

Recommendations of the Greyhound Industry Reform Panel

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Introduction

The NSW Government established the Greyhound Industry Reform Panel on 11 October 2016 to provide recommendations on potential new animal welfare and governance arrangements to reform the industry. This report outlines our recommendations.

Our aim is to put the promotion and protection of animal welfare at the centre of new industry arrangements and to impose the strictest measures in the country to address animal cruelty. We believe this is crucial to the future of greyhound racing in NSW and to build the community's confidence in its integrity.

Implementing our recommendations will require substantial change to legislation, organisational structures, rules and regulations. But more importantly they are designed to support cultural change in the industry. They reset expectations about how greyhounds are cared for throughout their whole life, introduce new licencing and education requirements for industry participants and impose tough penalties for those who do the wrong thing. Importantly, the proposed new Greyhound Welfare and Integrity Commission (the integrity commission) will have the resources and powers to enforce the new requirements.

The new regulatory arrangements will be more costly for industry. We have not prescribed how the industry should run its commercial operations to meet these costs. However, our recommendations will give Greyhound Racing NSW the flexibility it needs to operate more efficiently while it supports cultural change and provides more incentives for improving the care of greyhounds. We have also set out options the Government could consider to increase revenue to the industry.

Our task

Our Terms of Reference are set out in full at attachment 1. These required us to provide recommendations on:

1. a best practice governance structure including a new independent regulator
2. a comprehensive animal welfare plan supported by strong compliance and enforcement measures
3. the timing and criteria for a statutory review of the new legislation.

In developing our recommendations, we were asked to consider the substantial work already completed including:

- / the recommendations in the Report of the Special Commission of Inquiry undertaken by the Honourable Michael McHugh AC QC (McHugh)
- / industry reform guarantees put forward to the NSW Government by the NSW Greyhound Racing Industry Alliance
- / industry reform efforts currently being undertaken by Greyhound Racing NSW (GRNSW)
- / the outcome of consultations by Dr John Keniry, Coordinator General of the Greyhounds Transition Taskforce.

Each of these earlier pieces of work involved consultation. We relied on the findings and information gathered through these processes as well as speaking directly to experts to inform our recommendations rather than repeating the comprehensive public consultation already undertaken. We also compared arrangements in jurisdictions across Australia.

We met regularly and agreed our recommendations by consensus. There were two recommendations where we did not reach an agreed position (refer to recommendations 99 and 100). In these instances we have included two options for the government to consider.

Overview of our recommendations

Our recommendations are broadly consistent with those made by McHugh (if the industry were allowed to continue) as well as the industry reform guarantees put forward by the NSW Greyhound Racing Alliance in August 2016. Some exceptions and additions are outlined in the relevant sections of this report and attachments 3 and 4 describe the alignment with both. Our recommendations also set out more of the practical details of new animal welfare requirements and new governing bodies.

If they are implemented, it will mean:

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

A brief summary of the major elements of our proposed reforms is provided below as well as a list of our recommendations. The rest of the report explains our recommendations in more detail.

Separation of commercial and regulatory functions

We propose that the commercial and regulatory functions that are currently carried out by Greyhound Racing NSW (GRNSW) be separated. This will minimise the potential for conflicts of interest and help to build the community's confidence in the industry.

A new independent regulator, the Greyhound Welfare and Integrity Commission (the integrity commission), should be established. The integrity commission will be responsible for upholding high animal welfare standards, overseeing the integrity of greyhound racing, and monitoring and enforcing compliance.

The integrity commission will develop and recommend an enforceable animal welfare code for greyhounds and be responsible for revising and updating the Greyhound Racing Rules (rules of racing). It will also develop and operate a whole of life cycle tracking system for greyhounds and a comprehensive licencing and accreditation scheme for industry participants.

The integrity commission will be the primary compliance and enforcement body and should have a broad range of investigative powers. This will include the capacity to obtain and use evidence from lawful covert surveillance.

GRNSW should be reconstituted as a statutory state owned corporation and be responsible for developing greyhound racing in NSW as a competitive and sustainable industry. It should be required to meet obligations imposed on it by an operating licence issued by the Minister for Racing. It will develop track safety standards, set the racing program, and oversee the management and administration of race tracks and race clubs including licencing and governance requirements. It will be required to meet the costs of the industry's operations including regulatory activities, allocation of prize money, and investment in tracks to meet safety standards and achieve optimal track design. This body will have significant autonomy in determining how to structure the industry to achieve commercial sustainability including deciding on the number of tracks it will maintain. It would also have the option of managing racing activities directly.

