual salaries and costs paid by GWIC pursuant to the relevant NSW *Crown Employees Award* and SOORT Determinations. The table excludes Commissioner remuneration.

GWIC ORG STRUCTURE	
ROLE	TOTAL
CEO	350,850
CEO PA	100,000
PA Office 1	75,000
PA Office 2	75,000
GM Regulatory	298,223
GM VET	298,223
Full Time Vet 1	164,690
Full Time Vet 2	164,690
Full Time Vet 3	164,690
Full Time Vet 4	164,690
Full Time Vet 5	164,690
Full Time Vet 6	164,690
Chief Steward	179,000
Deputy Chief Steward	147,770
Full Time Steward 1	129,962
Full Time Steward 2	129,962
Full Time Steward 3	129,962
Full Time Steward 4	129,962
Full Time Steward 5	129,962
Full Time Steward 6	117,691
Full Time Steward 7	117,691
Full Time Steward 8	117,691
Full Time Steward 9	117,691
Full Time Steward 10	98,878
Full Time Steward 11	98,878
Full Time Steward 12	98,878
Full Time Steward 13	98,878
Casual Steward 1	40,000
Casual Steward 2	40,000
Casual Steward 3	40,000
Casual Steward 4	40,000
Swabbing 1	25,000
Swabbing 2	25,000
Cadet Steward	81,865
Cadet Steward	81,865
Ear Branding	87,713
Investigators 1	140,340
Investigators 2	140,340
Investigators 3	140,340
Head Registration	120,000

Registration Admin 1	95,000
Registration Admin 2	95,000
Registration Admin 3	85,000
Registration Admin 4	85,000
Finance 1	130,000
Finance 2	87,500
Finance 3	87,500
Legal & Policy 1	270,000
Legal & Policy 2	160,000
Compliance 1	100,000
Compliance 2	100,000
Compliance 4	100,000
Total	6,425,755
IT	180,000
Admin Vets	70,000
Media	100,000
HR	140,000
Project Officer	140,000
Total	630,000
Total	7,055,755
SUPPLIER EXPENSES	
Advertising & Promotion	30,000
Assets Purchase	28,000
Audit Fees	45,000
Consultant	178,000
Consumable and Stores	80,000
Contractors	60,000
Education Training	73,000
Electricity	12,000
Freight & Postage	78,000
Insurance	30,000
External Legal Fees	250,000

Memberships (Professional)	9,000
Motor Vehicle Expenses	366,000
Phone & Internet	126,000
Printing	71,000
Property & Maintenance	37,000
Property Rent	261,000
Software & Software Support	782,000
Stationery & Office Supplies	18,000
Swabbing & Drug Detection	1,795,000
Travel	498,000
Vet Supplies	55,000
Others	29,000
Total	4,911,000

IDEAL MODEL -V- ACTUAL GWIC FY 2020/21

DETAILS	GRNSW PROPOAL	GWIC ACTUAL BUDGET	POTENTIAL SAVINGS
Employee related cash expenses	7,055,755	10,490,000	3,434,246
Supplier cash expenses	4,911,000	6,207,000	1,296,000
Total	11,966,755	16,697,000	4,730,246

34. As a like-for-like example, Greyhound Racing Victoria (GRV) regulates more participants, more dogs, more pups, more race meetings, more races, more starts, more substance testing swabs, more wagering revenue, and more prizemoney paid to participants than NSW, but efficiently manages to do so on a FY19 budget of \$10.836 million compared to GWIC's FY19 budget of \$15.7 million.

2018-19		
	NSW	VICTORIA
Integrity costs	\$15.7m (GWIC)	\$10.8m
Prizemoney paid	\$37.7m	\$46.5m
Wagering revenue	\$59.4m	\$96.9m
Race meetings	1,153	1,189
Total races	11,399	13,777
Number of starters	81,282	102,706

Swabs taken	7,964	12,400
Positive/irregular swabs	34	64
Registered trainers	2,200	2,500
Litters whelped	536	698
Pups registered	3,747	4,533
Tracks	32	13

GAP RE-HOMING AND WELFARE		
	GRNSW	GRV
Dogs rehomed through GAP program	720	987
GAP costs including employee expenses	\$2.774m	\$4.101m
Welfare costs including employee expenses	\$833,048	\$1.361m

GWIC V GRV REPORTED INTEGRITY COSTS	
GWIC	GRV
\$15.7 million	\$10.836 million
Reported as including \$8.8m Employee Expenditure The breakdown is listed in cost centres: \$5.230m Race Day Regulatory Function, \$2.819m Unattributed Corporate Services \$2.707m Delivery of Participant Services, \$2.290m Compliance and Enforcement, \$1.633m Prohibitive Substance Detection, \$632,000 Reform Development and Implementation \$345,000 Information and Education	Reported as: \$7.643m Stewards, integrity and welfare inspectors and employees \$2.268m Swab analysis \$371,000 Legal & Appeals expenses \$130,000 Ear branding and micro-chipping \$4,000 research \$420,000 other integrity initiatives

