

REPORT OF PROCEEDINGS BEFORE

**SELECT COMMITTEE ON GREYHOUND RACING IN NEW
SOUTH WALES**

INQUIRY INTO GREYHOUND RACING IN NEW SOUTH WALES

At Wallsend on Wednesday 5 February 2014

The Committee met at 12.00 noon

PRESENT

The Hon. R. Borsak (Chair)

The Hon. M. Ficarra
Dr John Kaye (Deputy Chair)
The Hon. T. Khan
The Hon. L. Voltz
The Hon. S. Whan

CHAIR: Welcome to the second public hearing of the Inquiry into Greyhound Racing in New South Wales. Before I commence, I acknowledge the Awabakal people, who are the traditional custodians of this land. I also pay respect to the elders, past and present, of the Awabakal and extend that respect to other Aboriginal persons present. Today is the second of three hearings we plan to hold in this inquiry. Today we will hear from the former Chair of the Greyhound Racing Authority, the President of the National Coursing Association, as well as greyhound racing industry participants Robert Whitelaw, Jeff Jaeger, Maree Callaghan, Anthony Callaghan and Rex Nairn. Following the conclusion of the public hearing, we will hold a public forum from 3.15 p.m. until 4.15 p.m.

Before we commence questioning, I will make some brief comments about the procedures for today's hearing. I remind everyone that this is a public hearing. It is not an open forum for comments from the audience. Audience interruptions are not recorded in the transcript and make it difficult for witnesses to communicate with the Committee. I therefore request members of the audience to refrain from making comments or excessive noise during the proceedings. Copies of the Committee's broadcasting guidelines are available from parliamentary staff. Under the guidelines, members of the media may film or record Committee members and witnesses. People in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that you must take responsibility for what you publish about the Committee's proceedings.

It is important to remember that parliamentary privilege does not apply to what witnesses say outside of their evidence at the hearing. I urge witnesses to be careful about any comments you make to the media or to others after you complete your evidence. Those comments would not be protected by parliamentary privilege if another person decided to take action for defamation. Witnesses are advised that if you should consider at any stage during your evidence that your response to particular questions should be heard in private by the Committee, would you please state your reasons and the Committee will then consider your request. I remind everyone here today that Committee hearings are not intended to provide a forum for people to make adverse reflections about others under the protection of parliamentary privilege. I therefore request the witnesses to focus on issues raised by the inquiry's terms of reference and avoid naming individuals unnecessarily.

Witnesses are advised that any documents they wish to table should be provided to the members through the parliamentary staff. A full transcript of what is said during today's hearing will be prepared by our Hansard reporters. The transcript will be available on the Committee's website. Finally, I ask everyone to please turn off their mobile phones and radios, if they have them. I welcome our first witness, Mr Ross Magin, and I thank him very much for attending.

ROSS MAGIN, former Chair, Greyhound Racing Authority, sworn and examined:

Mr MAGIN: I represent myself, but I assume my evidence will relate to my role as the Chairman of the Greyhound Racing Authority [GRA] from 1995 to 2003.

CHAIR: That is right. Mr Magin, would you care to make a short opening address?

Mr MAGIN: Yes. I would like to say that I am happy to appear today to give evidence that I will give to the best of my memory, which is quite clear in many aspects. I have been unable to check properly on a number of specific dates and personnel due to the secure destruction in 2012 of most of my personal notes, diaries, clients' income tax and Greyhound Racing Authority meeting notes as well as other business papers that were over five or six years of age. The reason for the destruction was due to health issues at the time. On agreeing to appear before this Committee, I contacted Brent Hogan of Greyhound Racing NSW [GRNSW], hoping to be provided with minutes and relevant documents of the GRA to identify the dates and proceedings of meetings that might be relevant to this inquiry. I was advised that they do not hold them as they have been transferred to New South Wales Government archives. I am confident my evidence would be readily verified by the Committee obtaining relevant Greyhound Racing Authority, Greyhound Breeders Owners and Trainers Association [GBOTA] and National Coursing Association [NCA] minutes covering the relevant period.

Just to give a chronological proceedings of how the inter-code agreement was signed by me on behalf of the industry, some months before the signing of the inter-code agreement the New South Wales Totalizator Board was requested to make an assessment of the claims of the three codes regarding the distribution of profits based on the totalisator turnover history of the codes.

A meeting was subsequently held at the TAB headquarters in the office of John Robertson, the general manager. In attendance were Bob Cartwright, Steve Rosier and I from the Greyhound Racing Association, and Peter V'landys, the chief executive officer, and Tony McGrath, who I believe at the time was Chair or deputy chair, from trotting people. John Robertson advised that the TAB considered a fair split to be 70 per cent horseracing, 16 per cent trotting, and 14 per cent greyhounds.¹

On being told this Peter V'Landys said, "We are under no obligation to accept this report". He and Tony McGrath then just up and walked out.

A number of meetings were later held with Greyhound Racing Authority, the Greyhound Breeders Owners and Trainers Association and the National Coursing Association and country clubs to discuss the issue. At one such meeting that was held at Harold Park, where talks earlier had taken place with trotting people who refused to negotiate regarding the 17 per cent demand, present at this meeting were Brenton Scott from the Greyhound Breeders Owners and Trainers Association, Phil Bell and Mike Ahern from the National Coursing Association and perhaps Cyril Rowe, who was the Chair of the Greyhound Breeders Owners and Trainers Association, although I know he was very sick at the time so I am not sure whether he was actually there, together with we three from the Greyhound Racing Authority.

At this meeting I said words to the effect of "We, the GRA, are the Government-appointed authority responsible for the regulation of Greyhound Racing. You are the commercial side of Greyhound Racing. It is your money at stake. The GRA each year submits a budget for the coming year. The Minister has to approve the budget. The GRA receives a modest amount 'off the top' from the TAB distributions to regulate the industry. The rest belongs to you. It is your decision to take up or reject the deal". Representatives from the clubs said they would accept the deal. Sometime prior to the formal signing, I requested Brenton Scott and Phil Bell to meet with Bob Cartwright, Steve Rosier and me on the morning of the proposed signing of the inter-code agreement at the coffee shop on the ground floor of the building on the corner of O'Connell Street—Clayton Utz's office, or in that building—where signing was to take place. Again I asked, "Do you want us to go ahead and sign on basis of 13 per cent plus \$1 million upfront payment?" The answer was, "Yes go ahead." They were

¹ In correspondence to the Committee (dated 5 February 2014) Mr Magin corrected the above paragraph to read:
A meeting was subsequently held at the office of John Robertson, ex General Manager of TAB. In attendance – Bob Cartwright (CEO), myself from GRA and Peter V'Landys (CEO) and Tony McGrath (Chair) from Trotting. John Robertson advised that he considered a fair split of 70% Horseracing, 16% Trotting, 14% Grehounds.

the circumstances in which I was involved with the Greyhound Racing Authority in all of that early lead-up to the signing. I have copies of the statement, if they are required.

The Hon. LYNDA VOLTZ: Could I ask for clarification? When you say Peter walked out, who did you mean?

Mr MAGIN: Peter V'landys.

The Hon. LYNDA VOLTZ: It is Peter V'landys. Right.

Mr MAGIN: Peter V'landys, who currently is the chief executive officer of Racing NSW.

The Hon. LYNDA VOLTZ: Yes.

Mr MAGIN: I think you might note that the Sunday before last there was a two-page spread in the *Sydney Morning Herald* in which Mr V'landys claimed that he was a great negotiator and he could hold his own with anyone, including John Howard. My experience with him was that he was the great non-negotiator. He would not negotiate.

The Hon. LYNDA VOLTZ: You were saying that originally it was a 70:16:14 split.

Mr MAGIN: That was the amount that the TAB considered would be a fair split-up, even though it was slightly in favour of harness racing at that time. I believe at the time the actual percentages were something like 14 and a half, and 15 and a half.

The Hon. STEVE WHAN: Was that 14 and a half to greyhounds?

Mr MAGIN: Yes, 14 and a half. But harness racing was not that far ahead of greyhounds. The TAB took a long time, I believe, in coming to their conclusion. They were supposed to be the arbitrator and they came up with what they thought was a compromise of 16:14.

The Hon. LYNDA VOLTZ: But that was not the final split.

Mr MAGIN: No, it was not.

The Hon. LYNDA VOLTZ: And the final split actually gave—

Mr MAGIN: It actually gave a 17 per cent to trotting and 13 per cent to the greyhounds. Late in the piece though there was an additional \$1 million, or maybe a bit more, that was offered as an up-front payment. I believe at the time that the various clubs involved in the industry were fairly strapped. I think that might have been the sweetener that tipped them to accept the proposition that was being put, even though I know myself I did not think it was a very good deal in the first place at 16:14. I am sure they did not, but the enticement of the \$1 million or plus up front persuaded them.

The Hon. LYNDA VOLTZ: If you think it is not a very good deal, why would you sign it?

Mr MAGIN: The reason I signed it was that it was not my decision. It was put to them that they were the industry, they were the people that shared the money, and we were an authority that was charged only with responsible greyhound racing. We were the policemen. We had nothing to do with the commercial side.

The Hon. LYNDA VOLTZ: You were appointed as the Chair of the Greyhound Racing Authority by the Government?

Mr MAGIN: Sorry?

The Hon. LYNDA VOLTZ: Your position— you were appointed by the Minister?

Mr MAGIN: Yes. I was appointed to the Greyhound Racing Authority in 1995.

The Hon. LYNDA VOLTZ: One would assume that whoever signed off on behalf of greyhound racing would have been doing what was in the interests of greyhound racing.

Mr MAGIN: I would be doing what the industry told me.

The Hon. LYNDA VOLTZ: When the industry told you to accept that deal, which sector of the industry are you talking about?

The Hon. STEVE WHAN: Who actually gave you the go-ahead?

The Hon. LYNDA VOLTZ: Which part of the industry said, "Sign off."

Mr MAGIN: I just explained that there were two meetings. There were meetings after Harold Park where we had representatives of the Greyhound Breeders Owners and Trainers Association and the National Coursing Association. They had been out at meetings that were being held with a lot of people in the industry and I asked them the question. I had no doubt that they were answering on behalf of the industry, not themselves, and we accepted that. Then to make doubly sure, on the morning that we had to sign the agreement—and it was not only us who signed it—they also signed documents in relation to this.

The Hon. LYNDA VOLTZ: Who signed documents?

Mr MAGIN: The other members of the greyhound industry, on behalf of the industry.

CHAIR: The Greyhound Breeders Owners and Trainers Association and the National Coursing Association.

The Hon. LYNDA VOLTZ: The inter-code agreement. There were two meetings with the Greyhound Breeders Owners and Trainers Association and the National Coursing Association.

Mr MAGIN: No, I think there were at least two. I think their chairman may have been there too but certainly the two chief executive officers were.

The Hon. LYNDA VOLTZ: The two chief executive officers were there and you put to them the figures were changed, when?

Mr MAGIN: No, they already knew about it.

The Hon. LYNDA VOLTZ: They already knew about them so they had been informed by Government, had they?

Mr MAGIN: No. The Government is not involved in it.

The Hon. STEVE WHAN: Can I go back to the advice from the TAB, the totalizator board? Did they have their assessment of the amounts? Is there some sort of document that was provided to you which showed how they determined the assessments of the amounts?

Mr MAGIN: The chief executive officer, John Robertson, was reading from a document. Apparently there had been a lot of research done by the TAB into this question of how it should be done. Whether they knew there would be some argument later on about the percentages, the three codes did put submissions into them to try to justify what they should get.

The Hon. STEVE WHAN: The eventual outcome, 70:17:13 as a fixed percentage, came after the negotiations you are talking about, but there was also a base distribution as well, was there not?

Mr MAGIN: Sorry?

The Hon. STEVE WHAN: Is there a base calculation as well, which was 73 to thoroughbreds, 13.8 to harness and 13.2 or so to greyhounds. Is that right?

Mr MAGIN: I do not know what you are talking about.

The Hon. LYNDA VOLTZ: Were there any other payments other than the distribution that were divided between the industries as part of the inter-code agreement? You had your base rate that is set for the future—70, 17 and 13— but obviously this is a flow to the TAB and there would have been other payments that were broken up between the industries?

Mr MAGIN: I cannot answer that one.

CHAIR: I caution you questioning in relation to certain matters that are in the inter-code agreement or the Racing Distribution Agreement [RDA]. We can proceed in camera to do that, if you want to.

The Hon. LYNDA VOLTZ: Sure.

The Hon. STEVE WHAN: Mr Magin, when you spoke about the initial meeting and Peter V'landys walking out, what was the process of negotiation from there on which sought the 14 per cent offer being made? What actual negotiation was undertaken between the different codes to get to that point?

Mr MAGIN: After that meeting where the TAB sort of adjudicated and said a fair split between us was 16:14, there were a number of occasions when that the parties met. At no time would the trotting people even talk about it. If you raise the matter in some of the meetings that were attended by Clayton Utz and people, they would just pick up their papers and walk out. They said, "We are going to have 17 per cent."

The Hon. STEVE WHAN: Who proposed the \$1 million up-front payment?

Mr MAGIN: I do not know who proposed that at all.

The Hon. STEVE WHAN: At what point in the negotiations was the \$1 million upfront payment proposed?

Mr MAGIN: I am not exactly sure when, to tell you the truth, but it was after, the initial flurry was about 17:13 and there was a lot of discussions on that and then suddenly, from somewhere, there was an offer of leave it 17:13 but we will provide an extra million-odd as an up-front fee.

The Hon. STEVE WHAN: Given that the other codes would not budge from their positions, why do you think greyhounds did not do the same thing?

Mr MAGIN: Well, it was not my decision.

The Hon. STEVE WHAN: What is your interpretation?

Mr MAGIN: The decision was made by the people that would be affected. As I said before, the Greyhound Racing Authority [GRA] is purely a regulatory body and whatever money had to come into the industry, we got a little bit off the top that the Minister had to approve, to conduct the regulatory body, and the rest of the money belonged to them. And we left it to them to make the decision. It was the industry decision.

The Hon. STEVE WHAN: Do you believe that they should have held out in the same way as the other codes?

Mr MAGIN: I cannot answer for them.

The Hon. MARIE FICARRA: Mr Magin, just going back to the negotiation process and all the consultation process that occurred, would it have been your duty at least to satisfy yourself that adequate consultation had occurred with the clubs and the members? Or did you just assume that the representatives that were appearing and talking to you and negotiating would have done that? I am just trying to get a hold on the process that occurred.

Mr MAGIN: I was clearly of the view that the people who gave us the decisions of the industry had the authority to do it and had the backing of the people in the industry. It is interesting to know, talking about this now, after that inter-code agreement was signed, I cannot recall any criticism anywhere—the "*Greyhound Recorder*", the newspaper pages of letters to the editor—and this was all done, and I do not recall that there was

any outcry at all from the industry. I think they thought it was all right, up until things got a bit crazy. When I finished with the Greyhound Racing Authority in 2003, as far as I know the greyhound percentage had risen to 18 per cent because there was terrific support from the Totalisator Agency Board [TAB] and Sky Racing. They were running meetings at all hours of the day and night and they were able to really surge ahead with the betting on the greyhounds which then scooted further.

The Hon. MARIE FICARRA: Do you think that they were unaware of the potential of their own racing code, the potential of the greyhound racing revenues that would come from this? Do you think they were naive?

Mr MAGIN: I do not think they were any more naive than me, because I did not ever imagine that, as a result of the privatisation of the TAB, they would be so successful in being able to promote the code, in all sorts of ways, with Sky Racing, even with crazy things like backing the pink dog and all these sorts of things, but they got a tremendous boost after that because the TAB, with the aid of the media, were able to promote greyhound meetings every five minutes. You can imagine the turnover.

I will say this though, and I cannot speak for the others in the industry: I honestly believe that, if things did go and the percentages got out of whack, the 15-year review would have taken care of that. As we all know now, the 15-year review only raised the industry that was promoting more betting, it was only to date from that date. Now, I do not know and it is not for me to speak for the others, all of them in the industry, but I think it was probably what they anticipated, that if anything happened, that it got out of skew, that it would be reviewed in 15 years time. This, of course, did not happen and I do not know why I had that understanding or thought in my mind and I do not know why—and you would have to ask the other codes. But I just assumed that in 15 years time if it would change in any way, that there would be a rehashing. Am I allowed to comment further, on the political side?

CHAIR: Yes, go for it.

Mr MAGIN: Well, it just seems to me, I heard on the way in today on the radio that the lawyers, Blackburns, had just won a class action against the ANZ because of unreasonable and unconscionable contracts. Now, there is no doubt that those contracts that people entered into when they had accounts with the ANZ, that there were certain penalties for late payments. It was already in the contract. But now the courts in Australia are saying that is unconscionable and unreasonable and I would have thought that the New South Wales Government, with all of its powers, would have had some sort of power to negate that unconscionable contract.

The Hon. TREVOR KHAN: Mr Magin, can I ask you this: When you were involved in the negotiations, did you have a lawyer?

Mr MAGIN: Let me say this: During the whole of these negotiations there were two strands of advice. Firstly, the Macquarie Bank—we had a number of them—giving advice to the industry on different models of how things would work if you did this or that. We also, in the start, had the occasion where the thoroughbred racing had employed Clayton Utz to give legal advice in relation to the whole of the privatisation, because we thought it was—

The Hon. TREVOR KHAN: But Mr Magin, you would have known, would you not, Clayton Utz would not be in a position to give Greyhound Racing advice on the agreement because they were essentially acting for all parties.