A comprehensive animal welfare plan

We recommend an animal welfare plan made up of four components:

1. an enforceable Greyhound Industry Code of Practice for Animal Welfare (code of practice) developed by the integrity commission based on advice from a Greyhound Industry Animal Welfare Committee
2. whole of life cycle tracking of greyhounds so the whereabouts of a greyhound is known throughout its life
3. licencing and accreditation of industry participants that imposes obligations on them to appropriately care for a greyhound at each stage of its life
4. stronger penalties and new offences that deter and punish cruelty to greyhounds and animals potentially used in live baiting.

An enforceable code based on the five domains of animal welfare

The Panel recommends the code of practice be based on the five domains of animal welfare. These are an internationally recognised framework for assessing an animal's welfare status. The five domains are:

1. nutrition – providing appropriate nutrition and access to food
2. environment – ensuring environmental opportunity and choice
3. health – ensuring fitness, ableness and access to treatment
4. behaviour – enabling behavioural expression
5. mental or affective state – encouraging engagement and positive stimulation.

We have suggested specific issues within each of these domains that should be covered in the code. Importantly, the code of practice will set out socialisation requirements at each stage of a greyhound's life cycle. These are designed to improve the proportion of bred dogs that are suitable for both racing and rehoming to avoid unnecessary euthanasia. We also propose that the code ban some practices including the use of barking muzzles and behaviour altering substances.

Whole of lifecycle tracking and care

We propose a number of measures that we expect will significantly reduce over-breeding of greyhounds in NSW and reduce the number of greyhounds euthanised. These include:

- / whole of lifecycle registration for permanent identification and tracking change of ownership and overall lifetime care
- / an upfront modest bond for each greyhound bred with additional annual payments made and retained until the greyhound is successfully retired, rehomed, dies of natural causes, or is euthanised in accordance with prescribed requirements
- / new requirements for the retention and rehoming of greyhounds with owners of greyhounds to be principally responsible for the welfare of their greyhounds for their full natural life, including ensuring their suitability to be rehomed at any stage of their lives
- / strict controls on euthanasia with a requirement that euthanasia only be administered by a veterinarian when they judge it is in the best interests of the greyhound – the only exceptions to this would be in accordance with existing provisions of the *Prevention of Cruelty to Animals Act 1979 (POCTA Act 1979)*.

We considered imposing a fixed cap on the number of greyhounds that could be bred for racing in NSW each year as proposed by industry in its August 2016 guarantees. However, we found that setting a cap in NSW immediately could be ineffective because of the transfer of dogs between jurisdictions (and internationally) that would occur outside a cap and because of the poor data currently available to set a cap at the right level.

Our recommendations will make better data available in NSW. Similarly, other jurisdictions are implementing reforms that should improve their data. A target for breeding controls should be revisited within two years of the new arrangements commencing in NSW when at least 12 months of more comprehensive data should have been collected. In the interim, we suggest industry continue to pursue a national approach to controlled breeding.

Licensing and accreditation of industry participants

We recommend a new licensing and accreditation scheme that means whoever is responsible for the care of a greyhound at any point in time will have clear, enforceable obligations and will be required to meet accreditation and/or education requirements to obtain and retain their licence. The scheme will apply to owners, breeders, rearers, educators (breaking in) and trainers.

For example, under the new licensing scheme, breeders will be required to complete a course to enable them to implement responsible breeding practices. This should result in more considered decisions about sires, brood bitches and mating, and in the approach to early care of greyhounds to increase the proportion of greyhounds bred that race competitively.

“Greyhound health assistants” will have a limited scope to provide health care to greyhounds rather than muscle men and will also be subject to licensing and accreditation requirements. This new license will also capture other complementary treatments such as acupuncture or chiropractic.

The greyhound welfare outcomes of each licensee will be monitored. This will enable corrective action to be taken if greyhounds cared for by a licensee experience a high rate of euthanasia or poor rehoming rates. Licences could be amended to impose stricter conditions or in some circumstances be revoked.

