

**REPORT OF PROCEEDINGS BEFORE**

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

**INQUIRY INTO GREYHOUND RACING IN NEW SOUTH WALES**

---

**At Penrith on Friday 15 November 2013**

---

**The Committee met at 10.00 a.m.**

---

**PRESENT**

The Hon. R. Borsak (Chair)

The Hon. M. Ficarra

Dr John Kaye (Deputy Chair)

The Hon. T. Khan

The Hon. N. Maclaren-Jones

The Hon. L. Voltz

The Hon. S. Whan

**CHAIR:** Welcome to the first public hearing of the Inquiry into Greyhound Racing in New South Wales. Before commencing, I acknowledge the Deerubbin people, who are the traditional custodians of this land. I also pay respect to the elders, past and present, of the Deerubbin people and extend that respect to other Aboriginals present.

Today is the first of three hearings we plan to hold for this inquiry. We will hear today from representatives of Greyhound Racing New South Wales, the Greyhound Breeders, Owners and Trainers Association, the Greyhound Action Group, the Integrity Auditor, the Office of Liquor, Gaming and Racing, Greyhound Rescue and the Animal Welfare League, as well as veterinarians Ted Humphries and Rob Zammit. On conclusion of the public hearing, from 6 p.m. until 7.30 p.m. we will be holding a public forum. There are still a number of places available for people wishing to speak at the public forum. If you have not yet registered but would like to speak, please register now with the secretariat staff.

Before we commence, I would like to make some brief comments about the procedure for today's hearing. Copies of the Committee's broadcast guidelines are available from the parliamentary staff. Under those 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 remind media representatives that they must take responsibility for what they 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, so I urge witnesses to be careful about any comments they make to the media or to others after completing their evidence. Those comments would not be protected by parliamentary privilege if another person decided to take action for defamation.

Witnesses are advised that if they consider at any stage during their evidence that their response to a particular question or line of questioning should be heard in private by the Committee, they should state their reasons and the Committee will then consider their request. I remind everyone here today that the 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 that witnesses focus on the issues raised by the terms of reference and avoid naming individuals unnecessarily. I also remind witnesses and members of the media that parliamentary privilege does not apply to what witnesses say outside of the committee hearing, so they should be cautious about any comments they make to the media and others after completing their evidence. Witnesses are advised that any documents they wish to table should be provided to members through the parliamentary staff. A full transcript of what is said during today's hearing will be prepared by our Hansard reporters and the transcript will be available on the Committee's website. Finally, could everyone please turn off their mobile phones.

**EVE MARGARET McGREGOR**, Chairman, Greyhound Racing New South Wales;

**BRENT RICHARD HOGAN**, Chief Executive, Greyhound Racing New South Wales; and

**JOSEPH COLLINS**, Greyhound Racing New South Wales, sworn and examined:

**Dr COLLINS:** I am contracted to Greyhound Racing NSW officially and the contract involves me working for Greyhound Racing NSW, Greyhound Breeders, Owners and Trainers Association, the metropolitan clubs, the country clubs and the Greyhound Action Group as a united industry group.

**CHAIR:** Would you like to make an opening statement?

**Mr HOGAN:** Yes, we would. Mr Chairman and members of the Committee, the major challenge confronting the sport today, and by that nature this Select Committee, is the sport's economic viability—not its governance. This inquiry is very timely for our industry's future in New South Wales. It is the view of the industry that the New South Wales greyhound racing industry is not viable in the short to medium term and certainly not sustainable in the longer term. This is the collective view of the five bodies included in the joint industry submission and merely expands upon the conclusions of Alan Cameron in his 2008 review of wagering and racing in this State.

There are two submissions today of relevance to the evidence of Greyhound Racing NSW. The first is the joint industry submission, which is No. 380. That has been prepared by Greyhound Racing NSW, the New South Wales Greyhound Breeders, Owners and Trainers Association, the two umbrella club associations in the metropolitan and provincial clubs association, the Greyhound Racing Clubs Association and the Greyhound Action Group representing participants. This submission addresses the first three terms of reference of the 14 before this Committee. Today I am representing all of those five organisations in relation to that submission. I will address the second submission, that of Greyhound Racing NSW, in a moment.

As I have said, the joint industry submission makes clear that the major challenge confronting the sport in New South Wales is its economic viability, and therefore its medium- to long-term future. The commercial funding arrangements for our industry were established in 1997 as part of reforms to the racing industry by the government of the day to enable the privatisation and sale of the TAB. As Committee members will be aware, the funding arrangements are incorporated in two legal agreements, one being the Racing Distribution Agreement and one being the Inter-Code Agreement, both of which run for 99 years. The industry accepts that these two agreements are legally binding and cannot be altered unless agreed to by the parties to those agreements or unless the Parliament intervened by way of legislation. These arrangements lock the greyhound racing industry into a 13 per cent share of revenues received by the entire racing industry, despite generating up to 20 per cent of that same revenue.

Put simply, that is not a fair deal in anyone's language. As a result, the greyhound industry has foregone \$154 million since the privatisation of the TAB and, at present, is leaking \$15 million a year to subsidise the other two codes of racing. It is not equitable and arguably it is not in line with the original intent of Parliament when the TAB was sold. If the current arrangements are allowed to persist, it is our view that participants will migrate to other States and it is likely that over the next five to 10 years up to half of the clubs in this State will close. The joint submission sets out a number of necessary steps by government if the industry is to have a long-term future.

The Government's clearly documented intent was to create a sustainable racing industry, which in retrospect has not been achieved. The basis for Parliament approving the sale of the TAB has proven to be fundamentally flawed. We have put forward a proposed solution in that submission which has been endorsed by all major stakeholders in the industry and which involves a temporary tax concession for the industry addressing the original intent of government to create a sustainable racing industry. The quantum of that concession will both address the subsidy paid to the other codes to date and then move to a performance basis going forward to better reflect the contribution of the greyhound industry to the broader wagering industry.

As I have already mentioned, the second submission of relevance today is that of Greyhound Racing NSW itself, No. 382, which addresses the remaining terms of reference. Since 2009, Greyhound Racing NSW has been the autonomous peak body charged by legislation with providing strategic direction and leadership in the development, integrity and welfare of greyhound racing in this State. Many of the terms of reference touch

on the performance of GRNSW and in that regard, and in the interests of time, let me set out five key facts for your consideration.

Fact one, since 2009 the industry's wagering revenue has grown from \$35 million to \$40 million—that is a 14 per cent increase. Had this revenue kept pace with inflation it would have grown by 16 per cent. Obviously we have been growing at lower than that. Despite wagering revenue only growing by \$5 million, in that period prize money has grown by \$5.2 million, meaning that more than 100 per cent of the additional funds earned in that five-year period has been returned in prize money. This is obviously in addition to costs associated with conducting meetings, infrastructure costs and the regulatory costs associated with the conduct of an additional 250 meetings in that period. Fact two, since 2009 Greyhound Racing NSW has overseen national wagering growth on New South Wales greyhound racing product of \$280 million, or 37 per cent, and at the end of the last financial year wagering on our product reached \$1.03 billion.

Fact three, Greyhound Racing NSW's integrity service is a leader in the wagering industry, not just in Australia but also internationally. It is fact that no other State conducts anywhere near the number of swabs that GRNSW does in this State. Fact four, Greyhound Racing NSW will invest \$1.3 million in the current financial year on welfare initiatives with a further \$1.4 million earmarked for infrastructure projects that are aimed at minimising potential risks for racing greyhounds. We consider that the welfare of all animals must be the primary consideration for all participants in the greyhound racing industry and that the industry must continue to improve in this area. We have zero tolerance for participants who do not meet our animal welfare standards and Greyhound Racing NSW is rightly proud of the advancements made since it assumed responsibility for these matters from government in 2009.

Finally, the role and composition of the board of Greyhound Racing NSW is defined by the Greyhound Racing Act 2009. The Act establishes a body to oversee the industry that is at arm's length and operates in line with best practice governance. There are a number of checks and balances in place to monitor the control the effectiveness and the accountability of the board and management of GRNSW including, but obviously not limited to, the integrity auditor, the Minister and the annual report and financial audit.

To summarise, under the leadership of Greyhound Racing NSW prize money has grown, integrity has been front and centre of everything we do, significant investment has been made in relation to animal welfare and there has been zero tolerance of abuse. Greyhound Racing NSW, like the rest of the industry, welcomes the opportunity through this inquiry process to work with the select committee to achieve an outcome, in partnership with government, that will ensure the long-term sustainability of this industry. The industry hopes that the Committee will not be distracted by some of the more outlandish, hysterical and ridiculous allegations that may be aired during the process. Before questions I indicate that the chairman, Eve McGregor, will answer any questions about the board and governance as it would obviously be inappropriate for me as the chief executive to do that, and Joe Collins will assist, as required, for questions about the joint industry submission.

**The Hon. STEVE WHAN:** You talked specifically about the viability of the industry. Will you further outline the impact of what makes it unviable at the moment? Is it the prize money? Is it the capacity to return revenue to raise courses? How are you being affected by a lack of revenue coming in?

**Mr HOGAN:** As it stands today the leakage from revenue which is earned by my code but which is paid to the other two codes is approximately \$15 million a year. What that means in practice is that it is incredibly difficult for the industry to remain competitive from a national perspective. Last year alone our counterparts in Greyhound Racing Victoria had revenue of \$70 million in round figures. Greyhound Racing NSW had revenue of \$40 million. That led to Victoria being in a position to pay additional prize money of \$15 million to its participants over and above what we could afford here. So it is impacting on our ability to remain competitive from an interstate perspective. It is also impacting on the capacity of the participants to continue to fund their sport and recreation. Costs are obviously increasing for the participants and prize money with the current revenue sharing arrangements in place is not growing at that same rate as their costs are growing, which is making it harder and harder for those people to continue to participate in the sport.

**The Hon. STEVE WHAN:** If the situation continues what will the impact be in the longer term on the tracks that you have in New South Wales, the number of trainers, owners and so on?

**Mr HOGAN:** We suspect that the number of participants will decline, a number will migrate to other States and from an economic viewpoint that will not be a positive for this State. Access Economics did a review of the economic impact of Greyhound Racing in 2010 and found that the economic contribution was some

\$140 million, which, for an industry of our size, is definitely not insignificant. We maintain in this State the largest number of greyhound race clubs in the country. We have 34 clubs around the State. As we speak, those clubs are struggling to keep their heads above water.

There is not enough money in the system to invest significantly in a venue enhancement project. Rather, at the moment it is more about keeping things running and ticking. The five bodies that put the industry submission together have collectively formed the view that if the current funding model is maintained going forward, then within the next five to ten years, it is highly likely that up to half of those tracks will close because, financially, they will not be sustainable from the industry's viewpoint.

**The Hon. STEVE WHAN:** You would suggest mostly country tracks?

**Mr HOGAN:** We are largely a regional-based sport. We have very few tracks in the metropolitan area. We have Wentworth Park and we have Richmond just down the road here. Beyond that, we are really a regional-based sport.

**The Hon. STEVE WHAN:** I have read all the information on the inter-code agreement as it applies to the TAB, but do you want to comment on corporate bookmakers and the return from corporate bookmakers to the code?

**Mr HOGAN:** The situation with corporate bookmakers—basically it is broader than that. The race field legislation, which allows us to charge fees to wagering operators, applies to wagering operators throughout the country regardless of whether or not they are a corporate bookmaker, an interstate TAB or a betting exchange. That legislation came into place in 2008. In respect of racing, legislation enables us to levy a fee on all wagering operators that use a New South Wales greyhound product. That has been in place since 2008. Our current fee regime is that we charge those operators 15 per cent of their gross margin, with a floor to that fee that it will not fall below 7.5 per cent of turnover. Our request to the current Government and the former Government has been that they remove the cap, which is in the race fields legislation regulations. We are the only State that has a cap in the regulation, which prevents—

**Dr JOHN KAYE:** Sorry, a cap on?

**Mr HOGAN:** The cap on the maximum fee chargeable. Under the regulation, we cannot charge more than 1.5 per cent of turnover. We have requested that that be removed. The issue with that is that we are the only State that is not able to put in place arrangements that we believe are commercially correct, and get the maximum benefit out of that.

**CHAIR:** To clarify, you are commercially estopped from negotiating a commercial agreement?

**Mr HOGAN:** We can negotiate so long as it is below or equal to 1.5 per cent of turnover.

**CHAIR:** Sorry, it is not a commercial estoppel; it is a legislative estoppel.

**Mr HOGAN:** Yes. What it means in money terms is that if the cap was removed tomorrow and our current fee regime applied—everything else stays the same—it is an additional \$5.5 million worth of revenue to the industry, based on wagering figures from the last financial year. It is a significant boost that is easily deliverable, in our view.

**CHAIR:** What level would it then have to go up to?

**Mr HOGAN:** We would not change our fees. If the cap was eliminated, which is the case in every other jurisdiction in this country—there is no cap in race field legislation anywhere else—and if our fee structure as it currently is in those agreements that we have with those wagering operators applies, it is worth an additional \$5.5 million.

**CHAIR:** Sorry, I still do not understand. From 1.5 per cent to 2 per cent or 3 per cent?

**Mr HOGAN:** We would say that you would eliminate the cap.

**The Hon. STEVE WHAN:** It is currently a hard cap on the monetary amount allowed to be collected?

**Mr HOGAN:** That is correct.

**Dr JOHN KAYE:** Once that amount specified by the 1.5 per cent is reached, you stop collecting. If that is taken off and the commercial agreements are allowed to run without that cap, there would be an additional \$5.5 million?

**Dr COLLINS:** That is correct.

**CHAIR:** Okay. I thought the driver was the 1.5 per cent.

**Mr HOGAN:** In respect of that detail, the monetary numbers are outlined in the attachment to the joint industry submission at page 21.

**The Hon. STEVE WHAN:** I am sure we will come back to that topic somewhere along the line. I paraphrase your opening statement in which you said you are managing the sport well. Many of the submissions we have received suggest that the sport is not being managed well and it is top heavy or there are too many staff. I am sure you have read them. The Chair was reading a lot of them when I saw her last. What is your response to the allegations that the sport is not being efficiently managed and money is being wasted on administration?

**Mr HOGAN:** You need to start looking at what are the cost drivers for a body such as Greyhound Racing NSW. There is one cost driver, and that is the number of TAB meetings that we conduct in this State. That drives our cost in relation to integrity. It drives our cost in relation to veterinary staff. It drives our cost in relation to drug detection, in relation to the procurement of race vision, our pictures for those meetings. It drives our cost in relation to form production, et cetera, et cetera. It is the bulk of the cost incurred by my body. When such an exercise is undertaken, I think it is also worthy to do some benchmarking. There is only one other greyhound racing authority in this country that conducts anywhere near the number of TAB meetings that we do, and that is my current partner, Greyhound Racing Victoria. If you line up the annual reports of Greyhound Racing NSW and Greyhound Racing Victoria for the last financial year, as I said in my opening, there is a \$31 million differential in income, but in expenditure, particularly around industry peak body—ourselves—and industry expenses, Victoria's expenditure is \$8.5 million compared to my body's expenditure of \$5.7 million.

On raw financial numbers, we are running a fairly efficient operation when we are compared to the most comparable body. Building on that, full-time equivalent staff members in Greyhound Racing NSW are 39.1, not some of the much larger and ridiculous numbers in some of the submissions. The equivalent count in Greyhound Racing Victoria is 72.8. In New South Wales, we are managing and administrating 34 tracks. In Victoria, there are 13. We are running 869 TAB meetings, 429 non-TAB meetings—1,300 meetings altogether. In Victoria, they are running a thousand. By any measure of efficiency, I am comfortable that what we do at Greyhound Racing NSW stacks up very well against the most obvious benchmark proposition.

**The Hon. STEVE WHAN:** I want to go to drug testing. A number of submissions are suggesting that there is not enough random drug testing done, that the old marble system should be reintroduced. Will you comment on the numbers of tests that are done and the randomness of those tests?

**Mr HOGAN:** In the last financial year, we significantly increased our investment in drug detection to \$1.2 million. Last financial year we carried out 5,562 swabs, which was a record number for the sport, and some 40 per cent more than any other State around the country. We are conducting a lot of drug testing. What that meant in practice was that at every race at Wentworth Park, our main metropolitan centre, at least the winner was tested. It means that, on average, at our TAB meetings we will take 7.5 swabs. Our swabbing policy lines up with what is considered to be best practice around the country. It is intelligence-based swabbing, whereas the stewards who are controlling the meeting have access to the database in relation to the swabs taken previously and they know the performance of the greyhounds.

They can make intelligent decisions about which greyhounds should be swabbed. There are elements of our swabbing policy which are fixed, and that relates to group racing and, as I said, at Wentworth Park where we have fixed processes, it relates to which greyhounds will be swabbed and what number. In the main, our swabbing policies are consistent with whoever you want to look at. If you want to look at Racing NSW as a benchmark, Harness Racing NSW, or any of our interstate counterparts, what we do accords with what all of the leading racing bodies in this country do.

**The Hon. STEVE WHAN:** One submission I have read—there may be more because I have not managed to get through them all—suggests that the security around testing is not adequate. What is your comment on that?

**Mr HOGAN:** I would reject that comment. The reality is that the sampling procedures and the process in respect of the transportation are set out by the Australian Racing Forensic Laboratory in fairly detailed protocols—how those things occur, how they are packaged and how they are transported. There are a number of checks and balances in place in respect of the packaging and the sealing of the packaging, but also in respect of the recording of the movement of that particular package, from the track to our office and from our office to the laboratory for testing. Those processes are relatively consistent across all three codes of racing, and there is absolutely no evidence that I have been made aware of at any time since regulatory affairs have fallen under our control since 2009 that would support a claim that the security of that process is not what it should be.

**The Hon. MARIE FICARRA:** I do not know who to direct this question to. I will be guided by who feels more confident to answer it, but a number of submissions suggested that the Victorian greyhound industry is in better shape financially. Is the difference in the inter-code agreement that Victoria has? Are there other aspects that have made Victoria more successful? I notice that they have spent a lot more on infrastructure, so obviously the Government may have injected some money there. What are the aspects that make Victoria so successful that we could look at in New South Wales?

**Mr HOGAN:** Certainly it comes down to money. As I said, the Victorian equivalent to the inter-code agreement is an agreement that is 50 per cent based on market share. By that, I mean whatever they are contributing in respect of the performance of their product is reflected in the revenue of Greyhound Racing Victoria, which is 50 per cent of their TAB distribution. The other half is a fixed percentage share, but that percentage is higher than our 13 per cent under the new arrangement. That means, as I said, last year there was an additional \$31 million in terms of revenue. With that amount of money, your capacity to invest in infrastructure, to pay additional prize money over and above what we do is much more greatly enhanced. Added to that, in respect of infrastructure, they have 13 tracks to invest in, we have 34. So there are some key differences in respect of our capacity, if you like, to compete with Victoria in that regard.

Certainly in Victoria there has been significant financial support from Government to the greyhound industry. That is detailed in our joint industry submission, but that has included investment in the Greyhound Adoption Program in Victoria where the Government has been a significant investor in that program and in infrastructure to support that program, together with investments in facility development. From a financial perspective in New South Wales, the support that we have received in the past period has really only been a \$1 million share of a country development fund, which was part of the Government's electioneering campaign at the last State election. Obviously we welcome that money and that money has been put to good use in respect of the development of facilities at the Goulburn race track, in particular, but it pales into insignificance when compared to the financial support that has been provided to racing industries around the country outside New South Wales.

**The Hon. MARIE FICARRA:** Further to that question, I note on page 18 of the combined industry submission it states the Government has provided funding through foregone tax revenue of \$154 million over five years. Has greyhound racing done any modelling to determine the return for the Government on this input?

**Mr HOGAN:** We are obviously limited by the capacity to do that modelling. We would be more than happy to work with Treasury to work that up. We believe that that amount of money would be recovered within a five-year window in terms of how long it would take that amount of money to be caught up, if you like, in terms of that concession being provided to the industry/ But in terms of modelling up what the economic impact will be of that, I would definitely welcome the opportunity to work with Treasury in that regard. It would mean that we would be able to invest in infrastructure; that we would be able to make our racetracks more competitive and attractive, not just from a racing perspective but from a non-race day perspective, which will obviously assist in terms of building the financial capacity of our race clubs. It would also mean that we can invest a lot more significantly in returns to owners and trainers, which would obviously encourage those people to invest more in the sport and continue their participation as well in the sport. Those things together, I think, would have a not insignificant economic impact for the State but at this moment we do not have detailed data which I could provide you to show that.

**The Hon. NATASHA MACLAREN-JONES:** I am interested in the Alan Cameron report and some of the recommendations that came out of that. Could you give an overview of what recommendations were implemented, the ones that were not and whether you are aware of the reasons they were not implemented?

**Mr HOGAN:** Certainly. The Alan Cameron report had around 22 recommendations in full relating to a broad range of changes designed to make both the wagering industry and the racing industry more competitive and more aligned to the modern wagering marketplace. As it stands today, effectively 20 of those 22 recommendations have either been actioned or actioned in some form and they are the ones relating to changes to wagering regulation and how wagering operators compete in this State. The two that were not actioned are in relation to the inter-code agreement. Cameron had recommended that in the first instance the codes seek to negotiate an amendment to that agreement so that funds were distributed in accordance with the contribution of each code to the generation of that revenue.

Effectively what we are asking for when we do that is for Harness Racing New South Wales to forgo \$8 million to \$9 million worth of revenue a year and the same with Racing New South Wales. Their answer obviously is "No, go away. It is a 99-year agreement, locked in stone. We are not going to vary on that." Cameron then went further and said that if that is the case, then the Government needed to stand ready to intervene and if necessary by legislation ensure that those arrangements moved to a fair and equitable basis for distribution; that is, on performance not based on some historical percentage, which at this stage would be in place for 100 years. The Government chose not to do that, and frankly I cannot answer exactly why they continue to take that position and have taken that position previously.

**The Hon. NATASHA MACLAREN-JONES:** Based on your submission I understand you conduct criminal checks in relation to licences. Is that information shared with other agencies and other bodies as well?

**Mr HOGAN:** In relation to within the racing industry there is a sharing of information between relevant controlling bodies which is provided for within our rules of racing. We have a close working relationship with the Casino and Racing Investigation Unit of NSW Police and certainly if there are matters of interest there is communication between our body and that agency as and when required. Obviously they are restricted in terms of their capacity to provide detailed information to us but we work as closely as we can, given the legislative framework that both bodies work within to achieve the best outcome.

**The Hon. NATASHA MACLAREN-JONES:** If a person is disqualified in another State does that impact on New South Wales? Is that information shared?

**Mr HOGAN:** Yes.

**The Hon. TREVOR KHAN:** In your opening remarks about the viability of the industry you said that the industry is not sustainable in the short to medium term and not viable in the long term. Can you explain to me the difference between "sustainable" and "viable" and how you see that playing out, including with the short, medium and long-term time frames that you talk about?

**Mr HOGAN:** In the short to medium term we say that the sport is not financially viable and by that we mean that participants are not able to generate a return of the amount required to enable them to continue to participate. We do not move away from the fact that the majority of our participants are hobbyists in nature but even hobbyists need to have the opportunity to generate a level of return which sustains their involvement in their activity. What we are saying to you—

**The Hon. TREVOR KHAN:** If I could just interrupt you, does that mean that insufficient prize money is being offered to keep owners and trainers attracted?

**Mr HOGAN:** Yes. In the longer term—

**The Hon. TREVOR KHAN:** Can I just stop you there, when you talk longer term, what period of time are you talking about?

**Mr HOGAN:** Five to 10 years. In the five- to 10-year window what we are saying is that the financial position of the industry is such that we will not be able to sustain the 34 tracks that we have around the State. We simply do not have the revenue available to fund the necessary maintenance and the capital works at those venues, and we simply will not have the funds to continue to fund the level of racing activity that we currently



do, which is, as I said before, something like 1,300 meetings across the State. We simply will not have the financial capacity to do that and in that circumstance the industry as you know it today, we say, is not sustainable in that form.

**The Hon. TREVOR KHAN:** Have you, in a sense, a hit list of clubs?

**Mr HOGAN:** No. We have made a very strong commitment to all of our clubs and in particular our country clubs when we changed the funding model that applies for this new financial year that we are in that that would be in place for a minimum of two years and by that we meant to give every indication that we had no intention of going down the path of forced closures in that period. That is not to say that if clubs find themselves in financial difficulty they will not close. We simply do not have the resources to rescue every club in the State if they find themselves in that position but there is no magic list, if you like, in these circumstances that A, B and C will close first, followed by D, E and F, et cetera.

**CHAIR:** So you are saying that you have an absolute commitment to maintain the current level of country clubs and racetracks?

**Mr HOGAN:** For the upcoming two-year period, yes, that is correct.

**The Hon. STEVE WHAN:** Who actually takes financial responsibility for a country racetrack? Is it the track and the club associated with the track? How do you give that commitment?

**Mr HOGAN:** In all instances across both TAB and non-TAB, the club is responsible for the costs associated with the operating of the venue, the maintenance, et cetera. The reality is that we are the principal source of funding for those race clubs. In TAB venues as a general statement we account for anywhere between 80 per cent and 90 per cent of the total revenue that those clubs book in a financial year and a little bit less than that when you look at non-TAB clubs, but we are by far the most significant source of revenue that all clubs in this State have.

**The Hon. TREVOR KHAN:** We have spoken of the importance of the inter-code agreement in terms of the position of the industry now. I understand that your organisation did not exist when this was done but if it was so central to the viability of the industry how did the industry or the code enter into an agreement which seems to be such a disaster?

**CHAIR:** That is a question for Dr Collins.

**The Hon. TREVOR KHAN:** I thought it might be.

**Mr HOGAN:** It is something that I will pass to Dr Collins, who was, from not a greyhound industry racing perspective but a government perspective involved in that process. He is closer to the source, if you like.

**The Hon. TREVOR KHAN:** That is excellent.

**Dr COLLINS:** The first thing I am going to say is I do not agree that it was a complete disaster.

**The Hon. TREVOR KHAN:** Just a half.

**CHAIR:** Just a three-quarter one.

**Dr COLLINS:** Look, there are two commercial agreements which govern the amount of money that the greyhound industry received immediately after privatisation and receives now. They are the Racing Distribution Agreement, and that is a complex document that describes how wagering and gaming revenue flows to the racing industry. The inter-code agreement explains how the three codes divide up the pie. How did they end up signing an agreement? I do not know because that was all done between the three codes. I had transparency at discussions with the three codes as it related to the Racing Distribution Agreement and the point that I have tried to explain to everybody is the three codes decided on the break-up. There was no government transparency on that. My argument to you guys is that there should have been, and the important reason that there should have been is because the viability of the racing industry that the Government was so intent on ensuring occurred depends on how the total money is split up between the three codes.

**CHAIR:** Just another quick question while you are talking about that. If the greyhound racing industry became financially unviable and went down, what would be the impact on the other codes?

**Dr COLLINS:** They all go down because they are dependent upon minimum requirements from each code being provided by the Racing Distribution Agreement. Not only do the other two codes go down, so does the TAB because they do not have product to provide wagering for and the government revenue suffers as well. This is the supply chain of money from product supply through to wagering and tax and they are all inextricably linked via the Racing Distribution Agreement and the inter-code. You cannot separate them. If one key player fails, like the greyhound industry, they all fail.

**The Hon. TREVOR KHAN:** My concern is this: If you are saying that the Government or the people of New South Wales should provide \$154 million, that is a small hospital that you are forgoing in that period of time—

**CHAIR:** It is a big hospital.

**The Hon. TREVOR KHAN:** —what you are essentially saying is that some other infrastructure is going to support the industry. I still think it is reasonable to ask the question: If the industry had buy-in terms of the inter-code agreement, how did they do such a poor job of protecting their own interests? I know what you say but that is a reasonable question that really needs to be answered.

**Dr COLLINS:** Sure. My observation was that there were three codes at the table in all those discussions both for the RDA and the inter-code. Was it a level playing field? This is my impression rather than the fact; I cannot verify it in any way. My impression is that it was not a level playing field. You had the thoroughbred racing industry with representatives like Bob Charley and Jim Fleming, both very intelligent guys representing 70 per cent of the industry. You had them, the two minor codes, the bit players, who were representing smaller codes, did not have the same horsepower at the table in terms of skills, expertise, negotiation skills—why did they sign up to a deal that was less than they should have? I do not know, other than commercially I could sort of see that the power was with the thoroughbred industry not with the other two codes.

**Mr HOGAN:** Can I make one point in relation to that? When we say why the industry signed up to that inter-code agreement, the reality was that it was not the industry who signed up to that inter-code agreement; it was a government authority under the control and direction of a Crown Minister. Greyhound racing was administered by the Greyhound Racing Authority of the day. It was not at that point in time, as I understand it, an independent instrument such as Greyhound Racing NSW, so that, in my view, is an important fact base. In terms of the quantum of money and particularly in relation to going forward, what I have said in my evidence is that the differential between what we are receiving and what we would receive if we got paid for what we produce is \$15 million. What we are saying is that going forward that \$15 million is critical to the long-term sustainability of the industry.

Only this week we have witnessed a press release committing \$10 million to the thoroughbred racing to pay prize money over two weekends. We are talking about the sustainability of an entire industry over the 365 days of the year, 52 weeks of the year. In comparison we do not believe what we are putting before you is unreasonable in that context.

**Dr COLLINS:** An important thing to add to that as well is that the Government was very keen on there being a performance base in the inter-code agreement and in the racing distribution agreement [RDA]. There are performance measures in the RDA on the TAB, quite minor ones—they are set but there is not the same onus on the racing industry. To the best of my knowledge there is—I have never seen the document—no performance base in the inter-code agreement and that is a fundamental flaw. What the Government wanted to occur was for there to be performance base in the inter-code agreement and that did not occur.

**The Hon. TREVOR KHAN:** So you say you have never seen the agreement?

**Dr COLLINS:** No.

**CHAIR:** Dr Kaye?

**Dr JOHN KAYE:** I am happy for Mr Khan to continue his important line of questioning. I just want to ask one quick question. What was on the table appears to have been fixed percentages with respect to the inter-code agreement. It appears that there was not on the table any sense of adaptive measures or any sense of saying that if greyhound racing becomes a proportionally larger contributor in the revenue collected by the TAB then greyhound racing would increase its share. To your knowledge, Dr Collins—

**Dr COLLINS:** No.

**Dr JOHN KAYE:** So what was forced on the industry was a fixed percentage for 99 years?

**Dr COLLINS:** No, the industry agreed its percentages.

**Dr JOHN KAYE:** But the only option given to the industry was a fixed percentage, the quantum was to be debated.

**Ms McGREGOR:** Market share at that time I think.

**Dr JOHN KAYE:** But it was fixed market share as of the year of the negotiation. There was never an option given to the industry or anybody else that that market share would adapt over the future years of the inquiry?

**Dr COLLINS:** To the best of my knowledge what was put on the table, the guiding instruction was that it was to be performance based and that it was up to the industry to decide how it divided up the pie.

**CHAIR:** My understanding from reading the submissions is that when the inter-code agreement was reached the market share for greyhounds was something like 17 per cent and they ended up walking out of that agreement with 13 per cent locked in for 99 years.