Mr MAGIN: For whom?

The Hon. TREVOR KHAN: For all parties.

Mr MAGIN: That is right.

The Hon. TREVOR KHAN: So they were not giving Greyhound Racing advice with regard to the implications of the inter-code agreement for greyhound racing, were they?

Mr MAGIN: I would think that, if they had three clients, they would be looking after the interests of three of them.

The Hon. TREVOR KHAN: Is that fair dinkum? They had three clients at each other's throats.

Mr MAGIN: No there was not. The horseracing, the thoroughbreds, were not arguing about anything because right from the start they said, "We have only 70 per cent." It was only a question of the 30 per cent.

The Hon. TREVOR KHAN: The interests were not aligned, were they? The thoroughbred's interests were not aligned with greyhound racing and they were not aligned with harness racing. Each of the three parties were essentially in dispute with each other, were they not?

Mr MAGIN: Well, two of them were.

The Hon. TREVOR KHAN: Three of them were in dispute.

Mr MAGIN: Well I do not ever remember the thoroughbreds complaining about the 70 cent or us complaining. But the point is that the thoroughbreds originally appointed Clayton Utz because we had to consider that and the GRA and, I assume the trotting, considered that, rather than get another lot of lawyers in, we would also engage them to act on our behalf.

The Hon. TREVOR KHAN: You got no independent legal advice with regard to the implications of the inter-code agreement on greyhound racing. Is that a fair summary of the position?

Mr MAGIN: The position is that, as far as I recall and know, Clayton Utz were acting on behalf of the three codes and I would have thought that legal obligations would be upon them to care for the three of them and not just one.

The Hon. TREVOR KHAN: Mr Magin, are you seriously advancing that?

Mr MAGIN: I am serious. I think solicitors should do that or think that.

The Hon. TREVOR KHAN: You were the Chair of the Greyhound Racing Authority for how long?

Mr MAGIN: Six or seven years.

The Hon. TREVOR KHAN: I take it that was because of your acumen with regard to running a significant institution with large financial commitments, is that is right?

Mr MAGIN: I would hope so.

The Hon. TREVOR KHAN: And you did not understand the concept of obtaining independent legal advice before signing a significant agreement? Is that what you are saying?

Mr MAGIN: What I am saying is that we believed that appointing Clayton Utz to give advice, we would get advice that was in our interests.

The Hon. TREVOR KHAN: Could I take you back to the original meeting, that is, the one that proposed the 70:16:14. Do I take it that you left that meeting without a scrap of paper from the TAB that set out how they arrived at those figures?

Mr MAGIN: I am not sure. I would not have had it personally but I would think that, if it was available, one of the staff would, either our chief executive officer [CEO] or our administrative officer. But surely you can obtain that information.

The Hon. TREVOR KHAN: Well, I am asking you because you were there at this stage.

Mr MAGIN: That is right, yes.

The Hon. TREVOR KHAN: You do not recollect there being any documentation that was provided to you?

Mr MAGIN: There was documentation there and I am not sure whether we got it then or whether it was sent to us, but if it was I did not see that copy. But there would be documentation because, at that meeting, they were going through all sorts of figures. They were reading from something, it was not ad lib.

The Hon. TREVOR KHAN: I am sure that is the case. It is a question of how you satisfied yourself as to the accuracy of the material that the TAB was providing.

Mr MAGIN: Are you suggesting that I have to try to dissect whether the TAB, the Totalizator Board at that time, was presenting figures that were not right?

The Hon. TREVOR KHAN: You are asking me that question?

Mr MAGIN: I am, because you are asking whether I should—

The Hon. TREVOR KHAN: I will give you an answer: Yes, I think you were under an obligation to ensure that the material you were being provided with was accurate. You do not accept that proposition?

Mr MAGIN: No, I do not. I am not a lawyer.

The Hon. TREVOR KHAN: No, you were the Chair of the Greyhound Racing Authority, a person of some significant responsibility, would you agree?

Mr MAGIN: Yes.

The Hon. TREVOR KHAN: And somebody who was getting paid for the pleasure of the experience?

Mr MAGIN: Yes.

The Hon. TREVOR KHAN: That is, you owed a duty to the members of greyhound racing, did you not, to ensure that they were getting a fair deal.

Mr MAGIN: Well, we relied on the fact that we engaged Clayton Utz to act on our behalf.

The Hon. TREVOR KHAN: And somebody that you knew was in conflict because they were acting for the two other bodies that were fighting over the same pot of money. Is that not right?

Mr MAGIN: That is your interpretation.

The Hon. TREVOR KHAN: Well, it is a fact, is it not?

Dr JOHN KAYE: Who paid Clayton Utz?

Mr MAGIN: I do not know the answer to that.

Dr JOHN KAYE: Who paid Clayton Utz? Did the greyhound racing—

Mr MAGIN: I am not sure now but, from memory, I cannot remember us receiving a bill. I am not sure about that. I do not know who paid.

CHAIR: I think Clayton Utz was engaged by all parties to facilitate.

The Hon. STEVE WHAN: Mr Magin, I wish to ask you about the term of the agreement, the length of the agreement I suppose?

Mr MAGIN: Yes.

The Hon. STEVE WHAN: Was that presented to you as being a term that you were required to have, or was there discussion or debate about the term of the agreement?

Mr MAGIN: No, there was never any argument about a 99-year right to have the wagering in New South Wales. For the sort of money that the privatised firm was going to pay, you would expect them to have a 99-year business.

The Hon. STEVE WHAN: I understand that when the TAB was privatised, that was for 99 years. Did it automatically flow that the distribution agreement also had to be for 99 years, or was there discussion about whether that could be a shorter term?

Mr MAGIN: We always knew that the Government was selling the business to the TAB and that the question of the distribution would be reviewed in 15 years time. In my mind I thought that was some sort of comfort into what might happen in the future.

The Hon. STEVE WHAN: I think there are a lot of questions on that but we will have to ask those later.

Dr JOHN KAYE: I briefly go to the issue of the \$1 million. Was that a one-off payment across the entire industry?

Mr MAGIN: No, just for the greyhound industry.

Dr JOHN KAYE: The entire greyhound industry?

Mr MAGIN: Yes.

Dr JOHN KAYE: Then you divided it up between the Greyhound Breeders, Owners and Trainers Association [GBOTA] and—

Mr MAGIN: And the country clubs, the non-TAB clubs.

Dr JOHN KAYE: Sorry?

Mr MAGIN: And the other clubs.

Dr JOHN KAYE: You divided it up between the clubs?

Mr MAGIN: Yes.

Dr JOHN KAYE: My rough estimate is that the distribution in the first year for which that \$1 million applied to greyhound racing was of the order of \$45 million a year. Is that correct?

Mr MAGIN: I do not know. I have not got the figures before me, and it is probably 15 years—

Dr JOHN KAYE: In respect of percentages, \$1 million was not a very large percentage?

Mr MAGIN: No, it is not.

Dr JOHN KAYE: Did you advise the two groups you were talking to that it was not a large sum of money?

Mr MAGIN: My role was to gauge what the industry wanted. It was their call. As I have explained before, we were merely the regulatory body looking after the interests of the participants.

Dr JOHN KAYE: Mr Khan has asked you about legal advice. Did you seek any independent advice with respect to risk management, with respect to the accounting matters in this document or with respect to the possibilities of change over time?

Mr MAGIN: No, I did not. From memory, I do not think we had any separate advice.

Dr JOHN KAYE: Did you suggest at any stage to the two bodies you were representing—

Mr MAGIN: There were more than two. There were also the non-TAB clubs, the country clubs.

Dr JOHN KAYE: Did you suggest at any stage to any of the parties that you were representing that they should seek independent advice?

Mr MAGIN: I do not think so.

Dr JOHN KAYE: Did you at any stage—

Mr MAGIN: I do believe that at least one of the clubs may have got independent advice, but you would have to ask them.

Dr JOHN KAYE: Did you at any stage suggest to anybody involved, "This is all okay because we will have a 15-year review"?

Mr MAGIN: That would be my understanding at the time. I do not know that I had ever canvassed that with the clubs. In my mind there would be a 15-year review and the review was a bit different to what was actually happening.

Dr JOHN KAYE: Where did you get the information about what that 15-year review would look like?

Mr MAGIN: Well, I am not sure now whether it was Macquarie Bank or Clayton Utz.

The Hon. TREVOR KHAN: Or you just came up with it yourself.

Dr JOHN KAYE: Was it verbal or written advice?

Mr MAGIN: Sorry?

Dr JOHN KAYE: Did your understanding of the 15-year review come from verbal or written advice?

Mr MAGIN: It would be verbal.

Dr JOHN KAYE: It was verbal advice that was given to you?

Mr MAGIN: It had been raised in discussions—we had that many discussions. Whilst I have not got any of my own records now in that period, I do know from my late wife's diary that up until 17 December—sorry, at least nine in her diary.

Dr JOHN KAYE: I can understand how that would be.

Mr MAGIN: We were at meetings with all of the participants. There were so many meetings, and they all participated in discussions in relation to that sort of matter.

Dr JOHN KAYE: As I understand it, currently the greyhounds are responsible for 20 per cent of TAB sales?

Mr MAGIN: Apparently now, yes.

Dr JOHN KAYE: What was the percentage figure of TAB sales when you signed this agreement?

Mr MAGIN: When I signed that agreement I think we had something like a bit under 15, and the trotting a bit over 15. I think around about that figure.

Dr JOHN KAYE: It was a bit under 15?

Mr MAGIN: Yes. I had in mind about 14½. It was about that but it certainly was not 15.

Dr JOHN KAYE: At any stage in your discussions do you recall that you said to anybody or anybody said to you, "Look, it is not such a bad deal now with the \$1 million thrown in, but what happens if we are more successful in relation to the other codes?" Was that issue even thought of or discussed?

Mr MAGIN: I do not think it was ever raised before the—

Dr JOHN KAYE: Did Clayton Utz raise that with you?

Mr MAGIN: I do not know.

Dr JOHN KAYE: Did Macquarie Bank raise that with you?

Mr MAGIN: I could not tell you, it was so long ago, but they certainly discussed it at a lot of meetings and, at that those meetings, for one reason or another, I was under the impression that the 15-year review meant a proper review.

Dr JOHN KAYE: You and others in the industry at this stage would have been aware that this is a 99-year agreement?

Mr MAGIN: Oh yes.

Dr JOHN KAYE: Even if it was only to 15 years. We are talking late 1990s, so issues in respect of the sorts of professional experiences of your life—issues to do with risk and change and response to risk and adaption to risk was part of the common management and business discussions that were happening at that time?

Mr MAGIN: Oh yes.

Dr JOHN KAYE: At no stage did it occur to you or to anybody else involved in this process, "Hey, we should do some risk management or risk analysis on this"?

Mr MAGIN: As far as I can remember there was no specific risk management undertaken. As I said, I was under that impression. Exactly how I came to that conclusion that the 15-year review would be fair and reasonable. I just cannot tell you now.

Dr JOHN KAYE: At that stage you were a public servant, is that correct?

Mr MAGIN: In that role, yes.

Dr JOHN KAYE: It was a full-time role and you were a public servant.

Mr MAGIN: When you say "full-time", I was employed by the Greyhound Racing Authority, as I said, from 1995. I also had a very small accounting practice. I held a public accounting degree for more than 50 years and taxation for more than 50 years. I had retired after 42 years with a credit union and building society group, the last 32 years as chief executive officer. I had retired from there in 1997 and I took on the role at Greyhound Racing Australia shortly before I left the coop group.

CHAIR: Mr Magin, in your evidence today you have said that you believe the greyhounds' proportion of the TAB sales—for want of a better expression—is just under 15 per cent. I think you ultimately said you think it was signed off in the inter-code agreement at 13 per cent.

Mr MAGIN: Yes.

CHAIR: What consideration was given to greyhounds to have them accept almost a 2 per cent reduction from what was their current market share at the time?

Mr MAGIN: Just ask the people who made the decision, which was not the Greyhound Racing Authority.

CHAIR: Were you not responsible for administering the whole process? Were you not one of the signatories to that document?

Mr MAGIN: We were signatories to that document because we were the controlling body of greyhounds at the time. As I said before, we had no commercial interest. We were purely a regulatory body.

CHAIR: You just said you were the controlling body.

Mr MAGIN: We controlled licensing—

CHAIR: And this was a commercial agreement that was being signed.

Mr MAGIN: Yes.

CHAIR: Yet somehow or other no-one seems to be taking responsibility for the commercial results of the signing of that agreement. I would have thought as chairman of the Greyhound Racing Authority you were in the prime position to be able to do that, to ensure that due diligence was carried out.

Mr MAGIN: I keep repeating it was not my decision or the decision of the Greyhound Racing Authority. We left it to the industry.

CHAIR: Who was responsible for the signing of these documents? I know there were GBOTA signatories to it, I know that the Greyhound Racing Authority was, I know that the National Coursing Association [NCA] was and I know that the TAB and the other two codes were, but we are now talking about greyhound racing.

Mr MAGIN: Yes.

CHAIR: You had no legal advice that gave you independent advice as to the terms and conditions of the contracts that were being executed. Who took responsibility for the commercial decision?

Mr MAGIN: The clubs.

CHAIR: The clubs?

Mr MAGIN: Yes.

CHAIR: So the Greyhound Racing Authority, the administering body, took no responsibility for the commercial outcome of the document it signed. Does that sound logical to you?

Mr MAGIN: We merely accepted the instructions from the people in the industry that were affected by the decisions.

CHAIR: Okay. You have talked to your evidence so far but I have more specific questions that I want to ask you. You seem to be under the impression that the 15-year review process would draw a review line after 15 years and perhaps bring the greyhound racing up to a more reasonable level. Yet it seems from recent discussions that are publicly floating around that the clause did not reflect that at the end of the day. I think your earlier evidence reflected the same. Who carried out the due diligence on the exact wording of that if you did not and obviously the other codes did not either? How did we end up in a situation where for 15 years the industry thought it was going to get X and then suddenly it found out that it should have been Y? Who is responsible for that?

Mr MAGIN: I do not know who is responsible, certainly not us.

The Hon. TREVOR KHAN: Did you read it?

CHAIR: That is my question. Did you do the due diligence and read the contracts or the deeds before you applied your signature as one of the contracting bodies?

Mr MAGIN: I would have had access to it and I would have, I am sure, read through it. But as I said I was not the one who was making the decision.

CHAIR: If you were not the one who was making the decisions and you were deferring that decision-making process to the other bodies, did you come under any pressure from the Minister at the time?

Mr MAGIN: None at all.

CHAIR: You had no discussions with Minister Knight at the time?²

Mr MAGIN: None at all, or any of his staff.

CHAIR: So you were not taking responsibility for it, Minister Knight was not involved in it, but the other two codes also obviously were not involved in negotiations in relation to greyhounds. So really what you are saying is that it fell back to GBOTA and the NCA and perhaps the non-TAB clubs to somehow or other drive this process when you were chairman of the Greyhound Racing Authority?

Mr MAGIN: Well, they were the ones that had everything; they win or lose. It was their decision.

CHAIR: None of you engaged separate legal advice to obtain independent advice on the terms and conditions, not just of that clause in relation to the 15-year review but of the whole thing?

Mr MAGIN: You would have to ask the GBOTA and NCA.

CHAIR: I think we will be asking them. I do not think we can ask the NCA; they are not around anymore.

Mr MAGIN: I think they are still alive, are they not?

CHAIR: No, I think they are under administration.

The Hon. LYNDA VOLTZ: When you say you received instructions from the GBOTA and the NCA, were they written instructions?

Mr MAGIN: No.

The Hon. LYNDA VOLTZ: You say they were the ones who gave you instructions on the inter-code deed. Did they have a copy of that deed? You signed off, but did they have a copy of it?

Mr MAGIN: I am sure that they did. I have a couple of things I would like to table. They were just telephone conversations.

CHAIR: Mr Magin, I will give you an opportunity to do that. I want to discuss the specifics of these two privileged documents.

(Short adjournment)

² In correspondence to the Committee (dated 12 February 2014) Mr Magin clarified that during his appointment from 1995-2002, the Hon Richard Face was the Minister. He did not correct the Hon Trevor Khan when he referred to "Minister Knight" as he was concentrating on making it clear that he had no discussions with the Minister or his staff.

ROBERT FREDERICK WHITELAW, sworn and examined:

CHAIR: Do you wish to make a short opening statement?

Mr WHITELAW: Yes. First, I thank the Committee for allowing me to present the problems that are rife throughout the greyhound industry. I will speak about the three main bodies—the Greyhound Breeders, Owners and Trainers Association, Greyhound Racing NSW and the National Coursing Association—and their failure across the board to take the greyhound industry forward into the future. It is my belief that the whole industry reeks of nepotism, hypocrisy and cronyism at every level. I and many other participants in the industry believe that Greyhound Racing NSW and the Greyhound Breeders, Owners and Trainers Association are going down the same path of self-destruction that the National Coursing Association recently went down. In saying that, I have some very damning evidence to put before the Committee about the activities of people who have been employed by Greyhound Racing NSW, the National Coursing Association and the Greyhound Breeders, Owners and Trainers Association. It will be up to the Committee to decide whether it wants that evidence to be heard in camera.

CHAIR: Do you want to proceed in camera now or do you have more general evidence to provide?

Mr WHITELAW: I have things I want to discuss about the failure of Greyhound Racing NSW.