Stronger penalties and new offences

The integrity commission should be empowered with a range of flexible penalty options and compliance tools. Breaches of the code of practice could be dealt with through new penalty options, such as work orders, penalty infringement notices, fines, and suspension or disqualification from participating in the industry. Increased access to lower level penalties will allow proportionate and early intervention on low level breaches which is important for promoting a cultural shift in the industry. Currently these breaches do not generally attract enforcement action.

Strong penalties will be imposed for serious offences. These will include a life time ban from the industry for live baiting. We also propose explicitly defining live baiting as a serious, indictable, animal cruelty offence. This will have a potential jail term of up to five years.

Industry responsible for its own financial sustainability

We acknowledge the new regulatory arrangements will increase industry’s costs. It is important that industry has the flexibility to pursue options that allow it to operate more efficiently while meeting the higher standards expected of it.

Our recommendations mean industry will have considerable autonomy in managing its commercial operations and in providing incentives that improve whole of life care for greyhounds. The industry also provided some assurance in its August 2016 guarantees that it was viable and had capacity to fund the costs of care for unwanted greyhounds.

The resources allocated to the animal welfare and regulatory functions will be more transparent as we recommend they are determined through a NSW Government budget allocation to the integrity commission. We have not undertaken detailed analysis of industry’s past expenditure but suspect these functions were historically underfunded and that the new requirements will require

rebalancing of the allocation of industry revenue. For example, NSW currently employs fewer inspectors than Victoria and Queensland.

We have not made any recommendations about the number of tracks that should be maintained. Industry will have the scope to optimise these to meet new safety standards as well as commercial imperatives. We understand GRNSW has previously commissioned advice on potential options for track rationalisation. Structural reform could include moving to a model of centres of excellence in major greyhound population regions while maintaining community access to the industry. This would mean maintaining a smaller number of tracks with upgraded and safer infrastructure for racing.

GRNSW has experienced 40 per cent growth in revenue over the last three years and further growth is expected in line with the NSW Government's decision to adjust tax rates on the TAB's gambling turnover to achieve parity with other jurisdictions. This provides some scope to meet any new costs.

We have also set out some options government could consider to rebalance the TAB revenue allocated to the three racing codes given GRNSW receives proportionately less of this revenue than it generates compared to the other racing codes.

A statutory review of the new arrangements to occur after three years

We recommend that legislation enabling the new arrangements is introduced as soon as possible this year and that a statutory review be required after the legislation has been in place for three years.

We anticipate that many elements of the reforms could be developed and start to be implemented over the next 12 months but that some, including new track design and safety standards, are likely to take longer. It will be important that all of the key elements of the reform are in place and operating prior to a statutory review to properly test their effectiveness. Hence, we have recommended a statutory review after three years in mid-2020. The criteria for the review should focus primarily on whether the new arrangements have been effective in achieving improvements in animal welfare.

List of recommendations

A new governance model

1. The commercial and regulatory functions for the industry should be separated and vested in two different entities.

Reconstitute Greyhound Racing NSW as the commercial entity

2. Greyhound Racing NSW (GRNSW) should be reconstituted as the commercial entity of the industry, responsible for developing greyhound racing in NSW as a competitive and sustainable industry with high levels of public trust.
3. GRNSW should be reconstituted as a statutory state owned corporation with the NSW Treasurer and Minister for Finance as shareholder ministers and the Minister for Racing as the portfolio minister.
4. The commercial entity should be governed by a board of at least five but no more than seven directors (including a chair and deputy chair), serving a term of up to three years at a time and able to be reappointed for a maximum period of nine years in total.
5. A chief executive officer should be appointed by the board to run its daily operations.

6. Shareholder Ministers should be authorised to:
 - a. select board directors, with the assistance of a selection committee
 - b. select the chair of the board
 - c. remove the board or any board director
 - d. appoint an administrator for the board.
7. All board directors must be selected using a merit-based selection process with skills-based criteria.
8. The board should have the following composition:
 - a. The board should have an appropriate mix of skills, knowledge and expertise.
 - b. Office holders of racing clubs should not be eligible for appointment as a director.
 - c. No more than two directors should be active industry participants on a five person board and no more than three on a seven person board.
 - d. More than 50 per cent of the board should be “independent directors”, that is, persons that have no association with the industry or have not been involved in the industry in the preceding seven years.
 - e. The chair and deputy chair of the board should be independent directors.
9. GRNSW will be required to hold an operating licence to authorise its role as the industry’s commercial entity.
10. The requirement for an operating licence should be established in legislation.
11. The Minister for Racing should be responsible for granting the operating licence and monitoring compliance.
12. The operating licence should authorise the commercial entity to oversee or conduct greyhound race meetings by allowing it to:
 - a. authorise greyhound race clubs to operate greyhound racing venues and to conduct greyhound race meetings, or
 - b. operate greyhound racing venues and conduct greyhound race meetings on its own behalf.
13. The operating licence will outline the Minister’s requirements for the administration of greyhound racing by the commercial entity.
14. The operating licence should specify review triggers, with the potential to vary, amend or cancel the licence.

