

**Submission
No 70**

**INQUIRY INTO GREYHOUND WELFARE AND
INTEGRITY COMMISSION**

Name: Mr Gregory Purcell

Date Received: 1 February 2021

29 January 2020

Gregory Purcell
Wagering, Racing and Sports Integrity Consultant

Re: Personal Submission to the Inquiry into the Greyhound Welfare and Integrity Commission

Dear Enquiry Members,

1. My name is Gregory Purcell, I am a management consultant specialising in racing, wagering and sports integrity.
2. I make this personal submission to the Inquiry into the Greyhound Welfare and Integrity Commission, which I have limited to terms of reference:

“(e) the existing funding agreement between the Commission and Greyhound Racing NSW with a view to considering recommended options; and

(g) any other matter.”

3. In relation to terms of reference (e), I make the following comments in paragraphs 4-15 in this submission.
4. Michael McHugh AC QC in the Special Commission of Inquiry into Greyhound Racing Industry in New South Wales, reference 30.99-30.101, page 217 stated:

“If the industry is to continue then it is critical that the yearly funding of the regulator not be based upon what GRNSW claims it can or cannot afford. If there is a discrepancy between what GRNSW can in fact pay and what the regulator requires, then it will be necessary for government to provide funding. That funding should not be set as a consequence of ‘horse-trading’ or compromises. The integrity of the greyhound racing industry will not be served by an under resourced and ineffective regulator.”

5. I understand that consultation between GRNSW and GWIC has failed to reach agreement on an appropriate funding contribution to GWIC’s budget (developed under and through the normal NSW Government agency budget and approval processes), from GRNSW in 2018-19, 2019-20 and 2020-21.

6. I note the following:
 - GRNSW and GWIC have been in funding conflict since the operational commencement of the Commission;
 - NSW Government policy has established a funding mechanism for GWIC which has the effect of constraining GWIC welfare and integrity operations to the 'minimum appropriate standards', as opposed to the 'optimal standard of welfare and integrity operations';
 - No one should realistically expect GWIC to oversee, regulate, assess and hold GRNSW to account for its greyhound rehoming performance, whilst NSW Government policy requires GWIC to negotiate its annual financial funding requirements with GRNSW.
7. Clearly, the GWIC should have an arm's length financial relationship with GRNSW.
8. The funding model for GWIC should be changed so that the GWIC budget:
 - Continues to be developed and approved under the normal NSW Government agency processes; and
 - Is fully funded through the current legislative provisions of section 13) of the *Betting Taxation Act 2001* (from proceeds of the point of consumption wagering tax levied on greyhound events).
9. I note that the NSW Government proceeds of the point of consumption wagering tax levied on greyhound events since its commencement on 1 January 2019 has significantly exceeded NSW Treasury initial and annual forecasts and is likely to continue to do so.
10. NSW Budget Statements of 2018-19 and 2020-21 confirm that NSW Government net racing taxes have grown over the last four years by \$63.0m (or 56.7%) from \$111.0m in 2016-17 to \$174.0m in 2019-20.
11. This is net racing tax growth includes (and is net of):
 - Phased reductions in state wagering tax rates on totalisator and fixed odds race betting;
 - Contributions to the racing codes from proceeds of the point of consumption tax introduced in 2019-20;
 - Contributions under section 130 of the Betting Tax Act 2001 in relation to the Responsible Gambling Fund of \$2.5m in 2018-19 and \$5.0m in 2019-20 and subsequent years; and

- Contributions under section 130 of the Betting Tax Act 2001 in relation to the GWIC costs of \$2.0m in 2018-19 and \$4.0m in 2019-20.
12. The 2018-19 NSW budget statement page 70 at 5-13 states:
- “... revenue from the point of consumption tax, which is estimated to raise \$355.0 million in the four years to 2021-22.”
13. My analysis indicates that net NSW taxation revenue:
- From the point of consumption tax in the four year period to 2021-22, after payments to codes, contribution to the Responsible Gambling Fund and after fully funding of GWIC costs under section 130 in 2020-21 and 2021-22, is expected to exceed \$595.0m, an increase of \$240.0m (or 67.6%) over the NSW Treasury initial estimate outlined in the 2018-19 NSW budget statement page 70 at 5-13;
 - For all racing taxes are expected to exceed 2021-22 NSW Treasury forecasts as set out in the Budget Submissions 2020-21 in table 4.5 on page 69 at 4-13 of \$163.0m, by \$61.5m (or 28.3%), reaching \$224.4m (after full funding of \$16.4m of GWIC through section 130 of the Betting Tax Act 2001);
 - For all racing taxes are expected to exceed 2022-23 NSW Treasury forecasts as set out in the Budget Submissions 2020-21 in table 4.5 on page 69 at 4-13 of \$175.0m, by \$66.8m (or 38.2%), reaching \$241.8m (after full funding of \$16.4m of GWIC through section 130 of the Betting Tax Act 2001).
14. This provides the NSW Government with unallocated funds, derived from industry sources, to fully fund GWIC animal welfare and integrity functions to the high standard required, in an efficient, effective and diligent manner, through the existing legislative provision in section 130 of the Betting Tax Act 2001.
15. I am happy to provide in person or in papers, my calculations and workings to the Inquiry or to treasury officials upon your request.

Other matters

16. In relation to terms of reference (g), I make the following comments in paragraphs 17-24 of this submission.
17. NSW greyhound participants love their dogs, and the greyhounds love to race.
18. Greyhound racing should continue in NSW.
19. NSW greyhound racing needs a properly resourced and highly competent independent regulator to ensure high quality integrity and world best practice animal welfare outcomes.

20. In its initial period of operation GWIC has actively, systematically and progressively implementing the Reform Panel recommendations to the benefit of the participants and the animals.
21. As GWIC only become operational on 1 July 2018, it is too early (for both supporters or critics) to determine the structural success or operational performance (or otherwise) of GWIC, particularly given the level of cultural change that was clearly required across some areas of the sport.
22. Euthanasia of greyhounds should not be avoided where appropriate and consistent with international best practise animal welfare outcomes, “quality” of life considerations should take precedence over “duration” of life.
23. Despite recent improvement in NSW, greyhound rehoming programs in Victoria continue to substantially out-perform those conducted in NSW.
24. NSW greyhound racing is at a substantial inherent economic disadvantage through the allocation of TAB revenue, taxation parity and POC tax in comparison to:
 - NSW thoroughbred and harness racing codes; and
 - Victorian Greyhound racing
25. I would be available to present in person to the Inquiry if requested. I can be contacted on _____ at any time.

Yours sincerely,