CHAIR: We will get to the in-camera evidence later.

The Hon. STEVE WHAN: I notice that one of your submissions focuses on Cessnock, and the Committee has heard a fair bit about the Cessnock track. Do you want to comment about the tracks in the Hunter, and particularly Cessnock versus this track?

Mr WHITELAW: The issue from the start is that this was a concept we wanted for Newcastle. After the loss of Beaumont Park, Newcastle again needed a hub racetrack. A number of proposals were put forward at the time. The Stanford Merthyr Group approached the Government about building a new track on land that had been made available. Representations were made to the Minister and to Greyhound Racing NSW, but the proposal was rejected. The concept, after the loss of Beaumont Park, was that Newcastle needed a hub racetrack again. Through that the proposal was put forward at the time. There were other proposals to be put forward in respect of Stanford Merthyr where the particular group at the time had gone to the Government to try to build a new track out there with land that had been made available to them. On representation to the Minister at the time and also to Greyhound Racing NSW, that was rejected. The concept had to come up: We needed a track here in the Hunter, in the Newcastle area. Through people who were involved at with the clubs, we thought this was an option at the time here at The Gardens because of the failure of the soccer team at the time with this complex that had been put together.

There was a complex here that had to be refurbished right through to bring it up to the level required as far as greyhound racing was concerned. I must say that was never achieved because of probably the funding side of it. At the same time there had to be a sacrificial lamb because of the two particular directors at the time on the board of Greyhound Racing NSW—board members, I should say—one was from the National Coursing Association [NCA] and one was from the Greyhound Breeders, Owners and Trainers Association [GBOTA]—had to get together and formulate a deal. The deal was that we had to cut one track because I want Maitland as the Greyhound Breeders, Owners and Trainers Association and the National Coursing Association has the track here at Birmingham Gardens. Unfortunately at the time—speaking to you, Mr Whan, as a Labor Party person and the representative of the Cessnock area was Kerry Hickey, who was our local member and who at the same time was also the Minister for Local Government—the concept of a premier track in the area was in the wind.

A recommendation came in from Greyhound Racing NSW at the time that the premier track concept was going to be Cessnock. Percy Allan, who was the chairman of the board at the time, went to the Cessnock club. The Cessnock club at the time was infiltrated by people from outside the club who gained the numbers in the vote and voted against it, so that was the end of it. The repercussions of that were political because of the conflict between—obviously, because it is documented here—Kerry Hickey and probably Percy Allan with the local government issue that was around at the time. In my opinion—and I would use the word—it was a square up. Cessnock was the sacrificial lamb and away it went. Money was poured in—\$1.5 million roughly—into upgrading Maitland. If you go and have a look at Maitland today, the place is a total disgrace. It is an embarrassment to greyhound racing. The rest of the money, as you know, was transferred over to this area.

Look, I am not here to really rubbish this place. I do not think it is a safe track. I do not think it is what we should have had in the first place, but it is here and we have to make the best of it. The unfortunate part about it is that it has cost our industry millions and millions of dollars. That should not have ever happened, but it did. What we have to do now is clean that up and take the industry down the road in the right direction. One of those I have always thought with the Cessnock issue—like you said, Mr Whan—is the fact that Cessnock at the time at a great turnover. The TAB loved the place. It was probably second to some of the metropolitan tracks. Also—this is how ridiculous the decision was—two weeks prior to Cessnock closing, Sky Channel spent more than \$300,000 on infrastructure to upgrade their broadcast. Two weeks later, the track was closed. That is "great" business sense.

I am a person who has been involved in business over the years. I have had a young childcare centre that I was involved with. I am actually running—although I am retired—a business now. I am into wastewater management. I am 65 years of age and am still working. You have nightmares about this industry and how these people—and I mean it is, I really mean this—have been gutted by people we have trusted.

The Hon. LYNDA VOLTZ: Mr Whitelaw, you say you have been involved in the industry for a long time. For how long have you been involved in the industry?

Mr WHITELAW: Over 40 years.

The Hon. LYNDA VOLTZ: You would have been involved in the industry at the floating of the TAB.

Mr WHITELAW: Exactly.

The Hon. LYNDA VOLTZ: Do you recall receiving any correspondence regarding the changes to the greyhound industry?

Mr WHITELAW: There was general talk. At the time there was an association called the United Greyhound Association that was heavily involved. As being a member, you do sort of keep your ear to the ground about what has transpired. At meetings that I went to at the United Greyhound Association [UGA] down on the Central Coast I found that this was going to be a deal that was not better be really a deal that we need. For the life of me, a person who has been involved in business and in local government, I wondered: Why would you sign off for 99 years? You are signing your life away. We do not even live that long. What I am saying is this: At that particular time I was on the understanding the break-up was going to be—and I was happy with that at the time—70:15:15.

The Hon. LYNDA VOLTZ: Did representatives from the industry come to those meetings? You said you went to one on the Central Coast fish

Mr WHITELAW: No, they never did.

The Hon. LYNDA VOLTZ: Who call those meetings? How was the information disseminated?

Mr WHITELAW: The information came out through the executive of the United Greyhound Association at the time.

CHAIR: Was it just word of mouth?

Mr WHITELAW: Yes, more word of mouth.

CHAIR: There was no publication, there was no newsletter, and there were no public meetings where this was discussed?

Mr WHITELAW: No, not really—not on the inter-code. There were a lot of meetings after it was signed, I am telling you. People were totally shattered with the result that we got.

The Hon. LYNDA VOLTZ: The National Coursing Association and the Greyhound Breeders, Owners and Trainers Association never called any meetings?

Mr WHITELAW: No, not as far as I was aware.

The Hon. LYNDA VOLTZ: That you know of?

Mr WHITELAW: Yes.

The Hon. LYNDA VOLTZ: I will not ask any more questions because we are holding a session in camera and I do not wish to take up too much time.

Dr JOHN KAYE: This is a matter that does not need to be discussed in camera. Can we talk briefly about track design and track safety issues?

Mr WHITELAW: Yes.

Dr JOHN KAYE: In somebody's written evidence—it might be yours—Cessnock is described as not being a safe track.

Mr WHITELAW: Exactly.

Dr JOHN KAYE: Do you want to tell us why Cessnock is a safer track than, say, The Gardens?

Mr WHITELAW: One of the main reasons is that it is a big one-turn track. If you compare what we have here with one-turn tracks in Victoria, which has fewer tracks than us, there are more one-turn tracks. One-turn tracks are a safer racing surface—not a surface, but a circumference—in respect to two-turn tracks.

Dr JOHN KAYE: As a shape—because it is at the turns when the injuries occur. Is that correct?

Mr WHITELAW: Exactly. We have developed this idea here in New South Wales that we have got to have these 400 metre start-on events. It is only because of the construction of the tracks that have condensed it into two turns that you have got no choice but to put starts on a bend start.

Dr JOHN KAYE: Does this track here start on a bend?

Mr WHITELAW: It does. Yes, it does.

Dr JOHN KAYE: And Cessnock does not?

Mr WHITELAW: No, it starts halfway down the back at the 450. In front of that you have a 400-metre start, which goes down the back and around the first turn, then there is the second turn, and then home.

Dr JOHN KAYE: What about the other tracks in New South Wales? How many of those start on the bend or close to the bend?

Mr WHITELAW: A lot of them. Richmond is another track where they start on the bend. There are other tracks and that they are bend starts. Yes, a lot of the tracks have bend starts.

Dr JOHN KAYE: Can you tell us about the safety of track surfaces?

Mr WHITELAW: Since the changeover from grass to loam, the injuries probably are more prevalent now. With the grass tracks, you used to get toes.

The Hon. TREVOR KHAN: You used to get?

Mr WHITELAW: Broken toes, or ligaments around the toes.

Dr JOHN KAYE: Because they would get caught in the grass. Is that correct?

Mr WHITELAW: Probably, yes. Probably that is an answer, unless you are down at ground level watching that and looking at it, you would probably come to that assumption it is, I suppose, in respect to the

weather. But the cost involving a loam track compared to a grass track, there is a great margin between them—a great distance.

Dr JOHN KAYE: Are you saying they are about the same cost?

Mr WHITELAW: No, they are not. There is a big variation.

Dr JOHN KAYE: Which one is more expensive?

Mr WHITELAW: There is more cost involved in preparing a loam track than a grass track.

Dr JOHN KAYE: Loam tracks are more expensive, so the transition to loam tracks has seen the type of injury change from being—and I interrupted you at this point—injuries around the toes and ligaments to what sort of injuries?

Mr WHITELAW: The injuries sustained on the loam tracks could be career wrecking, and that is more so the loam tracks than the grass tracks.

Dr JOHN KAYE: Do you have figures to support that, or is that just your observation?

Mr WHITELAW: Not with me at the moment, no.

Dr JOHN KAYE: But they do exist?

Mr WHITELAW: They do exist.

The Hon. TREVOR KHAN: What is the nature of those injuries?

Mr WHITELAW: Mainly hock injuries, which is like, on you, your ankle. They grate or the ligaments go. The percentage rate of those dogs returning to racing is very minimal.

Dr JOHN KAYE: Whereas toe-injury dogs are more likely to return to racing.

Mr WHITELAW: Yes, exactly.

The Hon. LYNDA VOLTZ: What was the logic behind the shift from grass to loam?

Mr WHITELAW: Probably a lot to do with Sky Racing. Not only that, the excuse used at the time was all-weather racing.

Dr JOHN KAYE: When you say Sky Racing, you mean—

Mr WHITELAW: Sky Channel, yes.

Dr JOHN KAYE: —Sky Channel. It makes better television. Is that what you are saying?

Mr WHITELAW: Exactly, yes.

Dr JOHN KAYE: Can you comment on the all-weather racing and the suggestion that loam tracks are better in wet weather than grass tracks?

Mr WHITELAW: You would probably lean that way and would say that, but it depends on the rain. This place is a fine example. If it rains too much, the track washes away. You show me how grass washes away?

Dr JOHN KAYE: Where we are here, this is a loam track.

Mr WHITELAW: That is right. There is a chance in heavy rain—and in this case monsoonal or an east coast low—that track has proven here that it has washed away. Grass does not wash away in a hurry.

Dr JOHN KAYE: Finally, your recommendations would be that the industry be encouraged to move towards starts on the straight.

Mr WHITELAW: Exactly.

Dr JOHN KAYE: And to reconfigure tracks for starts on the straight and re-examine the issue of grass versus loam.

Mr WHITELAW: Not so much of loam to grass, but a balance.

CHAIR: Just on a slightly different tack, how important is the greyhound racing industry to regional areas? What does bring to local communities?

Mr WHITELAW: It brings a lot. The sad part about that, Chair, is the fact that Greyhound Racing NSW in its budgetary constraints has taken away a lot of that funding to country tracks. That funding has been taken away, which means it has a total effect on the local community. A fine example is that they moved out at Coonabarabran from 10 races to seven races per program for a race meeting. The reason for that is that \$35,000 has been cut from their budget. In turn it is like this: There are fewer people coming through the gate, there are fewer people buying a raffle ticket, and beer or a hamburger and less punting with the bookmakers on track. From my own personal experience when I have travelled to the bush to race, if I have had a win on that day the first thing I usually do is go to the local petrol station and fill up with the juice, call into the hamburger shop and grab a hamburger, and if things went really well I would get a carton of grog. So I have actually contributed to the local community and to local businesses. That now at the moment has shifted right away from us and it is sad that that has got a very big effect on the life of the community.

CHAIR: Okay. How have reduced numbers of race meetings impacted clubs outside the Sydney metropolitan area?

Mr WHITELAW: They are struggling. If it was not for the volunteers who put the effort into these tracks in the country areas, the tracks would not be alive today. They would be gone. They would be finished. I must say one thing. I have a note here from the Minister at the time, Grant McBride, in respect to what racing means to country people. He did make that known.

CHAIR: You can table that later. You do not have to quote from that exactly.

Mr WHITELAW: Not a problem. I think it is pretty important.

CHAIR: That is okay. A number of stakeholders have indicated that racing participants who comment adversely on Greyhound Racing NSW are sometimes threatened with disciplinary action. Is this something you have experienced or witnessed?

Mr WHITELAW: I definitely have. I have been a part of that. You speak out against the establishment and the next minute there is a show cause, which is happened to me. Right at the moment—

CHAIR: Are you subject to a show cause at the moment?

Mr WHITELAW: I was over 12 months ago. At the present moment I have not received any information in respect of penalty or whatever. Still no correspondence has come back to me in respect of that.

CHAIR: You still are under the threat of a show cause?

Mr WHITELAW: For sure. I have had my phone records subpoenaed. With those phone records at the time, I did object to it, but under the Act I had no choice but to supply them with those phone records of the conversations I have had with people. I was suspended from racing until I produced those records.

CHAIR: Are you still suspended from racing?

Mr WHITELAW: No, I am not. I have been allowed because I produced the phone records, which produced nothing as far as they were concerned.

CHAIR: What are your thoughts about the future as it stands for greyhound racing in New South Wales?

Mr WHITELAW: If things do not change—and, look, I will be honest and upfront: You people are the ones who have to make the change and we as the participants are trying to force change—like I said earlier, I think the administration of greyhound racing in New South Wales leaves a lot to be desired. The clubs that have been involved have had a free ride for too long and the changes have to come. There has to be a restructure of greyhound racing here in New South Wales—not only the restructure but also the funding model, which is very important to the survival of our industry. If it is funded properly, there are many aspects we can look at. The animal welfare issue that people are on about can be addressed.

CHAIR: Would you like to comment about animal welfare?

Mr WHITELAW: I would like to comment on that because I am a part of that program at the moment. It is a program that we are going through, not in any relationship with greyhounds based in New South Wales, it is an initiative taken on with the local people here in the Hunter. I work closely with Belmont Veterinary Hospital. Peter Yore, the senior vet down there and the senior nurse there, Jenny.

Dr JOHN KAYE: What was his name?

Mr WHITELAW: Peter Yore. Peter Yore at one stage was on the advisory panel to Greyhound Racing NSW as a veterinary person. People would agree with me here; he is probably one of the most knowledgeable men in greyhounds in the industry—they are cheering now. He is. He has been a very important part of welfare with our greyhounds. If any man can find anything wrong with a greyhound, this man can. He is an expert in his field and he has dedicated his life to the participants in greyhounds. When he was a representative on the Veterinary Advisory Panel, not once did they meet. Greyhound Racing NSW—he resigned for the simple reason that he never got called in to give any advice. If that is the way they want to put their revolution—

CHAIR: While you are talking about Greyhound Racing NSW and consultation and meetings, Greyhound Racing NSW is meant to conduct a consultative process with industry participants including a recent round of regional consultation which occurred in November and December. Do you have any comment to make about that process?

Mr WHITELAW: A total disgrace.

CHAIR: Are you able to elucidate on that?

Mr WHITELAW: Yes. In 2009 the Greyhound Racing Act was put in place. Part of that Act was a representative group consisting of people from within the organisation to act as advisers to Greyhound Racing NSW. In 2013 they decided they had better start talking to the participants. They have gone from 2009 to 2013 with no consultation whatsoever with the industry in those years. It is only because we, the participants, come to you people and ask for this inquiry that is why they have done something.

CHAIR: So you are saying that there has been no consultation, despite the fact that the law requires it, until such time as this Committee was convened?

Mr WHITELAW: That would be correct.

(Short adjournment)

KEVIN GORDON, President, National Coursing Association, sworn and examined:

CHAIR: Mr Gordon, thank you very much for coming.

The Hon. STEVE WHAN: Do you want to make an opening statement?

Mr GORDON: Yes, I do. I have a ten-minute opening, if that is okay.

The Hon. LYNDA VOLTZ: Is it a written statement?

Mr GORDON: Yes, it is.

The Hon. LYNDA VOLTZ: If it is ten minutes maybe we could get it tabled.

The Hon. STEVE WHAN: Give us some highlights and we will table it.

Mr GORDON: I will go through it, if I can, because it is about animal welfare, curating our tracks, about Greyhound Racing NSW's [GRNSW] poor performance. I have documented a number of things you have here, so if I could—

CHAIR: Just give it to us rather than read the whole thing because we would like the opportunity to ask you some questions.

Mr GORDON: Sure, as we get to each one.

CHAIR: Yes.

Mr GORDON: First, my name is Kevin Gordon. I was elected President of the National Coursing Association [NCA] some eight months ago. I have been a member of that association for four years, so anything that happened prior with the NCA, unfortunately, I have no record.

Dr JOHN KAYE: That is a shame.

Mr GORDON: I have also been the managing director of our company, Multicam Routing Systems, for the past 35 years, where I have been heavily involved in the manufacturing process in this country. We have offices in three States. I have also been heavily involved with Sophie Mirabella previous to the Federal election Australian Made campaign. Our family are breeders and owners of greyhounds and major sponsors of greyhound racing. I am passionate about the sport in this State and would like to get it back to where it was before the independent GRNSW board was elected.

I would like to thank you for this opportunity of representing the NCA members and a large number of participants to express our disappointment in the way the sport is and has been managed in New South Wales. I believe that all the issues I will discuss are relevant to this inquiry of Greyhound Racing NSW. The decision of GRNSW on 31 July to not reregister the NCA with a racing licence from 1 August and the way it was orchestrated with no due process or transparency is the single most disgraceful thing I have seen in business in the past 40 years. All the work and effort done by the NCA in conjunction with the previous GRNSW to secure a premium race facility in Newcastle was undone.