Establish a new Greyhound Welfare and Integrity Commission

15. A Greyhound Welfare and Integrity Commission (the ‘integrity commission’) should be established as an independent statutory corporation in legislation. The integrity commission should represent the State.
16. The integrity commission should be able to exercise its powers and make decisions independently of government.
17. The integrity commission should be responsible for animal welfare, overseeing the integrity of the greyhound racing industry and monitoring and enforcing compliance.
18. The integrity commission should be headed by a chief commissioner, responsible for overseeing the administration and operation of the commission and the performance of its functions.
19. The chief commissioner should be supported by two commissioners.
20. The chief commissioner and commissioners should be appointed by the Governor, on recommendation of the Minister for Racing. The Minister for Racing should also be able to recommend to the Governor the removal or suspension of the commissioners in very specific circumstances.

21. The appointment of the commissioners should be subject to a merit-based selection process.
22. The appointments should be for a term no longer than three years, and the commissioners should be eligible for reappointment.
23. A chief executive should be appointed by the chief commissioner to run the integrity commission's daily operations based on a selection process consistent with the requirements of the *Government Sector Employment Act 2013*.
24. Major decisions of the integrity commission should be made by a majority of the three commissioners.
25. The integrity commission should have the capacity to form and disband advisory committees.
26. A Greyhound Industry Animal Welfare Committee should be established to advise the integrity commission and should be comprised of five members – an independent animal welfare or behaviour expert; a senior officer of RSPCA NSW; the Chief Veterinary Officer of NSW or their nominee; an industry representative; and a representative from the commercial entity.
27. The integrity commission may also wish to establish a rules of racing advisory committee with any rules related to animal welfare to be reviewed by the Greyhound Industry Animal Welfare Committee.
28. The Minister for Racing should be the responsible minister for the integrity commission.
29. The Minister for Primary Industries should have a concurrence role in approving the Greyhound Industry code of practice to ensure consistency with NSW Government animal welfare policies and the POCTA Act 1979.
30. The Minister for Racing should have the ability to issue directions to the integrity commission on its operations in the public interest.
31. The integrity commission should be legally required to publicly report on its operations.

Compliance and enforcement powers strengthened

32. The integrity commission should be given a broad range of investigative powers to enable it to effectively discharge its functions and achieve enforcement and animal welfare outcomes.
33. The integrity commission should have the authority to enter and search:
 - a. public premises AND
 - b. the premises of licensed participants and licensed facilities AND
 - c. other private premises, if the integrity commission has a reasonable suspicion that an offence or non-compliance has occurred or is occurring at the premises.
34. The integrity commission should have the authority to enter any part of a premises used for residential purposes only with an occupier's consent or with a search warrant.
35. Inspectors of the integrity commission and the RSPCA NSW should be able to obtain overt video and photographic evidence when lawfully inspecting a property. The *Surveillance Devices Act 2007* should be amended to allow for this.
36. The integrity commission should be able to use evidence from lawfully obtained covert surveillance in the following circumstances:
 - a. a police officer has applied to a court for a surveillance device warrant for the purpose of investigating an indictable offence AND
 - b. the power to undertake covert surveillance is exercised by a police officer.
 The *Surveillance Devices Act 2007* should be amended to allow for this.
37. Police officers should be seconded to the integrity commission to enable direct application for search warrants for residential properties and surveillance device warrants in appropriate circumstances.
38. Officers of the integrity commission should be appointed as inspectors under the *POCTA Act 1979*.

39. Prosecutions for offences related to greyhounds under the *POCTA Act 1979* or *Crimes Act 1900* should be undertaken by the integrity commission except in circumstances agreed in Memoranda of Understanding (MOUs) with the RSPCA NSW, the Animal Welfare League (AWL) and NSW Police Force. The Director of Public Prosecutions may sometimes elect to take responsibility for prosecutions under the *Crimes Act 1900*.
40. The integrity commission should be able to employ, second or use specialist staff, including veterinarians and police officers.
41. The integrity commission should be responsible for regulating all licenced participants, clubs, licenced trial tracks and related persons (for example, managers), and other persons associated with greyhound racing.