**Mr HOGAN:** From my understanding, and I have got to say that I was not around in the day so I can only—

**CHAIR:** You can say whatever you like within reason; you are within parliamentary privilege. We are trying to get to the bottom of what the understanding was.

**Dr COLLINS:** Fifteen per cent.

**Mr HOGAN:** My understanding was 15 per cent, and that was on the basis of what the national market share was with the New South Wales TAB.

**The Hon. TREVOR KHAN:** I am sorry, could you say that again? We had three conversations going on.

**Mr HOGAN:** My understanding from the documents I have seen indicate it was around 15 per cent based on the national market share of greyhound racing with the New South Wales TAB at that point in time.

**CHAIR:** Do you know who in the industry in those days were supposed to have negotiated the inter-code agreement—I am assuming that none of you were around? Can we put some names to it?

**Dr COLLINS:** I was around; that is a fact.

**CHAIR:** But you were not in the room.

**Dr COLLINS:** No, but I am aware.

**CHAIR:** Was it members of the greyhound industry? Was it a government authority that did it?

**Dr COLLINS:** It was a government authority: the Greyhound Racing Authority I think at the time, its representatives, and it was representatives from the Greyhound Breeders, Owners and Trainers Association. I think in total it was three people made up of those two groups.

**Mr HOGAN:** The agreement was ultimately signed by the controlling body of the day, which was the Greyhound Racing Authority.

**CHAIR:** Which was an organ of the Government directly, as opposed to what it is now?

**Mr HOGAN:** That is correct.

**The Hon. TREVOR KHAN:** Who was the chairman?

**Mr HOGAN:** The chairman of the day was Ross Magin. He signed the agreement on behalf of the authority.

**CHAIR:** So the hand of government was involved, in those days at least as far as greyhound racing was concerned, in reaching agreement about what the greyhound racing industry would receive as its share of the inter-code agreement?

**Mr HOGAN:** By way of the Greyhound Racing Authority being an instrument of government, yes.

**CHAIR:** Would it be correct to say, if we accept that as an assumption, that this is not a commercial agreement? I mean who in their right mind would sign a commercial agreement for 99 years fixed, not adjustable?

**Mr HOGAN:** I would have no reason to object to that statement.

**The Hon. TREVOR KHAN:** You are saying 15 per cent was the market share Australia-wide?

**Mr HOGAN:** With the New South Wales TAB, yes.

**The Hon. TREVOR KHAN:** Does 15 per cent reflect—perhaps I have got this wrong—the market share in New South Wales?

**Mr HOGAN:** What that reflected was that if you carved up the betting on the three codes occurring at that point in time with New South Wales TAB as being thoroughbred, harness or greyhound, then 15 per cent of that turnover was greyhound related on all races that the TAB were betting on at that point in time.

**Dr JOHN KAYE:** Which included races that were happening not in New South Wales?

**Mr HOGAN:** Exactly.

**Dr JOHN KAYE:** And that is the complexity of the question.

**The Hon. TREVOR KHAN:** So if greyhounds were 15 per cent, what were the thoroughbreds?

**Mr HOGAN:** I would have to take that on notice to give an accurate answer. I suggest it would have been the 70 per cent mark. That is my understanding, and I am happy to confirm that post today.

**CHAIR:** So skipping forward, what is your market share now?

**Mr HOGAN:** Twenty per cent.

**CHAIR:** So you have grown from 15 per cent to 20 per cent?

**Dr COLLINS:** Yes.

**CHAIR:** And you are still getting paid 13 per cent?

**Dr COLLINS:** Yes.

**CHAIR:** That is a really good commercial arrangement. How is that a commercial agreement?

**Dr COLLINS:** The thing that makes it even more uncommercial, in my humble opinion, is that it is a 99-year legal agreement.

**The Hon. TREVOR KHAN:** We are all in agreement on that. Dr Collins, you were saying essentially that greyhounds were in a sense being monstered by thoroughbreds. Harness racing did better out of this deal than greyhounds because it seems that the greyhounds are subsidising the harness racing as well as the thoroughbreds, is that right?

**Dr COLLINS:** That is correct.

**The Hon. TREVOR KHAN:** On your theory, surely if the thoroughbreds came into this with all the negotiating power and the two weakies were harness racing and greyhounds, how did greyhounds end up getting monstered by another weakie: harness racing?

**Dr COLLINS:** I was not in the room so I do not know how they monstered them—to use your words. I think they had greater leverage—that is the way I would describe it. I do not know why the greyhound industry accepted 13 per cent.

**The Hon. TREVOR KHAN:** What experience did Mr Magin have? Do we know?

**Mr HOGAN:** From my understanding he was a chartered accountant.

**The Hon. TREVOR KHAN:** So he could count.

**The Hon. MARIE FICARRA:** I am glad he is not doing my taxes.

**Dr COLLINS:** I think it would be fair to say that this type of negotiation had not been done. The only place something had occurred at that time was in Victoria. So in the experience of the people at the table in negotiating these complex agreements with government involvement et cetera, no-one had great experience. I think what you are alluding to there is what their backgrounds were that provided them with some advantage. I have already said that the people that I witnessed in the thoroughbreds were very clever commercially and legally and my guess is that they outflanked the other two codes.

**The Hon. TREVOR KHAN:** But they did not outflank harness racing. The one that was outflanked was greyhounds. That is the problem. With respect, your theory would result in the conclusion that the winner, and the only winner, is thoroughbreds but it is not thoroughbreds—it is thoroughbreds and harness racing. If harness racing in a sense was in a similar market and resource position to greyhounds, then instead of looking at thoroughbreds as being the cause of the problem we have actually got to look at greyhounds and deal with the problem as to why they failed to represent their industry. In the Victorian agreement that you referred to as having been negotiated, did greyhounds in Victoria do as bad a job as New South Wales did? If not, what was the nature of their agreement that should have been replicated in New South Wales?

**Mr HOGAN:** The situation with the Victorian agreement is this: 50 per cent of the revenue is distributed on the market share or the performance of each code, each year. That has been a principle in place since the TAB was privatised in Victoria. What we would say is that that principle is actually consistent with the government of the day's intention to create a sustainable racing industry across all three codes and also to see the codes paid based on their performance, which was in effect part of the objectives of the process and for whatever reason that did not occur. The government of the day did not ensure that its policy objectives were being met. Therefore we have an agreement in this State in place for 99 years with no legal way of challenging or changing that agreement, without the intervention of Parliament, that sees greyhound racing receiving 13 per cent of revenues earned whilst achieving 20 per cent and, to make matters worse, is the only code from a wagering perspective delivering real growth. So it is only going to get bigger as time goes by. Our market share will continue to grow, harness will continue to decline, thoroughbreds will continue to decline and the difference between our receipts and our performance will continue to grow.

**Dr JOHN KAYE:** Do you think that the replication of the Victorian model of 50 per cent allocated according to market share would be a fair way forward for New South Wales?

**Mr HOGAN:** Our position would be that we believe that revenue as a principle should be distributed based on performance.

**Dr JOHN KAYE:** But that would have a devastating impact on harness racing?

**Mr HOGAN:** That is something that would need to be considered.

**Dr JOHN KAYE:** So there would need to be some buffer to protect harness racing?

**Mr HOGAN:** Some transitional arrangement to get the industries onto a proper commercial footing so that the industries themselves are sustainable and in control of their own destinies. We have no issue with controlling our own destiny. If our industry is only worthy of achieving \$30 million in revenue a year then the industry needs to live with that, but we are not in that situation at the moment. We cannot control and we cannot influence the bulk of the revenue that we receive. That is the situation that we say needs to be remedied and from there the industry should—and the same across all three codes—be tasked with managing that revenue.

**Dr JOHN KAYE:** I turn now to the issue of whelping certificates, naming of dogs and how we assess wastage in the industry. It is my understanding—correct me if I am wrong—that when a litter is born a whelping certificate is issued within 10 days.

**Mr HOGAN:** The breeding process in terms of its regulation goes back to the service. So notification of a service occurring, leading up to the whelping notification, from there we go through the vaccination process and the identification process before we get to the naming process.

**Dr JOHN KAYE:** I want to go to the integrity of the dataset to begin with. You have a certain number of notifications of servicing and a certain number of applications for whelping certificates. How do you know they are accurate? How do you know that there are not people who are whelping without getting certificates?

**Mr HOGAN:** The adequacy of our systems in terms of the collection process is particularly robust. As I said, it starts from the service element. So it is known that a particular bitch has been served by a particular sire. That obviously triggers from a systems perspective the following processing in chain. Can I say in relation to data that Greyhound Racing NSW assumed regulatory responsibility and with that elements of breeding, and we started what we are talking about in 2009. When we assumed that responsibility we inherited five different computer systems, all designed to do different aspects of the business, none of which adequately spoke to each other and some of which were not capable of holding some pertinent information in terms of the breeding process that is required in 2013. So what we have done as an organisation is invest significantly with our counterparts in Western Australia in the development of a new operating system, Ozchase, which is designed to be a modern platform from which we can manage the industry and appropriately collect—

**Dr JOHN KAYE:** I interrupt you there because we have all read your submission on this. Ozchase will collect all the data, including servicing, whelping, identification and naming?

**Mr HOGAN:** That is correct.

**Dr JOHN KAYE:** At the moment if a dog is presented for naming, is its existence traced back through its identification, whelping and servicing?

**Mr HOGAN:** Yes.

**Dr JOHN KAYE:** So if a dog cannot be adequately identified backwards then it is not given a name?

**Mr HOGAN:** Dogs are identified by our body much earlier in the process than naming. Naming generally will occur between 16 and 20 months of age, depending on the particular parentage involved. We have identification of the individual pups in a litter from around the 12 to 14 week period.

**Dr JOHN KAYE:** That is as identification of the dog?

**Mr HOGAN:** Of the individual dogs, by way of microchipping.

**Dr JOHN KAYE:** If a dog is not identified it cannot be named?

**Mr HOGAN:** That is correct.

**Dr JOHN KAYE:** If you take a dog that has been identified is that identification tied back to a whelping certificate?

**Mr HOGAN:** Yes.

**Dr JOHN KAYE:** And if there is no whelping certificate the dog cannot be identified?

**Mr HOGAN:** Yes, it would not exist.

**Dr JOHN KAYE:** So you are saying that you have, in theory, data that goes from service all the way through and you can track the integrity of that process?

**Mr HOGAN:** Yes.

**Dr JOHN KAYE:** A dog does not end up on a race track unless you know who serviced it?

**Mr HOGAN:** That is correct. Within the confines of the restrictions that we inherited from the previous government authority, in terms of the systems that they have in place. We have invested in making sure that those systems going forward are robust, which will allow us to ensure that the collection of the data is accurate and reliable and we can, from there, put in appropriate strategy and policy measures going forward.

**Dr JOHN KAYE:** The RSPCA identifies a wastage level of between 35 and 40 per cent. I understand that figure refers to dogs that are born but never get named and therefore never race?

**Mr HOGAN:** I am not aware of the basis of the RSPCA making that comment. What I would say is that "wastage" is not a term used within the racing industry. That is not a concept that we speak of. We do not "waste" greyhounds. Clearly that is terminology used by people who do not support our industry and who, if you like, represent our product and our people in a more negative light.

**Dr JOHN KAYE:** Let us not waste our time on semantics. Our time is limited, Mr Hogan. Let me ask you this, of the percentage of dogs that are whelped, what percentage end up being named?

**Mr HOGAN:** In New South Wales it is around 70 per cent.

**Dr JOHN KAYE:** So 30 per cent are not named?

**Mr HOGAN:** That is correct.

**Dr JOHN KAYE:** How many dogs are whelped each year?

**Mr HOGAN:** The average over the last five year period in New South Wales is around the 8,000 number.

**Dr JOHN KAYE:** So there are 8,000 dogs whelped each year of which 30 per cent never get to the race track. Do you know what happens to that 30 per cent? That is 2,400 dogs, roughly speaking, that do not get to the race track.

**Mr HOGAN:** There are a variety of pathways that it could follow. This is a complex issue. This is not a straight black and white issue. The New South Wales racing industry is part of a broader national industry, it is a borderless industry: dogs are moving State to State, trainer to trainer, track to track. The issue of 30 per cent to which you refer is that they could be, in many cases they are, retained by their owners as pets. They could be privately adopted by those owners to other individuals or adopted through an agency such as our own, Greyhounds as Pets, or one of the private agencies that do similar work. They could also be used for breeding purposes. There are a variety of pathways that could follow at that point.

**Dr JOHN KAYE:** How many dogs that were not named were adopted through Greyhounds as Pets last year?

**Mr HOGAN:** I could not give you that specific metric.

**Dr JOHN KAYE:** Could you take that on notice?

**Mr HOGAN:** Yes.

**The Hon. TREVOR KHAN:** Do I take it from your answer some could go interstate, for instance?

**Mr HOGAN:** Exactly.

**Dr JOHN KAYE:** I am interested in that figure. How many dogs in total went through Greyhounds as Pets last year?

**Mr HOGAN:** The Greyhounds as Pets program is currently rehoming around one greyhound a week.

**Dr JOHN KAYE:** About 52 last year?

**Mr HOGAN:** Yes. The issue in terms of our Greyhounds as Pets program, and it is one of many in the State, is that when we took on that responsibility in 2009 what we were looking to do, and signed an agreement to do, was to develop a complex at Emu Plains Correctional Centre in conjunction with the New South Wales Department of Corrective Services, which would allow us to significantly increase the number of greyhounds that we could process through our own adoption program.

**Dr JOHN KAYE:** What do you estimate the numbers are that go through the correctional facility?

**Mr HOGAN:** We were building capacity for 40.

**Dr JOHN KAYE:** Forty per year?

**Mr HOGAN:** No, 40 in terms of how many we could have in the complex at any one point in time. That would significantly increase our capacity in terms of rehoming. That fell over in terms of the funding cuts to Corrective Services. They were not able to deliver on that. Where we are now is the development of an industry-owned facility within this local council area where we have a development application in the process of being lodged. That will allow us to have the capacity to house 80 greyhounds at any point in time, which will obviously flow through in terms of the number of greyhounds we can process through our own adoption agency, which operates in conjunction with the others that operate in this State.

The other issue which is of significance when we talk about rehoming, was it was only in 2011—after a significant period of lobbying by industry—that the Government agreed to a change to the regulatory regime which allows retired greyhounds to go muzzle free in public. It is through a program called Green Hounds which Greyhound Racing NSW administers on behalf of, effectively, the Department of Local Government, and that applies across all adoption programs. Once a greyhound has been properly assessed, in terms of behaviour and suitability to be a domestic pet, those greyhounds are processed with a green collar, which signifies to the council rangers that that greyhound is free to be in a public space without a muzzle. We administer that program on behalf of local government.

**Dr JOHN KAYE:** You estimated last year or the year before that 3,000 greyhounds are euthanased each year in New South Wales. That estimate is lower than McEwan and Skandakumar, who had 17,000 nationally, which is about 6,000 in New South Wales. Where did you get that 3,000 figure from?

**Mr HOGAN:** As I have said, this issue is particularly complex. The issue needs to be put against the context of this being part of a national industry with the transportability of animals across State borders, it needs to be put in the context of the legacy information systems that we inherited and their limited capacity to track post-racing movements of greyhounds.

**Dr JOHN KAYE:** We accept that, Mr Hogan. The question is that you said you estimated 3,000; where did you get the 3,000 figure from? That it is substantially lower than the figures estimated by other people.

**Mr HOGAN:** In relation to that component of your question, that is our best estimate based on the information that we have. That information obviously relates to the data that we collect in terms of the



registration process, our knowledge of the number of greyhounds that are transferred interstate and overseas, our knowledge of the greyhounds that are kept for breeding purposes, our knowledge of the greyhounds that are rehomed, and from that we were able to come up with our best estimate. It is an estimate.

**CHAIR:** We are going to have to wind up, Mr Kaye. I have questions to ask too.

**Dr JOHN KAYE:** I have a series of questions I will put on notice.

**CHAIR:** What is Greyhound Racing NSW's relationship with the Government: how would you describe it?

**Mr HOGAN:** We are a unique creation from a statutory perspective. We are obviously a body created by statute but we are independent of government and not subject to ministerial direction. We obviously report to Parliament through our annual report being tabled, but obviously our counterparts in Harness Racing NSW have the same structure, which is unique from a legislative perspective.

**CHAIR:** I want to know what your relationship is when you go to knock on the Minister's door: does he let you in and talk to you, does he not talk to you, how would you typify it?

**Mr HOGAN:** We have a good working relationship with the Minister's office. I would not say it is any different to that type of working relationship—

**CHAIR:** Mr Hogan, it must be different. We know thoroughbreds are more significant. You must not be getting the same favourable treatment from the Government as perhaps the thoroughbred industry is getting. In your own words they have \$15 million for one or two race meets and you are unable to even have them seriously address the issues around the inter-code agreement, which they call a private commercial arrangement. In my view it is not commercial at all, I agree with you in relation to that. You say you think your relationship with government is good and that is nice. How is your relationship with the Minister's department?

**Mr HOGAN:** The Office of Liquor, Gaming and Racing have limited involvement in the day-to-day operations of the racing industry. There are functional type interactions between the department and us, particularly around bookmaker activity, but in terms of a day-to-day involvement in the administration of the sport that department plays a very minimal role. It is a sound working relationship but it is not one that is in active use in terms of what both organisations do.

**CHAIR:** Recently the 15 year review of the inter-code agreement was completed. What actually transpired from that review? There was nothing made public. I went to see the Minister and he said there is something special coming up and wait and see, and then nothing. Do you know what happened?

**Mr HOGAN:** That review has not been completed. The reality of the 15 year review is this: It relates to growth moneys. It relates only to moneys earned by the racing industry over and above what was earned in the previous financial year, and in the financial year just gone TAB distributions were actually lower than they were in the previous financial year. There was no growth money. On that basis our counterparts at Racing NSW did not see fit to complete that review. It is something that is on the table but in many respects it is an academic exercise because there is no growth money to distribute.

**CHAIR:** Does that not go to the heart of the problem in this inter-code agreement, that there is no growth anyway?

**Mr HOGAN:** It is part of the difficulty. Certainly we expect that there will be growth in this current financial year from a TAB distribution perspective. There are a number of new developments—particularly around the international space—that TAB are involved in which are delivering new revenue in this current financial year.

**The Hon. STEVE WHAN:** Can I clarify: did that 15 year review look at growth over the entire period or just a single financial year?

**Mr HOGAN:** Just a single financial year.

**CHAIR:** That is a good question, Mr Whan. It is a 15 year review but it is only meant to look at one year on the other and if nothing happens out of that you get nothing—obviously you got nothing—so it is business as usual?

**Ms McGREGOR:** We have not quite concluded the review.

**CHAIR:** That is a joke.

**Ms McGREGOR:** We are still working with the other codes.

**CHAIR:** I am not blaming you for it—that is what is in the inter-code agreement. It just shows another structural problem with it. When you said that you are still working on it, is this something you have to work on with the other codes?

**Ms McGREGOR:** Yes.

**CHAIR:** Do you have access to the inter-code agreement?

**Mr HOGAN:** Yes.

**The Hon. TREVOR KHAN:** So you have seen it?

**Mr HOGAN:** Yes.

**CHAIR:** You have seen this difficult, scurrilous will-o'-the-wisp agreement that nobody else is allowed to know anything about, including us?

**Mr HOGAN:** Certainly, I have the agreement.

**CHAIR:** You have a copy of it in your desk, do you?

**Mr HOGAN:** In my desk, yes, I do.

**CHAIR:** Do you have a copy with you now?

**Mr HOGAN:** No.

**CHAIR:** So you will not be mugged for it on the way out.

**The Hon. TREVOR KHAN:** Can you give us a copy?

**Mr HOGAN:** The trilogy of agreements is from privatisation and has strict confidentiality clauses that require us to—

**The Hon. STEVE WHAN:** Can we look at that, because we might be able to see that?

**Mr HOGAN:** —which would require us to seek agreement from the other codes.

**CHAIR:** We can subpoena that from you and you will have to offer it up.

**Mr HOGAN:** Yes.

**CHAIR:** I will ask you to consider it and I will write to you to that effect.

**Ms McGREGOR:** We will take it on notice.

**CHAIR:** You can take it on notice and subject to the result of that the Committee may then consider its position in relation to that deed.

**The Hon. TREVOR KHAN:** If we write and he writes back and says, "I cannot give it to you", then we can summons it.

**CHAIR:** That's right. That is the gist of it.

**Mr HOGAN:** Clearly we will comply with any such subpoena.

**The Hon. TREVOR KHAN:** You will, yes.

**CHAIR:** Yes. This is nothing personal but this agreement that is continually referred to as "commercial" in my view is far from commercial. It needs to be opened up and sorted out and reviewed. You talk about the movement of better performing greyhounds interstate and elsewhere and it seems commonplace from the submissions: How does that impact the New South Wales industry's product quality and programming? What is it doing to you?

**Mr HOGAN:** What it means in practice is that the higher quality greyhounds will move to Victoria. Those are the greyhounds that are going to attract the most public interest, if you like. In other practical terms, one thing that we struggle with in New South Wales is staying races—that is, distance races. Distance races are particularly attractive from a wagering perspective because of the level of prize money. If owners and trainers have high performing distance dogs then financially they will be encouraged to move them interstate so that limits our capacity to run such races in this State. What it ultimately means is that the quality of the race product we produce and put on television screens is generally of a lesser standard compared to the product being put on screen in Victoria, and, for those consumers who bet based on quality, that is obviously negatively impacting on us.

**CHAIR:** I notice the submission said that Mr Landa, who was the Integrity Auditor of Greyhound Racing NSW, left in 2012. Are you aware of or can you tell us why he left?

**Mr HOGAN:** Certainly, Mr Landa approached Greyhound Racing NSW in 2012—he was at that point in time the Integrity Auditor for the industry—stating that he wanted to carry out a review of swabbing practices. Such an audit had recently been completed by Greyhound Racing NSW through the Internal Audit Bureau [IAB], who we use for internal auditing practices.

**Dr JOHN KAYE:** Is that a body within Greyhound Racing NSW?

**Mr HOGAN:** No, the Internal Audit Bureau is a trading enterprise of the State Government which we use for internal auditing purposes. Mr Landa in that process had indicated to us on several occasions that he had no issue of particular concern regarding swabbing but rather an agenda to expand the role to include public hearings on a biennial basis into matters of his choosing. From the organisation's perspective, we had concerns as to whether or not that was consistent with what was provided for in legislation and we received an initial cost estimate for that single review of \$175,000. The period when this was occurring was when the new board was coming into place. The board obviously wanted to have a discussion with Mr Landa about what his proposal was and to talk about the benefits and how it would work. The board, through my chairman, Eve McGregor, invited Mr Landa to attend a board meeting to discuss his proposal. Mr Landa resigned before he took up that option of meeting with the board.

**Dr JOHN KAYE:** So the internal audit was done by the Internal Audit Bureau?

**Mr HOGAN:** Yes.

**Dr JOHN KAYE:** What experience does the Internal Audit Bureau have in the area of auditing drug sampling?

**Mr HOGAN:** They are extremely experienced in the area of auditing regulatory agencies within a government framework. The principles of audit are common regardless of the nature of the activities performed. I put it to you that the Internal Audit Bureau is probably better placed than many private practice firms to do that. The Internal Audit Bureau has been used within the racing industry by State governments, both current and former, in relation to reviews of controlling bodies, including the former Greyhound and Harness Racing Regulatory Authority. Indeed their services have been used to investigate issues of regulatory concern by successive governments.

**Dr JOHN KAYE:** Did they look at the issue of the integrity of samples? Did they actually ask the question of whether there was a relationship between the analysts and the stewards? Did they look at those sorts of questions?

**Mr HOGAN:** They looked at the entire process, from start to finish, of how we go about collecting samples, how they are transported, how they are stored, and what policies and procedures are in place.

**Dr JOHN KAYE:** I have just one last question. Is that report available publicly?

**Mr HOGAN:** No, it is not.

**Dr JOHN KAYE:** Would you provide that report to the Committee?

**Mr HOGAN:** I can certainly take that on notice and get a response.

**CHAIR:** Dr Ted Humphries has claimed that doping is widespread in the greyhound racing industry. How do you respond to those allegations?

**Mr HOGAN:** Simply by saying that that is not something I agree with. Any review of the facts would absolutely destroy such an argument. The reality is this: Last year we took 5,562 samples from which there were 35 positive results. They ranged in terms of the substances detected from therapeutic substances used to treat minor injuries through to what you would consider pure performance enhancing substances. That is 0.6 per cent of samples returning a positive result. There is absolutely no factual basis upon which to say that there is a drug problem within this industry. Our results have been relatively stable over the last decade and they are relatively consistent with what is achieved across the nation both from a greyhound racing perspective and for racing more generally.

**CHAIR:** We are running over time so we will have to end our questioning there. We have run well over time, and we did start a bit late. We are going to hold further hearings in February and what we might do is ask Greyhound Racing NSW to appear again before us. I am having such a great time talking to you and you are giving us such good information that I think what we will do, if you agree, is to have you come back in February to continue our discussion. I thank you very much for coming today. The Committee has resolved that answers to questions taken on notice, and I think you did have a couple, are to be returned within 21 days. The secretariat will contact you in relation to the questions you have taken on notice. Thank you very much for coming and I hope we will see you again in February.

I would like to announce that, due to a sudden increase in the parliamentary legislative program, we have had to defer the public hearing and forum which was scheduled to be held in Wallsend on 25 November until early February 2014. So effectively what we are doing is moving that hearing to early February. We will then convene in Parliament House later in February for another meeting, which will probably be a full day's hearing. Details will be updated on the Committee's website as they become available so please keep your eye on that.

**(The witnesses withdrew)**

**SUSAN THERESE ABSALOM** Director, New South Wales Greyhound Breeders, Owners and Trainers Association,

**GEOFFREY LEON ROSE**, Chairman, New South Wales Greyhound Breeders, Owners and Trainers Association, and

**BRENTON JAMES SCOTT**, Executive Officer, New South Wales Greyhound Breeders, Owners and Trainers Association, sworn and examined:

**CHAIR:** I welcome witnesses from the New South Wales Greyhound Breeders, Owners and Trainers Association. I will talk briefly about adverse mention. I remind everybody 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 that witnesses focus on the issues raised in the inquiry's terms of reference and avoid naming individuals unnecessarily. I also remind witnesses and members of the media that parliamentary privilege does not apply to what witnesses say outside the Committee hearing. So, please, be cautious about any comments you make to the media and others after you have completed giving evidence.

**Ms ABSALOM:** I am a Director of the New South Wales Greyhound Breeders, Owners and Trainers Association and have been elected by the metropolitan members of that association. I am here representing the association.

**Mr ROSE:** I am the Chairman of the New South Wales Greyhound Breeders, Owners and Trainers Association. I am elected by the north-west area.

**CHAIR:** Ladies and gentlemen, we will have a break after this group of witnesses so that everybody can have a cup of tea. While we are in session we would prefer it if everybody in the room could sit down. It is difficult to hear in here at the best of times and having people moving around, talking and making noise is not conducive to running a proper inquiry. I ask everybody in the room to take a seat. Would any of the witnesses like to make an opening statement?

**Mr SCOTT:** On behalf of the chairman, directors and members of the New South Wales Greyhound Breeders, Owners and Trainers Association, I thank the Committee for the opportunity to present to today's hearing and, further, for the wider concern being shown by the Committee in conducting the inquiry with such detailed terms of reference. By way of background, the New South Wales Greyhound Breeders, Owners and Trainers Association is a statewide organisation that manages nine greyhound tracks, including at the metropolitan TAB and non-TAB level. It also advocates for participant issues on behalf of approximately 1,300 members. The association has contributed to the inquiry thus far with the presentation of two submissions. Submission No. 383 is a standalone submission that addresses the regulatory and animal welfare terms of reference. The second submission—submission No. 380—is a combined submission with other major industry stakeholders and deals with the financial terms of reference.

With regard to the regulatory issues, the New South Wales Greyhound Breeders, Owners and Trainers Association's submission has suggested a number of refinements that may improve governance of the New South Wales greyhound industry. In particular, we believe, for instance, that the appointment of an integrity auditor should be an independent process and as much transparency as possible should apply to the findings of that auditor. We believe that the board of Greyhound Racing NSW should include both independent and industry representative members. We believe that the Greyhound Racing Industry Consultative Group can and should play a more substantive role in contributing to industry direction. However, it needs to be properly resourced if it is to carry out this role as effectively as possible.

We believe that the current swabbing procedures of Greyhound Racing NSW can be enhanced by at least some element of those swabs being taken via a random selection process. Currently Greyhound Racing NSW relies almost exclusively on targeted swabbing. The New South Wales Greyhound Breeders, Owners and Trainers Association believes that a random selection procedure is an important but currently overlooked deterrent at New South Wales TAB tracks. We believe that the macro management of greyhound racing by Greyhound Racing NSW has undergone ongoing improvement.

Operating standards, guidance and support provided to clubs, the development of a public relations department and the provision of racing form data and so forth are areas in which Greyhound Racing NSW has

made considerable and commendable inroads. However, Greyhound Racing NSW manages an industry with increasing capital development needs, high workplace and safety requirements, increased macro marketing demands and a racetrack infrastructure that many would consider outdated when compared to the track presentation of our Victorian counterparts. These issues are very much on the Greyhound Racing NSW radar but can be addressed properly only with an influx of funds.

With regard to the animal welfare issues, the New South Wales Greyhound Breeders, Owners and Trainers Association puts to the Committee that the New South Wales greyhound industry takes this issue seriously. The safety and wellbeing of the greyhounds on a whole-of-life basis is intricate and it is an approach that is being adopted by the controlling authority, by the club structure and increasingly with great vigour by the participant infrastructure. Greyhound Racing NSW has introduced its own welfare and veterinary unit. It is a positive innovation, it is ahead of the pack and it is a genuine commitment. Veterinary surgeons are present at all race meetings and New South Wales was the first code to do that even at non-TAB level. Kennel standards apply and education of participants is ongoing. The focus on ensuring that more greyhounds are rehomed post racing has never been more intense. The New South Wales Greyhound Breeders, Owners and Trainers Association believes that the foundation stones for the best possible animal welfare standards have been laid and our submission speaks to various initiatives whereby the clubs and the participants in the New South Wales in greyhound industry can work with Greyhound Racing NSW to improve outcomes on a continuous basis.

With regard to the financial issues, the New South Wales greyhound industry finds itself in a perilous position, not because of its own performance but rather as a consequence of funding arrangements which are threatening to bring about the total demise of the industry and which are leaving the vast majority of participants in an unviable position. Some of these issues have been raised previously, but it is important for them to be reinforced. Firstly, there is the inter-code agreement. The facts are very simple. Greyhound racing receives 13 per cent of the distributable profits generated by Tabcorp, yet it generates around 20 per cent of the turnover that produces that profit. The inter-code agreement is in place for 99 years and that means that the New South Wales greyhound industry subsidises the thoroughbred and harness racing industries to the tune of approximately \$15 million per year. Issue one: \$15 million worth of cross-subsidisation.