In February 2013, the NCA was issued with a show-cause notice due to concerns from GRNSW based on our report from some 13 months prior. After receipt of this notice, the NCA board spent considerable money obtaining an independent assessment from Blackburn business advisers to provide GRNSW with the information requested in a show-cause notice. The report confirmed the financial viability of the NCA. I have tabled today, as item number 1, a letter from Mr Adrian Blackburn. Adrian confirms that he went through the NCA's books and that the NCA was financially viable. You have a copy of that. After submitting this information to Greyhound Racing NSW, and Mr Blackburn driving down to present his case, we received a response from GRNSW saying that we did not demonstrate the financial viability and we had failed to show cause. There was no explanation of what we had not satisfied, just to say that we had not satisfied GRNSW. This letter from the chief executive officer of GRNSW is marked as item number 2. Also attached to item number 2 is the NCA's request for specific details which led to GRNSW's decision, and a request to arrange a

meeting of the NCA board with senior GRNSW management in a bid to understand the reasoning behind the decision and to form a mutually satisfactory outcome. There was no response whatsoever to that letter.

Following this advice, on April 7—with 12 hours' notice—the NCA was advised that GRNSW effectively from 9 a.m. the next morning would be under administration by Deloitte and partners. Again, there was no explanation as to why, just that it was as per the Racing Act. The NCA was advised by Deloitte that they were here to offer and help generate a business plan for the future. My understanding is this position was not consistent with the desires of GRNSW. For your reference, in February 2012, the NCA sold 70 per cent of this facility under the conditions that it would retain a long lease of about 60 years to race at this track.

Dr JOHN KAYE: Sorry, who did you sell it to?

Mr GORDON: To Greyhound Racing NSW. This was done to make the NCA debt free. What I mean by "debt", this facility cost the NCA. We had to borrow a lot of money—millions of dollars—from the Commonwealth Bank

CHAIR: How much money did you borrow?

Mr GORDON: I think at the time it was about \$5 million. This would provide a stable foundation for the future, as the NCA was paying up to \$300,000 per annum in interest. To obtain that from a racing track is fairly hard and the NCA was doing that. What the NCA was not aware of was the cost of this transaction would be around \$90,000. This was incurred because The NCA was forced to use GRNSW's lawyers and accountants at the time. Little did the NCA know that this exorbitant cost was later to be used against it, by GRNSW, as an outstanding legacy creditor.

In February 2012, GRNSW examined the NCA's books and gave the green light, prior to purchasing the 70 per cent of the property. Less than 12 months later, and without prior notice, a show cause letter was received by us. On finalisation of the Deloitte report, at a cost of \$500,000—and I want everyone to take note of that because on a television show the *Catching Pen* the chief executive officer put the cost as being only \$200,000 when it was actually \$500,000. This information was not to get out.

The Hon. TREVOR KHAN: You borrowed \$5 million from the Commonwealth Bank—

Mr GORDON: Prior to my time, yes.

The Hon. TREVOR KHAN: I am not being critical. You borrowed \$5 million and item 5 seems to be a list of further moneys expended: GRNSW to NCA?

Mr GORDON: Yes. I will get to that.

The Hon. TREVOR KHAN: That adds up to something in the order of—

Mr GORDON: \$1.8 million.

The Hon. TREVOR KHAN: I was going to say in the order of \$2 million. Do I take it therefore that in terms of this facility \$5 million was borrowed, plus this \$2 million?

Mr GORDON: That is correct.

The Hon. TREVOR KHAN: It is \$7 million?

Mr GORDON: Approximately, yes.

The Hon. TREVOR KHAN: Being sunk into this place?

Mr GORDON: Yes, it is a fairly expensive exercise to turn it into a racetrack. If you had to design a racetrack on today's commercial pricing to do that on a property you had to buy for a similar facility to this I suggest that it would cost \$25 million to \$30 million. So whilst a lot of people will think that was a lot of money it is certainly not. I think the racecourse at Rose Hill that has been done recently to the tune of about \$50 million or \$60 million so it is not an exorbitant.

The Hon. TREVOR KHAN: It is slightly more plush than this.

Mr GORDON: I could not agree with you any more, absolutely, but \$8 million just slightly less as well and that was only a done-up, and I will skip to item 5 if you like. Those IFILs, which are industry loans, were for the development of the actual racetrack. When we came here it was a football field. Also the semaphore board for the purchase of a tractor and the water tanker, construction and installation of air conditioned kennels for the welfare of the animals, and all the infrastructure that was here. That is what that \$1.8 million was for. So it was a set-up.

The Hon. TREVOR KHAN: Where did the other \$5 million go?

Mr GORDON: Purchase of the property, wages, everything that needed to be done, studies that had to be done with Boral add build. There were a lot of things. Again we are going back well before my time. I am sure we could find all that out and get it all to you. The additional \$300,000 has not been disclosed to the industry. Scenarios were presented from Deloitte for the NCA to be financially viable. In fact, one simulation from Deloitte showed a 91 per cent chance of the NCA would display a healthy, cash-positive return for the following year, 2014. Note that this is item No. 3 and it is a Summary and Conclusion of the 50-page report from Deloitte.

The Hon. LYNDA VOLTZ: Do you have a copy of the Deloitte report?

Mr GORDON: I can get it for you if you like. It is about 60 pages so it is fairly lengthy. I just picked out the summary page.

The Hon. LYNDA VOLTZ: It would be good if you could table a copy.

Mr GORDON: I absolutely can. From item 3 that is highlighted you can see the two scenarios, one of which gives us a 91 per cent chance of being profitable.

Dr JOHN KAYE: That is subject to a \$150,000 cash injection?

Mr GORDON: That is, yes, I will get to that right now. The \$150,000 was what Deloitte called "legacy creditors" which are moneys that we owed that we had to pay that Deloitte established. Of that \$150,000, \$90,000 were owed to GRNSW from the transaction of selling the 70 per cent to them.

Dr JOHN KAYE: That is the \$90,000.

Mr GORDON: That is the \$90,000. As I said, I run a business that turns over nearly \$30 million a year and to have a batch of creditors sitting there taking away the \$90,000 of the net \$60,000 is not too bad. I mean it was easily managed, and Deloitte put that out. But to satisfy GRNSW, three directors of the NCA board offered to put in \$50,000 each, interest-free with no terms to be paid back to manage that \$150,000, and I was one of those three. I do not necessarily need to name the other two but GRNSW knows who they were. That was rejected by GRNSW. I believe that the \$90,000 that they would not forgive or let us pay is proof that GRNSW clearly had a fixed path they were going down, and they would do anything they could to achieve their goal of getting rid of the NCA.

The Hon. TREVOR KHAN: Why did not the three of you put in the \$150,000 if they needed \$90,000?

Mr GORDON: So that we could satisfy Greyhound Racing NSW that that old legacy creditor would be paid out.

The Hon. TREVOR KHAN: No, I understand why you would do it, but why did you not pay it?

Mr GORDON: Because they rejected that we could do it. They said, "No, we don't accept that. We are still going to put you into liquidation." To be honest, I did not want to put in \$50,000 to go into liquidation and lose it.

Dr JOHN KAYE: So you were clear if you had put in the \$50,000—

Mr GORDON: If the three directors put in \$50,000 each.

Dr JOHN KAYE: How do you know that GRNSW would then say, "Sorry, we are still going to liquidate you"?"

Mr GORDON: They told us that. They said, "We are not going to accept it. We are going down that path."

Dr JOHN KAYE: Verbally or in writing?

Mr GORDON: Both, and I will show you that in a moment.

The Hon. TREVOR KHAN: The report is March, is it not, and the letter is August?

Mr GORDON: The final report from Deloitte did not come in until—it is well documented there—

The Hon. LYNDA VOLTZ: It says June.

Mr GORDON: Yes, it was close to the time. It all happened. The last money everything happened. Yes, but multiple things happened during that period of time.

Dr JOHN KAYE: It was 24 June.

Mr GORDON: Through discussions I personally had with David Lombe who was the partner of Deloitte it became apparent that the NCA was not given the full Deloitte report to respond on. When Deloitte supplied their report in June we requested a copy of it so we could actually respond to GRNSW which is what I call fair play. When we got that we read through it and a lot of it did not make sense. I spoke to David Lombe and he told me to refer to page 61 of the report. I said, "There is no page 61". He said, "Okay, what about page 63?" I said, "No, there is no page 63." It looked like, and we never found out, who knows, it could have been one dozen pages missing from that report that GRNSW did not give us to respond to. I say, "How could we respond on a report that we were not given?" I am very disappointed that that was edited by Greyhound Racing NSW and given to us as the full report. We found out afterwards it was not.

The Hon. TREVOR KHAN: Could the Committee put a proposition to Greyhound Racing NSW that the NCA was not provided with a full report?

Mr GORDON: Absolutely, and Deloitte will support that, albeit, remember GRNSW are Deloitte's customer but it is still an ethical accountancy company and I got on very well with them actually. They would have to tell us under oath that that was exactly the case. When I queried with the chief executive officer that we did not have the pages, I asked him, "How could we respond without being given the full report to examine?" He made no comment. I say to that, and I hope it is not derogatory, but this sport is being run and governed with lies and deceit and that is the only way I can put it. If something like that happened to me in my business it would be thrown out of the courtroom, I am sure. GRNSW then decided to cancel the registration, moving on, of the NCA as a greyhound racing club was based on opinion, not fact.

Dr JOHN KAYE: On what date?

Mr GORDON: You have the letter. It is item number four.

The Hon. STEVE WHAN: On 22 November.

CHAIR: Just to cut to the chase, what is your view of the motivation of GRNSW for doing this?

Mr GORDON: I do not officially know.

CHAIR: I am asking your view.

Mr GORDON: My view is that prior to them all of a sudden coming out and buying 70 per cent of the property to pay back the Commonwealth Bank, now looking back at it, that was extremely fishy at the time. I

have found out resources that GRNSW had approached the Minister and was looking at changing an Act so that it could actually run GRNSW. At the moment GRNSW can only manage greyhound clubs and not run greyhound racing. There is a model in Victoria where GRV do run greyhound racing on the tracks and for that reason they cut out what is called the middle man, the actual race clubs. They were going down that path with the Minister but it got rejected. They were setting themselves up to own this track, to get rid of the NCA own this track and GRNSW would have run greyhound racing. I cannot prove that though.

CHAIR: You believe that was the motivation?

Mr GORDON: Absolutely I do yes.

CHAIR: Now the egg has scrambled.

Mr GORDON: Now it has been rejected. That is why now it is open for bids and they are trying to sell it again. Why did they buy it if they are trying to sell it again? It is because they did not get what they wanted.

The Hon. TREVOR KHAN: I want to be clear on dates when you hypothesised there were approaches made—I am not being rude. Was that before or after—I will pick a date—say, March 2011?

The Hon. LYNDA VOLTZ: Off the top of your head?

Mr GORDON: No. At 12.30? It was prior to GRNSW coming to us out of the blue and saying, "We can pay out your debt for you."

CHAIR: What date was that? Was it prior to March 2011?

The Hon. LYNDA VOLTZ: Was it in the past 12 months or two years?

Mr GORDON: I cannot answer that question but I would say—

CHAIR: Who was the Minister at the time?

Mr GORDON: The current Minister.

The Hon. LYNDA VOLTZ: That is what he is asking you.

Mr GORDON: I will continue, if I can, because when I finish I also talk about animal welfare which has not been addressed today.

The Hon. LYNDA VOLTZ: Yes, do not worry, it will be.

Mr GORDON: Okay, I have a lot to say about that, and I have some heavy proof.

The Hon. LYNDA VOLTZ: The original business case for the gardens.

Mr GORDON: The NCA here at the gardens?

The Hon. LYNDA VOLTZ: I assume a business case report was put forward maybe by an organisation like Deloitte?

Mr GORDON: There was.

The Hon. LYNDA VOLTZ: Do we have access to copies of those?

Mr GORDON: No, you will have to get that off GRNSW or maybe I could dig through old NCA files of mine. But again it was well before my time.

CHAIR: We have 10 minutes left for questions. Will you table the rest of your statement?

Mr GORDON: Can I read out two or three things?

CHAIR: No. I am being harsh because we will run out of time. You will be questioned on some matters and you can table the document. You do not have to read it out for it to be your evidence.

The Hon. LYNDA VOLTZ: To your knowledge why did the original business case for the gardens fall over?

Mr GORDON: I think any race club, NCA included, could not handle the amount of money that it had to earn to run a race club can pay excessive interest, to be honest.

CHAIR: The business plan would have revealed that?

Mr GORDON: I was not involved at the time, but I agree it would have, yes.

The Hon. LYNDA VOLTZ: That is why the Committee is interested in the original business plan which would have been done by your organisation?

Mr GORDON: Yes, with Professor Allan who was with GRNSW at the time. But I believe, and again you have to look through some documentation, that GRNSW originally said, "We will loan you the money interest-free" which is what happens "and you pay us back". But then there was a change of board and decisions and we were already half way down the track. This is just what I have been told. Then they had to go to the CBA.

The Hon. LYNDA VOLTZ: Will you take on notice to go back and look at the documentation.

Mr GORDON: I will have to go looking for it.

The Hon. LYNDA VOLTZ: Yes, please look for the original business plan and anything that related to that loan would be of assistance.

Mr GORDON: Sure.

The Hon. TREVOR KHAN: Including any evidence of a representation being made by, I think it must have been the Greyhound Racing Authority, or it might have been GRNSW—

Mr GORDON: It was the Greyhound Racing Authority at the time.

The Hon. TREVOR KHAN: Yes, that justified the impression that you were able to get an interest-free loan?

Mr GORDON: I believe we do have that in writing and I will be able to supply that. Can I say something about animal welfare?

The Hon. STEVE WHAN: First, are you saying that the gardens were not viable when you were paying commercial interest rates but was viable, and the NCA was viable, with GRNSW owning 70 per cent of the track?

Mr GORDON: Absolutely. We totally lost the interest payments, which was a windfall, was it not, when the interest payments were somewhere between \$100,000 and \$300,000 a year.

The Hon. LYNDA VOLTZ: So when they retired your debt?

Mr GORDON: That is exactly right. We had to make that sort of money, plus, to make a profit and if you would like to talk to Adrian Blackburn from Blackburn Associates—you have seen his letter there—in the nine months, the three-quarter period leading into when we received this letter of demand from GRNSW to show cause, the NCA made a profit, remembering they did not have an interest bill to pay, of \$123,000. That is why it is very hard to cop that when Deloitte say that we were profitable, Blackburns say we were profitable, GRNSW for no reason, no facts, just its opinion, and you will read all that I have supplied to you, say we were not profitable. There was another motivation there, no doubt.

CHAIR: Are there any further questions?

The Hon. TREVOR KHAN: Do you want to talk about animal welfare?

Mr GORDON: Yes, I do. It has not been brought up enough today.

CHAIR: It has been discussed extensively in camera

Mr GORDON: Naturally I am not privy to that. I can provide some examples about animal welfare. Item nine refers to the *Greyhound Recorder*.

The Hon. LYNDA VOLTZ: That is about the Wentworth Park race where the trainer did not want to run a dog.

Mr GORDON: Do you know about that?

The Hon. LYNDA VOLTZ: Yes.

Mr GORDON: Then I do not need to discuss it.

Dr JOHN KAYE: I do not know about it.

Mr GORDON: Trainer Ken Barnett wanted to scratch his greyhound on that Friday evening. There had been massive storms in Sydney. After an inspection of the track it was 50:50 whether the meeting was going to go ahead, as you will see in the report in the *Greyhound Recorder*. He approached the Greyhound Racing NSW stewards and asked whether he could scratch his greyhound from an animal welfare point of view—he was not confident that the animal would not be injured. The steward said absolutely not because the dog was the favourite. If he did scratch it he would be heavily fined. My point is does a trainer not have a right to pull his animal out from an animal welfare point of view?

The Hon. LYNDA VOLTZ: Are there not issues in relation to tracks being deemed safe or unsafe?

Mr GORDON: This was to do with the storm that hit.

The Hon. LYNDA VOLTZ: I understand, and the stewards said the track was fine for racing.

Mr GORDON: They did, but the trainer did not feel that it was for his animal. The race meeting had been put back half an hour because of the condition of the track. I put it to the Committee that I believe a trainer knows his own animal and should have the right to do that if he wants. There is a rule that if it is more than 38 degrees trainers can scratch their dogs with no penalty.

The Hon. LYNDA VOLTZ: That is correct, but there are also problems with greyhounds being withdrawn. They can be withdrawn for a range of reasons at different times and sometimes it is an issue with trainers who withdraw dogs—

Mr GORDON: For no particular reason. I agree with that.

The Hon. TREVOR KHAN: For a particular reason that is not—

Mr GORDON: Yes, but this was a fairly pointed reason. I understand the point. The greyhound was there, it had been kennelled and it was about to race.

The Hon. LYNDA VOLTZ: The stewards said the track was good and the greyhound went on to win.

Mr GORDON: That is correct. The dog was an odds-on favourite, but the trainer felt it was not safe. What would have happened if the greyhound had fallen and broken its leg? There is another animal welfare issue at Maitland. I am not sure whether members are aware of it, but 12 months ago a number of greyhound trainers approached Greyhound Racing NSW stewards at Maitland and requested that they do something about the water available to greyhounds after races. The water is hot. It is lot lukewarm; it is hot. It relates to the black plastic piping that runs under the ground. Are you aware of it?