35. Any comparisons GRNSW has made between GWIC and GRV relating to integrity have been based on actual reported figures in respective FY18-19 Annual Reports and direct correspondence with GRV executive management to clarify costs and functions on a like-for-like basis.
36. The \$10.8m figure spent by GRV on Integrity in FY18-19 is net of Greyhounds As Pets (GAP) and other industry-led welfare programs and their associated costs. In NSW, those programs are run and funded by GRNSW. GRV spent a further \$4.1m on GAP and \$1.36m on other welfare (total \$5.46m) in FY18-19. In NSW, comparative costs on GAP and welfare, which are paid by GRNSW, totalled \$3.6m in FY18-19, and \$4.88m in FY20. In effect, GRNSW and GRV now spend similar amounts on GAP and welfare re-homing programs, but there remains a significant difference between the States on direct integrity costs.
37. As emphasised, GRV has a significantly larger industry to govern in terms of participants, animals and total racing events. GRV is able to pay for this with significantly greater revenue derived from more favourable wagering returns under Victorian government and commercial wagering agreements

than is afforded the greyhound industry in NSW. GRV is not suffering from the same POCT/TP/RDA inequity to which GRNSW is subject.

38. In response to participants' concerns about burgeoning and unnecessary costs, GWIC has publicly sought to justify its expenditure, stating that NSW is larger geographically and has a greater number of tracks. Geographic area and number of tracks are the only two relevant metrics by which the NSW greyhound industry is "bigger" than Victoria. The number of tracks is quite irrelevant from a cost perspective. It is not the number of racetracks, but the number of race meetings that is the multiplier for direct racing costs. It is race meetings to which GWIC deploys stewards and vets, not racetracks. In that regard, Victoria has more race meetings, more races, and more starters in those races.
39. With regard to the geographic size of NSW: Having tracks spread across a more expansive geography is, from a cost-of- integrity perspective, only a logistical challenge of rostering and hiring to suit the locations of each track. Any additional travel that is unavoidable in NSW – if compared with Victoria – has been experienced by GRNSW in all its current duties and previously when overseeing integrity functions. Hence, any appropriate cost base proposed by GRNSW in regard to GWIC budgets is made fully understanding this aspect.
40. As an alternative comparison, it is illustrative to benchmark GWIC against other NSW integrity commissions. For a FY19 staff budget of \$14.993 million, the NSW Law Enforcement Conduct Commission oversees integrity of the 21,080 employees of the NSW Police. (Source: LECC Annual Report 2019)
41. As a further integrity-type comparative analysis, in FY19 the NSW Independent Commission Against Corruption spent \$19.621 million on staff oversighting more than 500,000 politicians, councillors and public-sector employees across NSW. (Source: ICAC Annual Report 2019).
42. GRNSW operates racing across NSW with 52 people, yet GWIC employs 72 staff to regulate it.
43. It is GRNSW's strong view that the finite funds available ought to be spent wisely, and allocated to the re-homing side of welfare and the "boots on the ground" operations of GRNSW to care for greyhounds during the racing to re-homing lifecycle rather than on increased policing and compliance-type welfare, when those latter functions are already more than adequately funded.

RECOMMENDATION

44. That the terms of the Act and the Operating Licence be amended to delete the requirement that GRNSW fund the Commission.
45. That distributions to GRNSW from TAB revenue via the RDA, and Tax Parity, and POCT should be reformed to fairly reflect the market contribution greyhound racing makes to the raising of those revenue streams.
46. That distributions to GRNSW from all of TAB revenue via the RDA, and Tax Parity, and POCT should be reformed to fairly reflect the market contribution of greyhound racing to the raising of those revenue streams, and if that is achieved, that GRNSW should remain responsible through government for paying GWIC's reasonable operating costs

OR, IN THE ALTERNATIVE

47. That GRNSW's statutory obligation to fund the operating costs of GWIC be removed from both the Act and Operating Licence, and that GWIC's operating costs be funded directly by government, either
 - (a) in full from the consolidated fund via normal State budgetary processes; or
 - (b) by a special appropriation under section 130 of the *Betting Tax Act 2001* (NSW), whilst preserving the current 13% POCT distribution made to GRNSW.

We would be pleased to answer any questions the Committee may have concerning GRNSW's Submission.

Yours sincerely,

Tony Mestrov
Chief Executive Officer
Greyhound Racing New South Wales