Secondly, a taxation disparity exists between the New South Wales and Victorian racing industries. In simple terms, the tax on revenue in Victoria is half that which applies in New South Wales. The effect of this is that whilst New South Wales and Victorian punters generate similar turnover with Tabcorp, the Victorian industry pays its Government \$15 million and the New South Wales industry pays its Government \$30 million. That is a \$15 million variance. Second issue: \$30 million dollars a year. As Greyhound Racing NSW said, that is the gap that now exists between two States generating the same level of turnover and making similar contributions for the State's benefit by provision of a pastime. A financial disparity of that level is simply unmanageable. The combined impact of the two simply provides Victoria with a competitive advantage that must be addressed or the migration trends that Greyhound Racing NSW referred to—the capacity for this sport, industry and pastime to continue to be provided as it is has been in New South Wales, and importantly in many regional areas—will continue and the local industry will all but vanish.

I want to draw home one more point. I draw the Committee's attention to the \$37 million versus \$22.5 million in prize money equation last year. Greyhound Racing Victoria recorded a substantial profit but Greyhound Racing NSW incurred a loss. That is a massive difference. Greyhound Racing NSW has spoken to the two issues where we have attempted to get reform in the past. The first was the Cameron report. It made hook, line and sinker recommendations in favour of the greyhound industry, but the action by the Government was zip. The second issue is the 15 year review. Whether we like it or not—and I understand that we will go through the ins and outs, the whys and possibly the witch-hunt associated with the decisions taken when the inter-code agreement was negotiated—the bottom line is that the review mechanism had to be the tool for commercial correction.

However, it was the Government's responsibility to understand that that review mechanism worked and worked effectively. It was a Clayton's review. The industry has gone through 15 years assuming that the deal, which was not good at the time and which has been increasingly disastrous as time has gone by, was our chance. It has amounted to diddly-squat. There were two major issues, and funding wise both add up to \$15 million. There were two major review points: the Cameron report and the review. This industry relies on its capacity to influence the Government for its future sustainability and survival.

**CHAIR:** Thank you. That was very well put. You should get a job in the industry. I am not being sarcastic. It was very well put.

**The Hon. STEVE WHAN:** Thank you for appearing before the Committee. Can you give an illustration of the impact on trainers? We heard from the State body before that the industry still has a large component of what it called "hobby trainers". I presume they are people who do not expect to make a living but who do expect to recoup some funds. To assist the Committee to understand the impact of lack of viability, can you explain the problem for individual trainers and owners?

**Mr SCOTT:** It is primarily funding. This State led the way in terms of breeding activity and provision of racing for a long period. The owners and trainers are still carrying their contribution in that part. The capacity for them to receive returns via prize money is their primary requirement and it does not exist at the current time. For instance, metropolitan racing struggles to keep pace with Victoria. We have only one genuine metropolitan night of prize money and the second one is towards three-quarters of that level. Our TAB-level prize money is now well below that of Victoria. As I said, they seem to have that in the tank and that is likely to increase. From a group racing perspective, which is the pot of gold at the end of the rainbow, we now have a situation where the majority of the higher-level races are taking place in Victoria and the New South Wales industry's capacity to keep pace with the growth occurring in other States is limited. That cascades down into less enthusiasm and less desire for people to participate and purchase and eventually that leads to the industry being less able to make a contribution to the State.

**The Hon. STEVE WHAN:** Ms Absalom or Mr Rose, can you tell the Committee what a trainer with two or three dogs is thinking at the moment? Why are they finding it difficult? What are the finances like? What are the costs?

**Ms ABSALOM:** There are feed costs. Can I tell the Committee about our situation?

**CHAIR:** That would be perfect.

**Ms ABSALOM:** We buy our meat from the local butchers and it is not cheap. We buy top-grade Kibble. The dogs also have supplements, biscuits and a stew once a week. That is just the feeding side of things. There are also all of the training fees. We trial and swim dogs. That all costs money and there is the petrol to get there and back. Sending them down to the slipping track for free galloping also costs money. Vet fees are very expensive. Our dogs are regularly checked by the vet and before and after they race. Of course, there are all the other things like bedding, rugs in the winter and so on.

**The Hon. STEVE WHAN:** What is the monthly cost of keeping a dog in racing condition?

**Ms ABSALOM:** I try not to think about it. I do have a book at home with the costs. We are many thousands of dollars behind. We had four dogs and I said to our previous racing manager that if they do not earn \$40,000 we will finish behind. They did not earn \$40,000 and they are now pets. It would be \$40,000.

**Mr ROSE:** I see that there are three sides to it: the metropolitan, the TAB and the non-TAB. I run a non-TAB track in the north-west in Gunnedah. I assume it is the same everywhere such as Moree, Lithgow and all the outer regional centres of New South Wales that some of those clubs are only paying \$280 a win. Being conservative, you are paying \$3.40 or \$4 a kilo for racing mince. Most greyhounds would probably eat half a kilo or three-quarters of a kilo, something like that. It depends on the size of the dog and it depends on what they race at.

**The Hon. STEVE WHAN:** How often?

**Mr ROSE:** Daily. On average, a dog is probably eating \$3 worth of meat a day and then you have got the kibble. A bag of kibble will probably cost you about \$40. That is just to feed them. That is not including their vitamins or their veterinary costs. When you are getting \$280 and \$300 it is just not survivable. People are walking away from the industry because there is not enough money coming into it.

**The Hon. STEVE WHAN:** In your opening comments you mentioned that you support random selection of swabbing. I also asked that question of Greyhound Racing NSW, who think that their current system is okay. Why do you want to see random selection? Where is the flaw in the system, and is there anything you can point to that shows why that is needed?

**Mr SCOTT:** I will clarify that we do not have a difficulty with the quantum of swabs that are being taken.

**The Hon. STEVE WHAN:** Your problem is with the selection process.

**Mr SCOTT:** We also believe that many of the efforts that have been made in terms of the targeting have been successful innovations and they perhaps lead the pack in some of the procedures in place. However, the system has to be improved by having a random element at least. The process of swabbing can be traced to one simple fundamental: nobody can be trusted. If you track that through then the whole process of swabbing is to work out owners and trainers that might have to be kept on the straight and narrow by some process. It follows that any officials that are involved in that process also are unable to be in any way influential over the random process. Whilst we do not say that the system should be totally reliant on a random element, it clearly adds to the process. It enhances it, it makes it more transparent and it is a system that has widespread support from owners and trainers. That in itself leads me to believe that they believe that it is a very successful deterrent.

**The Hon. STEVE WHAN:** That is going back to the red marble, is it?

**Mr SCOTT:** It is coming back to a random process of some kind. If it is the red marble then so be it. If it is less significant than it was before then so be it, but there needs to be a random element.

**The Hon. STEVE WHAN:** Mr Scott, you spoke about the review mechanism for the inter-code agreement. Was the review mechanism negotiated as part of the original inter-code agreement?

**Mr SCOTT:** The Greyhound Breeders, Owners and Trainers Association [GBOTA] was involved in the process at the time. Obviously, at the time of negotiation the Greyhound Racing Authority had the major responsibility and the power of signatory. They put in place a process where industry bodies at that time were consulted and therefore were able to influence negotiation.

**The Hon. TREVOR KHAN:** Did your association oppose the agreement?

**Mr SCOTT:** I put my association's position to the meeting, which was that some of the financial numbers that were previously put by GRNSW I would think ought to be further investigated here. My understanding was that the market share on New South Wales product with the New South Wales TAB was in excess of 15 per cent, but the weighted average of turnover on all greyhound race meetings with the New South Wales TAB was at a much lower level and had been for some period of time.

**The Hon. STEVE WHAN:** Maybe we can come back to that. A lot of people are interested in the agreement overall but I am particularly interested in the review mechanism that said there would be a 15-year review as well as the growth in revenue that the agreement covers. I was aware that it looked at the distribution of growth in revenue but I had assumed until today that it was the full 15 years growth in revenue and was not based on a single year, which seems to be the impression we were given earlier. Was it part of the negotiation that happened at the time or was the review mechanism something imposed from somewhere else?

**Mr SCOTT:** I put to you that I was not front-line on that particular issue but the general understanding that we had was that that was a 15-year review without any particular restrictions. We would argue that that review was put in place to say who knows what is going to happen over the next 15 years and there is a checkpoint at some point. At that time I did not see the drafting of that clause and I have not seen it now; however, it was my general understanding at that point that it was going to be a proper review mechanism.

**The Hon. STEVE WHAN:** Who does have the drafting of that clause?

**Mr SCOTT:** As I understand it, the position is that it is an agreement held in commercial confidence between the three controlling authorities and so any release of that would have to, I assume, have the agreement of those three bodies.

**CHAIR:** We can overcome that.

**Mr SCOTT:** If they wanted to voluntarily. You could clearly override it.



**CHAIR:** Even though your organisation was part of the negotiation you currently have no access to that agreement?

**Mr SCOTT:** No. Our organisation has formally applied for it and we have been told that access is provided only on the grounds of the three codes agreeing to it and, loosely, I understand that the other two codes believe that it should be held in confidence.

**CHAIR:** I can understand why. If I was on a good lurk like that I would not let it out either.

**Mr SCOTT:** Having said that, I do not think there is any lack of knowledge now as to what the review clause actually implies.

**CHAIR:** And to clarify?

**Mr SCOTT:** It is only about growth moneys so unless there is growth the review has no capacity to review.

**The Hon. STEVE WHAN:** What growth has there been in the 15 years since it was signed? Does that factor in at any stage? Surely, there has been growth.

**Mr SCOTT:** No.

**The Hon. STEVE WHAN:** There has not been any growth?

**Mr SCOTT:** There has been growth but it does not factor into that review clause.

**The Hon. TREVOR KHAN:** As you understand it, is the review process a meeting of the three codes in a room for a chat to see if they can reach an agreement or is there a mechanism for mediation if agreement is not reached?

**Mr SCOTT:** The question would be better put to GRNSW, but my understanding is that there is no particular process to it other than the three codes have to agree to how they will divide growth moneys or else those growth moneys will not be divided. So they will be held, but there are no funds being held.

**The Hon. TREVOR KHAN:** If your association had some involvement in the original negotiation of the inter-code agreement, in reviewing that agreement did your association agree to its terms? It is a yes or no, really.

**Mr SCOTT:** I do not think it is a yes or no, with respect.

**The Hon. TREVOR KHAN:** The problem is that if what is being proposed is that the people of New South Wales are to, in a sense, fix the problem that the code was involved in creating in the first place by signing up to a dud agreement then in the entering into the original agreement the participants really have to be up-front and say, "How the hell did you get yourself into this position?" You are presented with an agreement that we are now being told is an absolute lemon. Why did you not pick that up at the time? If you did pick it up, surely there is a resolution on your books that says that you did not like it.

**Mr SCOTT:** I will try to take you into the environment that we were in. I am being as open and candid as I can.

**CHAIR:** Order! Let Mr Scott give his evidence.

**Mr SCOTT:** I am a party there of influence, not a party that was there to sign it. I am trying to be as honest, up-front and informative as I can be.

**The Hon. TREVOR KHAN:** We accept that.

**Mr SCOTT:** My understanding at the time was that the codes came together on the basis of considering the environment that occurred at the current time, which was post roll-out of major Sky Channel distribution of product and the TAB in Victoria had only recently privatised. That had led to the Victorian

greyhound industry getting an arrangement for 15 years that gave them market share on 50 per cent of the distribution and 9 per cent for the first 50 per cent. The weighted average of that throughout their first 15 years never really got much above the 13 per cent because the first 50 per cent base was so low.

**Dr JOHN KAYE:** Please give me those numbers again.

**Mr SCOTT:** When the Victorian TAB industry was privatised the formula worked on two pools. One was 50 per cent of it at market share and the second was on a fixed-rate basis. The greyhound industry in Victoria had 9 per cent in the fixed base and market share in the second. It was not a particularly strong number but they did have the market share component that obviously grew as the 15 year period went forward. For whatever reason, in New South Wales there was pressure for it to be on a fixed percentage basis and so the argy-bargy went through and they agreed to that number.

**The Hon. TREVOR KHAN:** Your association is in some way involved. I simply want to know why your association apparently agreed to it.

**Mr SCOTT:** The broken record stance of my association was what we get now plus 15 per cent of growth. But we were a voice amongst a number of contributors to that process. In the end the entire industry was left with something whereby the total distribution to the three codes was at about \$125 million under TAB up to about \$175 million divided between three codes as a result of privatisation. So there was new money coming in. There was desperation amongst the three codes and all sorts of pressure for that deal to be done. It is wrong to say that you can simply have a position that you could hold out to until the death when you did not have the power of signatory. We went through the process, we contributed strongly and every stakeholder contributed strongly. The best outcome they could get at that time was that outcome.

However, I put to you that there were two tools within the agreement that people expected to have more influence. One was that within the agreement there was minimum provision of race meetings. I think we were somewhere around about 550 and that has grown to 940. The second thing was that there was a review process. If we look at those two, the increased meetings were to be part of what was referred to as a Business and Strategy Committee between the three codes. They were going to grow the product. We expected in that process that where one code grew its product the costs associated with that initiative would be something that the three codes looked at, given this model was all about growing the total pie. That did not happen. In fact, the codes retreated simply to a position where the Business and Strategy Committee, which was supposed to drive the whole programming process, quickly within a few years did not even exist and did not operate.

**The Hon. TREVOR KHAN:** Mr Scott, other members want to ask some questions so I will just say that what I take from your answer today is that is your association did not oppose the signing of the original inter-code agreement. Is that a fair conclusion for me to draw?

**Mr SCOTT:** The entire greyhound industry was consulted by the Greyhound Racing Authority at that point and everybody agreed warts and all at that point to signing it. Having said that, I put one disclaimer that at no point did I think the 15 year review was anything except a total review. The fundamental problem with the Racing Distribution Agreement is not the fact that it might have been a crap deal; it is that it cannot be unwound. People are trying to do that. This body has the power to influence governments that fundamentally have responsibility to do two things: deal with unfairness and unwind what is wrong. Sorry for the emotion.

**The Hon. MARIE FICARRA:** I turn to your submission in which you raise the composition of the board. You call for greater levels of specialised regulation and animal welfare expertise on the board. Please expand on that.

**Mr SCOTT:** We are of the view that a perfect board would have the expertise of independents and that those positions should be filled by people with skills that would contribute to the needs of Greyhound Racing NSW. At the current time you could argue that the regulatory responsibilities of Greyhound Racing NSW have increased and therefore a person bringing to the board specific skills in that area might be an enhancement. In addition, animal welfare is an increasing requirement. If we have a chance to look at the skills base we would suggest that an animal welfare component—a prominent veterinary surgeon or someone to that effect—would enhance the board. Our submission speaks to the fact that you must have the insider's insight or communications breakdowns or lack of empathy would potentially come into the decision-making process.

**The Hon. MARIE FICARRA:** The other point you make is on integrity auditing and that you require an independent process. Please expand on that.

**Mr SCOTT:** In our view the integrity auditor, given the high level of control and autonomy over its operations that Greyhound Racing NSW has, plays an important role. That appointment should be as independent as possible and its capacity to report directly back to the Minister, whilst we do not quite understand how that could occur given the legislation, needs to be dealt with. That position is the watchdog and it needs to be structured so the incumbent is appointed with the capacity to be truly independent with the power to report as a truly independent watchdog.

**The Hon. NATASHA MACLAREN-JONES:** The former integrity auditor, David Landa, resigned in April 2012 and reported that "failings in the legislation make the functioning of this position as an independent oversight, simply not possible". Do you know what failings he was referring to? I would be happy for you to take that on notice.

**Mr SCOTT:** I am happy to take that on notice. We have had considerable feedback from membership.

**The Hon. MARIE FICARRA:** Returning to your submission, you make a point about a requirement of more structured and consistent industry stakeholder consultation. What do you believe are the current inadequacies in Greyhound Racing NSW?

**Mr SCOTT:** There are two points. One is that Greyhound Racing NSW has developed a number of strategies to consult and these have not been consistently implemented. It is improving, and probably much of that relates to workload issues. A more successful innovation from the current chair is the president's and secretary's briefings. If they were to occur to the agreed initial schedule they would be very effective. The second issue we have is that the Greyhound Racing Industry Consultative Group could have a more prominent role. It currently appears to be under-resourced and potentially underutilised. That is particularly so if the industry does not have representation on the board. If the industry has representation on the board then the Greyhound Racing Industry Consultative Group's role is not so important. It has an important role at the moment as a conduit between industry participants and the structure and it needs to be better resourced.

**Dr JOHN KAYE:** To pick up from Mr Khan, I do not understand whether you were shown a copy of the inter-code agreement before it was signed? Did you see the document?

**Mr SCOTT:** At various times we saw elements of the agreement, as any negotiating process took place. I did not see the final document. I understand that the review clause was a late inclusion and therefore I did not read it or see it in black and white, but I understood its intent. That was the key point that both the industry and the Government should have been harder on.

**Dr JOHN KAYE:** You were shown the various parts of various drafts of the report by the body then known as Greyhound Racing NSW, which we accept is different from the current body.

**Mr SCOTT:** Yes, as part of the process.

**Dr JOHN KAYE:** You were shown that in your position with the Greyhound Breeders, Owners and Trainers Association?

**Mr SCOTT:** Yes.

**Dr JOHN KAYE:** You were asked for your opinion on that?

**Mr SCOTT:** I do not know that we were asked for our opinion. At that point all bodies were contributing to a process. Sometimes the consultation was simply updates and sometimes it was asking for specific feedback.

**Dr JOHN KAYE:** But there was an opportunity for you to say it was not a good idea?

**Mr SCOTT:** In reference to?

**Dr JOHN KAYE:** In reference to whatever you were shown.

**Mr SCOTT:** There was the opportunity to influence the outcome.

**Dr JOHN KAYE:** How did that opportunity work?

**Mr SCOTT:** The process was generally that briefings took place where we got fundamental updates on the changing nature of the funding arrangements and key clauses that were open to negotiation.

**Dr JOHN KAYE:** You were shown and you fed back to Greyhound Racing NSW?

**Mr SCOTT:** In effect, yes, to Greyhound Racing Australia as it was then.

**Dr JOHN KAYE:** You gave feedback to Greyhound Racing Australia.

**Mr SCOTT:** All stakeholders had that opportunity.

**Dr JOHN KAYE:** Apart from the review clause, did you see the revenue-split clauses at any stage?

**Mr SCOTT:** Yes, we understood the modelling that applied as it shifted to a fixed percentage, but that was connected to issues such as being for a minimum level of race meetings. We were under the impression that as race meetings grew then arrangements would change and we put a lot of faith in the review clause.

**Dr JOHN KAYE:** There was a final signing of the agreement when it was agreed to. Were you present at the final signing of the agreement?

**Mr SCOTT:** Absolutely not.

**Dr JOHN KAYE:** Were you ever present at a meeting between the three codes?

**Mr SCOTT:** A meeting between the three codes, of course.

**Dr JOHN KAYE:** To discuss specifics of the agreement?

**Mr SCOTT:** In various ways I was and so were many others.

**Dr JOHN KAYE:** I go to swabs. You talked about random selection of swabs in order to spread the deterrent factor. Who observes a swab being collected?

**Mr SCOTT:** I defer to Susan.

**Ms ABSALOM:** The trainer.

**Dr JOHN KAYE:** Who collects the swab?

**Ms ABSALOM:** Or the kennel hand, whoever is handling the dog. Removing random selection at Wentworth Park is one of the issues with Greyhound Racing NSW. I understand we have put on another employee.

**Dr JOHN KAYE:** We being who?

**Ms ABSALOM:** The Greyhound Breeders, Owners and Trainers Association as a club. As I understand, we have put on an employee to take the swabs.

**Dr JOHN KAYE:** Does the Greyhound Breeders, Owners and Trainers Association collect the swabs?

**Ms ABSALOM:** No, we have a person who collects the swabs. I have to admit that the last time I was involved in having a pre-race swab the vet collected it, but we have someone to take the swabs.

**Dr JOHN KAYE:** I am confused. When you say "we", you are talking about Greyhound Breeders, Owners and Trainers Association?

**Ms ABSALOM:** Yes.

**Dr JOHN KAYE:** What role does the Greyhound Breeders, Owners and Trainers Association play in the swabbing process? I had understood it was Greyhound Racing NSW.

**Mr ROSE:** Normally the vet or someone appointed by Greyhound Racing Australia or Greyhound Racing NSW takes a swab at the track.

**Dr JOHN KAYE:** Is it normally the vet?

**Ms ABSALOM:** That is my understanding of it.

**Dr JOHN KAYE:** I have three options and would like somebody to clarify. Is it the vet, an employee of Greyhound Breeders, Owners and Trainers Association or an employee of Greyhound Racing NSW?

**Mr ROSE:** Where I am, at Gunnedah, the vet takes a swab with the owner or the handler of the greyhound.

**Dr JOHN KAYE:** Are two people present?

**Mr ROSE:** That is right; the one handling the dog and the vet taking the urine sample.

**Dr JOHN KAYE:** Presumably the vet is an employee of Greyhound Racing NSW?

**Mr ROSE:** Yes, they are employed by the club that has to provide a vet on the course, and that is a part of the vet's job.

**Ms ABSALOM:** It depends on what sort of meeting it is. Yours is a non-TAB meeting.

**Mr ROSE:** Yes.

**Ms ABSALOM:** Ours is a metropolitan meeting. We have a minimum of 10 swabs taken on a Saturday night.

**Dr JOHN KAYE:** Who collects those swabs: an employee of Greyhound Breeders, Owners and Trainers Association, an employee of Greyhound Racing NSW or an employee of the club?

**Ms ABSALOM:** My understanding is that we put on an extra person, or was Greyhound Racing NSW put on? Someone collects the swabs, not always the vet. Vets do not have time to collect them and do all the work, but I do not think the process of collecting the swab is the problem.

**Dr JOHN KAYE:** I want to know who collects the swab and who is present when the swab is taken. Please take the question on notice. You might not think it is a problem, but I want to know how many people are present when a swab is taken.

**Ms ABSALOM:** Two.

**Dr JOHN KAYE:** The trainer and another person who is collecting the swab are present, but we do not know who that person is employed by?

**Ms ABSALOM:** Yes.

**Dr JOHN KAYE:** I understand the sample is then sealed. Is that correct?

**Ms ABSALOM:** Yes.

**Mr ROSE:** That is right.

**Dr JOHN KAYE:** What happens to the sealed sample from that point on?

**The Hon. MARIE FICARRA:** You want to know the process, don't you?

**Dr JOHN KAYE:** I am asking the process questions.

**Ms ABSALOM:** The continuity of evidence.

**Dr JOHN KAYE:** There have been allegations of lack of integrity in handling the swab process. I am looking at the breeders' and owners' perspective of what happens to those samples. If you do not know, that is fine.

**Ms ABSALOM:** We do not know.

**Dr JOHN KAYE:** It just disappears and you get it back?

**Ms ABSALOM:** Yes.

**Dr JOHN KAYE:** I turn to dogs that do not make it to the racetrack. We were told that some 3,200 dogs of the 8,000 born each year do not make it to a racetrack in New South Wales. We were also told that some 52 dogs, some coming from the 3,200, go through the Greyhound Adoption Program run by Greyhound Racing NSW and there are other adoption programs. Would it be fair to say that a large number of dogs do not go through an adoption program or make it to the racetrack? I know a number of breeders take great care of their dogs; I am not making allegations or any imputations against you, Ms Absalom. Please comment on where those dogs end up. I accept rehoming is excellent, but it does not account for a major component of the 3,200.

**Ms ABSALOM:** I do not know. The fact is a dog has litters of pups and those litters do not consist of just one or two pups. Anything can happen to the pups as they go through. One fellow in my branch lost two litters to bad vaccines. How the vet got the bad vaccine, I do not know.

**Dr JOHN KAYE:** But that would not be the normal course of events.

**Ms ABSALOM:** Yes, and snakebites and things like that. This could explain some of the reasons that not all dogs make it to the track.

**Dr JOHN KAYE:** Are you saying that medical misadventure explains the disappearance of somewhere in the order of 3,000 a year?

**The Hon. TREVOR KHAN:** No, that is not what she said.

**Ms ABSALOM:** No, that is not what I am saying. I do not know the number. My son looked at one month and he got fewer than 3,000 if you extrapolate the figure, but that sample is too small to be representative.

**Dr JOHN KAYE:** It is not statistically valid.

**Ms ABSALOM:** Yes, that is right. I do not know.

**Dr JOHN KAYE:** I was not picking on you; I was trying to get some information.

**Ms ABSALOM:** I know.

**CHAIR:** Do you have any comments on the selection process for the board of Greyhound Racing NSW?

**Mr SCOTT:** We do. We believe that process would be better handled if it were undertaken independently. A number of recruitment agencies specialise in director appointments and that would be the most logical process to be applied.

**CHAIR:** Please describe to us the current system of how the board is appointed.

**Mr SCOTT:** The current system is that there is the board. The board selects a selection panel. That selection panel then asks for applicants to apply to certain criteria, and they make recommended appointments.

**CHAIR:** I am sorry?

**Mr SCOTT:** They make recommendations to the Minister, sorry.

**CHAIR:** You are saying that the existing board appoints a selection panel, the selection panel then—

**Ms ABSALOM:** Sorry, do you want me to answer? I actually applied for the last board of GRNSW. I was one of the unsuccessful applicants. As I understand it, the Minister appointed the selection committee and the probity officer. There was a selection committee of three and a probity officer. There were advertisements in the paper and we applied, as you would for a job, and some of us were called up for an interview. We had an interview with the three members and the probity officer was there. Those members of the selection committee chose the people—those who won selection—and, as I understand it, the Minister could not reject those people that they chose.

**CHAIR:** What you are saying is that the Minister appoints the selection committee.

**Ms ABSALOM:** Yes.

**CHAIR:** The selection committee, in its absolute discretion, goes through the selection process and appoints the board of Greyhound Racing NSW.

**Ms ABSALOM:** Yes.

**CHAIR:** Greyhound Racing NSW under statute is separate and non-accountable to the government of the day, but the government of the day has a hand in actually deciding who is on the board through the selection panel.

**Ms ABSALOM:** Yes.

**CHAIR:** The Government in its own right has its fingerprints all over the selection panel in terms of selecting who is going to be on the selection panel. Who is on the current selection panel?

**Ms ABSALOM:** I do not know.

**CHAIR:** You do not know?

**Ms ABSALOM:** I do not know. Mr Scott, do you know?

**Mr SCOTT:** No.

**CHAIR:** Is this also another deep dark secret, who the selection panel is?

**The Hon. STEVE WHAN:** I do not know if it is a standing panel.

**CHAIR:** It is only brought together at the time? Does anyone know how long the board appointments are? Is it three years, five years?

**Ms ABSALOM:** Some of them were four years and some were two. I think of the five members, three were four years and two were two years.

**CHAIR:** We have them coming in this afternoon. We are saying then, perhaps based on evidence, that the selection panel process is influenced by government and they go through a process of independent selection. Are you trying to say to me that the board therefore is probably not as completely independent as it should be? Is that what you are trying to say to me? You are not saying that?

**Mr SCOTT:** We obviously believe that a mix of independent appointments and representative appointments would be the way to go. If we are going to have the independents, then the addition of a recruitment agency to undertake that process, in our view, would add sufficient transparency.

**CHAIR:** Okay. I will leave that line of questioning there.

**The Hon. TREVOR KHAN:** Mr Scott, were you the executive director at the time when the inter-code agreement was signed?

**Mr SCOTT:** Yes, I was.

**The Hon. TREVOR KHAN:** When the signing occurred, was that a formal signing process?

**Mr SCOTT:** I am not sure how it was actually signed. There have been all sorts of suggestions.

**The Hon. TREVOR KHAN:** Were you present when, for instance, the representative from the Greyhound Racing end actually signed the agreement?

**Mr SCOTT:** I do not believe I was present, as I put to the meeting before, when there was any point where the inter-code came together for signing. There was something faintly in my mind around the racing distribution agreement. It was a bit of pomp and formality to that particular signing, but I had an impression that the inter-code was signed under some form of drive-around by the chief executive officer [CEO] of Racing New South Wales at the time to get the individual signatures of the chairmen. Certainly I did not attend a meeting where we dealt with the inter-code, to the best of my memory.

**CHAIR:** Thank you very much. I think we are about done that with the evidence today. I draw your attention to the fact that the Committee has resolved that answers to questions taken on notice be returned within 21 days. Did you have any questions on notice?

**The Hon. STEVE WHAN:** Yes, there was.

**CHAIR:** There was one? Thank you. The secretary will be in contact with you in relation to questions. Thank you very much for coming today. The Committee will take a short break.

**(The witnesses withdrew)**

**(Short adjournment)**



**DENNIS CARL**, President, Greyhound Action Group NSW Inc., and

**MICHAEL JOSEPH EBERAND**, Member, Greyhound Action Group NSW Inc., sworn and examined:

**CHAIR:** Order! Ladies and gentlemen, can we please have silence. We will recommence the hearing. We are running a little behind time and I want to keep things moving. I thank Mr Carl and Mr Eberand for attending and representing the Greyhound Action Group. Does either of you have an opening statement you would like to make?

**Mr CARL:** First of all, Chairman, I would very much like to express the appreciation of the action group and indeed all participants in the sport of greyhound racing for you convening this inquiry. It is long overdue as far as we are concerned. We have been trying to arrange such a meeting for quite some time and the frustration that exists in the industry is palpable. We are hoping that we can get some result out of this particular inquiry.

Most of what we were going to say has already been said, to some extent. But some of the points I would like to make are, firstly, back around the time of the inter-code agreement being signed, New South Wales greyhound racing was the foremost racing State in Australia. Today we rank so far behind Victoria it is quite ridiculous, and even Western Australia, and I would say Tasmania, are ahead of us, and all we are doing on a continual basis is sliding further in arrears. There is a real economic paralysis in our sport, and the frustrating part is that nobody seems to be listening to us.

We have had promises that have never been kept; we just do not seem to be able to get anywhere. We are going round and round and round, and the frustrations I am sure are evident to some of the people in the upper House that we went to see. But finally we got the meeting that we desired. To that extent I would just like to read one thing here, which is interesting. It says, "Greyhound racing is enjoying a tremendous resurgence with more people than ever discovering its appeal, including some of the biggest modern-day crowds at feature race meetings in Melbourne and regional Victoria." That is the sort of thing that you get out of that State on a regular basis. They have a racing Minister who absolutely promotes their sport, who happens to also be the Premier now, and contained within this media release are statistics that we just love to see: revenue increasing by \$15.8 million resulting in a healthy profit of \$8.6 million; opening of the \$3.2 million Coalition Government GRV funded redevelopment track and patron facilities at Morshead Park at Ballarat; \$2.66 million over the next three years for animal welfare; and so it goes on. We do not see this sort of thing in this State because we do not have it.

The thing that I would like to make very clear is that the hardest working people in the Australian sport are the greyhound participants. They work 18 hours a day, seven days a week, 52 weeks of the year without a break, and all they are seeing at the moment is stagnation, at best, of the prize money while they have got rising costs in all facets of their activities, that variant cost being the main. What we need is an outcome. We need an outcome that gives us fairness and rewards for what we are achieving, and we are achieving plenty—20 per cent on the reduction of prize money that we are seeing.

One of the previous speakers here said that the prize money at his track in the north-west is \$280, which is an absolutely pathetic amount, but bear in mind only one dog out of eight can win that—the other seven are going round for the ride virtually. I do not think there is anything more I need to say. I would rather focus on questions because you focus on the inter-code agreement when it was signed, et cetera. To get to this document is impossible. We have gone upside down and backwards to get this document.