The Hon. LYNDA VOLTZ: You have to run the water for a while.

Mr GORDON: No, it stays hot forever. It comes from a tank and the tank is hot. They made a request and it fell on deaf ears. They went back to the stewards every month, but said they would not do anything about it. One of the leading trainers in Newcastle, Robert Smith, had a greyhound that had to be locked away for a swab. He said he was going to buy a bottle of water for it but the steward said he could not and that he could only give it the hot water. Robert refused and went to John Newell. The Committee heard about Peter Yore, and John is just as respected as Peter. He actually works for Greyhound Racing NSW. John said it would definitely be detrimental to the greyhound's health to give it hot water. The greyhound was locked away for an hour prior to a swab after racing with no water. Is that fair?

CHAIR: No. Thank you for appearing before the Committee today. Please table your statement.

Document tabled.

(The witness withdrew)

REX NAIRN, President, Hastings River Greyhound Racing Club, and

JEFF JAEGER, President, Cessnock Greyhound Breeders, Owners and Trainers Association, and

ANTHONY CALLAGHAN, Local participant, trainer and retired electrical contractor, sworn and examined:

MAREE CALLAGHAN, Local participant, marriage celebrant and company director, affirmed and examined:

CHAIR: I welcome you all, particularly our witnesses—Mr Nairn, Mr Jaeger, Mr Callaghan and Mrs Callaghan—and thank you all for attending.

Mr NAIRN: The Hastings River Greyhound Racing Club is at Wauchope. Sometimes it is called the Wauchope Country Club, but that is not actually it. It is the Hastings River Greyhound Racing Club.

CHAIR: Do you represent the club as well as yourself?

Mr NAIRN: I do, yes.

The Hon. STEVE WHAN: I thank all of you for your submissions, which we have here. Mrs Callaghan, in your submission you basically focus on the management of Greyhound Racing NSW and call for an elected management body to replace the current Greyhound Racing NSW. How would you see that running? Is there any advantage that you can see in having an independent committee to remove people from direct influence? How would you avoid direct influence of elected members?

Ms CALLAGHAN: I think that if we, the participants, are able to elect the majority of the board members—60 per cent of the board members—we would elect the people that we know do not have conflicted interests. We know what we are doing. We know who should be there. We know who knows what they are talking about. But I have a bigger issue, actually. In my submission I mentioned that I believe the Racing portfolio is too large. One of the reasons we have this problem is because we have had five Ministers since 1998 who have covered Tourism, Major Events, Hospitality, Liquor, Arts, Sports and Gaming. They cannot fit in Racing. I believe we need a dedicated Ministry, if only for the short term. We need one Minister handling Racing—and may be Racing and Liquor—and he would have the time to sort out our problems. Incidentally, the Minister for Racing in Victoria is the Premier. That is the importance of Racing and that is why Victoria is doing so well.

The Hon. STEVE WHAN: In terms of the structure, various reviews have recommended going to structures that have boards appointed independently. Why do you feel that is not meeting the needs of the industry?

Ms CALLAGHAN: Some years ago I applied to become a board member. I was called down to a professional recruitment company. The only question he asked me about dogs was when I walked in. He said, "So do we still have pigs and chooks, and do we still have dogs killing those things?" That was the question from the professional recruitment agency. Obviously I think they had made up their minds who they were going to appoint before we walked in.

The Hon. LYNDA VOLTZ: Does the greyhound racing board have any women on it at the moment?

Ms CALLAGHAN: One, and she is the only greyhound participant.

Dr JOHN KAYE: And she is the Chair, is she not?

Ms CALLAGHAN: I beg your pardon, there are two women.

CHAIR: There are two: The Chair and another member.

Ms CALLAGHAN: The Chair and a greyhound participant.

The Hon. STEVE WHAN: Mr Jaeger, in your submission you refer quite a bit to the Cessnock track. I have read several submissions and I am just try to make sure that I am about to quote the right one. You suggested that the closure of the track was about making this track viable. Is that right? Is that your submission?

Mr JAEGER: Not so much this track. I was referring to the difference between Cessnock and Maitland. This track, as Cessnock, could keep a lot of noms away from this track.

Dr JOHN KAYE: A lot of?

The Hon. STEVE WHAN: Nominations.

Mr JAEGER: Nominations for greyhounds, yes.

The Hon. STEVE WHAN: Do you believe that there was room for this track and for the Cessnock track?

Mr JAEGER: I will give you one example. On 8 December we held a gymkhana, where you do not get paid. You just turn up with your dog to school them properly in racing. We had 125 noms.

The Hon. STEVE WHAN: At Cessnock?

Mr JAEGER: At Cessnock for a gymkhana. There are plenty of people in the district who are missing out on racing. They cannot get a draw. They are dogs that should be going to the bush by Greyhound Racing NSW standards and what they are telling you, but they live here. We have to race here. We want to race our greyhounds in our own territory. They have either got to supply the tracks to do that or the game is just going to go under. People are not going to travel hundreds of miles today because they cannot get a nom in their own area.

The Hon. STEVE WHAN: Currently the Cessnock track is being used by who? How are you making money to keep it maintained and so on?

Mr JAEGER: We make it through the showground through holding events at the showground and through the annual show itself. We are a trial track. It is still open as a trial track. We make money for the track by holding trials. They are held there twice a week. It is a shame to see the best track in New South Wales used as a trial track.

The Hon. LYNDA VOLTZ: You have been involved in the industry for a while, have you, Jeff?

Mr JAEGER: I have been registered for 40 years.

The Hon. LYNDA VOLTZ: You would have been around at the time that the float happened and the inter-code agreement was signed.

Mr JAEGER: I was, yes.

The Hon. LYNDA VOLTZ: Do you recall any public meetings or any meetings or any documentation you received about the float from any of the industry players?

Mr JAEGER: No. I was not in office at Cessnock at that time, but just as a participant I never knew what was going on—only what you were fed. Even when it came in, it was three or four years before you knew that you were signed up for 99 years. No-one knew that. Everyone was living on the hope that 15 years from now, there will be another bargaining process and we will come out okay out the end of it, which did not happen.

The Hon. LYNDA VOLTZ: There was no public consultation across the industry from the Greyhound Breeders, Owners and Trainers Association [GBOTA], the National Coursing Association [NCA] or from the Greyhound Racing Association—no-one?

Mr JAEGER: No, no-one. The Greyhound Breeders, Owners and Trainers Association had input into it but they did not ask the participants what they wanted to do; neither did the National Coursing Association.

The Hon. LYNDA VOLTZ: Did they ever do report back to participants on what they had agreed?

Mr JAEGER: Not to my knowledge. No-one knew anything about it until after it was signed, sealed and delivered. That is when you found out. Like I say, then it was a few years before you even knew that you were signed up to 99 years. No-one in their right mind would sign up for that long, surely.

The Hon. LYNDA VOLTZ: When you speak about the inter-code agreement and the breakdown in money, that is after the money is taken out to administer racing in New South Wales, is it not?

Mr JAEGER: Yes.

The Hon. LYNDA VOLTZ: Would the 75 per cent increase in the swabbing budget be part of the pre-distribution moneys?

Mr JAEGER: I think it would be. I do not know the ins and outs of that, either, but it is still costing us no matter how you look at it. It is costing the industry, you know.

The Hon. LYNDA VOLTZ: Does the industry ever get access to annual reports from Racing NSW that gives a breakdown of moneys coming into them before it is distributed out?

Mr NAIRN: Yes, we do.

Mr JAEGER: The individuals do not get it, you know.

The Hon. LYNDA VOLTZ: No, no, but you get them as organisations and clubs. Yes?

Mr NAIRN: Yes.

The Hon. MARIE FICARRA: I want to ask about something that was in Mr Callaghan's submission, but whoever wants to comment is welcome. You talk about New South Wales versus Victoria and we have heard that Victoria is doing much better than New South Wales in terms of greyhound racing. You refer to the introduction of the Greyhound Owners and Breeders Incentive Scheme [GOBIS] in New South Wales to match that of Victoria and the limited success of the Blue Paws Program. Could you expand upon that?

Mr CALLAGHAN: Really, it is just a comparison. The Greyhound Owners and Breeders Incentive Scheme came in down in Victoria roughly 15 to 16 years ago. It was pretty much an immediate success. Over a period of a couple of short years I believe that they had \$1 million in reserve. Therefore they upped the ante of the prize money paid to Greyhound Owners and Breeders Incentive Scheme winning dogs. A few of us took around a petition up here a few years after that in an endeavour to get a similar scheme up here. I took it down to Cartwright and Rosier. I met with those on one occasion and they just gave me the impression that they virtually just wanted to see the back of me. Nothing came of that until a few short years ago when they introduced a scheme called Blue Paws, which is the New South Wales equivalent of the Victorian scheme.

The Hon. MARIE FICARRA: Do you think it works as well?

Mr CALLAGHAN: I suppose it does work, but I think it is set up on a different formula to that in Victoria. You see a reasonable amount of Blue Paws races that pay a bonus to those who have paid up for it. I am not sure that the revenue returned would match that of Victoria.

The Hon. MARIE FICARRA: We have asked some of the other stakeholders and participants the same question: Whenever people have commented adversely on Greyhound Racing NSW, they have often been threatened with all been subject to disciplinary action. Do any of you have any comments on that—whether that is a fair allegation to make?

Mr JAEGER: I think it is. I think it is in action now. If you asked a few people who are in this room, they are being victimised. It is about time they had a good look at themselves because those people are only voicing what most participants think and have not got the chance to voice. Because they speak out, one little thing out of line and they are up called in to answer to an inquiry.

The Hon. MARIE FICARRA: What sort of actions besides pulling them in and asking them to answer? Are there any other types of disciplinary action? Do they stop your dogs from racing? What sort of things can they do?

Mr JAEGER: That is the threat hanging over your head. If you do not toe the line, that is what will happen. That is just out of all proportion. The things that they want to do and the things they are trying to do are just ridiculous. There are people in the room, like I say, who can attest to that.

The Hon. MARIE FICARRA: What are your opinions about some comments we have had about track designs for some of the racing courses in New South Wales and track surfaces as well as safety from the racing animals? What do you feel could be improved?

Mr JAEGER: There is no doubt that horseshoe tracks are a lot safer than a two-turn track. That only stands to reason, you know. It has been brought up before about the starts. They all start on a bend—400s and most short course staff. They are all starting on bends and of course they only go 10 yards and there is a smash-up derby on, you know. The things that have been pointed out before are fair assessments, I think.

The Hon. MARIE FICARRA: How do we compare with, say, Victoria in relation to track design and animal safety?

Mr JAEGER: They are in the process of redoing all of their tracks. They have done about four or five of them now. They remodelled the likes of Sandown, Warragul and those places. They have tried to get away from bend starts if they can—not all of them. Sometimes to have the 400-metre racing, you have to start on a bend whether you like it or not. But the more you can get away from it, the better it is for all concerned.

Ms CALLAGHAN: If I may add to that, in Victoria they have 14 tracks and nine of them are of one turns whereas here we have 34 tracks and only six of them are one turns.

The Hon. LYNDA VOLTZ: Do you know why when they built this track—this was a purpose-built track, yes?—why this was not built as a bigger track?

Mr CALLAGHAN: Because of the size of the landholdings, which were constrained.

The Hon. LYNDA VOLTZ: It was constrained by the land?

Mr CALLAGHAN: When you get across the back, it is virtually swamp. They have sort of done the best they could, I think.

The Hon. LYNDA VOLTZ: In the site that was chosen.

Mr CALLAGHAN: Under the circumstances, yes.

Mr JAEGER: They could not purchase any more land. They tried, but that is all they could get.

The Hon. LYNDA VOLTZ: Jeff, you are from Cessnock. Did you see the business case that made theirs greater efficacy than the Cessnock track? Did you see why the business case argued shifting in here was better? Did you get to see the business case at all?

Mr JAEGER: No. they are decisions that are made by the board anyway, you know. If they make a decision, you do not change it. You could have the best offer for them in the world, but if they do not want you there, you are not there. They just do what they like. Even if you proved that this was not the best outcome for greyhounds and their welfare, that would not matter because whatever they make their mind up to, that is what they do, and generally with no consultation anyway.

The Hon. LYNDA VOLTZ: So there really was not a lot of public consultation at the time?

Mr JAEGER: No.

The Hon. MARIE FICARRA: We were told that there was supposed to be consultation last November and December by Greyhound Racing NSW, with the industry.

Mr JAEGER: Only the hand-picked ones.

The Hon. MARIE FICARRA: So none of you really?

Mr JAEGER: No, and elsewhere, you never got a look in, you couldn't get your name down, you never got a look in. They were all hand-picked.

Ms CALLAGHAN: They did advertise it but, to be honest, most of us felt that that was called because this was called and we saw that as just covering their back and it's too late now.

Mr JAEGER: Just to add to that, all you people are here today addressing us, why can't they address the participants like that? They never do it. Why can't they hold a forum where there could be any amount turn up and address the board?

The Hon. MARIE FICARRA: So they never do that? They have never come out to the regions and talked to participants?

Mr JAEGER: No, they won't come and answer that, they won't. They don't bow to anyone. They only do what they want to do.

The Hon. LYNDA VOLTZ: When was the last time you saw a Greyhound Racing NSW representative come to the region?

The Hon. TREVOR KHAN: Well he was up here today.

The Hon. LYNDA VOLTZ: Thank you Trevor.

Mr JAEGER: I saw a couple at Gosford a while back but you very rarely see them. They don't come too often. Anyone off the board we are talking about?

The Hon. LYNDA VOLTZ: Yes.

Mr JAEGER: Yeah, they don't come that often, it has got to be a big night for them to come out.

The Hon. LYNDA VOLTZ: What about in Hastings, do you ever get any representation up there?

Mr NAIRN: Very little. We did have Darren Simpson and Eve McGregor came, I think it was a couple of months ago, but they were going around to all the different places and, as Jeff said, that was after this was brought in, so maybe that was what it was all about.

The Hon. LYNDA VOLTZ: And does the closure of the other tracks, at Singleton and Cessnock, does that impact on yours because you do not have the greater catchment of dogs in the region?

Mr NAIRN: No, actually it worked out better for us actually because the tracks that closed are all very similar to ours. We have a track like Jeff's, it is 600 metres once round and it is just the one-turn track. If you can't get a run at Maitland, you go to Wauchope.

The Hon. LYNDA VOLTZ: You go up to Hastings, yes.

Mr NAIRN: The only thing I am a bit disappointed about is Greyhound Racing NSW has now taken away a lot of money from the country non-TAB tracks, so that we have all got to race less and that makes it harder again. They can't get a run at the TAB, they try to get a run at the non-TAB and there is less races for them to run in.

The Hon. LYNDA VOLTZ: So how has that impacted your track?

Mr NAIRN: Well, it hasn't hurt us but it has hurt a lot of people with greyhounds who can't get a start. Only a couple of months ago I was rung up by the central grader and he said, "You have got 192 dogs". Well, ten races is only 80 dogs, so that is 112 dogs that missed out, that didn't even get a look in.

CHAIR: How many TAB and non-TAB races at your track?

Mr NAIRN: We don't have any TAB, we are non-TAB.

CHAIR: You are all non-TAB?

Mr NAIRN: Yes, the amount of money they gave us to keep the prize money was exactly the same we got from 25 meetings down to 20. So they took that much money away from us. We are not the only club, that is every non-TAB club lost money.

The Hon. LYNDA VOLTZ: How many of the non-TAB tracks have the big tracks of the 600 metres? Because I imagine that is where a lot of them are.

Mr NAIRN: There are not many, there are only six altogether.

The Hon. LYNDA VOLTZ: About five, yes.

Mr NAIRN: No, there are not even that many. Temora is a big track, Wauchope is a big track, Tweed Heads is a big track. I think that might be it.

Dr JOHN KAYE: And they are all TAB?

Mr NAIRN: No, they are non-TAB ones.

The Hon. LYNDA VOLTZ: So they have lost races?

Mr NAIRN: Yes. Well, actually the amount of money they took off the non-TAB, just in our area alone on the mid north coast, they took away 20 meetings from the three clubs which works out at 10 races, that is 200 races, eight dogs, that is 1,600 starts for greyhounds in that year have just been wiped off the map—they are gone. No wonder people cannot get a run.

The Hon. MARIE FICARRA: How does the reduction in those regional meetings of race numbers actually impact, do you believe, on those local communities?

Mr NAIRN: Well, if they cannot get a run, sooner or later they won't have their dog. Then, when they close—they don't seem to realise it in GRNSW, but if their idea is to close country clubs, if they close the country clubs I would say that in about 18 months they won't have any dogs at all. They are already having trouble drawing dogs on the TAB.

The Hon. MARIE FICARRA: What about outside that, in terms of the amount of money that people spend in the area. Does that influence anyone outside the greyhound industry?

Mr NAIRN: Yes, everybody is involved, aren't they?

The Hon. MARIE FICARRA: The local community?

Mr NAIRN: It is a culture, a culture, isn't it?

Ms CALLAGHAN: When they closed down Cessnock, Wyong and Singleton, they closed down what was known as a greyhound heartland. In this region, many of us were breeders. In one kilometre from where I live, there were eight of us who were breeders when Cessnock was open; now there are three. As they close down a greyhound heartland, they close down the breeding, so now they are complaining they cannot get noms at Wentworth Park. They don't have reserves. They hold over nominations for 24 hours because they can't get the dogs and they can't get the dogs because they closed the breeding heartland.

Mr JAEGER: They just about destroyed the Hunter. In the Hunter is the biggest breeding area, the most dogs come from the Hunter and the most tracks were in the Hunter. The most people who reared your dog for you, people who broke your dogs—all of those places are done. They are down to a shoelace now, compared to what they used to be.

The Hon. MARIE FICARRA: What about the breeders who breed and sell overseas in Asia for lucrative racing markets? What do you think of that? In terms of, okay, they are earning their money and maybe they are earning big bucks, but what do you think about the welfare of the dogs over in these markets? What is your opinion?

Mr CALLAGHAN: You do hear rumours about welfare, as far as an owner and that. The Chinese are just offering more and more for your product, so if you are in a position where you want to sell, you naturally sell. We have not sold one there to date. I think a lot of that is rumour.

Mr JAEGER: I think the same thing. I have never sold one over there either and I don't think there are any specific people who breed for the asian market. If you have got a dog that is going alright, they have got plenty of people who will make you an offer to send it to Asia, you know, but I think they are kicking their own breeding system off over there. They have bought stud dogs and good brood bitches and they are going to slowly do that themselves.

Dr JOHN KAYE: Mrs Callaghan, can I put a question to you? Along with a lot of other participants, you have put the onus on us to make changes to the governance of Greyhound Racing NSW and that is quite reasonable, we put ourselves in the firing line. I want to put it back to you. Some people have said part of the problem is, you have got a lot of functions. I will go back. You have identified the issue of who is on the Board and how they get there and I think that is a valid thing to raise, but the other issue is what the Board or what Greyhound Racing NSW does. One issue that has been raised is, Greyhound Racing NSW is both the regulator, so it does the issues of animal welfare and doping and integrity and so on, but on the other hand, it is also the manager and promoter of the industry. It hands out funds and it makes decisions about what tracks are closed and what tracks are open. Do you think there is a problem with that conflict of interest?

Ms CALLAGHAN: No, I don't really. But I also think that anyone really looking at this industry should look at what has happened in Victoria in the last five years and everything they have done.

Dr JOHN KAYE: And what would they observe in Victoria?

Ms CALLAGHAN: They would find that they renegotiated the tricode agreement successfully and therefore made millions.

Dr JOHN KAYE: Did they renegotiate it or did they force the change through Parliament?

Ms CALLAGHAN: My understanding was renegotiate—I am possibly wrong. But whatever they are doing, we should be emulating them.

Dr JOHN KAYE: Does anyone else want to comment on that issue of conflict of interest between being both the one who hands out funds and the regulator of the industry?

Mr JAEGER: Probably we don't care where the funds come from, as long as we get a bit of it—more than we are getting now, you know? So, I don't know if that would be a conflict of interest or not but we certainly have got to change the inter-code so that we can get the funds that the horse covets are thieving off us.

Dr JOHN KAYE: Mr Jaeger, as you said before, you were in the industry racing dogs, in the industry back when the inter-code agreement was signed in the late nineties. Were you aware of the issue of the 15 years renegotiation at that time?

Mr JAEGER: No, not at that time.

Dr JOHN KAYE: That was not discussed with you at all?

Mr JAEGER: No.

Dr JOHN KAYE: What about you, Mr Nairn? Were you aware back then?

Mr NAIRN: No.

Dr JOHN KAYE: And Mr Callaghan and Ms Callaghan?

Ms CALLAGHAN: No.

Mr CALLAGHAN: No.

Dr JOHN KAYE: You were not aware of that matter, so you were not given that degree of detail about what was happening?

Mr JAEGER: Well, it wasn't common knowledge. The only people who dealt with it were the hierarchy like the GBOTA, the NCA—the indians didn't know anything, only the chiefs, you know?

The Hon. TREVOR KHAN: Is that not a problem? You are now a president of the Cessnock GBOTA and that is a representative body of participants in the industry. If your representative body agreed to what seems to be a pretty dud deal, isn't your beef actually with your own representative body?

Mr JAEGER: It probably is but I wasn't around in the GBOTA in those days.

The Hon. TREVOR KHAN: But I don't know whether you can actually wash your hands of the problem of a representative body that may have signed off on a bad deal. Isn't that fair?

Dr JOHN KAYE: To be fair, it would be inappropriate to blame Mr Jaeger for something—

The Hon. TREVOR KHAN: You know I am not blaming Mr Jaeger, I am talking about the representative body. If their representative body signed off on a dud deal, that is a problem for the industry participants to look to your own body, isn't it?

Mr JAEGER: Exactly, I agree, wholeheartedly I agree, because they keep us in the dark too. They don't tell us, because we are members of the GBOTA, we are not privy to everything they do either.

The Hon. TREVOR KHAN: Well that becomes a bit of a problem, doesn't it? We can perhaps do something about greyhound racing in New South Wales, but we cannot control your own representative bodies. Isn't that up to you and the other people who are in this room to do that?

Mr JAEGER: You are exactly right.

Mr CALLAGHAN: Could I comment on that, it might assist your thinking. Around about that inter-code agreement period, my recollection is that an election was imminent, that the privatisation of the TAB was—

The Hon. TREVOR KHAN: An election was imminent with which body?

Mr CALLAGHAN: Well, for the Government.

The Hon. TREVOR KHAN: A general election?

Mr CALLAGHAN: Yes, and as well, the TAB was about to be privatised, the agreement had to be stitched up, obviously before the election to several parties and I think that the Minister at the time just used his power to sort of persuade both of us, the National Coursing Association [NCA] and—

The Hon. TREVOR KHAN: I might like that theory, but Mr Magin's evidence, if it is to be accepted, was generally to the effect he did not come under any pressure from the Government to sign off on the agreement.

Mr CALLAGHAN: I have got my opinion, he has got his.

Mr JAEGER: Well, I thought that the pressure had come from the Government because they needed to have the money for the Olympics.

The Hon. LYNDA VOLTZ: They certainly would want the money from the float, there is no denying that. The deed was signed in February 1998, which was well before the election in 1999, because that was a four-year term. Mr Magin's evidence was that the Greyhound Breeders, Owners and Trainers Association [GBOTA] and the National Coursing Association [NCA] met with him and put the view to him that they wanted to sign off on it, that he did not have a view whether it should be signed or not, that it was a decision of the industry participants that they sign off on it. In that context, he said his instructions came from the GBOTA and the NCA to sign off on the intercode agreement. Within that agreement that they signed off on, did you have any input into the GBOTA on things like promotions money and where it went?

Mr JAEGER: Not to my knowledge. I am not really into that. I can tell you the participants did not have any say in it because they did not know about it.

The Hon. LYNDA VOLTZ: Have any of the participants, to your knowledge, ever gone back to the GBOTA and said, "How did this get signed off?"

Mr JAEGER: I have got a couple of blokes here who have been put up for murder trying to find that out. But, yes, there has been.

The Hon. LYNDA VOLTZ: What was the answer when they asked that question?

Mr JAEGER: They did not do it; their signature was not on it and they never had anything to do with it.

The Hon. LYNDA VOLTZ: They are saying they never signed any documents?

Mr JAEGER: The inter-code agreement. They said that they never signed the inter-code agreement.

Dr JOHN KAYE: On the issue of track design, Jeff, will you tell us more about your track? What do you do with the surface of your track to make it safer?

Mr JAEGER: Well, grass is just a safer track because it does not have the attributes that dirt and sand tracks have. If you are racing around—

Dr JOHN KAYE: Is your track grass?

Mr JAEGER: Our track is grass. If you are racing around a four-turn track, no matter what it is, there is always more room for injury on a four-turn track than there is on a single-turn track. Ours has always been a pretty good track. It has been acknowledged in the industry that it is a pretty good track. There is not many better in Australia, I do not think, and certainly none in New South Wales have a better track.

Dr JOHN KAYE: Mr Nairn, I am not going to invite you to defend your track against that suggestion, but will you tell us what you do to make your track safer?

Mr NAIRN: Ours is a grass track, too. I think it is only slightly less than Jeff's track. We are 600 metres once around. I think you are—

Mr JAEGER: Ours is 617.

Mr NAIRN: So they are very similar.

Dr JOHN KAYE: Size and grass versus loam or sand are the keys here. You want longer. Is your start on the turn or on the slope?

Mr NAIRN: No, all our starts have got a straight run to the first turn. Most of them, I would say, are the best part of 100 metres or more.

Dr JOHN KAYE: After that 100 metres the dogs have sorted themselves out enough.

Mr NAIRN: On a sweeping corner then into a back straight, another sweeping corner and then into the home straight. It is sort of like Flemington and Mooney Valley, if you can work that out. Flemington is miles

big and Mooney Valley circles around. Flemington, you cannot hide anywhere. If you have not got a horse that is very strong, you get beat.

CHAIR: Mr Nairn, will you tell us how important greyhound racing is to your region in the local communities?

Mr NAIRN: As I said before, it is sort of a culture. We have been there since 1953. It is just something that I have always had in my blood, I guess. The whole neighbourhood seems to be—the whole area seems to be in the same thing.

CHAIR: Your meetings are well attended by the local people?

Mr NAIRN: Yes, they are.

CHAIR: How far do people travel to participate and also observe?

Mr NAIRN: Well, some people travel four or five hours to get there.

CHAIR: How important are volunteers to your club?

Mr NAIRN: Well, that is what keeps us going.

CHAIR: It keeps you going?

Mr NAIRN: Yes, sure.

CHAIR: You do fundraising activities?

Mr NAIRN: Yes, sure. We are very fortunate. We applied to the Government for a community partnership grant and got 40 solar panels on the roof, which has helped out a fair bit.

The Hon. STEVE WHAN: The Community Building Partnerships is a good program.

CHAIR: Is there anything else you want to say to us?

Ms CALLAGHAN: Thank you for setting the committee up. I would like to ask you to consider recommending to Government that we have a sole Ministry.

Dr JOHN KAYE: Sorry?

Ms CALLAGHAN: That we move the racing portfolio from the current place and have a sole Ministry for a couple of years, or maybe link racing, or maybe gaming and racing because the harness industry is also in trouble. Their TAB turnovers have fallen to less than double digits. Out of the three codes, two of us have got problems, so surely we deserve a dedicated Minister, even if only for two years, to solve the problems.

CHAIR: We will consider it, yes.

The Hon. LYNDIA VOLTZ: Robert can take it up in negotiations.

CHAIR: I will certainly raise it with the Minister. Whether he takes any notice of it is another thing. Thank you. Mrs Callaghan, I have your further submission. Are you happy if I table that on your behalf?

Ms CALLAGHAN: Yes, certainly.

CHAIR: I do not think there were any questions on notice. Thank you very much for coming today. Thank you for your evidence. On that basis, I will close the hearing. Thank you.

(The witnesses withdrew)

(The Committee adjourned at 3.21 p.m.)

PUBLIC FORUM

CHAIR: I welcome you to the public forum of the inquiry into greyhound racing in New South Wales. I thank you for giving up your time to participate in this parliamentary process. This afternoon's forum follows a public hearing held earlier during which the Committee heard evidence from the former chair of the Greyhound Racing Authority, the President of the National Coursing Association as well as other greyhound racing industry participants. This forum is a very important part of the Committee's inquiry. We have received a significant number of submissions from stakeholders who have an interest in the inquiry and this forum provides another opportunity for individuals to have a say about greyhound racing in this State.

Before we commence, I would like to make some brief comments about procedural matters. Speakers are required to register in advance for today's forum. Those of you who have registered to speak will have five minutes to address the Committee. A timer will ring after four minutes to let you know that you are nearing the end of your time. Another timer will ring at five minutes, at which point you must finish your comments. In order to be fair to other speakers the Committee will be strict in enforcing the five-minute time limit. If a speaker is unable to finish his or her speech then the speaker can request to incorporate the remainder of his or her speech into the transcript of proceedings, assuming the speaker, of course, has a written statement. The part that has not been read will be included in the record of today's proceedings.

What is said today is being recorded. That recording will later be transcribed and will become part of the public record. The transcript will be made publicly available and posted on the Committee's website. I remind speakers that the freedom afforded to witnesses by parliamentary privilege is not intended to provide an opportunity to make adverse reflections about specific individuals. Speakers are asked to avoid making critical comments about specific individuals and, instead, speakers must speak about general issues of concern and how they affect him or her. I would also request that members of the audience refrain from making comments or excessive noise during proceedings. Interruptions from the audience are not recorded in the transcript and make it difficult for speakers to communicate with the Committee.

The Committee has previously resolved to authorise the media to broadcast sound and video excerpts of its public proceedings. Copies of the guidelines for the broadcast of proceedings are available from the table by the door. In accordance with the guidelines, the media can film Committee members and speakers but people in the audience should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee the media must take responsibility for what it publishes, or the interruption it places on anything that is said before the Committee. Under the standing orders of the Legislative Council any documents presented to the Committee that have not yet been tabled in Parliament may not, except with the permission of the Committee, be disclosed or published by any member of any such Committee or any other person.

PATRICIA GROIZARD, before the Committee:

Ms GROIZARD: This inquiry was first instigated by the NSW Greyhound Action Group to help the greyhound industry get a fair share. We are working 24 hours a day and not getting the returns for our time. The Cameron report should have been a document for the betterment of our greyhound industry. Alan Cameron advised the sports Minister at that time, Kevin Greene, to implement all 24 reports. Kevin Greene chose not to implement two of them, using 22 reports only. This is one of the reasons our industry is in such a terrible mess. Mr Greene is now involved with the Australian Jockey Club and the horses.

Now with internet betting, phone betting, et cetera, the TAB that was looking after the three codes has come out of this as the poor man. Not only that, our own State is being robbed of millions of dollars. In the sports Minister's own words, he cannot do anything to help, he has no say over GRNSW, he cannot tell them what to do. I have emails from him to confirm this.

Our greyhound racing industry in New South Wales is slowly going down the drain. Up until the Greyhound Action Group asked for help from the Shooters and Fishers Party, Liberal, Labor, The Nationals and The Greens parties no-one would listen to us, no-one at all. Since 2012, then in 2013, I have been writing to the sports Minister, chief executive officer of GRNSW, chairman of the independent board and her members. I received one reply only from one of her members.

The Gardens should never have been purchased in the first place. The NCA were advised against it. First corner from the 400 is deadly: much too dangerous. Rumour was NCA was bankrupt, GRNSW bailed them out, GRNSW to own 70 per cent and NCA 30 per cent. Now GRNSW own Unibet Gardens, now wanting to sell the property. We were told GRNSW was to close more country tracks. The Minister told GRNSW they were not to close country tracks, to cut down on their own administration cost. What did they do? They reduced the racing dates of our country tracks, some of them as much as a third. How can our country tracks survive when some tracks have been given one meeting per month? Absolutely ridiculous. The country tracks are supposed to be the nursery of our industry.

GRNSW has done their job properly in looking after our industry. There are many questions that have to be answered from this body. Our industry was organised better before GRNSW took over. We all—greyhound owners, feeders and trainers—have no say whatsoever over our greyhound industry. As stated in the Landa report, and I quote: "Nowhere in the whole world is there a sporting body run like the greyhound industry where participants have no say in their sport." We are supposed to have a glass view, integrity, there is none—rules for some but not for others. Mr Percy Allan promised us such a great picture of what was to happen but where is it? We do not see it. It is nearly broken. It seems the people he put in charge have let him and our industry down. It seems it is a job for the boys, all mates together—has been for some time now.

Please help if you possibly can. There are so many of us that really love our greyhounds. We think very highly of them. We are more passionate about our greyhounds than you know. No-one ever prints the good things, only the bad. There would have to be 100 or more who love their charges compared to one person that ill treats them. We are so passionate there are some of us who would race them just for the fun of it. The greyhound loves to run. We should not have to though; the three codes make plenty of revenue for the NSW Government.

Just for the record, Greyhound Racing NSW used to be the best in Australia. We were envied from all the other States. We are a laughing stock now: we are the worst. There are many more things I would like to speak about but time is short. My thanks to the Committee for allowing me to have my say.

JERGEN VAN KERNEBEEK, before the Committee:

Mr van KERNEBEEK: I thank the Committee members for providing me with the opportunity to represent GREY2K USA Worldwide in this important inquiry. We are grateful that the Committee has included matters of animal welfare in the terms of reference. The evidence that has come to light through the submissions and hearings shows the cruel and disrespectful treatment that dogs receive in the greyhound racing industry in New South Wales and how necessary it is that this situation be adequately addressed.

GREY2K USA Worldwide is of the opinion that commercial greyhound racing is inherently cruel and that it must end. We have exposed and fought the suffering of greyhounds in the United States of America since 2001. More than half of the United States tracks have closed since then. We thought that we had seen it all, but we were wrong. The level of disregard for the welfare and the lives of greyhounds in New South Wales racing is shocking. And the fact that New South Wales greyhound owners continue to export hundreds of greyhounds to countries that have no laws whatsoever to protect animals, such as China, is a further indication of the industry's attitude towards their animals.

Commercial greyhound racing is based on a fundamentally inhumane model of breeding and selecting dogs for a purpose in which they are at high risk of injuries and that they can only serve for a few years. Dogs that cannot or no longer provide a financial advantage to their owner or trainer are commonly perceived as a financial liability and disposed of. In short, commercial greyhound racing places financial considerations ahead of the welfare of dogs. This goes against the values of our community. We would not accept such treatment of companion dogs and we should not accept it for greyhound dogs. And people will not accept it when they are informed, something that the industry is desperate to avoid.