**CHAIR:** We can fix that, Mr Carl.

**Mr CARL:** We have gone through some very strange machinations and been sent up some strange cul-de-sacs. Our understanding is that at the time of the inter-code agreement signature the sport was actually earning 15.62 per cent and we ended up signing for 13 or 13.2. There was a line in the sand sort of thing whilst this was going on; the thoroughbreds would get 70 and the two other codes would get 15 each. That suddenly changed to 17 to harness and 13 to greyhounds. But bear in mind the greyhounds at that time were basically, I would not say quite part-time people, but they were not full-time operatives like Bob Charley, who was of, course, a legal eagle and he was chairman of the AJC et cetera, Jimmy Flanning—these are high-profile, hard-bitten people with a lot of money behind them. We did not have that.

So I think we were at a very big disadvantage at the time and we learned things as we went along. For example, we learnt last year at our annual general meeting of GBOTA that the 15 year agreement provision was for new money only. The industry did not know that until that meeting; that is the first we learnt about it. I think that since the Cameron report was dismissed, or parts of it, affecting the greyhound industry by the then Minister—who, by the way, is reported to have said, "I don't want to be the Minister who put 15,000 stable hands out of work"; that is an amazing statement if it is true, and I am led to believe it is—it just highlights the manner in which greyhound racing and the participants are held, and it is terribly unfair; they are hardworking people, very hardworking people; they deserve a fair go and they are not getting it.

**Mr EBERAND:** May I just add to that please? I am a proud New South Welshman myself. We have got the Melbourne Cup in Melbourne next week—one of the main Australian group events—and the favourite for that cup is a dog called Black Magic Opal. He is a New South Wales dog; he has been purchased by Victorian interests. So there is an opportunity where we could have seen—I am not exactly sure of the prize money for that race; I think it might be \$300,000 or \$400,000—

**Mr CARL:** Five hundred.

**Mr EBERAND:** Five hundred thousand. That money could have come back into New South Wales. As most of us do, we pour our lifetimes into our greyhound racing and that money could have come back into New South Wales and been reinvested here. Not only that, what we are going to see or what we are already seeing is these dogs will raid our group races and take our money back to Victoria. Greyhound Racing NSW spoke earlier of the stayers. Two nights ago I was watching Sky Channel; we had two staying races—this is a 700-metre event, the equivalent of the Melbourne Cup—on the TAB circuit in Melbourne, not major meetings, one of them was worth \$2,000 and the other one was \$1,500. So they have staying races every day of the week.

Staying races are generally regarded as the better product that is more attractive and generates more TAB revenue. In New South Wales last week we had one staying race across the entire State, at Wentworth Park; they had six dogs in it. If there was one less dog we would not have even had that staying race on last week.

**CHAIR:** Thank you.

**The Hon. STEVE WHAN:** Mr Eberand, one of your comments prompts my first question. I am just wondering about the industry of breeding. You are talking about dogs being sold to Victoria. Where is most of the breeding happening? Are you essentially saying that because there is more money in Victoria that Victorian owners are now able to buy the best dogs out of New South Wales?

**Mr EBERAND:** I will answer the second part first and then maybe refer to Dennis on the first. Economically—it is pure economics that the Victorian people are better positioned to buy our dogs—they will generate more money. So if an owner in New South Wales is struggling we will be tempted by the big cash offers and the Victorians will be much better placed to make those purchases, and that is what we are seeing.

**Mr CARL:** The largest breeder/owner in the world of course resides in New South Wales and he races his dogs in Victoria. He said to me, and he has said it to others and he has put it in writing as well, he has been doing that since 2008, that type of area, simply because the prize money is better down there than it is New South Wales. So there is the largest breeder that there is and we lose all the benefit of that. But occasionally he sends his good dogs up here and wins all our good races.

**Mr EBERAND:** Just to add further to what I said, someone mentioned earlier \$75 a week to train a dog. I do not know where that figure comes from. We are costing at \$110. To take the dog to the vet—and they need to go weekly at least—you are looking at a \$30 minimum tab, so we are looking at \$110. On our third tier circuit, so the lesser quality greyhounds, we are racing for \$500 and the general agreement is that half of that goes to the owner. So there is a \$250 collect—if you win—and you are looking at \$110 a week. The other thing is that, in Victoria, the same quality of greyhound will probably be racing for \$1,400 minimum. That is why they are moving to Victoria. Sorry, you asked about the breeding side of things.

**The Hon. STEVE WHAN:** I think I pretty much have the answer, so that is fine, thanks. Some of the previous evidence was about the drug testing regime: random testing versus targeted testing. Do you have any comments you would like to add to that discussion or debate?

**Mr CARL:** No, not really. Being an owner, I do not get involved in that side, but I can see both sides of the argument. The random testing is adequate—more than adequate in fact, as far as I am concerned—and considerably less expensive. The regime we are on at the moment is a very expensive regime and I do not think it does the job any better than the random sampling.

**The Hon. STEVE WHAN:** You would suggest that random sampling could replace the current regime, or you actually see fewer tests overall or—

**Mr CARL:** I think it has to be seriously looked at.

**The Hon. STEVE WHAN:** Is it your experience in the industry that drug use is an issue?

**Mr CARL:** Not as far as I am concerned. Maybe I am immune to these things, but I do not see it at all—I really do not. The people I associate with, predominantly around this area, are all the same as I am. We all want an even playing field—not interested in drugs at all.

**Mr EBERAND:** I have won about five races this year and I have not won a race without being swabbed, so I cannot see how you could get through if you wanted to do it.

**The Hon. STEVE WHAN:** What about testosterone? Has that been an issue in the industry? I got some information about it the other night and I have read a bit since then about different types of products that have been used. Is that an issue for owners at the moment?

**Mr CARL:** Is it Testaprop you are talking about? Again, I am not particularly up on that sort of thing; it has nothing to do with the trainer.

**Mr EBERAND:** I do not think we have submitted to that question and I think Greyhound Racing NSW is probably best to respond.

**Mr CARL:** The one thing I could say, though, is that it is not a very good arrangement when you have one level of requirement in one State and a different level in another State.

**The Hon. STEVE WHAN:** So there are inconsistencies in the way it is administered at the moment?

**Mr CARL:** Definitely, yes.

**The Hon. STEVE WHAN:** Do you have any comments you would like to make on the administration of Greyhound Racing NSW, the cost of administration and the effectiveness?

**Mr CARL:** There are a number of things I would like to say about that, but, first and foremost, the rapid escalation of the costs of running Greyhound Racing NSW is terrifying. I think if you go back to 2003 the figure was something like \$3.5 million a year. This last financial year I think, from looking at it recently, was \$9.5 million. I was looking at one of the submissions in fact from a representative of one of the clubs who was attending a club meeting I think at Greyhound Racing NSW recently apparently where the estimation of the costs of running Greyhound Racing NSW in the year 2016-17 was \$17 million. I have never seen an escalation in costs like that in anything.

**The Hon. STEVE WHAN:** In what areas do you think you could do the job for less, and do you think the job is being done well or do other things need to be done?

**Mr CARL:** It is difficult for me to answer because I do not have a lot to do with them one on one, but I talk to a number of people in the industry and the general attitude there is that the job is not being done well. It even goes beyond that: the attitude is another issue of some significance. Also there is a massive problem in the minds of everyone out there regarding the directors of the organisation.

**The Hon. STEVE WHAN:** In what respect?

**Mr CARL:** We just do not think they are the right people. We are not seeing them.

**The Hon. STEVE WHAN:** Is your issue that they are not representative of you? Is your issue with the way that they are selected, or the way that they relate to participants, or what?

**Mr CARL:** Taking it from the beginning, the way it is selected is altogether wrong in the minds of everybody. You had a selection panel, for example, that consisted of Percy Allan and Richard Zammit, who were ex or past GRNSW. One was the chairman, he was there for nine years, and they selected a board that everyone or most people consider—I certainly do—was a board full of cronies. Cronyism is not what you want. You want a board elected on meritocracy, not cronyism, and that is what exists in this industry—and it has done for a long time, and it goes from not only Greyhound Racing NSW, it goes through to clubs as well.

**The Hon. STEVE WHAN:** If you were to move to an elected board, what would be the basis for that? Who would it represent?

**Mr CARL:** You would set out criteria of expertise which would include accountancy skills and that sort of thing, promotional skills, innovative skills—entrepreneurial type people who can get out there and get this industry moving. They seem to be doing it very well in Victoria, but we are not doing it very well here.

**Mr EBERAND:** I think the action group position, and hearing the Greyhound Breeders, Owners and Trainers Association earlier, was that we would like an independent board to be part of and for us to have a say at board level, whether it be a four-three structure—

**The Hon. STEVE WHAN:** Yes, and I am conscious of the fact that you have gone in with a joint submission, which is good to see.

**The Hon. MARIE FICARRA:** In your supplementary submission No. 1b you have a good comparison in terms of totalisator betting and corporate bookmakers, returns to New South Wales racing codes versus New South Wales State taxes. Can you expand on the point you are getting at via that submission?

**Mr EBERAND:** The point probably is that the amount the corporates pay compared to the TAB seems to be inferior and the contribution they make to the State reflects the same, so my suggestion—and I am no expert in it, that is coming from a zero beginning, but as a new person looking at it we seem to be short-changed.

**The Hon. MARIE FICARRA:** Do you know how that compares to interstate jurisdictions?

**Mr EBERAND:** I think the corporate situation is similar interstate, but I am a little bit uncertain in this area. I know Greyhound Racing NSW has done a lot of work on it and I would suggest, with respect, that they be referred to on these questions.

**The Hon. MARIE FICARRA:** So obviously New South Wales taxpayers are not receiving their due benefits from the profitability of the corporate bookmakers?

**Mr EBERAND:** That is correct.

**The Hon. MARIE FICARRA:** In terms of Greyhound Racing NSW consultation processes, we have talked about board inadequacies and expertise. What do you think about their mode of consultation?

**Mr CARL:** I would have to say, as far as I am concerned, I think the consultation is minimal to nothing. Communication is absolutely atrocious.

**The Hon. MARIE FICARRA:** There are 34 tracks in New South Wales?

**Mr CARL:** Yes.

**The Hon. MARIE FICARRA:** Do you believe that all of those regional tracks will be viable if we can sort something out for the industry?

**Mr CARL:** I think the answer to that is we have to make them viable. They are critically important to their region. At the moment they survive largely because they are run by volunteers. A professional sport is what we are supposed to be. To run it on volunteers is a sad thing.

**The Hon. NATASHA MACLAREN-JONES:** You may have heard the question I asked the previous witness in relation to the Integrity Auditor and the former Integrity Auditor's resignation. Do you have any comments about how that is operating, or any areas you could shed light on as to why he raised concerns?

**Mr CARL:** As far as I am aware, the position of Integrity Auditor is a separately legislated position by the Government—and so it should be. They have to be completely independent. As it turns out, the past Integrity Auditor decided that was not the situation and left. I think it is vitally important that the Integrity Auditor be independent, separate from anybody, but it appears as though he is not and the current Integrity Auditor does not appear to be that way, and I think that is in contravention of the Act.

**The Hon. NATASHA MACLAREN-JONES:** When you say "appear to be", do you have any evidence that you can share?

**Mr CARL:** Only experiences of other people that convey it to me. I have never had any dealings with Mr Gorrie at all, but other people have said to me—I mean you can understand, when you are in the greyhound racing game you go to a lot of tracks and you speak to a lot of people and you get told a lot of things. That is definitely the viewpoint coming through. A lot of people will not go to him because they do not believe they can get anywhere.

**Mr EBERAND:** There is no confidence.

**The Hon. NATASHA MACLAREN-JONES:** It comes back to a flaw within the legislation that is preventing that.

**Mr CARL:** As I understand it, the Integrity Auditor is a totally separate entity, but it is not being applied that way, so without the confidence of that people do not go there.

**Mr EBERAND:** I am not sure what the exact issue is, but there is certainly not confidence that if you have an issue or you feel you are being picked on there is somewhere to go outside the authority itself. I mean the perception is as important as the reality, I think, and that is certainly the feel.

**The Hon. TREVOR KHAN:** Could I take you to page 16 of your submission No. 1, which is "Further Frustrations". The second of the dot points under 4.2 is, "Reducing the funds flow to country clubs and deregulating their race dates." Would you like to explain what the issue is there?

**Mr CARL:** If you take dates off the country clubs—this is my interpretation—you are virtually setting them on a spiral to go out of business. That is what happened. They took dates off the country clubs and transferred them to other venues.

**The Hon. TREVOR KHAN:** Those venues being?

**Mr CARL:** In the main, TAB tracks, such as Richmond, Wentworth Park on a Monday night, et cetera. I think 100 race dates went from the country to other venues.

**The Hon. TREVOR KHAN:** Could I ask when that occurred?

**Mr CARL:** About six months ago—within this year, the middle part of this year. I think that action was taken in lieu of closing tracks because I think the instruction came from the Government that you cannot close tracks, so rather than close tracks they took race dates off tracks and then transferred them.

**The Hon. TREVOR KHAN:** How does taking race dates off a track save it from closing? It would seem to me to be counter-intuitive.

**Mr CARL:** It does not save it from closing; it just delays it. If a track has 50 meetings a year and it suddenly only has 26, you have to believe its lifespan is limited.

**The Hon. TREVOR KHAN:** One would think so.

**Mr CARL:** Yes, and that is what happened, but that is a way of getting rid of a track rather than straight-out closing it because you have been instructed by the Government not to.

**Mr EBERAND:** When I said deregulating, at some stage the decision changed such that the country tracks, if I am correct, can now control the number of meetings they want to have, but the funding they get has been reduced and then that is it going forward. So they have been told, "Reduce your dates or do whatever with them, but that is the money you are going to get", and the feedback we have is that that is not sustainable for them.

**Mr CARL:** It cannot be sustainable; there is no way it can be sustainable.

**The Hon. TREVOR KHAN:** Were the dates taken from particular tracks?

**Mr CARL:** Yes, they were taken from Lithgow; I think they were taken from every track.

**The Hon. TREVOR KHAN:** That does not really help me. Are you able to provide us with a list of the tracks that had their dates cut?

**Mr CARL:** Can I take that on notice?

**The Hon. TREVOR KHAN:** Yes.

**Mr EBERAND:** A lot of those dates were moved to TAB tracks and made C-grade products so they became TAB product and with that comes the extra cost of those meetings. It increases the administration costs at headquarters and we have the issue as participants that we are supplying a damn good product for the \$500 that goes with the C-grade meeting as opposed to the \$1,400 in Victoria, which is at a more sustainable level.

**The Hon. TREVOR KHAN:** I understand that but I am interested in the rationale that Greyhound Racing NSW will apply in terms of why did they move it essentially to a TAB track? What is the benefit that is flowing to the industry by that approach?

**Mr CARL:** The big benefit is to the TAB. They have extra meetings to be wagered on.

**The Hon. TREVOR KHAN:** Do you say that even though the TAB gets a benefit, the industry does not gain from that?

**Mr CARL:** We are locked into 13 per cent.

**The Hon. TREVOR KHAN:** Why does GRNSW do it?

**Mr CARL:** We would like to know that too.

**The Hon. TREVOR KHAN:** I will move onto the next dot point.

**Mr EBERAND:** GRNSW I think feel it is potentially earning incremental for it because of the corporate bookmaker. But when I have asked for figures it is very marginal. As a participant, again, I would say we object to it because we are supplying a high-quality product and not being paid for it.

**The Hon. TREVOR KHAN:** Would you like to say anything more on this subject?

**Mr EBERAND:** No.

**The Hon. TREVOR KHAN:** Will you explain the issue about the manner in which prize money increases are allocated?

**Mr EBERAND:** The point being made is we were promised an updated strategic plan with a full-on consultation process. It has been delayed a number of times. The simple point I am making is whether they are good or bad decisions, because we may well have gone for a consultation and agreed with proposals, there has not been a consultation process. There is now one underway, which was announced after the parliamentary

inquiry announcement. That was overdue. It has been promised to us for some time and major decisions are being made which means we have not had some input to them.

**The Hon. TREVOR KHAN:** Would you provide the Committee with further information with regards to those four dot points in 4.2? I am inviting you in a general sense to expand upon those four dot points so that when the Committee gets GRNSW back in February we might be able to have a more expansive discussion with them on the issues that you raise. Is that all right?

**Mr CARL:** Yes.

**CHAIR:** Do you want to take that on notice?

**Mr CARL:** Yes.

**Dr JOHN KAYE:** I refer to track construction under 2.8.5 on page 6 of your number one submission. You say, "GRNSW has excelled in creating accountability of animal welfare with best practice". You then refer to further track construction on existing sites. Will you explain how that adds to animal welfare? Is my question clear?

**Mr EBERAND:** It is clear. I am just trying to comprehend it and relate it back to the original—

**Dr JOHN KAYE:** I take it 2.8.5 is an animal welfare provision and you say additional track construction. Is it because animals are being harmed in transport or is it because the nature of the tracks themselves is causing injury to animals?

**Mr EBERAND:** Greyhounds are certainly not harmed in transport. It is not in our interests for a greyhound to be in any way not at its best when it gets to the racetrack. Mine get comforted by air conditioning all the way there in the back of my car.

**Mr CARL:** Can we take that question on notice?

**Dr JOHN KAYE:** Yes, please take it on notice. It refers to "rather than dogs and trainers needing to travel excessively". It is suggesting that there is an animal welfare costs associated with transport of dogs, is it not?

**Mr CARL:** Any dog that I know that is transported around is transported in very comforting conditions.

**Dr JOHN KAYE:** In effect, your submission asks for additional funds to construct more track facilities at existing locations. It is, in effect, asking the Government to fund that on the grounds of animal welfare but you are not able to explain to me—

**Mr EBERAND:** I think it is poorly worded so we would like to withdraw that.

**Dr JOHN KAYE:** Perhaps you will provide a better worded version of that on notice.

**Mr EBERAND:** The intention was not animal welfare, it is probably poorly written; it was because of the lack of economics in the industry we have got dogs that traditionally move to country areas through the repurchase and sale are being retained in metropolitan areas and, therefore, for example, we might be racing a dog that can only run 300 metres on a metropolitan track. It was that sort of thing.

**Dr JOHN KAYE:** In relation to staying races, which I understand to be longer distance races, why are there not more staying races in New South Wales? What is the block to there being more staying races?

**Mr CARL:** That is an interesting question actually. We are trying to find that out ourselves. There are good staying races taking place in Victoria on a regular basis. We just simply are unable to get the trainers here to prepare dogs for a longer distance race.

**Dr JOHN KAYE:** I take from your answer, Mr Carl, the problem is that trainers are not preparing dogs? That is to say, if I were a club and I put on a staying race, I would not get enough dogs entering it because the trainers have not trained those dogs?

**Mr CARL:** They are not nominating in a race, that is right.

**Dr JOHN KAYE:** So it is not a problem with Greyhound Racing NSW or the regulation of the industry, it is a cultural thing amongst trainers?

**Mr CARL:** In order to answer that properly we would have to conduct a survey amongst the trainers and find out what their reasoning is.

**Mr EBERAND:** I believe that there is a limited number of dogs that can stay, just as there is horses, and the ones that can are going to Victoria because they are racing for \$2,000 on the provincial circuit and they are racing here for a lot less.

**Dr JOHN KAYE:** Are you taking it back to the issue of prize money which goes back to the issue of the inter-code agreement?

**Mr EBERAND:** Absolutely. It is a funding issue.

**Dr JOHN KAYE:** I refer to drug use amongst dogs, in particular, EPO. There has been a variety of suggestions that there is now an increasing use of EPO, which is a human hormone, being used in dogs which increases oxygenation of the dogs and makes them run faster. If it is given two days in advance of the race it will still impact on the dog's performance and improve it but it will be much more difficult to detect. Are you aware of EPO being used?

**Mr CARL:** I certainly am not, no.

**Dr JOHN KAYE:** Are you?

**Mr EBERAND:** What you just told me there is far more than I would know. The answer to that is "no" and I object to any implication.

**Dr JOHN KAYE:** Sorry?

**Mr EBERAND:** I said I have no knowledge of what you just said in respect to what EPO will do for an animal. I have got no knowledge at all, and I do not know anything of it.

**Dr JOHN KAYE:** You are not aware of any discussion in the industry of EPO being used?

**Mr EBERAND:** No.

**Mr CARL:** No.

**CHAIR:** I refer to the forward process and the inter-code agreement. Will you take me through your understanding of what happened around that time?

**Mr EBERAND:** Firstly, just as a background, the growth money clause was discussed earlier, we have submitted that as attachment J to submission one. It is fairly clear that it is from this point forward. Whatever the turnover was last year, any growth going forward is what is up for negotiation. It is certainly not the difference between the turnover when it was signed off as to now. How they signed that off? At the time, in frustration at the lack of accountability on how the inter-code came about, I set about doing a lot of research on it myself. There were a lot of roadblocks on the way so I have only found limited information.

The first comment I have is that the then Minister sacked an industry board two years prior to the inter-code being signed. It was actually each particular person on the board was government-appointed that locked our industry into this 99-year agreement. After the inter-code agreement was signed, and we were locked in, the then Minister was kind enough to reinstate the industry board. I struggle to see any equity or fairness in that. A relevant point is that prior to the current inter-code agreement the greyhounds were actually on 15 per cent of



growth monies. So the question must be asked: How did they come to sign off at 13 per cent? They dropped 2 per cent. A quote from the GRA annual report 1996-97 states:

The inter-code agreement between the three racing codes has been all but finalised, the only problem being the harness racing industry representatives who are holding out for a larger shares of monies flowing to the racing industries further.

As at the time of this report going to press the thoroughbred industry was attempting to resolve the impasse. Those two were sorting it out yet we went from 15 per cent to 13 per cent and questions must be asked. At the time of this process, at the end of the day, it was a privatisation process which would raise funds for the Government. The Government was keen—it is well documented—to ensure sustainability of the industries. It signed off effectively on the inter-code agreement. There is an attachment that I submitted that I obtained under freedom of information where they ticked it off. It was given a trade practices exemption as per the full hierarchy of documents. I would argue that there was little oversight to ensure that government objectives were achieved on that front. The information I had on the limited research I could find was that it was a fairly messy process from our end. There was little diligence done for us to ensure that the objectives were met. We can thank what was a government-appointed board at the time for it.

**CHAIR:** In relation to the Integrity Auditor, part 3, section 25 of the Greyhound Racing Act 2009, subsection (1) states:

- (1) GRNSW is to appoint a person who, in the opinion of GRNSW, has suitable legal qualifications to hold the office of Greyhound Racing Integrity Auditor.

The auditor is appointed by Greyhound Racing NSW, he makes the recommendation and the Minister approves it? The Integrity Auditor is not an independent position in the sense that you are talking about?

**Mr CARL:** Fair enough. Further to that last question, part of submission No. 299 from one of the participants points out that this particular individual was involved with the Greyhound Racing Authority back in 2000 and many heated discussions took place at that time and it was suggested that the signatories to the deal, this is the inter-code agreement, had been put under extreme pressure to sign off on the deal.

**The Hon. STEVE WHAN:** By whom?

**Mr CARL:** He does not say. You would have to ask 299. One thing that is folklore in the industry, if you like, is that the 15:15 that the harness and the greyhounds were listed as went to 17:13 because of extreme pressure, we have been told, by Peter V'landys on behalf of the trots.

**CHAIR:** Has Greyhound Racing NSW done a good job in seeking to solve funding issues for the industry?

**Mr CARL:** I would say they put together a very good proposition or submission towards the Alan Cameron report. But that was dismissed by the then Minister and we cannot see anything has been done since. That is why the action group was formed to try to get some action taken to solve this problem before anyone went out of business.

**Mr EBERAND:** Can I just add that it is pleasing that Greyhound Racing NSW have come on board on the joint submission.

**CHAIR:** We note the joint submission, especially since it relates to financial aspects of the industry.

**Mr EBERAND:** Greyhound Racing NSW should be credited because they have done a lot of work on that and have shown good leadership—credit where it is due.

**CHAIR:** Do you have a comment in relation to The Gardens project? We have not got much time left.

**Mr CARL:** I will be brief. In my opinion, and many others, The Gardens project would have to be one of the worst decisions and programs that were ever implemented. Upwards of \$10 million has been invested in that program and it is the money of all the greyhound industry participants. It was meant to be the National Coursing Association [NCA] who were going to create this place of excellence—

**CHAIR:** What is the current status of NCA?

**Mr CARL:** They have been deregistered.

**CHAIR:** Who owns The Gardens now?

**Mr CARL:** It is being managed—well, 70 per cent is owned by Greyhound Racing NSW and 30 per cent by the NCA, and it is being managed by the Greyhound Breeders, Owners and Trainers Association.

**CHAIR:** How did Greyhound Racing NSW end up in control of it?

**Mr CARL:** There are a series of loans that were made to the organisers. One of them was a \$1.2 million loan, which eventually became a grant, which eventually became converted to get 70 per cent of the facility. I mean, the whole thing is the worst imaginable you have ever seen in your life, and all of this was under the stewardship, if you like, of the Board of Directors of Greyhound Racing NSW, which is one of the reasons they are considered to be not competent to hold that position. Further to that, an employee embezzled a considerable amount of money, and he is still there. Amazing.

**CHAIR:** We will not explore that right now.

**Mr EBERAND:** I count up six capital injections which I call "rescue packages", including the ultimate purchase. It would be fair for one to ask on each rescue package, why did it simply end up with another rescue package? GRNSW is the supervisor to the industry, so between that and the embezzlement, how can that fall between the tracks is the question.

**CHAIR:** What do you think is the future for The Gardens?

**Mr CARL:** That is a very good question. I am not sure of the situation that exists between GRNSW and the NCA, because the NCA still own 30 per cent of it. It is not a track that is well liked by a lot of people. The infrastructure is, frankly, terrible, and the track is built on a swamp, so you have to be a little bit concerned about the future.

**Mr EBERAND:** We would like to think that that facility overall would be part of the strategic plan consultation process so that the participants can give their views on it.

**Mr CARL:** It has got to be.

**CHAIR:** Thank you very much. We are going to break now for lunch. We will be back from lunch ready to start again at 2.15. If anyone wants to register for the public forum tonight, could they please approach the secretariat? Thank you, Mr Carl and Mr Eberand.

**(The witnesses withdrew)**

**(Short adjournment)**

**GRAHAM RICHARD GORRIE**, Greyhound Racing Integrity Auditor, sworn and examined:

**CHAIR:** Would you like to make an opening statement?

**Mr GORRIE:** My position as Integrity Auditor, as I informed in my submission, it is a position that has been enshrined in legislation in the Greyhound Racing Act 2009. The relevant sections are 26, 27 and 28 of the Act that give specific functions to the integrity auditor. Those functions, in a nutshell, rest with the issues surrounding the conduct of racing officials and as to whether or not any conduct of a racing official is such that it is corrupt, improper or unethical, at the same time having other broader powers under the legislation at the recommendation of myself, the incumbent of the position, or with consultation with the relevant body to undertake specific functions as set out in the legislation. I think that encapsulates in a nutshell what my functions are.

**CHAIR:** Thank you very much.

**The Hon. STEVE WHAN:** Give us a broad overview of how you see the industry sitting at the moment in respect of integrity issues, drugs issues and so on, and whether there are any areas of concern or that should be a concern for this Committee?

**Mr GORRIE:** From June last year to when I was appointed I have dealt with a number of complaints. To date I have not seen any systemic, serious or other issue that has led me to refer the matter either back to the governing body or, for example, to a law enforcement agency for further investigation. Generally the type of complaint that has been put before me has been an issue in terms of perhaps what is seen, and probably unfortunately misleading thinking that the conduct of an official is corrupt, improper or unethical. I think that is something I have addressed in my submission in terms of the communication of what this role is specifically about and what this role does and does not do. Getting back to your question, there has been no instance put before me by any form of communication that suggests there is a systemic issue in relation to the conduct of greyhound racing in New South Wales.

**The Hon. STEVE WHAN:** Do you simply operate on the basis of complaints to yourself or do you do any proactive work to satisfy yourself that things are working well in the industry overall?

**Mr GORRIE:** As well as complaints, I proactively have engaged with the body on a regular basis in terms of perceived changes to policy to inform myself as to the position in relation to the industry at that time. It is an ongoing educative process for me. Obviously when I get a complaint, first and foremost I am able to deal with that readily on the basis of the information I have gained very quickly prior to that complaint coming in.

**The Hon. STEVE WHAN:** What was your history in greyhound racing before you took on this position?

**Mr GORRIE:** My history goes back probably since the day I was born.

**The Hon. TREVOR KHAN:** It would.

**The Hon. MARIE FICARRA:** It is an interesting one.

**Mr GORRIE:** Well, it is. There is a simple reason; I have been involved in racing all my life through my family in three codes. My family raced and bred greyhounds many, many years ago. In my professional life I had 10 years at Tab Limited and Tabcorp and I was head of compliance at Tab Limited across wagering, gaming and media. In my last position with Tabcorp I was general manager of regulatory and compliance in the wagering division so I guess it is not only my interest in the racing industry across the three codes but also my professional expertise in the industry being involved in quite a number of legal matters involving not only licensed persons but also commercial arrangements within racing; I have had quite a bit to do with that.

**The Hon. STEVE WHAN:** What is the balance in appointing an integrity auditor between having someone who is seen as being separate, removed and independent of an industry and someone who is close to the industry and knows a lot of people in it?

**Mr GORRIE:** I guess that is for the eyes of the beholder in the sense of determining whether or not that creates a conflict. There is good and bad in that respect.

**The Hon. STEVE WHAN:** I am saying there is probably a balance.

**Mr GORRIE:** Yes. For me personally, I do not see that there is an issue. My involvement with greyhound racing was back many years. I do not see that my appointment creates any conflict because a lot of people do not know who I am in terms of greyhound racing as it sits now and those people who participate in greyhound racing so I think my independence is untarnished in that respect. I guess with my background knowledge it has come to a decision of the Minister to appoint me to that position.

**The Hon. STEVE WHAN:** Where did the recommendation to the Minister come from?

**Mr GORRIE:** Greyhound Racing NSW.

**The Hon. STEVE WHAN:** I do not know if you heard the evidence earlier but a number of witnesses talked about the drug testing regime in greyhound racing—the current regime of quite a large number of tests versus a more random system. Have you formed a view on whether they have got the balance right at the moment or whether there is a need to continue to look at that?

**Mr GORRIE:** I think there is always a need to continue with it because I think there is evidence that Greyhound Racing has increased their testing regime, their swabbing regime. They have changed the model certainly from an old model called a red marble I believe to a random-based, performance-based swabbing process. I have had the opportunity to review that. I reviewed that in August last year in a very short time frame and came up with the view that even though that was a very short review of the process, all things were being taken into consideration and being adhered to.

**The Hon. LYNDA VOLTZ:** Do you take performance base into consideration in grading greyhounds as well? Drug detection is one issue but what about the grading of greyhounds for races?

**Mr GORRIE:** My knowledge of grading is that it is a system whereby everybody knows where they can or cannot nominate their greyhounds for events. It is my knowledge that where greyhounds have been nominated, stewards have picked up a particular entry and made the decision not to start that dog because of something that has happened, perhaps only a few days before where the dog has won somewhere else. I think that could certainly be aligned to suggesting that there might be some issue there but in my experience I think that does not seem to sit with the issues of the prevalence of drugs.