Enough evidence has come to light through this inquiry to justify an immediate shut down of the greyhound racing industry in New South Wales based on humane grounds. Thousands of dogs are getting injured, killed or unaccounted for, shocking conditions in kennels where greyhounds are kept for the majority of their lives, the use of live animals as bait to train greyhounds, abysmal results of the industry's rehoming program and dogs being drugged. It is no wonder that the industry fails to record and publicly report statistics on some of these matters: it would not put them in a positive light.

It is clear that greyhound racing industry in New South Wales and its industry body Greyhound Racing New South Wales are not protecting animals from serious harm and from an unnecessary early death. They have other, commercial priorities and are not transparent and honest with the community. This situation is unacceptable as the community has a right to be informed about animal welfare matters, particularly as they are offered to buy into the product of greyhound racing. The continued failing of the industry in this respect makes a clear case for the New South Wales Government to step in and take control of animal welfare in this industry. Animals should not be put at high risk of serious injuries, animals should not be killed because an injury is not economic to treat, animals should not be killed if or when they fail to make their owners a profit and dogs should not be locked up in kennels for the majority of their days.

We submit that commercial greyhound racing must end in New South Wales. As an urgency, the Government should end the industry's autonomy and self-regulatory role where it concerns the welfare of animals and ensure independent oversight and strict regulations. The Government must put restrictions on breeding, make it illegal to kill greyhounds other than when deemed necessary for humane reasons by an independent vet, ensure lifetime accountability for all greyhounds born and make the reporting of injuries mandatory.

I also want to comment on the proposed animal welfare reforms that the industry has announced today. Let me be clear: GREY2K USA Worldwide supports stronger regulations of the commercial dog racing industry, and hope that these changes will benefit the dogs. But this list of vagaries has obviously been thrown together at the last minute and we should all view this announcement sceptically. Its timing is clearly political and proves that the dog racing industry does not view greyhound welfare as a serious policy issue. The announced measures will not tackle the inherent problem in greyhound racing that dogs will be injured and killed as long as commercial greyhound racing continues.

VICKI PREST, before the Committee:

Ms PREST: I thank the Committee for the opportunity to speak today. I am here, most importantly, for the country clubs. Greyhound racing has forever been known as the poor man's sport behind gallops and harness racing. Second-class and second-rate impressions are made and I think our leaders have come to believe this even though they make good money out of it. We have a 99-year agreement but in the bush it is more like 99-hours, as year after year we face closure, and year after year the screws are tightened until club by club goes by the wayside. It seems that closing country clubs is the only answer Greyhound Racing NSW can find to the predicament they find themselves in.

GRNSW have a chief executive officer, nine general managers, three or four graders and an undetermined number of staff to cater to their every whim, all on good money, with modern facilities and accommodation, while country clubs are run solely by volunteers who work hard and smart just to survive. In the big scheme of things we cost them very little so why should the country clubs continue to pay for their expensive tastes? At the moment the Young Club is in the best position it has been in for many years, due to hard work, hard decisions and determination and now everything is falling down around us. Because of our tenuous position we have nothing to offer long-term sponsorship or modern infrastructure.

Country clubs are part of communities, charities other committees and services. They also play a big role in animal welfare supplying racing for the lower class of greyhounds often bred in the city and extending the racing careers of city classed greyhounds that are past their time and out of their grades. We have no real representation at board level but have a lot to offer, given the chance. There never has been an honest attempt at regional development, which brings me to ideas of the Greyhound Action Group on the Asian market.

Young has a sister city in China, Lanzhou, and is a huge tourist hub for Asians at cherry festival time, so we could be supportive and supported in this area. Our race dates have been reduced from originally 40 per year to 16 today. All this funding has disappeared from country areas. The Country Challenge Series was ceased two years ago, to have a new format developed and this has never come to fruition. That is another \$175,000.00 gone from the bush.

The drop in funding to regional areas and uncertainty of racing has ruined the most thriving breeding industry in New South Wales. GRNSW has made no significant effort to rein in spending by reducing top heavy management. They sacrificed the country to waste millions here at the gardens and took no action as the Greyhound Action Group has. All clubs need to be run more professionally and the whole industry needs more accountability to how it is managed in every area. So it is time to learn. We need more information, more consultation, innovation, teamwork, passion, respect and accountability, which I think is the biggest downfall we have and, of course, money which is the reason we are here to get our fair share. I am sure that with appropriate funding—and proper management of that funding—our industry will flourish and thrive. It could still be called the poor man's sport, but it would not be so poor any more.

PAM GRANT, before the Committee

Ms GRANT: I thank the Committee for the opportunity to speak. My concerns are about the non-TAB sector. The previous board saw the country as an important part—the grassroots—of the greyhound industry, so much so that it raised our prize money and administration fund to \$6,500 per meeting. Under the existing board, we have a depleted monthly lump sum to run meetings. The board wants us to run fewer meetings. That is what it is hoping for anyway, but the trainers want more dates.

We had an incentive to receive money from the corporate bookmakers, with the club to pay extra prize money and receive a bonus if it ran at a profit. Our club has received it for the past four years. This year was our last payment because it has been abolished, along with everything else. Under the new funding model, our club alone has lost around \$25,000. Originally clubs were funded to provide 40 meetings each per year. In the 1990s at Young we had 32 meetings and in 2000 we had 20. Again, money and meetings left the region.

Earlier this year, the Minister for Sport and Recreation said there would be no country track closures, so Greyhound Racing NSW changed tack. In May, non-TAB clubs were notified about reduced meetings—we were to lose 136 meetings across New South Wales. With prize money of \$6,500, that is \$884,000, which does not include the bookmakers' incentive. Young was offered 20 meetings, and Lithgow was worst hit with a drop from 38 to 20 meetings despite always having full fields. They are devastated. Feedback to Greyhound Racing NSW from clubs resulted in the board's final decision. It changed tack again by offering a two-year contract. Its approach was to give us less money; it would go in the back door and starve us out. If we do not survive after two years that is tough—we will be gone. The board would say it could not help because it had no money.

We regularly have 10 non-TAB races on a Saturday in New South Wales. Who will be racing in July 2015? Will we get less money, fewer dates, or close? We provide a place for the young to learn their trade and opportunities for the elderly and those with limited ability to compete. What happens to their dogs if we close? With fewer meetings, dogs are missing out on runs. Breeders are already sending young dogs interstate where they can get races for them.

Cootamundra and Griffith tried to amalgamate with Young prior to closing, but their request was refused. That meant more money and race dates were gone. Albury was refused emergency funding and went into liquidation supported by Greyhound Racing NSW. Neighbouring Forbes was offered 12 meetings and they simply gave up and threw in the towel. Their meeting dates went to Dubbo TAB. We need a regional advisor who knows the country and who can promote country tracks. The 4 per cent taken from the country for promoting it failed, so it should be returned. Greyhound Racing NSW admits that it is going downhill, so we need inspiration. There is no point spending money on a corpse. Frankenstein proved that, but unlike Greyhound Racing NSW he funded his mistakes with his own money.

Greyhound Racing NSW has also created a monster with regulations. It cannot solve all the problems by throwing another seventeenth century regulation on the barbie. If the agreement is changed and we get our fair share, I am sure racing will reach its full potential. There are many people in the country who have older dogs. I have five retired dogs, one of whom is eight years old. She injured herself as a pup and I still have her. Many of us keep our dogs; they not all culled.

Documents tabled.

SYLVANA WENDERHOLD, before the Committee:

Ms WENDERHOLD: I thank the Committee for the opportunity to speak today. I am the current President of the Animal Welfare League of Queensland and a long-time member of the board. Due to myriad welfare and social problems associated with greyhound racing, the league urges a ban on greyhound racing in New South Wales and, indeed, Australia. Some of the issues of concern include the care and treatment of the dogs, the fact that they are often subjected to injuries whilst racing, and, of course, the indiscriminate and excessive overbreeding undertaken by the industry, which leads to the premature and unnecessary death of many thousands of healthy and adoptable greyhounds annually.

How does greyhound racing relate to my area of expertise—that is, animal sheltering? The Animal Welfare League of Queensland is a nationally and internationally recognised animal welfare organisation. We were recently profiled by the United States Humane Society in a published article describing the many progressive and effective strategies which we have developed, implemented and shared with shelters and council pounds across Australia and which are having a major and positive impact on both reducing euthanasia and increasing the adoption of healthy companion animals from shelters and pounds. We are extremely proud of having achieved zero euthanasia of healthy companion animals since 2009 on the Gold Coast and having implemented programs like our National Desexing Network, National Desexing Month, the Getting to Zero program and our biannual National Summit to End Companion Animal Overpopulation.

With this relentless focus on ending unnecessary euthanasia, we have been aware for many years that we can never achieve our goal as long as the greyhound racing industry exists. In fact, with approximately 20,000 greyhounds bred in the industry annually, we could fill our shelter entirely with greyhounds for the rest of our days and still never find enough homes to save them all. It is endlessly frustrating that we are making fantastic progress in Australia seeing communities everywhere implementing lifesaving strategies for companion animals while at the same time being aware that thousands and thousands of greyhounds are born every year with no hope of ever living in loving homes, or even being alive after the age of four.

One may think that greyhounds are not relevant to the work we do. I strongly disagree because we save dogs and we do not discriminate between breeds. The Animal Welfare League of Queensland cares for up to 10,000 companion animals annually. In our shelter we look after all sizes and breeds of dogs: kelpies, Dalmatians, staffies, Labradors and greyhounds. We actively rehome greyhounds and seek to have two or three available for adoption at all times. Many of our staff members have never previously had contact with greyhounds. Overwhelmingly though, getting to know greyhounds means that they fall in love with the breed and many end up adopting them as pets and becoming strong advocates for their plight.

We operate the council pound on the Gold Coast, and as such work closely with our council. Showing its own commitment to greyhounds as pets, last year it changed the local laws to exempt pet greyhounds from wearing muzzles, thereby acknowledging that they are just like all other dogs. This has resulted in us finding more homes than ever for greyhounds. In fact, these days pet greyhounds are being walked lovingly in every dog parks on the Gold Coast, and their numbers are increasing. When I walk my own two greyhounds in the park—both of them rescued, of course—not a day goes by without someone approaching me to talk about them. I have owned rescued greyhounds for 13 years, and over the years the comments from people have changed significantly from, "Aren't they vicious killer dogs that have to wear muzzles?" to "I hear they make wonderful pets, and aren't they so very gentle and good with children?"

Public perception of greyhounds is changing dramatically. Similar to the many thousands of people around the country who gathered on the weekend to protest the Western Australia shark cull, the Australian public is getting more educated and aware every day about the unethical, immoral and unacceptable plight and fate of greyhounds bred for the racing industry. They will no longer accept that greyhounds—dogs like all other dogs; no different to your own lovely pet dog at home—are abused, neglected, injured and killed by the industry. I can assure the Committee that in our commitment to saving all dogs, animal shelters all over Australia will make it their priority to end this tragedy for greyhounds. After all, we care for dogs of every breed, colour and size, which includes the wonderful greyhounds.

RICHARD BLIGH, before the Committee

Mr BLIGH: Thank you for the opportunity to say a few words. I am disappointed with this inquiry in one way: We went to the upper House and asked for an inquiry into the sustainability of greyhounds and we have sort of been railroaded by people—from Queensland even, you know. I am disappointed when we see on the news all the sheep being taken over to Arabia in hot ships and being killed the wrong way and so on. These people should go to the local pound down the road and I bet they probably would not find one greyhound there. They are probably full of all the other dogs and that—all the pet dogs such as the labradors and stuff like that or cats that, when they were born, were not formed properly, and they are knocked on the head down there.

Greyhounds are fed, housed and looked after a lot better than most animals—probably better than most animals. These are elite athletes. If the greyhound industry got their fair share, which this inquiry should be about, the Greyhound Adoption Program and other initiatives can be continued. We believe the greyhound industry has no problems with any animal treatment of greyhounds or with anybody going to any pound. If somebody is doing the wrong thing, we have no problem with them being prosecuted—no problems at all. As I said, you can go outside today and I do not think you will find a poor greyhound. If you go down the street and look down the street or on a farm or anywhere like that, you will probably find a few. But I digress.

In 1997 at Wentworth Park One Night the Racing Minister told me that the administrators running the greyhound industry were hopeless and I should go and buy a racehorse or a trotter, and he was right. Maybe he knew something. The Chairman of the Greyhound Breeders, Owners and Trainers Association [GBOTA] came to the Liverpool branch of the Greyhound Breeders, Owners and Trainers Association and told the meeting he had been negotiating on behalf of members and that when privatisation started, the more money the greyhounds turned over the more prize money we would get. He should have said that the more money we turned over, the more the horses would get. But, as we know now, the greyhound industry trusted the Government to do a proper evaluation and now know they were only worried about getting the money for the Olympics, and if the greyhounds got ripped off they did not care.

It is up to you people. You are members of Parliament. Hopefully you are there to change things for the better, not to privatise and sell things and that. You people get elected to look after the Government of New South Wales—the hospitals, the education. Over the past few years all it has been is, "Oh, we can't do it. Let's sell it off." That is the wrong attitude. If you cannot look after these industries, as the TAB is, maybe you should not be there. That is my attitude, anyway. At that meeting at Liverpool the members said that we were happy with the TAB as it was and did not want to privatise. As for getting more money for more turnover and stuff like that, why could the TAB not do it? Why could they not arrange it? We never got shares when it was privatised, even though the industry participants are built up this you-beaut TAB. When it came down to it, the people who worked at the TAB got shares in it and the greyhound industry and the racing industry got none. That was a problem. It never even got off the ground, so that is that.

Some of the things that the inquiry needs to look at are the corporate makers. They are not paying their fair share. How dumb was the Government in not letting them set up in New South Wales and at least getting some tax? The Northern Territory is very happy with the set-up they have up there. Greyhound Racing NSW has been talked about with problems such as The Gardens. The National Coursing Association [NCA] said they could have the place running for \$1.5 million and it would be a replica of the Sandown track. Ten million dollars later, it took Greyhound Action Group members to send copies of the National Coursing Association's annual reports, which showed they were technically insolvent, to a board member of Greyhound Racing NSW before anything was done. Greyhound Racing NSW kept on bailing them out and the past members need to be asked why.

As for the National Coursing Association, one of the issues that we have had here lately was the sacking of a staff member who we were told had embezzled money—a lot of money, apparently. Maybe the National Coursing Association should be asked why he was not prosecuted. What a debacle the Cessnock closure was. They got consultants in for hundreds and hundreds of thousands of dollars. They got all that work done at the TAB for \$300,000 and then we had to give it back to them because, under the contract, if they pulled it out we had to pay them back, so more money was lost. In relation to the offices at Lidcombe, the Greyhound Racing Authority [GRA] had offices at Lidcombe and moved to new offices at Auburn. They sold them to move into the Bankstown trotting building and were tied up with the trots, which was another debacle. That has cost millions and millions of dollars and now we rent offices at Rhodes, which cost us \$265,000. What a fantastic

deal that was. This is the only mob we know of that can lose money on real estate. Nobody else can. Millions of dollars have been lost.

CHAIR: Mr Bligh, your time has expired. I am tremendously entertained.

Mr BLIGH: I am only halfway through. Can I not make up for that other animal liberator who did not make it?

CHAIR: No, you cannot.

Mr BLIGH: Are you sure?

CHAIR: Your statement will be fully tabled.

Mr BLIGH: As I said, this Greyhound Racing NSW board is completely incompetent and should be sacked by the Government as soon as possible.

CHAIR: If the rest of your statement reads as well as your presentation, I am looking forward to it.

[Time expired. Remainder of statement incorporated into Hansard at the Request of the Committee].

GRNSW donated \$65,000 of industry money to the Cystic Fibrosis 65 roses charity campaign. At the same time they told participants that unless funding increased they would have to cut prizemoney. I don't believe any staff member donated a cent and believe that they have no right to donate industry money to a charity even if they claim they got good publicity.

GRNSW doesn't put tenders out for major work to be done and so I believe that by not doing this the industry doesn't get value for money and is open to corruption.

The cost of there new computer system and value for money is important. One of its major functions is to grade races, and as I receive complaints contiuously it can't even do this.

The selection process for the GRNSW board is laughable. I have heard that they picked a woman from the trots for the new board position who didn't even apply for the GRNSW board but don't know whether this is true as they are probably waiting for this part of the inquiry to end before announcing it. If true do you think she will want the intercode agreement changed?

I have been told by a greyhound steward who took redundancy that he was told that a staff member of GRNSW name came up betting on trot races which were found to be fixed and will give information if requested.

I believe that GRNSW needs to be asked questions about the Integrity Auditors past and present.

As for government initiatives, I believe the NSW government needs to talk to the Victorian premier and get him to explain the value of the greyhound industry.

Greyhounds are fed, housed and looked after a lot better than most animals and know that if we get our fair share will continue the Greyhound Adoption Program and other initiatives and believe that they greyhound industry has no problems with the prosecution for animal mistreatment no matter what animal.

We are and have been treated and let down by governments past and present and so this inquiry needs to let the present government know that we can increase betting turnover thus increasing state employment and taxes but we need a level playing field and as members of parliament I think it is time to right the wrongs of the past.