**The Hon. LYNDA VOLTZ:** A greyhound can perform poorly at a higher grade and therefore get dropped a grade and suddenly perform very well?

**Mr GORRIE:** That is so. That is right, and that is the option that is open to the trainer or the owner in terms of nominating their dog for the particular event that they are entitled to nominate their dog for. I think that gives them some scope in terms of determining where the dog would best perform, with or without drugs, in that aspect.

**The Hon. LYNDA VOLTZ:** In regard to the licensing of owners, trainers and catchers, do you conduct audits of races with that kind of licensing when you have your catchers or is that up to the stewards?

**Mr GORRIE:** It is up to the stewards to determine the bona fides of those people. My role within the legislation relates to the racing officials as opposed to the licensed participants, the trainers, the owners, the handlers.

**The Hon. LYNDA VOLTZ:** As to the attendance of the participants themselves; that rests with Greyhound Racing and the Minister?

**Mr GORRIE:** Yes.

**The Hon. STEVE WHAN:** How are the stewards selected?

**Mr GORRIE:** I believe just on a competitive basis in terms of their experience and expertise and then they are appointed to the appropriate position. I think historically stewards across all three codes have always had a process of apprenticeship, quite an intense apprenticeship in terms of cadet stewards, assistant stewards, senior stewards, deputy stewards and chairman of stewards, so it is a quite lengthy apprenticeship in terms of how a steward is appointed and then continues in their role.

**The Hon. STEVE WHAN:** Are there ways of going about ensuring that they are independent in their decisions? What controls and checks are in place on the performance of stewards?

**Mr GORRIE:** My understanding is that that is a continual process; that the integrity manager of Greyhound Racing is always engaging in performance with the chief steward of each and every steward, so it is an ongoing process to make sure that they are applying the policies, procedures and rules of racing in the appropriate manner.

**The Hon. TREVOR KHAN:** You dealt with four complaints in the last year, is that right?

**Mr GORRIE:** That is correct—in the last financial year, yes.

**The Hon. TREVOR KHAN:** So this is not a full-time position?

**Mr GORRIE:** It is not a full-time position.

**The Hon. TREVOR KHAN:** What else do you do?

**Mr GORRIE:** I am a legal practitioner.

**The Hon. TREVOR KHAN:** I will be quite frank; there was a suggestion this morning that there is a perception that you are not, in a sense, independent of Greyhound Racing NSW. Are you able to enlighten us why there might be that perception?

**Mr GORRIE:** It may be seen, as I think Mr Whan asked me, in terms of how you are appointed because the appointment or the recommendation went from Greyhound Racing to the Minister. That might seem to some to be where there is a clouded view of the independent role but certainly, as I have said in terms of my independence, I made it quite clear when I was appointed that I would, without fear or favour, uphold that role independently.

**The Hon. TREVOR KHAN:** When you undertake an investigation are the steps taken documented?

**Mr GORRIE:** Definitely.

**The Hon. TREVOR KHAN:** And retained by you?

**Mr GORRIE:** Yes, by myself.

**The Hon. TREVOR KHAN:** Is your role in any way subject to oversight?

**Mr GORRIE:** Not as it stands, no.

**The Hon. TREVOR KHAN:** If I can use the example of—

**Mr GORRIE:** Could I just interrupt you there?

**The Hon. TREVOR KHAN:** Sure.

**Mr GORRIE:** Obviously the Minister—I would expect the Minister would want to intervene if there was an issue with the role or the incumbent of the role.

**The Hon. TREVOR KHAN:** Let me give you the example of some matters that have occurred recently before the Independent Commission Against Corruption. For instance, there were persons who were appointed to oversight the granting of exploration licences and it would seem that those persons did not succeed

in performing their duties particularly well and perhaps in a sense gave unnecessary comfort to a government that things were all hunky-dory and above board. Can you perceive that if your role is not performed effectively you in a sense create a block to effective oversight of a body?

**Mr GORRIE:** Perhaps not in the way that the role of the Integrity Auditor functions. In respect of an investigation or a complaint it is always obvious that the controlling body needs to be engaged. In some indirect sense the controlling body is guiding the integrity audit if you like, or providing some assistance in terms of the information required. Certainly the decision-making and the outcome of the decision is within that independent role. It may well be that it could be an issue in terms of the oversight of that particular role as opposed to no oversight. It is very trite for me to say that it is the fabric of who I am to take on that role to ensure that those issues do not become an issue. I can say that before the Committee now but that is something that perhaps is like a dog wagging its tail—when will it stop or if it does not stop how will you stop it?

**The Hon. MARIE FICARRA:** How long have you been in your current position?

**Mr GORRIE:** Since June of last year.

**The Hon. MARIE FICARRA:** How long is the term?

**Mr GORRIE:** It is a two-year appointment with a two-year option.

**The Hon. MARIE FICARRA:** How long has the current process of Greyhound Racing NSW recommending to the Minister and the Minister appointing been in place?

**Mr GORRIE:** Since 2009 when the new Greyhound Racing Act came in.

**The Hon. MARIE FICARRA:** Do other jurisdictions have similar ways of appointing integrity auditors for racing codes?

**Mr GORRIE:** They do and my submission refers to that. In Victoria they have the Racing Integrity Commissioner who is appointed across all three codes: thoroughbreds, greyhounds and harness. Recently there was a similar position appointed in Queensland where the Integrity Commissioner—I think that is the title—has functions across all three codes.

**The Hon. MARIE FICARRA:** Do the codes recommend the person to be appointed by the Minister in control of that portfolio or is it an independent process?

**Mr GORRIE:** As far as I am aware it would be an independent process. I have no knowledge of exactly how those persons were appointed.

**The Hon. MARIE FICARRA:** In your submission you say—I will not quote from it because it is confidential—that in extending your investigative powers you point to the Victorian Integrity Auditor and the provision of own motion powers to extend your ability to investigate. Can you tell us a little bit more about what you would like to see?

**Mr GORRIE:** This is borne out by what has happened in Victoria and the issues they have had. For historical information the Integrity Commissioner in Victoria was appointed as a result of the actions of the chief executive of Racing Victoria, who was improperly betting on duty under another name. That happened many years ago. The Integrity Commissioner was appointed on a full-time basis. The issue of—I am sorry, I have forgotten the question.

**The Hon. MARIE FICARRA:** Own motion powers to conduct investigations into any aspect of greyhound racing. Would you say at the moment your powers are limited in looking into areas of greyhound racing that you believe you should be looking into and that is why you would like to have a similar system to that which exists in Victoria?

**Mr GORRIE:** I think it would be preferable. I am not saying that it is not unavailable at the moment; to some extent it is because of the broad nature of the way that the powers are currently drafted in the New South Wales Greyhound Racing Act. It is something that has been raised previously in terms of whether or not New South Wales should fall into line with other States in terms of own motion powers, which would give the Integrity Auditor Commissioner scope to formulate, if you like, a range of audits across various aspects of the

industry to ensure from the Government's point of view, the community's point of view and the industry's point of view that everything is being done at the highest level of integrity.

**The Hon. MARIE FICARRA:** Some may say—and I am not insinuating this is the current case—that if Greyhound Racing NSW were the ones that recommended your appointment then perhaps they may not be keen for you to investigate certain aspects but if you were independent you would have those powers. That is my personal reflection and I am not indicating that you lack that independence, but a number of other stakeholders have raised this point in their submissions and in evidence this morning. What is your relationship with stakeholders? You did say earlier that many do not even know who you are, your name or what your role is. In fact, when you sat down I was listening to people in the audience say, "Who is he?" When someone told them who you were they said, "I have never heard of him before. I don't know who he is." How are stakeholders supposed to know how to get to you if they have concerns?

**Mr GORRIE:** There is information on the greyhound website in terms of how to lodge a complaint and there is a document setting out the roles of the Integrity Auditor. I have said that the role needs to be communicated better across the industry in terms of understanding the role and the assistance that role can play within the industry. That is something I have raised with Greyhound Racing NSW going forward and it is something that I have covered in my submission in terms of the profile of the position and what the position is about. Certainly some participants know very well what the position is; certainly others and perhaps I would say the majority do not understand or are unaware of the role and that is something that I think can be improved.

**The Hon. MARIE FICARRA:** You do mention in your submission that there is often misunderstanding within the greyhound industry of what your role is.

**Mr GORRIE:** That is so. In terms of the complaints that I receive or have received or some that I may not take any further that may only be in relation to procedural administrative issues, which would be something that Greyhound Racing NSW could handle adequately. I think some may see my position as a door opener because they may not be getting the response, answer or assistance that they require at that time and that is unfortunate in that aspect.

**The Hon. MARIE FICARRA:** Given that you have dealt with four complaints in the last financial year and you did say that your position is part-time—how part-time is it? Is it a number of hours? How does it work?

**Mr GORRIE:** To be as precise as I can for the time that I have been in the role, if you get a complaint—for example, one complaint might take 20 hours of investigative work and another may only take two hours.

**The Hon. TREVOR KHAN:** Six-minute units?

**The Hon. MARIE FICARRA:** Charging them billing—

**Mr GORRIE:** Pardon? I do minute units actually. I think that is much fairer.

**The Hon. MARIE FICARRA:** Is the Victorian position full-time?

**Mr GORRIE:** Yes, it is.

**The Hon. MARIE FICARRA:** Would you say that in Victoria the position of the integrity auditor is communicated in a more widespread way?

**Mr GORRIE:** I think it is fortunate that it has been communicated because the press in Victoria have been vibrant in terms of the issues that have come up. It has been amazing—if I can make this comment—that Victoria is an extremely fertile patch for integrity issues. I can certainly say that in New South Wales there have been some issues in terms of integrity with harness about two years ago, I think greyhound racing had their biggest issue in about 2001 and there have been some issues in the thoroughbred industry. Unfortunately, for Victoria the emphasis that they have placed on it was to make this role a full-time role and to staff it in terms of the need they require. Even recently the Integrity Commissioner in Victoria has been given broader investigative powers to obtain information from various law enforcement bodies.

**The Hon. LYNDA VOLTZ:** Do you think the nature of the Victorian industry, which is reported as being more profitable for greyhound racing, makes it more susceptible to that or do you think it is about the governance?

**Mr GORRIE:** I think it is the way the dice have been thrown. Every jurisdiction will have an issue or issues either in the past or going forward. I think it is the unfortunate nature of the industries that we operate within because of the flow of money, the wagering that is invested in each of the codes. I do not see Victoria as any different. They have had a spate of issues as opposed to New South Wales.

**The Hon. LYNDA VOLTZ:** So it is more of the concept that once bad behaviour gets forced out of one sector, for example, wagering can shift into another section?

**Mr GORRIE:** It could go anywhere or it could continue on in the same area undetected.

**The Hon. TREVOR KHAN:** Are there any restrictions on your involvement in the industry? For instance, are you entitled to own dogs?

**Mr GORRIE:** Well I don't.

**The Hon. TREVOR KHAN:** I did not ask that.

**Mr GORRIE:** I understand that. As far as I am aware there is no restriction but, as I have said, in Greyhound Racing NSW there is a code of conduct.

**The Hon. TREVOR KHAN:** I think I have got it—

**Mr GORRIE:** You are quite correct in saying there is perhaps nothing formally in place in that respect.

**The Hon. TREVOR KHAN:** I am not having a shot at you. If you have got a code of conduct that does not actually set down parameters in terms of what you do, the potential is—and I am not saying you—that somebody performing your role could have dogs under training with some trainer—

**Mr GORRIE:** Under another name.

**The Hon. TREVOR KHAN:** Perhaps, and you would not be breaching the code of conduct.

**Mr GORRIE:** That would seem to be the case. That is right.

**The Hon. TREVOR KHAN:** So are there some things—again this is not directed at you—that you could suggest should be done to—

**Mr GORRIE:** That is a very valid point—as well as what is enshrined in the legislation should there be a code of conduct developed for the Integrity Auditor? Perhaps that could be bolstered in the functions document that is on the greyhound racing website.

**The Hon. TREVOR KHAN:** Would you like to give that some thought—

**Mr GORRIE:** Certainly.

**The Hon. TREVOR KHAN:** And taking that on notice make some suggestions in that regard?

**Mr GORRIE:** Definitely.

**The Hon. TREVOR KHAN:** To hamstring yourself.

**Mr GORRIE:** I feel hamstrung anyway.

**Dr JOHN KAYE:** When your predecessor Mr Landa left he left a letter behind that basically was very critical of both Greyhound Racing NSW and the legislation. Do you agree with his criticisms?



**Mr GORRIE:** I did not form a view that that is a correct synopsis of where the industry is at or was at.

**Dr JOHN KAYE:** So you do not agree with his views?

**Mr GORRIE:** No.

**Dr JOHN KAYE:** So that was always no.

**Mr GORRIE:** And the reason for that is that I have seen nothing since being appointed to suggest that that is the case.

**Dr JOHN KAYE:** We were told this morning one of the areas of conflict between Mr Landa and Greyhound Racing NSW was over an audit he wished to carry out pro-actively and Greyhound Racing said, "No, you cannot do that." Do you think that is appropriate? Do you think when an integrity auditor goes to a body and says, "I think there is a problem here", and Greyhound Racing says, "We have actually already done that, so go away" that is appropriate behaviour?

**Mr GORRIE:** Perhaps not and perhaps, as I have mentioned in terms of an "own motion" amendment to the legislation, I think that would overcome that issue. That would maintain the integrity.

**Dr JOHN KAYE:** I understand the Victorian Racing Integrity Commissioner has own motion powers?

**Mr GORRIE:** That is so.

**Dr JOHN KAYE:** You think that is appropriate?

**Mr GORRIE:** I think going forward in sport all integrity models are trending the same way. I cannot see any downside in terms of making that a consistent approach across all sporting bodies.

**Dr JOHN KAYE:** You are, as you said, appointed on a two-year basis with a two-year option. Is the two-year option your option or Greyhound Racing's option?

**Mr GORRIE:** By agreement.

**Dr JOHN KAYE:** To some extent do you feel that additional two-year option in any way compromises your independence?

**Mr GORRIE:** None whatsoever.

**Dr JOHN KAYE:** Would you see it as compromising a perception of your independence as you are effectively up for review two years after being appointed?

**Mr GORRIE:** I cannot see any issue with that that is glaringly a problem.

**The Hon. TREVOR KHAN:** On that basis we would all appoint judges for two years.

**Dr JOHN KAYE:** Precisely, that is my point. Why is it that in an oversight independence position such as yours there is that second two-year option; why is it done that way?

**Mr GORRIE:** I think on the basis of whether or not there is an option whether I wish to continue in the role or whether the body or the Minister continued to extend the appointment.

**Dr JOHN KAYE:** It is appropriate for the Minister or the body to say, "We do not like you, we will get rid of you"? You do not recognise that as a contradiction to your independence?

**Mr GORRIE:** I do not think so, no.

**The Hon. TREVOR KHAN:** Supposing you had an independent power to investigate, for example, the issue of drugs in the industry and Greyhound Racing NSW felt threatened by that, would you not see the

potential for Greyhound Racing NSW to say at the end of your two years, "Look, it has been great knowing you."

**Mr GORRIE:** I come back to the fact that the legislation says I am appointed by the Minister.

**Dr JOHN KAYE:** You are not really. To be honest the Minister does not appoint you, you are appointed by Greyhound Racing NSW. They recommend you to the Minister. In the end you are the appointee of Greyhound Racing NSW and the exercise of that option, as I understand it, correct me if I am wrong, is with Greyhound Racing NSW?

**Mr GORRIE:** I would think it would be across the parties involved—the appointee, Greyhound Racing and the Minister—to either confirm or not confirm the continuation of the appointment.

**CHAIR:** That is not what the Act says. The Act says that Greyhound Racing NSW makes the recommendation.

**Mr GORRIE:** Correct. I would have thought the process was to then engage with the parties involved to determine or make that final decision.

**Dr JOHN KAYE:** Using Mr Khan's example: Do you not see that people would perceive that if you did have own motion power and you did something that was not popular with Greyhound Racing NSW then they would not reappoint you or there would be the option for them to say, "This man is trouble for us, we will not reappointment him"? This is not a comment on you, Mr Gorrie.

**Mr GORRIE:** No.

**Dr JOHN KAYE:** I meant for Greyhound Racing NSW.

**The Hon. MARIE FICARRA:** I did not expect him to answer that.

**Mr GORRIE:** I think with the greatest respect it is a position that has never been thought of in interpretation of what you are asking. Personally I do not—

**The Hon. TREVOR KHAN:** Mr Kaye is a very suspicious man.

**Mr GORRIE:** —perceive an issue in a compromise or otherwise. That is the position of independence: you make good or bad, favourable or unfavourable, decisions.

**Dr JOHN KAYE:** Let us move on, Mr Gorrie. As the person who sits on the box seat on integrity in Greyhound Racing NSW do you see a conflict of interest for Greyhound Racing NSW simultaneously being the regulator of the industry and also the promoter of the industry?

**Mr GORRIE:** Personally, no. I think there have been various models over the years to separate those. There have been attempts by government and industry for that to work, such as the former NSW Greyhound and Harness Racing Regulatory Authority. I cannot see an issue at the moment in terms of that because you have a government and regulatory body under one body.

**Dr JOHN KAYE:** You do not see any conflict that might arise?

**Mr GORRIE:** I do not see that is an issue for the administration of the industry.

**Dr JOHN KAYE:** Can you foresee a situation arising where Greyhound Racing NSW has responsibility for making policy decisions about the regulation of the industry but is also in the business of growing the industry—you do not see that there might be a decision point that they face, for example, perhaps we should regulate the industry more stringently but that will reduce the growth of the industry—you do not see that as an emerging conflict?

**Mr GORRIE:** That is possible, certainly.

**Dr JOHN KAYE:** Having the one body in charge of both sides of that potential conflict, you do not see that making it difficult to resolve?

**Mr GORRIE:** I would not have thought so, no. I would have thought it is a matter for the organisation to speak as to the veracity of how they implement their regulatory policies and their commercial policies.

**Dr JOHN KAYE:** With respect, you do not think that is slightly naive with regard to how organisations operate?

**Mr GORRIE:** Well, I take your point but the position I am in is not in terms of trying to influence them in their commercial activity, it is to oversight their functions—

**Dr JOHN KAYE:** —I was not talking about you, I was talking about your perspective on Greyhound Racing NSW. This is nothing to do with you. This is your views on greyhound racing as an independent person who can express views independently. I was asking you for your view on the conflict of interest that Greyhound Racing NSW might face, which you said you could see might occur?

**Mr GORRIE:** It could potentially be a conflict, but I think under the current model it is working well.

**Dr JOHN KAYE:** It has worked well. We are now exploring a hypothetical that you said could happen, where they may be faced with that conflict?

**Mr GORRIE:** I would have thought at the time, if that were to be the case, then it may be a matter for the Minister or for this committee to recommend some form of review of that process.

**Dr JOHN KAYE:** Thank you, I think my time has expired.

**CHAIR:** Do you have more questions?

**Dr JOHN KAYE:** I do.

**CHAIR:** Keep going.

**Dr JOHN KAYE:** Can I go to Victoria's Racing Integrity Commission model?

**Mr GORRIE:** Certainly.

**Dr JOHN KAYE:** My understanding of Victoria's Racing Integrity Commission model is that the commissioner is appointed by the Minister only and not by the codes?

**Mr GORRIE:** That is my understanding.

**Dr JOHN KAYE:** I think the same is true in Queensland, is it not?

**Mr GORRIE:** I think that is the case.

**Dr JOHN KAYE:** I think the same is true in Western Australia—that is a lot further away.

**Mr GORRIE:** A lot further away and I do not think I have recently had a double check of that model.

**Dr JOHN KAYE:** Why do you think Queensland and Victoria took that approach and New South Wales took a different approach?

**Mr GORRIE:** It is upon the views of the industry and the views of Government as to what was the best model.

**Dr JOHN KAYE:** I should warn you, Mr Gorrie, that I was born and bred in Victoria. You said that Victoria was fertile ground for a racing integrity commissioner. I do not dispute that. I was being flippant before. You are quite right, Victoria has had a series of integrity challenges in racing codes, some of which have

been quite spectacular. You alluded to the most famous of them. Do you think the decision to have one integrity commission across all three codes helps or assists in Victoria?

**Mr GORRIE:** I think that it is a very broad perspective for someone or some office—unless it is properly resourced—to look at all three codes from the one perspective.

**Dr JOHN KAYE:** When you say it is a—

**Mr GORRIE:** —by that I mean covering all three codes.

**The Hon. STEVE WHAN:** You mean the job is too big?

**Dr JOHN KAYE:** You mean the job is too big?

**Mr GORRIE:** It is a lot to cover, put it that way, of what the integrity commissioner's ambit is.

**Dr JOHN KAYE:** But there are similarities, are there not, in the integrity challenges in all three industries?

**Mr GORRIE:** Definitely.

**Dr JOHN KAYE:** There are issues of doping?

**Mr GORRIE:** Definitely.

**Dr JOHN KAYE:** There are issues of stewards' behaviour. I am not trying to belittle your expertise here but fundamentally the industries go through the same processes in terms of regulation?

**Mr GORRIE:** Similar, yes.

**Dr JOHN KAYE:** And there will be learnings in one code that would translate to another code, would there not?

**Mr GORRIE:** One would hope that translates, yes.

**Dr JOHN KAYE:** Without saying it is a good idea you can see benefits in putting the three codes together under a well-resourced integrity commissioner?

**Mr GORRIE:** I am not against that, no. As I say, if it is a properly resourced model and proper powers are given, similar to the Victorian or Queensland model, that would have benefit.

**Dr JOHN KAYE:** Could I ask, in a typical week how many hours of your week do you spend in your role as the Integrity Auditor?

**Mr GORRIE:** It is spasmodic. I may have a couple of weeks in the role where I do not deal with any particular issue. However, should an issue come before me such as a complaint, it may lead to an investigation that could take, for example, I think I mentioned earlier, 20 hours of time to complete. It is extremely spasmodic.

**Dr JOHN KAYE:** You have had four complaints, the largest of which took 20 hours?

**Mr GORRIE:** Or thereabouts.

**Dr JOHN KAYE:** Less than 80 hours in the last 12 months?

**Mr GORRIE:** Yes, in the last financial year. The other issues that have come before me are filtering of emails in terms of issues that normally do not come within the Integrity Auditor's functions.

**Dr JOHN KAYE:** Your head is in the issue of the integrity of Greyhound Racing NSW, roughly speaking, when you sum it all up, three or four weeks each year?

**Mr GORRIE:** That could be an estimate. I do not dispute it is somewhere around that.

**Dr JOHN KAYE:** And the rest of the time you have a practice that relates to racing, or does it relate to other matters?

**Mr GORRIE:** It relates to a lot of matters.

**Dr JOHN KAYE:** Does any of it relate to racing?

**Mr GORRIE:** Some does, yes.

**Dr JOHN KAYE:** There are some racing matters?

**Mr GORRIE:** But unrelated to greyhound matters.

**Dr JOHN KAYE:** Obviously you stay out of greyhound racing?

**Mr GORRIE:** Exactly.

**Dr JOHN KAYE:** That is a personal choice or that is the code of practice?

**Mr GORRIE:** I think for me it is a personal choice and to maintain the independence and integrity of the role.

**Dr JOHN KAYE:** A wise choice.

**The Hon. TREVOR KHAN:** And perhaps that could be dealt with in the code of conduct.

**Dr JOHN KAYE:** As Mr Khan wisely points out, something that might be dealt with in the code of conduct or some review of the code of conduct.

**Dr JOHN KAYE:** If you were a commissioner across all three codes it would be reasonably expected that would be a full-time job?

**Mr GORRIE:** Certainly.

**Dr JOHN KAYE:** Then your head would be in that task the whole time?

**Mr GORRIE:** Yes.

**Dr JOHN KAYE:** Do you think there would be greater learnings from that: You would reference things from one code that would translate across to another code?

**Mr GORRIE:** That is always open: yes, there would be. You always find some issue coming up that you have never come across before.

**Dr JOHN KAYE:** That is all the questions I have, Chair.

**CHAIR:** Do we have any questions on notice?

**The Hon. TREVOR KHAN:** Yes, he is going to rework his code of conduct.

**Mr GORRIE:** Invent one I think.

**CHAIR:** The Committee has resolved that answers to questions on notice will be returned within 21 days. The secretariat will contact you with respect to the questions you have taken on notice.

**(The witness withdrew)**

**CATHRINE MAY LYNCH**, Director, Policy and Strategy, Office of Liquor, Gaming and Racing, affirmed and examined:

**GREGORY JAMES SEMMLER**, Principal Policy Officer, Policy and Strategy, Office of Liquor, Gaming and Racing, sworn and examined:

**CHAIR:** I welcome witnesses from the Office of Liquor, Gaming and Racing. Ms Lynch, would you like to make an opening statement.

**Ms LYNCH:** Yes, I would. I thank the Committee for allowing me the opportunity to give evidence before it today. The recognised role of Government in respect of the racing industry is to provide a legislative framework that promotes best practice governance arrangements in relation to the ongoing viability and strategic development of racing, together with regulatory structures which ensure racing and associated wagering is conducted in accordance with community expectations of both integrity and fairness. The Greyhound Racing Act 2009 establishes Greyhound Racing NSW as the independent body responsible for the control, supervision, regulation and strategic development of the greyhound racing industry in this State.

There is a longstanding approach to the racing industry which acknowledges its independence and respects the industry's desire for self-determination in the management of its affairs. However, the Government remains a major stakeholder in terms of the economic contribution of the racing industry to the State's economy and of the public interest in respect of gambling integrity. Reform to racing legislation is a continuous process in order to keep pace with modern business and management practices, community expectations and improvements in communications technology. A glance at the history of the governance arrangements for the greyhound racing industry in this State demonstrates this process, with several major changes being made by successive Governments since 1985.

In 2008 and 2009, the former industry "nominee" structures of Racing NSW, Greyhound Racing NSW and Harness Racing NSW were reformed by amendment of the relevant legislation to provide for an independent board model for the controlling bodies of racing. This recognised the principle that the board of each controlling body is to be independent and appointments are to be made on merit in accordance with skills-based criteria. It also recognised the independent board model as current best practice. These new arrangements commenced on 1 July 2009.

However, the boards of Greyhound Racing NSW and Harness Racing NSW had been appointed for three-year terms in February 2009 in accordance with the "nominee" model which predated the independent board model legislated later that year. The decision was taken by the former Government to allow those boards to see out their term of office—that is, to serve until February 2012. This decision was taken to maintain continuity of operation and corporate knowledge at a time when Greyhound Racing NSW and Harness Racing NSW were undergoing major changes, including those associated with the transfer of the regulatory functions of the former Greyhound and Harness Racing Regulatory Authority in July 2009.

In February 2012 new independent boards for Greyhound Racing NSW and Harness Racing NSW were appointed for staggered terms of between two and four years in accordance with the provisions of the Acts as amended in 2009. As such the current board of Greyhound Racing NSW has been in office less than two years. The Committee might note that expressions of interest have recently been invited from persons wishing to be considered for appointment to the two board positions which become vacant in February next year. The closing date for those expressions of interest is 20 November 2013.

In addition, a statutory review of the Greyhound Racing Act 2009 to determine whether the policy objectives of the Act remain valid and whether the terms of the Act remain appropriate for securing those objectives is required to commence after March 2014 and a report on the outcome of the review must be tabled in both Houses of Parliament by 15 May 2013.

**CHAIR:** Mr Semmler, would you like to also make an opening statement?

**Mr SEMMLER:** No.

**The Hon. STEVE WHAN:** We have had a number of witnesses already this morning who have talked to us about aspects of the selection panel and selecting boards. Could you tell us if the selection panel is appointed in an ongoing way or is it reappointed each time the board has vacancies?

**Ms LYNCH:** It is reappointed each time as vacancies come up. Some recommendations are put to the Minister. It can continue for up to four years, but we have not had any changes for a period of time now so there will be a new selection panel for the next round. They are agreed to and appointed by the Minister. It should be noted that there is also a probity adviser.

**The Hon. STEVE WHAN:** In a different area, does your department have a role in monitoring the revenue streams or revenue levels or predicting revenue coming in from the codes of racing? Is that something the Government has an active role in at all? If so, who would be doing that in terms of predicting changes in the industry? We have heard a lot today about the viability of the greyhound racing industry, which would have a clear impact on revenue streams for Government.

**Mr SEMMLER:** The three controlling bodies themselves are responsible for the commercial operations of the industry. They themselves make their own predictions. Insofar as wagering turnover and revenue is concerned, certainly the Government does monitor that. Additionally, TAB obviously makes its own revenue predictions, as would other wagering operators. As I said, the three controlling bodies are responsible for the commercial operations.

**The Hon. STEVE WHAN:** Given that the revenue stream from gambling income is fairly important for Government, are there any performance criteria that the department is involved in to say whether or not the industry is actually performing very well? At what stage, if there is a run of revenue from this sport from New South Wales to Victoria, does an alarm bell ring for the Government to say, "We need to have a look at this"?

**Ms LYNCH:** I actually think that question would need to be referred to the New South Wales Treasury. We do not specifically look at predictions of finances. I think that is correct.

**Mr SEMMLER:** Yes, that is correct.

**The Hon. STEVE WHAN:** You talked a bit about the best practice model for the industry. We have just been talking to the Integrity Auditor for Greyhound Racing NSW. In constructing this model, did the department look at the models that exist in other States? On what basis did you choose to have separate integrity auditors for the different codes?

**Ms LYNCH:** We will have to take that question on notice.

**The Hon. STEVE WHAN:** Pretty much the theme of what you were saying is that this is a self-regulating industry. There are other parts of your department—for instance, the Game Council of New South Wales—for which the Government has recently suggested policy changes. I know this is a brave thing to say, but in the case of the Game Council of New South Wales the Government is now saying that it should separate regulation from administration and promotion. Is there an inconsistency in saying that, in this case, those functions should come under the one independent body?

**Ms LYNCH:** I think that is a matter for Government to consider rather than for me as an agency representative to comment on their broader approach to policy and legislation.

**The Hon. LYNDIA VOLTZ:** Following on from that question, you did say that it was your view that this industry should have self-determination and be independent. That is certainly not the case in the other two arms of your department, liquor and gambling, so why should it be in this area in particular?

**Ms LYNCH:** The legislation very clearly sets out the governance and probity arrangements. It is not the case that there is no structure for that to work within; that is certainly set out very clearly in the legislation. The number of board members, the role of the board, the role of Greyhound Racing NSW and the role of the Integrity Auditor of Greyhound Racing NSW is very clearly set out in the legislation. It has been the view of racing—and when I say racing I am talking about all three codes—that they are independent of government but government does set the legislation to be very clear about the parameters in which they must operate. I gave a little bit of an overview of the review process. You can go right back to the tin hare racing in 1949 and you can trace through the history of government looking at reforms. Government has periodically and more recently

over the past 20 or so years reviewed the governance arrangements to make sure that they are contemporary. It has an oversight in that way, but the independence is separate.

**The Hon. LYNDIA VOLTZ:** That is operating independently from government as gambling and liquor do. Those two parts of your policy are not independent of government but racing is.

**Ms LYNCH:** That is correct. There are liquor inspectors that are employed with the Office of Liquor, Gaming and Racing. Also police have a role that is obviously independent from the department as well. I am not privy to the reason why government made that decision to put the regulations separate.