ANNE BOXHALL, before the Committee

Ms BOXHALL: Thank you very much for this opportunity. I represent the Animal Welfare League Australia [AWLA], which is national non-profit organisation. We formed in 2007 when the Animal Welfare Leagues of New South Wales, Victoria, South Australia and Queensland united to become the Animal Welfare League Australia. Our affiliated shelters have 290 years of combined experience in caring for dogs. Lobbying for the introduction of legislation and policies and programs that uphold high welfare standards for dogs and animals in general is central to the work that we do. We do not support the use of dogs for sport or entertainment where animals suffer or are killed as a result. In line with this, we would advocate for an end to greyhound racing.

Greyhound Racing NSW figures state that over 3,000 greyhounds are euthanased each year because they are too slow, have been injured during training or racing, or just have reached the end of their racing career. We know that at one meeting in Dapto in April 2013, three dogs died—at one meeting. One had a broken neck, a second dog had a broken back and a third dog was destroyed after breaking its hock. The Animal Welfare League Australia opposes greyhound racing because inherently it involves risk of injury and death to animals. But while greyhound racing continues, there is clearly a great need to significantly raise welfare standards to protect the animals. We have identified five main issues.

First, greyhound owners are exempt from compliance under the Companion Animals Act, which denies adequate protection for greyhounds. Secondly, the self-regulation of the industry results in a lack of accountability and independently verified statistics. Thirdly, there is a lack of enforceable welfare standards around the breeding, sale, racing and post-racing treatment of greyhounds. Greyhound racing rules provide no compulsory timeline for microchipping and registration and there is an unacceptably high euthanasia rate for greyhounds. To resolve this, we have three main recommendations: firstly, that greyhounds are no longer exempt from compliance under the Companion Animals Act; secondly, that the self-regulatory regime is replaced with independent oversight by government; and, thirdly, that a code of practice under the Prevention of Cruelty to Animals Act be developed for greyhounds by the Animal Welfare Advisory Committee to include mandatory and enforceable standards.

At the moment, with exemption from compliance under the Companion Animals Act, registration and identification requirements do not need to apply to greyhounds. Because of that, animal welfare authorities cannot effectively monitor welfare standards within the greyhound industry. There is no practical way for them to know who owns greyhounds, where the greyhounds are kept, where they are born and where they die. This information is available to the authorities in relation to other breeds through the companion animals register, but not in relation to greyhounds.

CHAIR: Order! Everyone has had a chance to have their say.

Ms BOXHALL: Greyhound owners and breeders should not be exempt from any part of the legislation. In addition, greyhound owners should be required to report litter numbers at birth, which are independently verified by vets, to guard against early culling. Enforcement should be proactive and penalties should be imposed for failing to microchip and register greyhounds in the same way as for dogs under the Companion Animals Act. In the replaced self-regulatory regime, the Government would be responsible for overseeing animal welfare and data collection. Government officers would operate independently of Greyhound Racing NSW.

ANTHONY DUGGAN, before the Committee

Mr DUGGAN: Thank you very much for allowing me to appear today. I have been a participant in the greyhound industry to the past when 25 years. For the last 10 years I have been in retirement. I purchased a property on the Central Coast with the object of breeding and racing my own greyhounds. Before I go on to anything else, I take offence at a few things we have just heard here today. Number one is that all greyhound pups are microchipped. They are microchipped when they are registered so there is a record of every greyhound pub in New South Wales.

Ms Boxhall: But regulators cannot access them.

Mr DUGGAN: Excuse me, you have had your go. I would like to say that all of the greyhound people that I know and associate with love their dogs—absolutely love their dogs. I have five retired greyhounds at home. I have also over the last year rehomed, through the Greyhound Adoption Program and the lady who was here today from Friends of the Hounds, approximately four dogs. This business of dogs being treated cruelly and sold overseas, let us get this into a bit of perspective too. Fortunately a couple of years ago I had the opportunity to sell five greyhound pups, which were registered at birth and registered as whelping but do not show on the naming because they were sold to Prague in the Czech Republic at five months of age. If any of you would like to have a look on the Czech greyhound website, those pups are treated like absolute royalty. To generalise, some of these people are just going away overboard.

But now back to the business at hand. Greyhound racing in this State over the past 10 years under the control of Greyhound Racing NSW in my opinion has deteriorated unbelievably. I would estimate that over the last 10 years the cost of having a dog has increased between 30 and 50 per cent. The prize money, unfortunately, has not increased anywhere near that sort of percentage. Greyhound Racing NSW would like to tell us that the prize money has increased 30 per cent. It may have, but that has all been allocated to TAB C racing. As you people would probably know now, TAB C racing is half prize money. Category A and category B money in this State has virtually stagnated. Category A and category B is where we get the dogs to race at Wentworth Park. Everybody here aspires to have Wentworth Park dogs. Not too many people make it, but in is an aspiration. We are not getting a return for our money. The cost of having a dog, that cost of fuel, the cost of feeding, the cost of vet bills—the cost of everything has gone through the roof, plus the cost of travelling to and from the tracks.

A lot of our dogs are now going to Victoria for the reason that in New South Wales we are racing for maiden prize money of \$830 whereas in Victoria it is \$990. Our fifth-grade races on tracks such as this have prize money of \$1,080 whereas in Victoria it is at \$1,325. At Sandown-Meadows, it is \$5,000. At Wentworth Park, it is \$3,300 and \$4,350. We are a long way behind. That is why a lot of dogs are being sold and transferred to interstate trainers in Victoria. When Greyhound Racing NSW came into being, it stated that one of its main objectives was to reduce administration costs. That is just a joke. The administration costs of the industry now are absolutely exorbitant. In relation to the number of participants in this industry in New South Wales, since 1999 we had a figure for owner-trainers of 5,811. In the year to date, 2014, we have 1,850. The number of public trainers has decreased from 1,904 to 1,480, which is a massive decline. It does not seem that Greyhound Racing NSW cares.

Even though we have had this massive decline, greyhounds is the only code of the three codes that has any sort of growth at the moment, but you would not know because the Government or anybody else is not treating us with the respect we should be getting. The management of Greyhound Racing NSW is absolutely top-heavy. As one of our previous speakers discussed, it has something like 11 people in senior management, who are all on good money. I believe that if you have a look at their job descriptions on the internet, they pretty well overlap. I think most of us here have never heard of any of them anyway.

CHAIR: Mr Duggan, I am sorry but your time has expired. You can table the rest of your submission.

Mr DUGGAN: It is pretty well all notes, Mr Chairman.

HAYLEY COTTON, before the Committee

Ms COTTON: I am here today to speak on behalf of all greyhounds that are part of this inherently cruel industry, an industry that kills thousands of dogs every single year. Greyhound racing is an industry characterised by the routine killing of puppies and dogs, and by greed and profit. Animal welfare is simply not a priority. There is a lack of transparency and accountability within the industry. Racing authorities have failed to inform the public of the true cost that comes with this so-called sport. They have failed to tell the public that up to 17,000 out of the 20,000 dogs bred every year are killed. They have failed to tell the public that every year 7,500 greyhounds do not even make it to the track and are discarded. Have you ever wondered why it is so rare to see a greyhound puppy? The industry and its participants continue to tell us they care about welfare. We disagree. How has the racing industry responded to the over-breeding of greyhounds?

By further exploiting them for use in research, teaching, as live export and as blood donors, to be bled and killed. Is the public aware that the most common way for greyhound trainers to dispose of their unwanted dogs is to give them to vets who drain their blood and subsequently kill them? And this is an industry that says it cares about the welfare of these dogs. We disagree. When a greyhound sustains an injury whilst racing and the injury is considered uneconomical to treat, it is more often than not euthanised at the track. Why are injuries that occur at tracks and the subsequent euthanasia of dogs not reported by Greyhound Racing NSW?

It would appear that they do not want the public to know that they are killing hundreds of greyhounds every year that only sustain minor injuries. This is an industry that continues to tell us they care about the welfare of dogs. We disagree. So here are some questions that we, as advocates for greyhounds, have for this industry: More than 90,000 were born in New South Wales in a 10-year period and ten years later, only 2,500 are alive as companion animals—97 per cent are unaccounted for. Where are all these dogs? Across the country, positive drug swabs have risen 82 per cent from 2010 to 2012. How does this reflect effective regulation and a genuine concern for animal welfare?

If the industry is so concerned about the welfare of greyhounds, why is it impossible to find data on the number of pups born, the incidence of injuries and the number of dogs killed by this industry? How can an industry that is driven by profit and greed and fuelled by over-breeding and one that is experiencing such high levels of wastage, be considered to have an acceptable form of governance for owners and breeders in self-reporting? Greyhound racing has been banned in South Africa and in all but six states in the United States. There is growing opposition in many other countries. If greyhound racing has been recognised as a cruel sport internationally, why is our Government refusing to undertake progressive moves that would end this cruel industry? Instead, the Government is looking at ways to rejuvenate the industry by using subsidies and our tax dollars. We can only assume that betting revenue is considered a priority which gives favour to this cruel, socially unacceptable and unviable business.

The consequences of greyhound racing can be seen if you spend time sitting in an emergency vet or visiting a rescue or rehoming program. What will you see? You will see abandoned greyhounds, many in poor or absolutely appalling condition, carrying physical injuries and often with psychological problems. These are just the ones that you can see. What about all the other dogs? If the industry does not keep its own figures, if it fails to keep track of any of these dogs, if it cannot tell us how many are bred, how many are injured and how many are dead, how can it so confidently claim that the figures provided, which highlight the travesty of their operations, are wrong?

Animal Liberation supports the total abolition of greyhound racing. We hope that New South Wales will take action to shut the industry down. In the meantime, while this industry continues, radical changes must immediately be made to bring greater transparency and external governance and accountability. In the 21st Century these beautiful companion animals, these gentle and innocent creatures, are by far the most exploited breed of dog in our country, a country that claims that the dog is man's best friend. Greyhounds are literally racing to death for the price of a bet, exploited 24 hours a day, seven days a week, 52 weeks of the year, before their lives are cut short and they are no longer deemed to be worthy of life. This must stop, this killing and cruelty perpetuated by the greyhound industry must come to an end. Thank you.

DAVID CLIVE, before the Committee

Mr CLIVE: Thanks for the opportunity to talk. The Greyhound industry at the moment is going down and we are getting trodden on. If you had John, Mary, Bob, Bill, Jack in a company and you owned the one that was on the bottom doing nothing, why wouldn't you copy the one that is making the money, like Victoria? Why aren't we copying them and making money and having a better industry here? Why is this happening? You let them do it. Mr Fanning wants to go to the trots as a steward, for God's sake—and he runs it. You know what I mean? No money? I have got plenty of money. Anyway, the grading system—they call me "ten-by-five", by the way. Race ten, box five, that is what I get because I complain.

My dog broke his leg last night and you know where he is now? He is in my kennel because he is my pet. I've got 11 of them, 11 greyhounds. The whole lot come from one litter—one litter. I have kept the lot for three years and they have cost me \$150,000. If you want to come and see some good greyhounds, come to my place. They are beautiful, with muscles. They don't get hurt. One dog has got hurt out of the 11. You say I am putting them down? My God, I have a two-and-a-half acre farm and I have got it in greyhounds.

Now, the grading system here is shit, it really is. They are putting fourth and fifth grade dogs in with a maiden winner. They are putting a dog that has won one fifth grade in fourth and fifth grade races that it can't win. They are putting them in the last races. Race 10? I get race 10 all the time and you have got nought to two wins. In other words, if your dog hasn't won a maiden, it has got to go in against a dog that has won two—two races. They have got no chance. That's why the dog is getting hurt because the grading is that bad. It should be changed. You guys should change this grading system. Fourth and fifth grade is a joke. That is all I have to say. Thank you very much.

MARK PEARSON, before the Committee

Mr PEARSON: Mark Pearson from the Animal Justice Party. Thank you for allowing me to address you. What I would like to bring to your attention is that, in terms of legislation, nothing has to happen to outlaw dog racing. In the legislation of New South Wales, the Prevention of Cruelty to Animals Act 1979—not a regulation, not a code—it says it is an offence to abuse an animal unnecessarily, unjustifiably or unreasonably. The foundation of the dog racing industry is animal abuse.

CHAIR: Order! I will clear the room unless there is absolute silence while this man has his say.

Mr PEARSON: The evidence is overwhelming—irrespective of what one dog owner may do for his or her dogs. The fundamental evidence is that it is rife through the industry that animal abuse proliferates. The other section of the Act is that it is an offence to overwork an animal. It is an offence to cause an animal distress and suffering. It is in the legislation. The dog racing industry can only thrive while these breaches of the law occur. We believe that if a test case were to be brought against the dog racing industry, bringing all the evidence, reports and statements that have been made for years about this industry—which have been exposed recently and which is the very reason we are all here—it would show that it is an industry out of control, an industry that, even with the best will in the world, by its very nature, cannot provide the minimum standards reflected in the Prevention of Cruelty to Animals Act. In the same way as steeple race jumping, dog fighting, cock fighting or hurdle racing, the greyhound industry can be banned by the stroke of the Minister's hand.

The other issue I think is extremely important is something that Gandhi said a long time ago: The measure of a civilisation of society is how it treats its animals. The violent and abusive culture that is fundamental to the dog-racing industry is indicative of a very dangerous culture which even the Police are taking seriously: That if you have an industry based on gambling, on making money out of animals, on competitiveness on this scale, you attract a culture that is against the foundation of a civilised society and of reasonable people. The dog-racing industry is an industry which is against a peaceful, non-violent, compassionate culture. We do not want such an industry. Thank you.

MARK DONOHUE, before the Committee

Mr DONOHUE: I would like to thank the committee for creating history by having an inquiry into Greyhound Racing NSW. I have been an owner, trainer, public trainer, one-time breeder over the past 27 years. I grew up near Harold Park and then near Wentworth Park. When I was nine, I helped my father with his dogs. In the late eighties and early nineties I became a member of the Greyhound Breeders, Owners and Trainers Association [GBOTA], and then the sub branch secretary in the MDA delegate. However, I am no longer a member nor am I a member of the National Coursing Association [NCA] or Greyhound Action Group [GAG].

Fast forward ten years and I found myself extremely disappointed with the authority when they closed down Nowra and Cessnock, only to reinstate Nowra and leave Cessnock out in the cold with a heavy legal bill. This was around the time the NCA purchased The Gardens after closing down Wyong and Singleton. With Cessnock not operating, in my opinion it allowed the NCA to gain extra nominations, funnelling them into the track to support its viability. It was on record that the President of the NCA and the professor from Greyhound Racing NSW [GRNSW]—Greyhound Racing Authority [GRA] at the time—were close friends, and with Cessnock friendless and without a sponsor, the sweetheart deal was allowed to proceed and prosper. Cessnock was functioning and performing properly, yet they faced the mock of the authority at the time.

Cessnock continues to face a large legal bill that really should be acquitted with a stroke of a pen. Cessnock is arguably the best track in Australia in respect of welfare of dogs that compete on the grass track, yet they closed it down. No wonder we are confused and upset. Mr Whitehall spoke about Cessnock. Fast forward again to 2011 and the NCA opted out of Wentworth Park for an estimated \$1.8 million and into the NCA at The Gardens until it financially haemorrhaged about 18 months ago. Then the GRNSW bought a share of what appeared to be an inflated price and then some more again so that they could control the dispersal process which they are proceeding with now. This is a direct conflict of interest. Why ask the authority to do such a thing? I read that GRNSW allegedly spent approximately \$30,000 trying to help NCA Tamworth with a feasibility study to relocate.

Mr Gordon spoke about The Gardens. The GRNSW has been propping up the other giant in the game, the GBOTA by providing them with financial support to operate at Wentworth Park whilst country tracks struggle with maintenance and other costs. GRNSW stopped the country challenge that provided increased prize money to non-TAB country tracks and this inquiry allowed us to allegedly see why. They want to close half the tracks because they believe racing will not be viable or sustainable in its current format. They are trying to strangle them out of the game. GBOTA Gunnedah appears to be the next in line to receive TAB status. However, another western region of New South Wales needs TAB status at one of their tracks. Strangely, the smaller independent tracks are not likely to see tab status at their tracks.

Country tracks run on voluntary help and basically run on the smell of an oily rag, so they are not a burden on Greyhound Racing NSW. They are efficient and effective with a small amount of funds they receive to operate their tracks in towns like Moree, Armidale, Taree, Wauchope, Kempsey, et cetera. To remove half of the non-TAB country tracks, GRNSW will remove a big hobby from people and it will attack part of the social fabric of each town. You cannot get it back once it is gone. It is happening now at Wentworth Park. The big money is there, but the GBOTA is struggling to get full field. It is also the fault of the people administering the product. Do we really want the elderly to do nothing and play the pokies? Go to a club on Wednesday at lunch time and see how sad it is. These punters have a million-to-one chance of winning on the pokies but an eight-to-one chance to win on the greyhounds and they keep fit and healthy in the process.

Training has proven to be a good form of exercise and there are many, many life-changing stories involving people who have taken up the training or owning greyhounds, especially the elderly. *The Chase* recently printed an example in January 2014, volume 2, issue 1, page 9. If it was not the GAG bringing the dire situation to the attention of the members of Parliament, which triggered this inquiry, we might have found in the not too distant future half of the country tracks closed and half the number of participants lost forever. We struggle now to draw greyhound races from week to week. How are we going to go if they close down the tracks?

CHAIR: That brings our public forum and hearing today to an end. Thank you all very much for coming. A brief reminder for those attending the hearing in Sydney tomorrow, it will commence at 10 a.m. Thank you very much.

(The public forum concluded at 4.33 p.m.)