**Mr SEMMLER:** You also have to take into account that the racing industry firstly and initially is and was to a point a sport. It has national and local rules that the three controlling bodies affiliate with their national bodies. In the case of greyhounds it is Greyhounds Australasia. Rules over all three codes regulate the way racing is conducted such as the disciplinary proceedings, offences and the like, how participants are to behave and act, and how racing is run. That has historically always been separate from government. The industry itself has always had that self-regulation.

**The Hon. LYNDIA VOLTZ:** The industry does not always necessarily operate separately from government. We can look at Harold Park Trots, which was also used as a greyhound track. It was owned by government and signed over to the racing industry in the early 1990s. The industry subsequently sold that land for housing. Significant government assets have been involved in some of these places. Also in other sports such as shooting and combat sports there is an identified need for certain regulatory standards and government does regulate them.

**Mr SEMMLER:** Insofar as the sports themselves?

**The Hon. LYNDIA VOLTZ:** The sports themselves are heavily regulated by government. In fact, you cannot get a licence for either boxing, mixed martial arts or shooting unless you go to the government.

**Mr SEMMLER:** That is correct. As I think Ms Lynch alluded to, it has always been the case historically, and as I mentioned, that those three industries conduct their own regulatory activities. Government itself historically has just put in place the framework for them to operate within.

**Ms LYNCH:** I point out that that is a policy of government. It is not a policy of the agency; it has been a policy of this Government and previous governments.

**The Hon. TREVOR KHAN:** Was your department involved in briefing Mr Cameron for the purposes of the preparation of his report?

**Mr SEMMLER:** My understanding is that the department provided Mr Cameron with secretariat and administrative assistance.

**The Hon. TREVOR KHAN:** Documents were provided to Mr Cameron to allow him to come up with a variety of recommendations. They would have come through your department, would they not?

**Mr SEMMLER:** Again, I would have to take that on notice. That was some time ago.

**The Hon. TREVOR KHAN:** Recommendation 21 of the Cameron report deals with the inter-code agreement. Do I take it that you would have provided advice to the Minister regarding that recommendation?

**Ms LYNCH:** I could not answer that question. I do not know. I have not seen that material.

**The Hon. TREVOR KHAN:** You have not seen the Cameron report?

**Ms LYNCH:** I have seen the Cameron report and I have seen that recommendation but I have not seen what briefings, if any, were provided to the Minister.

**Mr SEMMLER:** I believe there was a whole-of-government response to the Cameron report, which no doubt the agency would have had some input into. But, again, that was in 2008. We would have to do some research.



**The Hon. TREVOR KHAN:** Will you take it on notice?

**Mr SEMMLER:** We will take it on notice.

**The Hon. TREVOR KHAN:** Have you got a copy of the inter-code agreement?

**Mr SEMMLER:** The Government? Yes, it does.

**The Hon. TREVOR KHAN:** Does your department have a copy of it?

**Mr SEMMLER:** Yes, we do.

**The Hon. MARIE FICARRA:** Bingo. It has been located.

**The Hon. TREVOR KHAN:** What about the revenue distribution agreement? Do not feel that we are ganging up on you. I am on the Government side, so I am here to help. Do you have a copy of the revenue distribution agreement?

**Mr SEMMLER:** Yes, the agency does have a copy of that as well.

**The Hon. TREVOR KHAN:** Thank you. We are making significant progress along the way.

**The Hon. NATASHA MACLAREN-JONES:** In your opening remarks you spoke about reform and some of the restructuring. I note that since the inter-code agreement was signed in 1998 there have been five structural changes. We have had the Greyhound Racing Control Board, the Greyhound Racing Authority, the Greyhound Racing New South Wales Commercial Board, the Greyhound and Harness Racing Regulatory Board and now we have Greyhound Racing NSW. Were they just changes of name or actual structural reforms?

**Ms LYNCH:** As I understand it, they were supported by legislative change. Is that correct?

**Mr SEMMLER:** That is correct.

**The Hon. NATASHA MACLAREN-JONES:** Was it an inquiry or a particular recommendation that drove that?

**Ms LYNCH:** I can give you a whole paper on that one if you like. Do you want to start from 1985?

**The Hon. NATASHA MACLAREN-JONES:** I am happy if you take the question on notice and provide the background.

**Ms LYNCH:** I have got a history of all of the governance arrangements here but it runs to four pages.

**The Hon. NATASHA MACLAREN-JONES:** I am interested in what drove the changes, because there have been quite a lot. On average it is almost a change every two years.

**Mr SEMMLER:** In some cases it was via government motion itself.

**CHAIR:** Would you care to table that document?

**Ms LYNCH:** I am happy to do that. It may be worth noting some of the main things that drove the change in 2009. I will point those out and table the other document because I think it may be of interest to the Committee. They were not changes per se; they were to address particular things. The main purpose of the legislation in 2009 was to: reform and update the statutory arrangements that underpin the governance arrangements for the greyhound and harness racing industries; to provide for an independent board structure for Greyhound Racing NSW and Harness Racing NSW based on the recently introduced Racing New South Wales model; and to provide an independent integrity auditor function across all three codes to receive and consider complaints about the conduct of racing officials. There were some other changes as well, but I think they are probably the key points.

**The Hon. MARIE FICARRA:** Some submissions have indicated that there is to be a 15 year review of the Racing Distribution Agreement. Is the review currently underway?

**Mr SEMMLER:** The inter-code agreement is a matter for the signatories to that agreement, which are the three controlling bodies of racing and their representative, Racingcorp. Our agency has no involvement in that whatsoever so I could not advise the Committee of whether that is on foot or not.

**The Hon. MARIE FICARRA:** You do not monitor the progress of that review even though it probably came out of government recommendations?

**Mr SEMMLER:** It is a commercial arrangement between those three bodies.

**The Hon. MARIE FICARRA:** You do not ensure that it is going on and that they are adhering to that which they are supposed to?

**Ms LYNCH:** I am not sure that there is any legislated role for us to do that.

**The Hon. MARIE FICARRA:** Would you take it on notice to provide us with information on whether there is any role for government?

**Ms LYNCH:** It is a commercial agreement.

**The Hon. TREVOR KHAN:** In evidence this morning there was a suggestion that a direction had gone out from the Government that country racetracks were not to be closed and that that led to Greyhound Racing NSW taking some race meetings off country tracks. Are you aware of any such direction having been given?

**Ms LYNCH:** Who was the direction from?

**The Hon. TREVOR KHAN:** From within Government.

**Ms LYNCH:** I am not aware of a direction. Are you?

**The Hon. TREVOR KHAN:** Mr Semmler?

**Mr SEMMLER:** Not from our agency, no.

**The Hon. TREVOR KHAN:** I am sorry, that was a "not from"?

**Mr SEMMLER:** Not from the Office of Liquor, Gaming and Racing.

**The Hon. STEVE WHAN:** What about the Minister's office?

**Mr SEMMLER:** I cannot speak for the Minister, I am sorry.

**Ms LYNCH:** Nice try.

**The Hon. MARIE FICARRA:** Good answer, Mr Semmler. I know that this is Dr John Kaye's time, but is there any role for your office to be involved or concerned with the sustainability of a particular racing code—the sustainability of the future of greyhound racing? Is there any role for your office to play in advising the Minister?

**Ms LYNCH:** That is not currently within our mandate. Our real role is around the legislation and implementing government policy.

**The Hon. TREVOR KHAN:** What were the opening words of the opening paragraph of your introduction? Was there not something about ensuring the viability of the industry?

**Ms LYNCH:** That is correct.

**The Hon. MARIE FICARRA:** Is it viability? Are viability and sustainability the same?

**Ms LYNCH:** Very good. A lawyer's mind.

**Mr SEMMLER:** That is through the legislative framework, which is reviewed from time to time. That is one of the intentions, certainly.

**The Hon. MARIE FICARRA:** If it came to your attention that a particular racing code was in an unsustainable position over the next 10 or 15 years, is that not your role to bring that to the attention of the Minister of the day?

**Mr SEMMLER:** It would, if it was brought to the attention of the agency, certainly, and if the Government itself sought a review of any particular one of the three codes and their sustainability, yes.

**The Hon. MARIE FICARRA:** Have any concerns for greyhound racing been brought to the attention of your office?

**The Hon. TREVOR KHAN:** Come on. You have at least read the submissions.

**Mr SEMMLER:** I have certainly read the submissions.

**The Hon. MARIE FICARRA:** You can take a question on notice.

**Mr SEMMLER:** On notice, yes.

**The Hon. MARIE FICARRA:** I would be surprised if the office was not informed, but you can take it on notice.

**The Hon. LYNDA VOLTZ:** You said that it was a legislative review and that it was part of the legislation that you have a view to the viability of the industry. But did you not also say that there was a review of the 2009 legislation?

**Ms LYNCH:** Yes, there is a five-year statutory review.

**The Hon. LYNDA VOLTZ:** As part of the statutory review, would that not, as part of the legislative framework be part of that review?

**Ms LYNCH:** It really looks at the objects of the Act, which are around the governance and the powers. The Act does not specifically address the viability of the industry per se, as I think you are asking me.

**Dr JOHN KAYE:** In relation to the issue of the Integrity Auditor set up by the legislation, in what way is the Integrity Auditor an auditor? Auditors go through things and check whether the right thing is being done. Is this not more of a complaints department or an ombudsman?

**Ms LYNCH:** I am sorry, I cannot quite hear your question.

**Dr JOHN KAYE:** I will try that again, sorry.

**Ms LYNCH:** Apologies.

**Dr JOHN KAYE:** That is fine. Ms Lynch and Mr Semmler, I want to ask you a question about the Integrity Auditor. The position is referred to by the title integrity auditor, but I am asking you in what way is his role that of being an auditor whereas he is much more just by way of handling complaints—more by way of an ombudsman than by way of an auditor? I would imagine integrity auditors would go through an organisation and ask: Has it behaved with integrity? That is not what Mr Gorrie does.

**Ms LYNCH:** No.

**Dr JOHN KAYE:** That is not his deposition.

**Ms LYNCH:** Specifically, that is legislated. It is in the legislation what he does, and receive and investigate complaints is certainly one of those. It was the intention of the in-principle speech in regards to the legislation that it is a complaint-referral-based approach. There are some other responsibilities within the legislation as well which you can refer to.

**Dr JOHN KAYE:** The statutory review of the legislation has commenced, has it?

**Ms LYNCH:** No. it cannot commence until May next year.

**Dr JOHN KAYE:** It commences in May next year?

**Ms LYNCH:** Yes, once the Act has been operational for five years.

**Dr JOHN KAYE:** Have the terms of reference for that review been drafted yet?

**Ms LYNCH:** No. They might be already legislated, are they?

**Mr SEMMLER:** I suspect so.

**Ms LYNCH:** Broadly the terms are to review the objects of the Act to make sure that they are still—

**Mr SEMMLER:** Whether they are relevant to the objects of the legislation and to determine whether the legislation remains still valid to achieve those objects.

**Ms LYNCH:** We can give you the exact words because it is written down what that review must do.

**Dr JOHN KAYE:** That is a section within the Act, is it?

**Mr SEMMLER:** It is a section of the Act, yes.

**Dr JOHN KAYE:** I think I can get that. I have no further questions. Thank you.

**CHAIR:** Earlier we asked you whether the department had the inter-code agreement and the racing distribution agreement. Can you provide copies of those agreements—the racing distribution agreement and the racing inter-code agreement?

**Ms LYNCH:** I am not sure that we could. I will have to take that on notice because they are commercial agreements and we do not have the ownership of those.

**CHAIR:** Okay. You can take it on notice. Thank you. As there are no further questions, thank you very much for attending the hearing today. I know it has been a difficult ride to get out here, but you are here and you have been through the process. The Committee has resolved that answers to questions taken on notice be returned within 21 days. The secretariat will contact you in relation to the questions you have taken on notice. Thank you very much for attending. We will take a short break and I ask everyone to clear the room. We will resume at 3.45 p.m.

**(The witnesses withdrew)**

**(Short adjournment)**

**PETER FLANN**, Greyhound Rescue Inc. and

**JANET FLANN**, Greyhound Rescue Inc., sworn and examined:

**WENDY COHEN**, Chief Executive Officer, Animal Welfare League New South Wales, affirmed and examined:

**CHAIR:** Before we resume the hearing, I will make a couple of announcements. In relation to adverse mention, I remind everyone here today that the 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 that witnesses focus on the issues raised by the inquiry's terms of reference and avoid naming individuals unnecessarily. I also remind witnesses and members of the media that parliamentary privilege does not apply to what witnesses say outside the Committee hearing. Please be cautious about any comments you make to the media and others after you complete your evidence. Further in relation to serious defamatory comments made about individuals, I remind members of the media here today that while the comments made during the hearing are privileged, this may not extend to reporting potentially defamatory comments. I welcome our witnesses, Ms Cohen, Mr Flann and Mrs Flann. Would anyone care to make an opening statement?

**Ms COHEN:** The Animal Welfare League New South Wales is an animal welfare operation. We have commercial properties and operations including three shelters and a full-service veterinary clinic. We have two full-time inspectors who have full inspectorate powers under the Prevention of Cruelty to Animals Act [POCTA]. We have a behaviour and training department and we are a member of a variety of advisory bodies and task forces. We are opposed to breed-specific legislation. We support breeder licensing schemes. We are working to reduce euthanasia in companion animals. The position of the Animal Welfare League [AWL] is that the greyhound industry should be required to register on an open register and microchip greyhounds and make this registry available to the appropriate external agencies. Our position is that breed-specific requirements, such as muzzling, be transitioned out.

The Animal Welfare League would like to remind Greyhound Racing NSW that it has also two inspectors with full inspectorate powers under the Prevention of Cruelty to Animals Act and would like to make a general comment about the nature of greyhounds in terms of what we have actually encountered in our shelters. We find that obviously they have a high prey drive. We have had not that much to do in terms of surrendered animals that we are then required, or we choose, to find adoptions or rehoming for. The high prey drive, we suspect, means that we do not get to see a great deal of the greyhounds that would be out there that might be otherwise suitable for rehoming. In fact since January this year we have had only seven dogs in total come to us through surrenders. One was given back to the owner, five were rehomed, and one was euthanised.

Whilst they have a high prey drive, which is obviously inherent in their breeding and what they are required for in their working lives, we have found that the actual greyhounds themselves have lovely temperaments and are excellent companion animals, if they are able to have that high prey drive managed. We have behaviourists with some experience in the greyhound program. We have one lovely dog at the moment, called Junior, who is currently with a foster carer who is experiencing all sorts of issues other than that they have a wonderful temperament. They do have some maintenance issues with regards to them wanting to perhaps engage with smaller animals, but generally it is a very nice dog, that particular one. That is generally all we have to say other than what is contained more specifically in our submission.

**CHAIR:** Mr Flann, would you like to make some opening remarks?

**Mr FLANN:** Just briefly, thank you. Greyhound Rescue was started about 4½ years ago. We have full charity status. We do not receive any official funding and we rely solely on donations and fundraising to survive. We also rely on a group of hardworking volunteers to see us through day to day. At the moment we have about 60 greyhounds in our care—40 of those would be in kennels and 20 in foster care—but almost daily we find that we are getting requests from either trainers or the pound or vets or other sources to take more greyhounds, and the position is becoming almost impossible because there are so many wanting to be handed in to us. In terms of homing, in 2013 for the first time we are expecting to exceed 100 greyhounds finding a home during the year. Since we started we have probably homed over 300. In terms of the reference of the inquiry, we would greatly like to see restrictions on the numbers of litters produced and greater accountability on the data for pups born, pups registered and so on through the greyhound's life. We would also like to see greater accountability in terms of the welfare of the animals.

**The Hon. STEVE WHAN:** Thank you very much for coming. The question—

**Mrs FLANN:** Could I say something, please? I am half of this rescue unit.

**The Hon. STEVE WHAN:** Yes, by all means.

**Mrs FLANN:** I would like to tell you that we started this by taking \$30,000 off our house. That is what we have to keep doing, and that is awful when Greyhounds As Pets are given \$200,000 and they do not home half as many as we do.

**CHAIR:** Thank you, Mrs Flann, and I apologise to you. I assumed, since you were both from the same organisation, Mr Flann was representing you, but you of course can speak.

**Mrs FLANN:** I started this rescue, not my husband.

**CHAIR:** I am glad to hear that.

**Mrs FLANN:** If people think that is quite funny—I would rather not have people laughing.

**CHAIR:** I understand that. I am managing this meeting; not you.

**Mrs FLANN:** Yes, but I do not like them laughing at me.

**CHAIR:** I will deal with it, thank you. Do you care to make a statement?

**Mrs FLANN:** Yes, I would just like to really beg you all not to let them have so many litters, because we see the other end of it. We have a no-kill policy, we never say no, and consequently we have quite a few dogs. I have even had them flown down from Darwin because we have a no-kill policy and this prey drive thing can be altered. We have had them for three months, and it can be reversed. We never put a dog down, not unless it has cancer or it is in pain obviously, but we do not put a dog down. We had four calls this morning from trainers wanting us to take dogs. I had six from Queensland last week brought down. This is what we are facing, just the two of us, and it is quite emotional actually. I dread the phone going because I know it is going to be, "I've got six dogs here, if you don't take them I'll shoot them", and that is truly what we get. That is all.

**The Hon. STEVE WHAN:** Ms Cohen, in your opening statement you mentioned chipping and I got the impression that you wanted to have access to the information. This might be a totally ignorant question, but are greyhounds chipped? I know they are chipped by Greyhound Racing NSW, but do they also have the normal chipping that dogs in the community get with the local government and so on?

**Ms COHEN:** I am not aware that they do, no.

**Dr JOHN KAYE:** They are exempt under the Companion Animals Act.

**The Hon. STEVE WHAN:** How would it help if that data was shared by Greyhound Racing NSW?

**Ms COHEN:** I think it would provide more oversight in terms of actually dealing with the data, the numbers of animals that are coming in, tracking the animal from litter to grave and getting some qualitative and quantitative data on the lifespan, the use and the outcomes for the dog. If the animals can be identified by the general public or by inspectors or the police, I think it would enable a little bit more control in terms of the life of a dog after their racing career. Certainly this would also assist in terms of breeder activity, how many litters exist and what is the euthanasia rate. That is not anything that is possible for us to determine at this point. There is just no data that anyone can refer to that can allow effective oversight regulation of an industry which pretty much operates under self-regulation and is not really accountable to anyone else.

**The Hon. STEVE WHAN:** We have had a couple of goes at finding out how many dogs are euthanased and there does seem to be a bit of confusion over it, but overall—greyhounds being only one species—are there figures around for how many dogs are euthanased overall in New South Wales per year?

**Dr JOHN KAYE:** You mean beyond just greyhounds?

**The Hon. STEVE WHAN:** Beyond greyhounds, yes.

**Ms COHEN:** Yes. Can I take that on notice and get that sort of information for you?

**The Hon. STEVE WHAN:** Yes.

**Ms COHEN:** We know that there are a great deal of animals, but I could not quantify it. We are talking thousands, tens of thousands of animals that would exist and a very high proportion of those or an unacceptable amount of those would be euthanased.

**The Hon. STEVE WHAN:** I know that you do the behaviour and training work at your facility. You mentioned, as everyone in the industry does, the nature of greyhounds being terrific companion animals, but you said you do not get many through. Is there a reason for that? What more needs to happen to be able to home more of those dogs through your organisation?

**Ms COHEN:** We have had seven since the start of the year. I think that greyhound racing probably plays an awful lot more of a role obviously in taking these animals. I could hazard a guess as to why that might be the case, but it is very important that we look at a holistic approach to these animals and we have a commitment to an outcome for the animal that does not result in euthanasia, but we are an operation which must move animals through our shelter and have them rehomed. We do not have the luxury—I say "luxury" but I would never suggest that what Greyhound Rescue does is a luxury—of keeping an inordinate amount of animals in our property, but their suitability for rehoming is certainly a factor, and we have limited resources and the ability to modify the behaviour of these animals.

The high prey drive which is evident is not something that we—put it this way, the animals that we have received we have modified the behaviour sufficiently to rehome the vast majority of them. I would probably have to refer to my behaviourists to get some more specific details with regards to their actual experience with this and I would have to do some more research to find out specifically why we are not getting animals surrendered to us, but it is more likely to do with the overriding trend that less dogs of all breeds are being surrendered to us just at the moment. We have found, and pounds are finding this as well, that perhaps we are a victim of our own success in a way in that we are not experiencing the high number of surrenders that we might have been four or five years ago, which is a positive step.

**The Hon. STEVE WHAN:** From Greyhound Rescue's point of view, how many dogs do you manage to rehome? What is the turnover of dogs that you see?

**Mrs FLANN:** We want to reach the hundred mark by the end of this year, and that is quite a lot. In fact Animal Welfare League phoned me up twice to take and rehabilitate their dogs, because we do that. I do not know whether this lady knew that, but I talked to her about it I believe and we do rehabilitate them. We take them into the house and, if it takes three months, we do it. I have 10 greyhounds at home, mixed with little dogs and cats, and we do rehabilitate them.

**The Hon. STEVE WHAN:** What is your success rate in finding people to take them afterwards? How do you source people who can home them?

**Mrs FLANN:** People phone us up from everywhere.

**The Hon. STEVE WHAN:** And there would be no shortage of people?

**Mrs FLANN:** No, we have had five applications this week, and they do not pick the dog out. They say, "I want so and so", but the dogs that suit their requirements and their environment, we might say, "There are four, but that will suit you, you know, your living conditions or whatever." Also we never home a greyhound that is going to be left on its own all day because that is not right, and they have to have another dog with them or two greyhounds. Those are our conditions, and they go on a month trial or two weeks trial and some people cannot wait two weeks, they want to sign the dog out straight away, but we do not do that. I will tell you what we do have, which you would all probably be surprised: we have sanctuary dogs. Sanctuary dogs are where an elderly couple live all their life in the house, with the food, but they are frightened to take on an 11-year-old greyhound or a 10-year-old greyhound, so what we do is write "sanctuary dog" and we pick up the vet bills for

that dog, because there are a lot of older people out there who would love to have a quiet greyhound, but then they cannot afford the vet bills, so that is what we do. They are called sanctuary dogs. It sounds strange, but—

**The Hon. STEVE WHAN:** Does the existence of both of your organisations make it too easy for people not to take responsibility for greyhounds in the long term?

**Mrs FLANN:** No.

**Ms COHEN:** No, I would say that there is a vast number of animals out there that are not coming to either of our groups, or the RSPCA, that we do not know of.

**Mrs FLANN:** There is one thing that I would like to ask you, if I may. This came to my attention a long time ago. If a litter is born and they have 10 pups in that litter, and they get them ear-tagged and then they get them registered, which I believe—I am not sure, you will have to correct me—is at one year or 15 months, whenever they register them, tell me what happens when they only register six. What happens to the others? There were 10 to begin with. What happens to them? They are not fast enough, so they have the quick injection or the knock on the head, or they are shot. Please tell me. I do not know.

**The Hon. STEVE WHAN:** We will take that as a comment.

**The Hon. NATASHA MACLAREN-JONES:** My question is to Ms Cohen in relation to the code of practice you referred to in your submission. What is it that you would like to see implemented?

**Ms COHEN:** I think that the code of practice reads quite well. I reference it back to a previous professional life of mine and the code of practice is fine, but I would ask or suggest that I would be concerned about oversight. Who is it that regulates this particular code of practice? Is it a self-regulation; is there an ombudsman; is there someone in an independent role that would provide oversight to the code of practice?

**The Hon. NATASHA MACLAREN-JONES:** In an ideal world, what would your preference be?

**Ms COHEN:** Yes, I think some sort of Government authority or some independent body that has capacities. It might be an advisory panel made up of various stakeholders independent to the industry but with specific knowledge. It might be a body formed by the Government. I really do not mind, but I think some independent oversight would be very useful.

**The Hon. NATASHA MACLAREN-JONES:** I want to ask about your relationship with Greyhound Racing NSW. Is there any collaborative approach in relation to welfare and your work with them?

**Ms COHEN:** No, there is not. I have received anecdotal advice that greyhound Racing NSW is not aware of the Animal Welfare League in our capacity as having an inspectorate, so whilst they are required, I believe, to report the death of an animal to an inspector or cases of cruelty or any breach of the law to an inspectorate or police force, I understand that Greyhound Racing NSW is not aware that the AWL exists in that situation. The consequence is, no, we have no formal or informal relationship.

**The Hon. MARIE FICARRA:** I have a question about the breeders licensing scheme. Correct me if I am wrong. There is no obligation on greyhound breeders to be part of the so-called breeders licensing scheme in New South Wales, there is no obligation on microchipping and there is no comprehensive database where we can trace puppies from birth to death?

**Ms COHEN:** My understanding is that greyhounds are exempt from all other requirements of companion animals under the Companion Animals Act.

**The Hon. MARIE FICARRA:** I truly believe the majority of greyhound breeders are responsible. It is always the minority. In any of these circumstances, the majority of these people love their dogs, love their pups and want the best for them and it is always the minority that create these problems. In asking you these questions, it is no reflection on any of the greyhound breeders, particularly the people who are attending this inquiry today, because you genuinely love your animals. For how many years has Greyhound Rescue been doing this job?

**Mrs FLANN:** I have been doing it for 40 years.



**The Hon. MARIE FICARRA:** It uses incredible resources and you have never applied for any Government funding?

**Mrs FLANN:** We are gradually losing brick by brick off my house.

**Mr FLANN:** I am not aware of any funding that is available at the moment. If there is, we will certainly apply for it.

**The Hon. MARIE FICARRA:** How effective is the RSPCA in this?

**Mrs FLANN:** Do you see cloud nine over there?

**The Hon. MARIE FICARRA:** As I say, I believe the majority of greyhound breeders are responsible. Are there any inspections that occur, to your knowledge? Is Greyhound Racing NSW or anyone supposed to inspect?

**Mr FLANN:** I think you would have to ask Greyhound Racing NSW that one.

**Mrs FLANN:** I would like to answer that question. We had a hoarder and it took me six years to track her down. She had 120 dogs. She used to go to the tracks. We had the RSPCA all those years, but because they had water, they had cover, even if they could be up to their knees in faeces, they said they could not do anything. To me, it was awful. In the end, I asked them to look at their teeth, and he said, "That is negligence", so we got them on negligence. But that took us a long time. It took me six years to get her sentenced through the Supreme Court.

**The Hon. MARIE FICARRA:** I am sure there would be greyhound breeders who, knowing what you do, would—

**Mrs FLANN:** Hate us.

**The Hon. MARIE FICARRA:** I do not think the majority hate you. I would like to think that there are kind and responsible breeders who would assist you in what you are doing. I do not think what you are handling reflects well on the industry, and I do not think they are proud of it either. There has never been a communication between you and Greyhound Racing NSW to see if you could get some—

**Mrs FLANN:** Not money, but I have reported every cruelty case to them, but they have done nothing about it. Each one got written down.

**Mr FLANN:** Could I comment on that? We have to accept that in all walks of life there are good people and bad people. I am sure there are a lot of good people in the training business. We know the number but we have received some greyhounds that are in excellent condition and obviously have been very well looked after. The bottom line is that, at the end of the day, they do not want to keep the animal.

**The Hon. MARIE FICARRA:** Microchipping would perhaps—

**Mr FLANN:** If I could answer that one as well, I think since 2010 microchipping has come into play with the greyhounds. They used to have a system of tattoos in both ears. That has changed. They now have a microchip and some tattoos in one ear, and the microchip and the tattoo in the ear can identify the greyhound with the racing board.

**Mrs FLANN:** Can I add to that, please? We went out to a trainer. He found us. He said, "You have a no-kill policy. I would like you to take my dog." We went out and got this dog. I mean, there were litters everywhere, but I just could not believe it. I said we will have to have them microchipped. He said, "Do you know what we will do. We will just take the microchip out."

**CHAIR:** Order!

**Mrs FLANN:** That was true.

**CHAIR:** Order! There will be no comments from the audience or I will clear the gallery.

**Mrs FLANN:** That was true. You were there.

**Mr FLANN:** As I said, there are good people and bad people in all walks of life.

**Dr JOHN KAYE:** Thank you for your evidence. I reiterate the comments of Marie Ficarra. I want to ask you some questions about animal mistreatment in the industry and I want to ask you some questions about euthanasia. I know there are people present and there are friends of mine who keep dogs and race dogs who look after their dogs superbly well, so these questions are not directed to those people. These questions are directed to other people in the industry. We heard evidence this morning when we tried to work out the number of dogs that are euthanased each year in the industry. There is a common acceptance that the number is well over 3,000. Greyhound Racing NSW says it is 3,000 a year. There is a public forum this evening and people are free to say what they like at the public forum. Right now, this is not a public forum and I will continue. Greyhound Racing NSW says that 3,000 dogs are euthanased each year. Other people say it is substantially more. I have seen studies that put it as high as 6,000. Is there a capacity to rehome 3,000 dogs?

**Mr FLANN:** At the moment, obviously we have got to say no, there would not be, but the answer to that question is that far less perhaps have to be produced. There has to be a lot less produced in the beginning so there is not the wastage of these beautiful animals.

**Dr JOHN KAYE:** I will come to that in a minute. You would be aware that Greyhound Racing NSW runs a program called Greyhound Adoption Program [GAP] and that the GAP rehuses, at its maximum, 52 dogs a year?

**Mrs FLANN:** I believe since they started until now it has been 300 dogs.

**Dr JOHN KAYE:** I think that is correct, so it is a lower number of dogs than—

**Mrs FLANN:** It is people like us who have to pick up the rest of the pieces that they throw away.

**Dr JOHN KAYE:** How many other programs are there that you are aware of that are similar to yourselves and to the Animal Welfare League?

**Mrs FLANN:** Actually, there is no-one, because we are the only no-kill policy and that is why they come from Adelaide. They come from everywhere to us.

**Dr JOHN KAYE:** There is Greyhound Rescue, Greyhound Racing NSW's GAP, and—I mean no disrespect—the relatively small amount of work done by the Animal Welfare League would be it?

**Mr FLANN:** No, there is ourselves—Greyhound Rescue. The Greyhound Adoption Program is a separate entity to the racing board. It is not with the racing board.

**Dr JOHN KAYE:** Yes. I am talking about the total number of organisations.

**Mr FLANN:** I am answering that. The Greyhound Adoption Program is another group that is not associated with the board. Greyhounds as Pets is the rescue for the racing board at the moment. There are three main ones in Sydney. There is another group called Friends of the Hound who operate up and down the New South Wales coast. I think that is basically the number of groups.

**Dr JOHN KAYE:** Do you have a sense of how many dogs are rehomed as a result of all those programs jointly?

**Mrs FLANN:** I do.

**Mr FLANN:** Yes. Friends of the Hound would be comparable to ourselves. I cannot answer who are the other two, I am afraid.

**Dr JOHN KAYE:** Would there also be animals that are being rehomed directly from the owner or the breeder or the trainer?

**Mr FLANN:** No doubt, but we do not have access to that. I know that does happen. Yes, there are obviously people who want to find a home for their pet after a racing career, and I am sure they do so.

**Mrs FLANN:** I just want to tell you that I had a phone call, and a man down at Wilberforce had two dogs, about ten months old. He said, "Would you come and get them, please?" I said, "I can't until tomorrow." He said, "I will shoot them." So we got in the car to get them. One was all wobbly—dreadful. So we put it in the kennels and Pete had to rush out to the kennels because the dog had collapsed. Chris Brown actually phoned up at that time. He wanted a dog with a problem, so we took the dog to him. He had the dog for three weeks. He did every test possible. That dog—and he said it on television, "This dog has been beaten across the head"—was traumatised. We have got her in a beautiful home, but she wobbles when she walks and she has brain damage. Now that to me is absolutely disgusting.

**CHAIR:** Ms Cohen or Janet, could you describe to me the difference in approach between the Animal Welfare League and Greyhound Rescue? In other words, in respect of the treatment of greyhounds, Greyhound Rescue is a no-kill organisation. How is that organisation different from the Animal Welfare League?

**Mrs FLANN:** I do not know whether they keep them. They ask us to take them if they cannot find homes.

**Ms COHEN:** I will have a go at answering that. We strongly advocate minimising euthanasia, but we are realistic. In some instances where a dog may be suffering either emotionally or mentally or physically we do not anticipate that we would ever have zero percentage of euthanasia, but we certainly follow a principle that is supported by ourselves and the RSPCA, for example, called Getting to Zero [G2Z], which is about minimising—basically no well animal will be put to sleep. Obviously there are cases where it has to occur in the best interests of that animal, but we do not do it because we have not enough room or we cannot find the animal a suitable home. If the animal is well mentally or physically, we will not put it down.

**CHAIR:** And Greyhound Rescue does not put animals down, even if they are not well?

**Mrs FLANN:** If they are dying, if they have cancer or whatever—as long as they are not suffering. If they have only got three legs, we keep them and we home them. To be honest, we have a lovely 11-year-old that was put in the pound. Bless her, all her teeth were black. She could hardly stand up. Of course, we took her. Her name is Lolly and she is picking up now. We have had one lot of dental on her and she has to have another lot of dental. We cannot de-sex her yet because she was put in in season. She is beautiful. She was past her use-by date. She had had so many puppies. For me, for someone to use a dog like that and then dump it in the pound is astronomic. It is awful.

**CHAIR:** You say you do not get any funding?

**Mrs FLANN:** We do not. It is our house.

**CHAIR:** I heard your evidence before, but since you interact so much with organisations such as the Animal Welfare League and perhaps the RSPCA, which accept certain animals as a last resort, why would you not get any funding from them?

**Mr FLANN:** Maybe you should ask the other organisations. We would be very grateful to receive funding from anyone.

**CHAIR:** Why would Animal Welfare League not give some money to Greyhound Rescue?

**Mrs FLANN:** They say they are poor.

**CHAIR:** Animal Welfare League and the RSPCA are recognised under the Prevention of Cruelty to Animals Act.

**Ms COHEN:** We are a charity. You could have a look at our audited financial accounts.

**CHAIR:** That was not my question. My question was: Why would Animal Welfare League not give some money to Greyhound Rescue?

**Ms COHEN:** Because we do not have the capacity to provide funding to external bodies at this stage. We get a limited amount of money from the Department of Primary Industries to partially, very partially, fund our inspectorate.

**CHAIR:** So where does the other money come from that you get?

**Ms COHEN:** The money comes from fundraising and our shelters.

**CHAIR:** You could not direct some of that money to people like this.

**Ms COHEN:** If we did then we would have to seriously compromise the welfare outcomes of our animals.

**CHAIR:** But you are passing dogs over to these poor people and they are losing their house.

**Ms COHEN:** I would have to say that in my area of knowledge we have not done that for at least 12 months so I am not sure what they are referring to. But I have no evidence of that occurring in recent history and certainly it is out of my area of knowledge.

**CHAIR:** But you gave evidence earlier saying that you were passing dogs across to Mr and Mrs Flann.

**Ms COHEN:** No, I did not give evidence to that effect.

**CHAIR:** You did not?

**Ms COHEN:** I did not give evidence to that effect.

**CHAIR:** I am sorry, I must have misheard you. But you said animals had been passed over in the past.

**Ms COHEN:** I am not aware. It is out of my area of knowledge.

**The Hon. TREVOR KHAN:** You talked earlier about some figures that might be available regarding euthanasing and we have gone onto the issue of essentially euthanasing in circumstances of last resort—that is, where the animal is crook. Are there statistics available which separate out the overall level of euthanasing of dogs, whether greyhounds or otherwise, from dogs that are euthanased for convenience as opposed to last resort circumstances?

**Ms COHEN:** Our statistical evidence comes from our own shelters and re-homing adoption programs. We do not have access to pounds, for example. In terms of the best statistics you would probably have to go to them. We do not have a consolidated report of overall euthanasia statistics for the entire companion animal or any other dog-related industry. But I could certainly provide statistics with regards to our own, which would be across all breeds and that would capture the handful of greyhounds that we have had in the past 12 months.

**The Hon. TREVOR KHAN:** But you would agree with me that simply talking about euthanased dogs as such potentially gives a misleading figure as to what is said to be the problem. If dogs are being put down because they are crook, dying, ill or in pain that is a legitimate mechanism of dealing with the animal.

**Ms COHEN:** Certainly, but if there is no oversight into the way the euthanasia is conducted within the industry—

**The Hon. TREVOR KHAN:** I am accepting that. It is two different issues to be looking at euthanasing as such, as opposed to euthanasing as a way of disposing of a dog, is it not? The raw statistic does not assist us. You have really got to dig down and find—

**Ms COHEN:** With the raw statistic it would depend where you are getting it from. I would be wondering where you would be collating that from.

**The Hon. TREVOR KHAN:** So would I.

**Ms COHEN:** Certainly the statistics of the Animal Welfare League would be that the only animals that are euthanased would be because they were mentally or physically affected to the point where we could not re-home them or prolong their life. So they may be dangerous.

**Dr JOHN KAYE:** Are you talking about the animals that you would euthanase?

**CHAIR:** That is what we are talking to.

**Ms COHEN:** Yes.

**CHAIR:** Will you take on notice to provide us with the information as to how that break-up comes about from the Animal Welfare League?

**Ms COHEN:** I can point you to our website—it is in the annual report on our website. Currently for adult dogs we are running at about 82 per cent re-homing, there are some transfers within that for all breeds of dogs, and I think it is about 10 per cent euthanasia.

**The Hon. TREVOR KHAN:** Would that be the same for the RSPCA or similar?

**Ms COHEN:** That is outside my area. I think that would also be easy to ascertain from its website or by calling the media office.

**CHAIR:** We have run out of time. Thank you for coming today and giving your evidence.

**Mrs FLANN:** Can I just show you this?

**CHAIR:** You can but I think we have got that.

**The Hon. STEVE WHAN:** I have seen that.

**(The witnesses withdrew)**

**ROBERT ANTHONY ZAMMIT**, appearing as an individual, and

**EDWARD JAMES HUMPHRIES**, appearing as an individual, sworn and examined:

**CHAIR:** I welcome Dr Zammit and Dr Humphries to this hearing. Dr Zammit would you like to make a short statement before we commence with questions?

**Dr ZAMMIT:** When I was asked to comment about the greyhound industry I felt there were three areas I would like to see changed in the industry. The welfare of the animals themselves that are asked to race, not only during racing and their kennels—they are always immaculate—but also after racing. When they are finished I would like to see them treated with dignity and looked after in some way if possible, and at least euthanased correctly if not. The reason that started with me was because I used to go running a lot through the bush in my area and I would find dead greyhounds. They would be shot or, worse, just dumped in the bush. These were ex-racing dogs that people would not euthanase properly. That was one big thing that I wanted to see changed. This is so easy to clear up because for each dog that finishes racing you either sign a surrender certificate for it and some organisation verifies that certificate, or it is euthanased by a vet and again a vet gives a certificate for that. At least we know that the dogs have been treated with dignity at the end of their racing career.

The animals that are utilised to train these dogs—let's be blunt about it, animals are utilised—are supposed to be killed first and that does not always occur. I would like to see that better policed and harsher penalties put in place when breached. As I said in my submission, the illicit use of drugs does occur and I think the greyhound people are doing a good job trying to stop that. I have been party to some of that, seen some of that, witnessed some of that and I would like to see that continued even bigger and better because these dogs push themselves to the limit—when you put drugs in them they push themselves very often beyond their limit and it harms the dogs.

**CHAIR:** Dr Humphries, would you like to make a short statement?

**Dr HUMPHRIES:** I commend the members of the Select Committee on Greyhound Racing in New South Wales for the exertions, efforts and time they are putting into this. For my part I see the major issues as the financial viability of the industry, the administrative competency of Greyhound Racing NSW and the large issue of animal welfare. I am here on your invitation on account of a small slot on 7.30 NSW in October, for my part in that where some fairly innocuous comments were made. Greyhound Racing NSW has directed me to attend two hearings. I do not accept they have the authority to do this. I am a private individual. I have no official capacity any longer in greyhound racing. I do not attend greyhound meetings. I do not bet on the outcome of greyhound meetings. However, the stage has been reached with this impasse that they are now threatening to warn me off greyhound racing, which would mean as a veterinarian I could not treat or see greyhounds or associate with registered persons. I raise this matter not because of any personal interest—I will take care of that myself—but I think it highlights how a participant can be treated so unjustly. If they are prepared to try that with me they will do anything to them.

**The Hon. TREVOR KHAN:** Dr Humphries, seeing as you have raised this issue, were those invitations made to you in writing?

**Dr HUMPHRIES:** Yes, I can table those if you wish.

**The Hon. TREVOR KHAN:** I would most appreciate it if you could provide us with copies of those.

**Dr HUMPHRIES:** They were directions; they were not invitations.

**The Hon. TREVOR KHAN:** I am sure. I am trying to be nice.

**Dr HUMPHRIES:** In their press release they said they were invitations, which would have made my cooperation more likely.

**The Hon. TREVOR KHAN:** I did not see the 7.30 report on that occasion, perish the thought that I missed it; what was the nature of your comments that has apparently brought the ire of Greyhound Racing NSW?

**Dr HUMPHRIES:** I am uncertain exactly as there were other individuals on the show who said more gravely damaging things than I said.

**The Hon. TREVOR KHAN:** But we can only deal here with your comments. What did you say?

**Dr HUMPHRIES:** I said that cocaine was commonly used as a stimulant in greyhound racing and that it could be administered just shortly before the race by a sneaky injection or by wiping the mucous membranes of the greyhound with cocaine powder.

**The Hon. TREVOR KHAN:** And do you have any evidence for this?

**Dr HUMPHRIES:** I have observed it, and several trainers have told me that they have used that.

**The Hon. TREVOR KHAN:** So the answer is yes?

**Dr HUMPHRIES:** Yes, and the thing is that if it is done immediately before the race then the swab is most likely going to test negative—unless some time elapses.

**The Hon. TREVOR KHAN:** In terms of your submission, I will now go to some slightly more practical issues. It would seem that you have attended racetracks quite often over time, I take it.

**Dr HUMPHRIES:** Yes, I had a 10-year period up to 1995 and more recently another six-year period up to 2011.

**The Hon. TREVOR KHAN:** And what were you doing at the track during those periods of time?

**Dr HUMPHRIES:** I was the veterinarian in charge of the veterinary aspects of the race and would very often be taking swabs and ensuring that animals were humanely treated.

**The Hon. TREVOR KHAN:** You comment on the facilities that were available at the tracks under the heading "other matters" in your submission. For instance, you deal with Wentworth Park and the like. Do those comments relate to the facilities that are available for veterinarians at the tracks now?

**Dr HUMPHRIES:** Yes, they are very basic. In some cases there is not even a handwash facility.

**The Hon. TREVOR KHAN:** Dr Zammit, have you worked at the racetracks as well?

**Dr ZAMMIT:** No, I have not.

**The Hon. TREVOR KHAN:** So what is your experience with greyhounds?

**Dr ZAMMIT:** I started working with them because my brother was involved in greyhounds. I got dragged into it, to some extent.

**The Hon. TREVOR KHAN:** So you were giving free veterinary advice?

**Dr ZAMMIT:** Yes, all the time; and then I developed a greyhound clientele. I was still against the illicit use of drugs, so much so that when there was a drug being used, given to dogs to slow them down, I rang the chief steward and told him in confidence about that. Apparently the next day everybody in the greyhound industry knew that I had done so. I lost my greyhound clients and have not had them since, and that has been fine.

**The Hon. TREVOR KHAN:** This practice of swabbing the winner interests me. It does not actually help you with regards to dogs that are nobbled in a race.

**Dr ZAMMIT:** In my understanding, they will certainly swab a dog that has had a form reversal—for example, if a favourite loses. Dr Humphries would have much more experience than I would in this field. Dr Humphries would have done this many times. Stewards would call the dog in to be swabbed. In those days, they

could not detect that particular drug so I told them what it was—because time and time again I had been asked, and I still get asked, to provide drugs to make greyhounds go faster, slower or whatever. The race courses know.

**The Hon. TREVOR KHAN:** Dr Humphries, is what Dr Zammit is saying consistent with your experience?

**Dr HUMPHRIES:** Certainly dogs may be swabbed for poor performance, though there is increasing emphasis placed on swabbing dogs that win, at present.

**The Hon. MARIE FICARRA:** It is amazing that they ask you for drugs to slow the dogs down. What dogs would receive those drugs? Would that be for the dogs of competitors? Why would you want drugs to slow your dog down?

**Dr JOHN KAYE:** To bet on competitors.

**The Hon. TREVOR KHAN:** You are betting on the race.

**The Hon. MARIE FICARRA:** Are you injecting the dogs of other people?

**Dr ZAMMIT:** No, if you have the favourite in the race and you tell the bookie that your dog is going to lose—you say, "He's not going to win the race; do not worry"—then the bookie can take more money and you will get a slice of that.

**The Hon. TREVOR KHAN:** Or you could lay the bet yourself.

**The Hon. MARIE FICARRA:** Dr Humphries, in your submission you talk about swabbing. Is it unsupervised? Is it just a steward who does that and do they handle it without any supervision? Or is it done by a veterinarian?

**Dr HUMPHRIES:** Very commonly it is done by the veterinary surgeon, although recently there has been a swabbing steward employed. The actual collection of the urine is largely unwitnessed by a third party. I have always seen that as a problem.

**The Hon. TREVOR KHAN:** Could you just explain that a bit more?

**Dr HUMPHRIES:** The dog is taken from the kennel and taken outside and an attempt to collect the urine is made. The collection is usually in a quiet place where there is no observation very much at all—there might just be someone walking through casually. So it is just the trainer and the veterinarian or the swabbing steward who collects the urine. They then take it inside and begin the process of securing it.

**The Hon. MARIE FICARRA:** So there is no independent supervision of that?

**Dr HUMPHRIES:** No, there is not. There should be. I have often said that there should be some provided but I have not had any success.

**The Hon. MARIE FICARRA:** What do you think about targeting swabbing as against randomised swabbing?

**Dr HUMPHRIES:** Targeted swapping leaves a lot to the discretion of the individual steward on duty. I have seen plenty of evidence that they target based on individuals and people rather than the performance of the animal. They seem to have grudges against certain people and swab their dogs all the time; and yet other people's dogs they will not swab at all.

**The Hon. MARIE FICARRA:** So it is potentially open to abuse or favouritism?

**Dr HUMPHRIES:** Yes, I am sure I have observed plenty of that.

**The Hon. MARIE FICARRA:** Do you think the Greyhound Adoption Program [GAP] and their rehoming program is an effective use of resources? Are we getting the outcomes that we should be getting with the injection of funds into that or could it be done better?



**Dr ZAMMIT:** It is being done better by Greyhound Rescue. Those people from Greyhound Rescue, who were sitting here giving evidence earlier, re-home a lot more dogs than the Greyhound Adoption Program does. There is no doubt in my mind about that.

**The Hon. MARIE FICARRA:** So you are very much aware of what Greyhound Rescue is doing and how they operate?

**Dr ZAMMIT:** I assist them by giving them very much reduced rates for things, and doing a lot of pro bono work for them as well. I see the number of dogs that find homes through Greyhound Rescue. I do not know what the Greyhound Adoption Program is doing with their funds, but compared to Greyhound Rescue it is very little.

**The Hon. MARIE FICARRA:** In an ideal world, you two are very well-respected veterinarians—

**The Hon. TREVOR KHAN:** That is not in an ideal world!

**The Hon. MARIE FICARRA:** Yes, I mean that you actually are. I put the word "ideal" in the wrong place there. In an ideal world, if you could get recommendations passed for the sustainability of the industry and the welfare of the greyhounds then what would you want us as legislators to recommend to the Government?

**Dr HUMPHRIES:** I think the funding is the issue. I do not think the Greyhound Racing NSW program is effective at all. There are more animals euthanased there than anywhere else. In our practices we would re-home more greyhounds in a year than they would. But there is a limit.

**Dr ZAMMIT:** In an ideal world I would like to see those people from Greyhound Rescue somehow get funding. I see how much of their own time, money and effort they put in. They are volunteers. So it would be good if they could have some land for a kennel somewhere—similar to what the thoroughbred industry does with its rehabilitation program. In their rehabilitation program they sell horses for about \$4,000 to \$5,000 where it would cost them about \$6,000 to rehabilitate that horse. The industry funds that to some extent—for example, there is an area of Canterbury racecourse where they run that program. It would be nice to have an area Greyhound Rescue could access to keep their dogs. There are keeping them in their homes and borrowing kennels off Save Our Strays and other rescue places, which help them as much as possible.

They even put dogs at my practice sometimes when they have no room, and I am sure they do so at Dr Humphries' practice as well. So in an ideal world I would love to see those people helped. In an ideal world I certainly would like to see, and I do not see why this could not happen, every greyhound accounted for when they finish racing. As soon as they have their tattoo and they are marked we know that they exist, so we should know when their demise is and how it happens. It could simply be a surrender form from a rescue group saying, "Yes, this dog has been surrendered to us", or it could be from a veterinarian saying, "I have duly euthanased this animal." At least then we would know that the animal has not suffered and the welfare of the animal has been kept honest in that way.

**The Hon. MARIE FICARRA:** Does the Australian Veterinary Association, of which you are members, have an interest in this issue? Did they make a submission?

**Dr JOHN KAYE:** Yes, they did.

**The Hon. MARIE FICARRA:** Are you generally reflecting the views put forward by the Australian Veterinary Association?

**Dr ZAMMIT:** No, I am doing my own.

**The Hon. MARIE FICARRA:** Chair, do we have the Australian Veterinary Association presenting before us?

**CHAIR:** No, we do not.

**The Hon. NATASHA MACLAREN-JONES:** I have one question in relation to the penalties for a positive test result from swabbing. What are the penalties and do you think they are adequate?

**Dr HUMPHRIES:** The penalties are very variable. There is a great deal of latitude given to the stewards who hear the inquiry and I think they do not always exercise that prerogative in a straightforward, honest fashion.

**The Hon. STEVE WHAN:** I apologise for missing the start of your evidence. I am sorry if I go over things which you have already talked about. I am wondering if you could actually elaborate a bit on your last comment, Dr Humphries about the stewards not always going about things in a transparent fashion.

**Dr HUMPHRIES:** The hearings are very dragged out and lengthy. Some of the positive swabs from earlier this year have not yet had hearings completed. An individual might get 10 years and a fine of \$3,000 for an offence while another individual for the same offence will get two years and \$2,000.

**The Hon. STEVE WHAN:** So you are saying that there is no consistency in penalties?

**Dr HUMPHRIES:** I am saying that the penalties are very variable.

**The Hon. STEVE WHAN:** Who applies the penalties at the moment?

**Dr HUMPHRIES:** The stewards apply the penalties. I note that, consistently in the application of penalties, smaller trainers get harsher penalties.

**The Hon. STEVE WHAN:** Are you suggesting that the big operators get more favourable treatment?

**Dr HUMPHRIES:** I have certainly witnessed that, and I think the reason is that they provide so many dogs for the actual racing that if they were given a lengthy suspension then there would be fewer dogs to race and there would be difficulty in making up the numbers for some races at times.

**The Hon. STEVE WHAN:** You may have already talked about it, but have either of you seen, in your experience working with racing dogs, any evidence of the use of EPO in greyhound racing?

**Dr HUMPHRIES:** Yes, I think there is a fair bit of EPO used. There are people asking for it all the time.

**The Hon. STEVE WHAN:** So people ask you for it?

**Dr HUMPHRIES:** Yes, people ask me for it. I have never dispensed it. There is plenty available on the black market. When you take blood samples from those dogs, the blood samples are fairly diagnostic to indicate that EPO has been used.

**The Hon. STEVE WHAN:** Is there a test for EPO at the moment?

**Dr HUMPHRIES:** The racing authorities say that they can test for it, but there has never been a positive swab in greyhounds.

**The Hon. STEVE WHAN:** Are there masking agents that people use? Are the greyhounds tested for the masking agents as well?

**Dr HUMPHRIES:** I do not know of any that work.

**The Hon. STEVE WHAN:** What about the use of testosterone, the levels of testosterone and the testing of dogs? Where is that up to at the moment?

**Dr HUMPHRIES:** Are you talking about testosterone in dogs as compared to bitches?

**The Hon. STEVE WHAN:** I am talking about in bitches.

**Dr HUMPHRIES:** There is a very low threshold for testosterone for keeping bitches off season. It amounts to an injection of half a millilitre every two weeks so 25 milligrams injected every two weeks.

**The Hon. STEVE WHAN:** Earlier evidence seemed to suggest that there are different standards between States concerning drugs, testosterone and those types of things. Is that right?

**Dr HUMPHRIES:** I could not comment about the situation in other States. I am not aware that there is a difference.

**Dr ZAMMIT:** I do read about that. There are differences between States. I do not know what they are because I do not care about the others, but I read all the time on chat lines between veterinarians that there are differences between them. I also concur with what Dr Humphries said: I get asked all the time for erythropoietin [EPO]. I do know that for a long time they could not test properly for anabolics in greyhounds. It has only been very recently that they have developed proper testing for that. That could be why EPO cannot be found at the moment. That is my belief.

**The Hon. STEVE WHAN:** Surely it is a problem if there are different standards for drug testing interstate. We have heard that dogs move between New South Wales and Victoria for meets.

**Dr ZAMMIT:** And that is what trainers are told to be careful of. They are told when you come to Victoria make sure you have this standard or that standard. They are asked to be made aware by the various organisations. It is weird, I know, but that is Australia; we do that sometimes.

**The Hon. STEVE WHAN:** Is there not a single national standard in most codes? Is it unusual for there to be different standards?

**Dr ZAMMIT:** I would think so. Certainly in thoroughbred racing there is a national standard. That is my understanding. I would have thought they would do the same and just get one standard.

**Dr JOHN KAYE:** Dr Humphries, I think you said in your written submission that live baiting still happens. Do you have evidence of live baiting happening?

**Dr HUMPHRIES:** Did I say that in my submission?

**Dr ZAMMIT:** I do not think so. I think it is my submission.

**Dr JOHN KAYE:** Yes, it was in your submission, Dr Zammit. Will you tell us about live baiting?

**Dr ZAMMIT:** It does occur.

**Dr JOHN KAYE:** How do you know it occurs?

**Dr ZAMMIT:** I have heard about it and I have seen it in the past.

**Dr JOHN KAYE:** You have seen it happening or you have seen the consequences of it?

**Dr ZAMMIT:** I have seen it happen in the past.

**Dr JOHN KAYE:** What animals did you see it happening with?

**Dr ZAMMIT:** A rabbit.

**Dr JOHN KAYE:** Would you say that it is widespread?

**Dr ZAMMIT:** Does it matter? If it happens to one animal, it is bad.

**Dr JOHN KAYE:** It is bad with one animal.

**Dr ZAMMIT:** Does it get worse with more animals?

**Dr JOHN KAYE:** It is a question of whether you are alleging it is a systemic problem.

**Dr ZAMMIT:** I think it is. I no longer know because I am no longer involved in the racing side of greyhounds; I am rescuing greyhounds all the time. But I still have friends that are greyhound trainers, who are good people. They will tell me that it still does go on so I believe it does.

**Dr JOHN KAYE:** Some people use animal carcasses to train their dogs.

**Dr ZAMMIT:** Yes.

**Dr JOHN KAYE:** Do you see that as an abhorrent practice?

**Dr ZAMMIT:** No, I do not. It is what it is. It is not something I would like to do or be party to but at least the animals are killed. That is considered legal in this State.

**Dr JOHN KAYE:** Perhaps it would be useful for you to describe to the Committee why a trainer would use an animal in that fashion.

**Dr ZAMMIT:** It stimulates the animal mentally. If a dog is baited it is being mentally stimulated. It is like the unfortunate and disgusting habit of dog baiting when they are fighting each other. Dog fighting occurs in this State, in this country. They will use small live dogs to train big dogs to fight.

**Dr JOHN KAYE:** But you are not talking about greyhound racing; you are talking about dog fighting by analogy.

**Dr ZAMMIT:** I am giving you the simile of training. Unfortunately, that happens. With greyhounds they will say if he chases and does not catch it he is going to stop chasing. I do not know if that is true or not and I do not care.

**Dr JOHN KAYE:** Do trainers who use live bait as opposed to dead bait get an advantage in training their dogs?

**Dr ZAMMIT:** A perceived advantage to them. They believe the dog is more mentally stimulated and will be keener to chase.

**Dr JOHN KAYE:** Do you think it is possible to stamp the practice out?

**Dr ZAMMIT:** I think for that to be stamped out you would have to throw more money at policing it better.

**Dr JOHN KAYE:** How would you do that, given that the vast majority of trainers would not do it and are good people? We are trying to find a small minority of trainers who are seeking to gain a perceived advantage in this fashion.

**Dr ZAMMIT:** I do not know that it is a small number.

**Dr JOHN KAYE:** Do you think there is a relatively large—

**Dr ZAMMIT:** I think it occurs not infrequently in this profession, unfortunately.

**Dr JOHN KAYE:** Given that it would be likely to occur out of the public gaze, do you think it is possible to find and eradicate the problem or at least reduce its frequency?

**Dr ZAMMIT:** Yes, I do.

**Dr JOHN KAYE:** Do you think Greyhound Racing NSW has an appetite for getting rid of the problem?

**Dr ZAMMIT:** I think they would if they could. Yes, I would believe that.

**Dr JOHN KAYE:** It is a resource problem for Greyhound Racing NSW?

**Dr ZAMMIT:** I would assume so.

**Dr JOHN KAYE:** I now turn to the topic of illicit drugs. Dr Humphries, I think you said there is a test for EPO.

**Dr HUMPHRIES:** No, I said I could take a blood sample from a greyhound and, from those results, deduce that the animal had at some point been treated with EPO.

**Dr JOHN KAYE:** Does Greyhound Racing NSW do that as part of their routine testing?

**Dr HUMPHRIES:** I have never known them to take blood. They legally can do so, but I have never known them to.

**Dr JOHN KAYE:** To your knowledge, they usually use urine or faeces?

**Dr HUMPHRIES:** In every case. I have taken blood once in 16 years.

**Dr JOHN KAYE:** Is the perception in the industry that you could get away with using EPO if you wanted to?

**Dr HUMPHRIES:** I would say that is certain.

**Dr JOHN KAYE:** How widespread do you think EPO use is in the industry?

**Dr HUMPHRIES:** It is hard to know but there are certain trainers whose dogs will improve dramatically when they go into a kennel. There will be a short-lived period of racing when their dog just then goes out for a spell. The same trainers will have a number of competitors week after week and then all of a sudden they will win four or five of the races on a particular program.

**Dr JOHN KAYE:** Does that have an adverse impact on the dog?

**Dr HUMPHRIES:** It makes the dog ill.

**Dr JOHN KAYE:** Does it shorten the life of the dog?

**Dr HUMPHRIES:** It shortens the racing life of the animal for certain but it probably does not shorten the life as such. It may not recover its full racing form after a couple of treatments.

**Dr JOHN KAYE:** Does it cause pain to the dog?

**Dr HUMPHRIES:** No. It would be a feeling of unwellness but not pain.

**CHAIR:** In your respective opinions, is the drug testing process currently undertaken by Greyhound Racing NSW satisfactory?

**Dr ZAMMIT:** Given the scientific knowledge that we have, it exhausts that at the moment.

**CHAIR:** Pardon?

**Dr ZAMMIT:** I think it exhausts what scientific knowledge there is.

**The Hon. STEVE WHAN:** They are doing as much as they can?

**Dr ZAMMIT:** Exactly. But I do not think they can find certain things. It is always a challenge between the greyhound trainer who wants to try to beat the system rather than play on a level playing field. The guy who is trying to beat the system is trying to find a drug that cannot be swabbed for a while.

**CHAIR:** Would you classify the typical breeder as a person who would seek to try to use performance enhancing drugs on their dogs?

**Dr ZAMMIT:** I can almost cut them in half as to the ones that are genuine and those that are not.

**CHAIR:** I do not want you to do that, not with a scalpel anyway.

**Dr ZAMMIT:** No. There are people I have seen that are totally genuine about their dogs and look after their dogs. You can tell because they are the ones that have the old dog still sitting in the kennel until it dies of old age. There are lots of those people. Then there are the others who just seem to have a very high turnover. What happens to the dogs when they are finished? That is the worry. With this high turnover where does the dog go, where does it end up?

**CHAIR:** You say that Greyhound Racing NSW is doing the best it can with the known technology of swabbing and detecting. Do you think that the greyhound breeders who put those dogs to the races have the wherewithal to be on the cutting edge of—

**Dr ZAMMIT:** Absolutely.

**Dr HUMPHRIES:** Yes, absolutely.

**CHAIR:** Why do you say that?

**Dr ZAMMIT:** They have taught me about drugs at times when they say, "What about this drug?"

**CHAIR:** Why is that the case? Why are they able to find drugs or deal with drugs or come up with drugs that they can administer to their dogs that Greyhound Racing NSW cannot find?

**Dr HUMPHRIES:** I think we have the internet to blame for that. Trainers will often come in with the name of some obscure compound advertised in India or China and ask what it is. That would be some indication that some of the information is coming from there. Others seem to be able to get drugs through Customs. They take the chance. If it comes through, it does. They seem to be able to obtain it and take a risk on it.

**Dr ZAMMIT:** They will buy drugs off the internet.

**CHAIR:** Dr Humphries, from the papers you have handed up it seems you obviously have quite a good fight brewing with Greyhound Racing NSW. I am not going to ask you to talk about that, but on what basis do you think they are going after you? Why is that the case?

**Dr HUMPHRIES:** I think it could be personal. They perceive me as a dangerous person because I can expose them. I have seen so much of what takes place at race meetings. I have seen so much of the swab inconsistencies. For example, Greyhound Racing NSW publishes the negative swabs every month but they never publish anything about the positive swabs for that month, which would give participants and people like me more confidence that they are accurately reflecting the situation. The only time you find out about a positive swab is when the inquiry is all over quite some distance down the track.

**CHAIR:** Some more transparency might be the way to go?

**Dr HUMPHRIES:** I think they are very secretive. That is for sure.

**CHAIR:** Do you have any empirical evidence for what you say you have seen and the complaints and allegations you have made?

**Dr HUMPHRIES:** In regard to?

**CHAIR:** In regard to your claim that, for example, trainers are administering cocaine to their dogs.

**Dr HUMPHRIES:** They tell me. It sounds incredible. You can be out taking a swab and the trainer will say, "I have just given this dog cocaine. It won't show up, will it? It has only been 40 minutes."

**CHAIR:** It has only been 40 minutes?

**Dr HUMPHRIES:** That is the sort of comment they will make. That is the sort of thing they will tell me. They are quite frank with me. I think they fundamentally trust me for some reason.

**CHAIR:** Do you think penalties for positive swabs are appropriate?

**Dr ZAMMIT:** I hardly know what they are. I am not that involved in that side of the industry.

**Dr HUMPHRIES:** They are very variable and I feel there is some variation depending on the individual.

**CHAIR:** It may have been you who gave evidence earlier that certain trainers get more swabbing than other trainers. I can understand to a degree why that happens. It is a bit selective, perhaps for good reason such as past history. Do you think there should be more transparency about who gets penalties and how much the penalties are?

**Dr HUMPHRIES:** I think there needs to be transparency, absolute transparency, for public confidence. I think the participants need to feel that each person is treated justly and roughly equally.

**CHAIR:** You are saying that there may be some imbalance in some of the treatment of some of the trainers?

**Dr HUMPHRIES:** In looking at the swab results for September, one particular trainer hardly got swabbed at all yet he has a fairly bad record with regards to positive swabs. Yet another, who is currently under inquiry, had about four times as many swabs taken and yet he had about the same number of starters.

**CHAIR:** Would it be fair to characterise that as someone being picked on, for want of a better expression?

**Dr HUMPHRIES:** I think that is the perfect word to use.

**CHAIR:** Thank you very much, gentlemen, for your attendance today.

**Dr ZAMMIT:** Can I make one comment about one thing on welfare that is getting a little bit out of hand?

**CHAIR:** Yes.

**Dr ZAMMIT:** People get worried about taking blood from greyhounds to donate: These dogs are anaesthetised. These dogs are about to be euthanased anyway. They are anaesthetised, blood is taken, and then the anaesthetic process continues to euthanasia. They are not harmed in any way. It worries me that there seems to be a movement that we should not take blood from these dogs. At least the dog's death means something because that blood can save the life of another dog. The dog's dignity is never taken away from them and they never suffer any pain from it. I just want to make mention of it because it keeps coming up.

**CHAIR:** I had a look at this issue after I heard about it. You might care to tell the Committee what happens with that blood?

**Dr ZAMMIT:** In our clinic it can be stored for 28 days. If a dog comes in because it is had a car accident or we are operating on a big tumour removal or a snakebite, that dog is able to be saved because the greyhound has donated the blood to it. I do not see that as being a bad thing for that dog. People carry on about, "Oh, you are bleeding it to death." We do not bleed them to death and we do not do it with the dog awake; otherwise, you are going to have to bring in a dog from somewhere and take blood. That other dog does not want to give blood, either. The greyhound is about to be euthanased. He is anaesthetised, as he would be if he was euthanased, and the process occurs just like an operation—through an anaesthetic. The dog never suffers at all and then the anaesthetic is deepened until it is kaput.

**CHAIR:** What you are saying is that this is effectively the animal equivalent of our blood bank arrangement.

**Dr ZAMMIT:** To me, it is.

**CHAIR:** Obviously the dogs cannot turn up and voluntarily give blood.

**Dr ZAMMIT:** In my case I go every three months down to Penrith to give blood.

**CHAIR:** So do I. I have got O negative. Everyone wants mine.

**Dr ZAMMIT:** Me too. I will see you there.

**The Hon. MARIE FICARRA:** Yes, they do want you, and that is why.

**Dr ZAMMIT:** No, it is because you are a politician, sir.

**CHAIR:** It is not only that.

**Dr ZAMMIT:** For me, it is something that has been an issue. I know that my statement is going to go on the internet in five minutes before I leave this place but, for me, at least that dog's death means something to other dogs.

**CHAIR:** Yes. Thank you very much, gentlemen. The Committee will have another quick deliberative meeting. I ask people to clear the room. We will commence the public forum at 6.00 p.m. here.

**(The witnesses withdrew)**

**(Short adjournment)**



## PUBLIC FORUM

**CHAIR:** On behalf of the Select Committee on Greyhound Racing in New South Wales I welcome you to tonight's forum on the inquiry into Greyhound Racing in New South Wales. On behalf of the Committee I thank you for giving your time to participate in this parliamentary process. The Committee was established on 27 August 2013 to inquire into greyhound racing in New South Wales. This evening's forum follows a public hearing earlier in the day in which the Committee heard evidence from representatives of Greyhound Racing NSW, the Greyhound Breeders and Owners and Trainers Association, the Greyhound Action Group, the present Integrity Auditor, the Office of Liquor, Gaming and Racing, Greyhound Rescue and the Animal Welfare League, as well as veterinarians Ted Humphries and Rob Zammit. 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 the forum begins I will make some comments about procedural matters. Speakers are requested to register in advance for tonight's forum. If you have not yet registered but would like to speak, please register now with the secretariat staff. 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 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 of course that the speaker has a written statement, and the part that was not read will be included as a record of tonight's proceedings.

What is said today is being recorded. That recording will be later 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. Instead, speakers should speak about the general issues of concern and how it affects him or her. 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 on the table by the door. In accordance with the guidelines the media can film the 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 interpretation 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 by any other person. I now welcome Mr Anthony Gannon as the first speaker this evening.

**ANTHONY GANNON**, before the Committee:

**Mr GANNON:** My name is Tony Gannon, member of the GBOTS and secretary of the action group. You have seen witnesses here today from Greyhound Racing NSW, very sleek. Let's be truthful. These people haven't helped us at all as all they've done is—I spoke up about it with a couple of the other guys. I was threatened with suspensions if we kept on going. I was lied to. Thank God that people like yourselves have listened to us today. I can't believe we got this far, but thanks for at least listening. Some of the questions have been sensational. You can see from the GBOTS, the dunces who signed this deal with the NCA, the corruption that's been through this industry is unbelievable. I spoke up about it at a local club out here. I was threatened. Twice I gave information about this corrupt person. His police charges are pending now. He's been voted out. Racing NSW has done nothing. For 11 years they got people telling them.

These people are high top notch, paid well and running our industry. Can I say Mr Souris? Mr Souris told Greyhound Racing NSW to go back, clean out your top level administration, clean out that club the NCA that's drawn our money. But no, what did he do? Country tracks, and took their money, raped them, gave it into these bad C grade races that administration costs are killing us. We get \$500—500 bucks for a race. Where is that going to end? But they never answer you. This is a strategic plan. They're geniuses.

We're a hardworking bunch of people. These people out here have been through a lot. We work seven days a week, I miss my kids growing up, probably unfortunate but I've still got them; I've got grandkids, but we've got to get you people to look at our industry. We can't help it if we're being run by dunces. You feel the same way when I first heard this—that we signed a deal for a hundred years. We were on 15.62. They tried to cover that up for years. People just went about their business and listened. We went back to 13.2 and the GBOT management told me it was a good deal at the time. I said, "How could that be a good deal?" then and now. I'm frustrated because we just get knocked down and knocked down. The GBOTS have got a 10-man directorships, gets voted by 10 people and they outvote people with 40. We've got gerrymanders everywhere. They can never get sacked for indiscretions, but that's another story. They sat here real slick with their things today. They don't listen to participants, they don't help us.

This is unbelievable what goes on. This is Australia. We work 20 hours and we're getting 13 hours pay. No country in the world cops that and that's what we are copping in this industry. We've got imbecile decisions. You just don't believe it. Every day they come up with something new that mucks us about. It is unreal. We just want to go about our business. The corporates—there's an issue for the Government to chase. They're not paying their fair share of tax. They're raping us. The TAB is paying us 13.2, which is not their fault because our dunces signed a bad deal. These corporates are giving us a pittance. We're putting on extra races for them. They get paid their money in the C grades, the TAB gets paid their money, the clubs pick up admin costs, they get their money. The owner and trainer gets \$500. I've got two or three owners. I feel sorry; I just give them the lot because I'm embarrassed to give them that much money. I was embarrassed here today to see your face mate. We've been in this deal for 15 years. This is a disgrace. It's got to be changed, that's all I can say. Go away and think. These poor dopes out here are getting mucked around bad by bigger dunces.

**CHAIR:** Thanks very much, Tony.

**JOHN TRACEY**, before the Committee.

**Mr TRACEY:** Thank you for the opportunity. I am submission 5 A, B and C. Dr Collins made a great point when he said the racing department and the Minister stayed out of things when they should have been in it. We live in a State where a fair go is a culture. The Department of Gaming and Racing today told us that the legislation for GRNSW hangs around three key factors, one of them being fairness. In business we are ruled by Fair Trading and we ask for a fair share of distribution, so it is with great alarm to me that a fairness criterion does not make it into the short list of the report, that is of Greyhound Racing NSW annual report. If they don't have a focus on fairness I can understand why you've got 800 submissions.

I got into greyhound racing because I admired the fairness that the people had with the racing and everything else, but it might not be the only reason. Both my grandfathers had difficulties. One had illusions of grandeur and was certified and locked up and the other spent 20 years trying to perfect perpetual motion. My father wasn't much of an improvement. If my certified grandfather was alive today and the GHRRA, the mob that had regulatory control of both harness and greyhounds, was still in existence he would have been in line for top job. My other grandfather would have been competitive elsewhere in the greyhound administration. He was actually a very prized person in the public service.

My father was involved in racing all his life. If inherited madness is a reason I joined the greyhounds then I am amongst friends who pay a lot for a little and cope some ordinary treatment and still stick with it. We're all the public interest. I feel I'm making a keynote address here. We elect our politicians to look after the interests for us. They in turn delegate to others. In the case of racing the others have got us into a mess, so fair enough to put it back to the Parliament who delegated it out in the first place. Hopefully the higher order—that's you—can help us clean up the mess rather than providing short-cut radical legislation. You might have heard we've had about five or six Acts because people can't work it out in the first place, and put costs onto us as well.

I have discussed what the inquiry committee can do for us, so what can we do for the inquiry? We have to be fair. I note that three members of our inquiry are involved in an inquiry into ministerial propriety in New South Wales, which is due to report on 31 October 2014. We can offer information surrounding our own Minister, who guided us through the early periods of reform and who was involved in stages of the Independent Commission Against Corruption 2000 inquiry into greyhound racing and also was a witness in an Independent Commission Against Corruption inquiry into his own conduct that led to a successful court prosecution, so we can offer that if you want it.

The greyhound inquiry has been a great success so far. The normal participant input is in the one in ten range. That is all we have ever got before. Because the inquiry is ours, or partly ours, we expected more submissions, but nowhere near what we got. Select committees have been formed for as little as six weeks and up to three years, so we might need more than six months time, but that is really up to you.

**CHAIR:** Thank you very much, Mr Tracey.

**Mr TRACEY:** Did you want me to finish?

**CHAIR:** I think I need to cut you off there, but you can table the rest of your address.

**Mr TRACEY:** It is only thanks to everyone that I will table.

**WARREN ABSALOM**, before the Committee:

**Mr ABSALOM:** Before I start I would like to say that we have spent a heck of a lot of money on vet bills for our dogs and it hurts to get such a bollocking from animal liberators. Tonight I will start this talk about two of my greyhounds and then I will go on to the swab selection process and, if time, the change to stewarding at the tracks. I was present when two of our greyhounds were euthanased. One had cancer while the other was too dangerous—he was the sort of dog who could attack a baby or a child and then realise what he had done. To give him an extended life was just too dangerous. It was a peaceful death, and I fear that mine will not be nearly as good as I have Parkinson's and the future is looking very bleak. The two dogs had a good life when they were alive and even the most unbalanced zealots could not have disagreed with this. The dog with cancer had his own racetrack around the backyard and just loved to run.

I will now concentrate on the red marble. I must say at this point I disagree with Brenton—we do disagree with the number of swabs taken. When Greyhound Racing NSW took over the regulatory functions from the Greyhound and Harness Racing Regulatory Authority the system used to select the greyhounds to be swabbed. In simple terms, winners and placegetters of group races, winners of feature races and races worth a certain amount of money, winners that stewards deemed to have improved performance, those greyhounds that stewards deemed had performed poorly and the remaining winners were chosen by way of random ballot. Basically, the random ballot consisted of an open cage with a number of marbles, one of which was red. Trainers would spin the cage in front of the public. If the red marble dropped down, the greyhound would be swabbed. This system was a deterrent to the trainer because he did not know if the red marble would drop down. It was also a check on the stewards because they also could not guarantee that a winner would not be swabbed.

In August 2009 Greyhound Racing NSW issued a press release advising a change to the swabbing selection procedures. From 1 September 2009 the random ballot system was to be abolished at metropolitan and TAB meetings. It is noted that it is still in operation in the non-TAB sector. It was said that the new system would improve the rate of targeted testing at tracks and improve the surprise element that appeared to be lacking. It was said that with the random system in most cases there was an 80 per cent likelihood of not being swabbed. The new system went from a transparent system of automatic swabs, targeted swabs and random selections to a system of steward discretion with an internal check only.

After the change, statistics taken from participants revealed that there was a discrepancy in the percentage of swabs taken from the different trainers. This information was brought to the attention of Greyhound Racing NSW and the integrity auditors. Nothing was done. It was not until there was a story in the mainstream media that changes were made. These changes were to increase the number of greyhounds swabbed, including all winners at one of the metropolitan meetings and seven winners at the other metropolitan and TAB meetings. This was done even though Greyhound Racing NSW had said that it would be too expensive. The problem with the current system is that it is not transparent, it is the discretion of the steward, it is open to corruption and it is expensive. A system which includes a random element such as the red marble is transparent, has less discretion, reduces the risk of corruption and is less expensive. When funds are short, it is important that the procedures put in place are cost-effective and a deterrent.

The second point is in relation to the stewarding function at the tracks. In July 2011 Greyhound Racing NSW announced changes to stewarding at tracks whereby a control would be set up at Rhodes. Now we have a steward on track and a steward in the control room at Rhodes. This system is costly, it reduces the functions that a steward on track can undertake while the steward in the control room cannot see the whole race unfolding only what is on film. It has meant increased costs for the clubs that have to cover the functions previously undertaken on course by the steward. In the control room, the steward supposedly has many screens to follow the race.

**JAMES BLACKWOOD**, before the Committee:

**Mr BLACKWOOD:** Thank you very much for allowing me to stand up here and speak. I have a matter that concerns two cases that have been going through for 3½ years. I will start where it started. I was at Muswellbrook and what happened was that I placed my greyhound into the race kennel because he had been drawn to race at 11.15 a.m. There was a greyhound trainer who informed the club steward that my greyhound was graded incorrectly, that he was a fourth grade dog and not a fifth grade dog, about 11.20 a.m., after this had happened. If we go on further, I was called by the steward to come to the kennels and was informed that my dog was a late scratching because of what was said—a trainer who had the reserve dog and was last to arrive at the kennel area at about 11.30 to 11.35 a.m. Carrying on, his dog was kicked out and the trainer was told he may get a start, so what did he do? He then was told incorrectly that he and his dog would have to go outside the kennel area, which is not allowed.

This was all done by the steward and is on tape recordings. Now we go further to who told this trainer, and the reason was because he had to do something in the kennel area, and it was obvious what he had to do, because my dog was removed. By the steward doing this, it was outside the rules and regulations of Greyhound Racing NSW, so therefore the officer who handled this investigation should have charged the steward for telling the trainer to go outside. To finish, all of this information of the investigation is on two tape recordings that did take between 60 to 90 minutes on that particular day. My second case is far worse than this. It is very disastrous. That is all from me today, and much appreciation for allowing me here.

**COREY O'DONNELL**, before the Committee:

**Mr O'DONNELL:** Thanks, Committee and Chairman. We have heard about the 13 per cent and 20 per cent margins and stuff. As a participant, I am lucky enough to currently have a really good dog. I won one race at Wentworth Park, which was worth \$3,400, and I made a decision purely as an investment and spent \$7,500 to buy the dog first off, so I have invested a fair bit of money. We made the decision to send the dog down to Victoria. Obviously, during the hearings today, you have heard about the disparity in prize money and stuff that is available. I want to give you a pure example, and I can tell you how different it is and how far we up here in New South Wales are behind Victoria. If you win a race in New South Wales on a Sunday, it is \$830 you get. If you win a race down in Victoria at Sandown, it is \$1,700. Straight away there is a big difference there. If you race through the week in New South Wales—Monday, Tuesday, Wednesday, Thursday—all the races are worth \$1,100, unless you are a staying dog and then it is worth \$1,400 a win. I know \$1,400 is \$1,400, but if you go down to Melbourne, I have a dog which is racing on Tuesday night for \$3,200. This same dog of mine won the Thursday before and we got \$5,700. So you can really see how far behind the eight ball we are up here.

For me, being a young person, I just bought a property up in Grafton, just the other side of Grafton. I have made a fairly big investment. I know there is going to be a lot of work, but as a participant, and no doubt as many of my friends back here, we really need this industry to start working for the participants. We do not deserve to be left out in the cold like we have been. It is so frustrating. I hear it every single day I go to the racetrack. People are complaining about how the industry is at the moment. I know during the Greyhound Breeders, Owners and Trainers Association speech today—and I can understand where you guys are trying to get at in regards to what it costs for a dog. I can give you a quick overview.

You buy a decent dog as a pup, three months old, and you are looking at about \$3,000. Then you have to pay the rearing, so that is anything up to \$180 or \$200 a month. The dogs do not race until they are 16 months old, so you pay that until they are 14 months old. You then have to get the dog to chase, so you obviously go into an education centre, which is \$400 for the month. Then you have the pre-training, which is eight weeks. Pre-training is basically getting the dog ready to race, getting its fitness up so that it can go straight into a race. So by the time you get the dog to the racetrack, it is easy for you to have spent nine or ten grand. That is a lot of money; it is a lot of investment.

I bred a litter two years ago that all hit the track. There are 12 of them. There is a conspiracy, if you want to call it, that only 40 per cent of these dogs get to the track. Out of the litter of the 12 I have got, 11 have got to the track, and, unfortunately, one was bitten by a snake. My greyhounds live with us when they have finished racing. They sleep on the lounge. I showed a couple of guys out the front. The dog will come and lay on the lounge with us. The dogs are treated like family at my house. I have a kennel block that is worth \$40,000, a double garage, which has got an air conditioning unit. It is all climatized. The dogs watch Foxtel as well. Honestly, thank you so much for listening to our case. I appreciate everything you are doing. I hope we can make some headway into this inter-code agreement. You can see what sort of a shambles the industry is in at the moment. It is good to know that somebody is caring about the industry for a change. Thanks for your time.

**ROBERT WHITELAW**, before the Committee:

**Mr WHITELAW:** Before we start, I want to explain my situation. I am the vice-president of the Greyhound Action Group. I am also a member of the Greyhound Breeders, Owners and Trainers Association, and I also operate a greyhound education centre in the Hunter Valley. At the moment, we are struggling financially. As you know, we do an adoption program, which I am heavily involved in. I want to play this CD, because I am involved with this animal group. This is one of the best dog commercials that I have ever heard. This is an animal welfare issue that I am talking about. Listen to this guy. He tells you how the greyhound people and the people who own pointers, labradors, Alsatians and cattle dogs feel about their dogs. [CD played.]

Mr Chairman, I will be speaking on behalf of all dog owners and lovers in this great country of ours. I know it is an advertisement, but this guy tells the truth about how we feel about our animals. Firstly, I thank you for giving us the opportunity to address this in an open forum. I am very proud to be associated with the people who have helped me and the stage that we are at with this inquiry. I think it is important that this inquiry looks at every aspect of the greyhound industry. If things do not change on the funding side of it, there is no doubt that this industry will collapse in New South Wales.

For 15-odd years I have been pushing this issue through the statutory bodies as much as I could. Many times I have gone to Parliament House and knocked on doors and have talked to the relevant politicians on both sides of the political arena. I can say in this terminology that we have had the doors closed in our face. "Yep, we are thinking of you, but see you later. We will help you later." In saying that, I respect the politicians regarding what has been put forward to them about this inquiry. I respect everybody, no matter what political alliance they have. As I said, at this particular time if things do not change, we will fall over. Most of the people in the industry—96 to 97 per cent—are ordinary Aussies who go to work each day and who have got the dogs that they love and love to race. When it gets to the stage where it becomes a financial burden, people make irrational decisions.

Some of the decisions that have been made since 1993—I have got the figures here. We had 23,000 participants in the industry. Today we have 4,000. That is telling you there is something wrong in the industry. That red bag that you see over there contains 20 years of complaints about the greyhound industry to our authorities. We have had six changes in administration. The participants ask "Why have we had so many structural changes?" I will tell you why. The structures have failed the participants in this industry. I spoke about the matter to one of the leading chairmen who was head of the treasury at one stage. He said to me straight out that we have given our product away. I asked him about TAB escalation regarding the amount of race meetings that are going to be conducted on behalf of the bookmakers. He said to me, "Why should we give them more product when we are not going to get an increase in money coming back to us?"

That is a fact. That was a quote from a former chairman. The inter-code agreement is killing our industry. As a lot of people in the industry have said, it is a cruel blow to the industry. It is a cruel blow to the Government because it will not receive any more tax relief from us that we earn from them. Plus, if things do not change so far as the inter-code agreement, the industry will fall over and that will be a very sad day for greyhound racing in this great country of ours. Thank you, Mr Chairman.

**TONI BROWN**, before the Committee:

**Ms BROWN:** Thank you, Mr Chairman and Committee for giving me a chance to speak. My father has been involved with greyhounds for as long as I can remember. For six years he has done this fight on his own. He has been to the Australian Securities and Investments Commission [ASIC]. He has been to the top. He has been everywhere you can mention. He has had doors slammed in his face time after time. He gave up. He gave up the dogs. He gave up everything. When the action group came along, I jumped at the chance to join them and fight for him. I have several roles in the greyhound industry. I am a breeder. I am also an owner/trainer, and I also started a registered business Yellow Greyhound Retreat. It is a seven-day a week job and you cannot have a holiday or do anything, so why not take in the dogs—because I have 50-odd kennels—let them stay at my place and let the other participants have a holiday.

But I did not give up any bricks on my house. I charged them \$50 a week to feed the dogs, but I found \$50 a week was not paying for the dogs. I give them a bed, that is \$10. I give them a rug. Some participants do bring their own pyjamas, as they call them, for their dogs, and their own teddy bears. But they say, "My dog needs this. My dog needs that. Oh, and while my dog is here can you just give it a little pillow and can you slip it up to the track?" It got to the point where I was trying to work, trying to race, trying to fight this fight, and trying to help the participants at the same time, and it got too much.

At the moment, I am one of 400 trainers who have walked out. I am not training at the moment. I still have dogs at home. I still have three pups that have been sent to the breakers. I can walk back into the industry any day I want. Depending on this inquiry, it will be "if" I come back, because I have had enough. The board does not listen to you. The greyhound system is a shocking mess. I had five yellow dogs nominated. They all had points. They were ready to go. I nominated them all. When I looked up the draws—"Where are my dogs?" So I looked up the unallocated dogs thinking, "Wow, there are some good dogs out there because I have substantial points." So I looked up the unallocated dogs. "Where are my dogs?" I have the nomination verification in front of me. I ring them up and they say, "I am sorry, Toni, we are all new here." Okay. So I have a little bitch that I have kept, and I trial her and I trial her. Jeez, she is looking alright. I am going to keep her and save up for this special race.

So, she has had a PT. She won a PT by several lengths. I save her for the race. I nominate her. I am so excited about this race, and they put her in a PT. This is six months after I got the email saying, "Sorry, Toni, we are all new here." I obviously ring them up and complain. "I have saved this bitch for this special place." "I am sorry, Toni. We are all new here." I had the same email six months apart. How long can you be new? I am doing this for my father. It all depends on this inquiry whether I come back, but if things do not change, like I said, I am one of 400 trainers that have walked out in the last three months and I am sure there is going to be a very, very big number that is going to follow. Thank you.



**BILL MANGAFAS**, before the Committee:

**Mr MANGAFAS:** Thank you, gentlemen. My name is Bill Mangafas. I have been involved with the industry for nearly 40 years. I have been in administration for more than 20 years. I spent 18 years as a director of the Greyhound Breeders, Owners and Trainers Association, as its previous chairman, and I have been a member of Greyhound Racing NSW for the past 10 years. Today I am representing myself. I do not represent anyone. I represent the love and the passion of this industry. I took a few notes for the record. I was involved with privatisation. To the greyhound people and you people here, it seems like they are making an issue as what is hitting on their inter-code agreement. The Government implemented why it was privatised. Before the TAB was privatised, the three codes suffered. They could not meet their expenses.

The Government had no choice but to privatise the industry. When you sit there and negotiate your part of the pay, you know as well as I do that no-one would give you anything more than what you deserve. I have got with me, gentlemen, to the date of privatisation, the annual report of each code, what they produced. That is in their facts. With that, as greyhound people have made them—and I do not blame them, it is their frustration and they would not hurt anyone. As a greyhound industry, we never had an honest one in there. Let me assure you we had the best silks, the best solicitors, and if there is a breakdown—I was involved—they will pay good money to protect us. They will pay money to protect us, and they have got the records.

With respect to the inter-code agreement, it is a commercial document. The question must be raised on behalf of the industry commercially. They agree. No-one knew how this was going to go on because we were going to a new venture. The money was there. As greyhounds, we have got 13.2 per cent. When we got the 13.2 per cent that was based on the evidence of what we produced over the past eight years. We have got 13.2 per cent, which is about 2 per cent more than what we deserve. The horses, at their expense, reduced—

**CHAIR:** Order!

**Mr MANGAFAS:** Mr Chairman, if I may?

**CHAIR:** Mr Mangafas is entitled to have his say.

**Mr MANGAFAS:** I would like to know, in fairness to the industry, what happened after three months. There is evidence in my organisation that they agreed very, very strongly on it, that they increased the product by 32 per cent, knowing the fact that they were not getting paid. For example, it was costing the greyhound industry \$12,800 per meeting. The return was \$280 per meeting. Good business, is it not? The administrators—the Government—that was running it, their answer was the market share will increase the percentage. When a review happens, we will be able to ask for more money. Little did they know the review is only based on new money. We missed the train. That is one part. I think the question should be asked—people are concerned about what is missing. Why did they increase the product? Who increased it without getting paid for it? That is one thing. You must recall, too—I do not want to make too much of your time—frustration, as I said, gets me. In 2010 the TAB was sold again.

The Government, by legislation, cannot sell it until it gets the blessing of the three codes. There was an opportunity, and the question must be asked in New South Wales. The people in the industry invested close to \$600,000 to take them to court to fight market share since the new buyers were buying it. Ask the question: What happened with that and what was the outcome? You have an opportunity; it has never been asked.

Mr Chairman, the last thing that I want to bring to your attention is that everything is done and there are people there that do not know. I would look at the RDA where you have got on top the broadcasting rights. With the horses they introduced TVN. Does the contract—the money is now divided by the three codes—or the RDA say that they should have been as one unit when they are using media rights? I don't know. The other thing is that our Government let us down. It made a deal when it sold the TAB in New South Wales. It did that and it allowed the TAB in New South Wales to migrate in Melbourne. Lovely, isn't it? Your own business and you moved your business to Melbourne losing your money and employment in New South Wales. The Government changed the legislation and introduced competitors, the corporate bookmakers. Again, lovely! The Packers and all that found a loophole in how to operate.

Do you know that at this stage they have now got three codes? We were a watchdog. We won the case and we are charging you money from the corporate bookmaker, yet there is no protection by the Government. It should look at it federally there where again the corporate bookmaker pays the fees to New South Wales. It has

migrated its business to a different State and those State governments are making the money. I think in here it is all about money. I am frustrated, the people here are passionate. I can tell you from experience all they are looking for is for you to give them good prize money, a safe track and fix the grading policy. They will be happy as Larry. What happens with us, it goes rotating over and over like it is being recycled. You say: Why didn't they fix it? Every time people get close your Government changes the structure. It keeps changing and changing and we get nowhere.

The last thing I want to leave with you is the 2009 Act, which is the bible for each member. I want to bring to your attention when it came into place we in New South Wales heavily controlled it. The Act comes in and common sense would tell you once it is executed and presented in Parliament the meter starts from 2009. Why did the Government come out and say that you can't apply if you have already served on boards more than 10 years? A different structure altogether. I am only mentioning it because there are good blokes up here that might want to do something and they get blocked—their necks are chopped off. Thank you for listening to me.

**JOE LOPES**, before the Committee:

**Mr LOPES:** I would like to thank you, Mr Chairman, and the gentlemen and ladies with you for putting this on. I never thought we would ever get this going. I am very pleased to see that we are going to get somewhere soon. Now the first thing I want to tell you about is that I am very experienced in the dog game—I have been in it 63 years and I have won about 1,600 or 1,700 races. I used to win six races at a meeting—never did that any more—in four races at a meeting. I had 80 greyhounds. I owned the lot. I used to feed them all and I used to do alright. I lost 60—165 dogs at Londonderry and that has put me out. It gave me a terrible hiding. So now I am breeding again. I haven't bred for eight or 10 years. I am hoping to start off again.

Anyway what I wanted to tell you about is the rule book that the Racing Control Board has got. You can tear it up. Half the rules are not there—they are wrong. I rang up the board and I said, "What have you got the rule book for? You don't stick to the rule book." Do you know what they said? They said, "Don't worry about it. We are not interested in the rule book anymore." So I thought that is a bad step. Anyway going to the dogs now we have got to put the maiden dogs behind the boxes and show the steward how fast they go. The prize money is that low that we used to put our money on the maiden dogs because that is the only way we could make money out of the dogs.

Anyway I put a motion in. It went all round New South Wales. All the trainers did not want this to go on. Everybody put their hands up; they didn't want it to go on. Anyway I said, "They don't do it in Melbourne, why do they do it here?" I would love to see it stop. That is why they are short of dogs in the race meetings. They hardly have any maidens going because they can't get the dogs. The maidens used to do about three or four races sometimes. When they can't get dogs they used to put maiden races on. The prize money is a disgrace. I have never seen the prize money so low: \$50 in prize money. I would not even travel for \$50. My dogs can stay in the kennels and rot before I would go to those meetings. The way the board is going, if they keep putting the money down we will be lucky to get \$300. Anyway that is all I have got to say. Thank you very much for listening to me.

**SEYMOUR VASSILAKIS**, before the Committee:

**Mr VASSILAKIS:** I have been in greyhounds for 40 years as an owner, trainer and a breeder. I am also a member of the Greyhound Breeders, Owners and Trainers Association, which I am ashamed to say I am a member of because of the way they have looked after us. They have not looked after us at all and Greyhound Racing NSW is the same. They do not protect us. They are a hindrance to us. If they can do anything against us they will. I and a friend of mine put up a petition. We collected 500 signatures to have Greyhound Racing NSW call us for consultation before they change any rules or make new laws. We got a letter back from the chairman. It said, "That can't be done but if you want to talk to us, just email us." I sent five emails and never got a reply—that is how much they care. All we want is a fair go for all the people in greyhounds and we are not getting it. I think these people are incompetent. They are at the top of the tree and they think it is their own personal business and they are not interested in us. All they are worried about is how they are and their position and they put who they want in their positions. That is all I have got to say.

**CHAIR:** We have a little more time. Does anyone want to put their hand up who has not registered? Very well, today's hearing is concluded. Thank you all for coming.

**(The Committee adjourned at 6.52 p.m.)**

---