Measures to ensure independence of the integrity commission from industry

42. Integrity commission officers should not be industry participants.
43. Integrity commission officers should have no direct or close relationships with the industry and industry participants.
44. Stewards should be solely responsible for regulating race day events and trials under the rules of racing.
45. The integrity commission's enabling Act should specify the circumstances when formal consultation with the commercial entity is required. This should include a requirement to consult on major policy and legal developments, such as development of the code of practice, amendments to the rules of racing and track safety requirements.
46. The integrity commission should be sufficiently staffed and resourced.
47. The integrity commission's budget should be based on the efficient costs of performing its functions and it should seek annual funding from the consolidated fund via normal State budgetary processes.
48. As a condition of the operating licence, the commercial entity should fully offset the costs to Government of maintaining the integrity commission.

Relationship of the integrity commission to other animal welfare regulators

49. The integrity commission should have primary responsibility for investigating and prosecuting greyhound related offences recognising the RSPCA NSW, AWL and NSW Police will have complementary roles which collectively improve the overall reach and capacity for enforcement.
50. Information about investigations should be able to be lawfully shared between the integrity commission, the RSPCA NSW, the AWL and the NSW Police in appropriate circumstances.
51. The integrity commission should enter into MOUs with compliance and enforcement bodies such as the RSPCA NSW, AWL and the NSW Police.

An enforceable animal welfare code with the highest standards in Australia

52. The integrity commission should develop and recommend a code of practice for the treatment, handling and care of greyhounds based on the five domains of animal welfare outlined in more detail in this report – the code of practice should be approved by the Minister for Racing with the concurrence of the Minister for Primary Industries.
53. The code of practice will apply to greyhounds owned or supervised by any licenced greyhound industry participant.
54. The code of practice should be enforced by inspectors of the integrity commission.
55. Penalties for breaches of the code of practice should include work orders, penalty infringement notices, fines, licence restrictions, suspensions and lifetime disqualification from the industry.
56. The code of practice should ban the use of barking muzzles.
57. The code of practice should ban the use of aversive substances on greyhounds or the use of

regulated products other than for their intended purpose, except where prescribed by a registered veterinarian

58. Age and litter limits should be set for breeding females in the code of practice.

Stronger regulation for those who provide aid to greyhounds

59. The role of greyhound health assistants should be established for those who are not veterinarians but provide limited healthcare to greyhounds such as massage therapy, acupuncture and other complementary therapies, non-invasive injury detection and first aid.

60. Greyhound health assistants should be licenced by the integrity commission based on demonstrated competencies which will require completion of training and/or recognition of existing skills.

61. The services that greyhound health assistants can provide should be clearly defined.

62. A licence condition of greyhound health assistants should be evidence of a relationship with a registered veterinarian to whom greyhounds can be referred when in need of veterinary assessment and care.

A NSW specific breeding cap is not proposed at this time

63. Industry should continue to advocate for a national approach to breeding controls for greyhounds.

64. Additional options for breeding controls and other total lifecycle management initiatives, including a target date for achieving zero unnecessary euthanasia, should be considered in two years informed by more robust data.

New licencing scheme administered by the integrity commission

65. A new greyhound racing licencing scheme should be established to support improved animal welfare. The new scheme should apply to all industry participants, including breeders, owners (including syndicates), rearers, educators, trainers, greyhound assistants and trial track operators.

66. The standard conditions of the new licencing scheme will include:

- a. mandatory education and training requirements
- b. compliance with the code of practice
- c. record keeping and reporting requirements
- d. the maximum number of dogs that can be kept by the licensee
- e. any other requirements as determined by the integrity commission.

67. Several categories of some licence types should be available depending on the scope and scale of the industry participant's operations.

68. Syndicates will be required to have an owner licence on which all members are listed but with a manager nominated to be primarily accountable for compliance. Managers and syndicate members should all be responsible for any penalty infringement notices for breaches of a licence.

69. A condition on the breeder licence will be that a breeder is responsible for reporting every pup whelped and for the welfare of every pup whelped until ownership is transferred.

70. Most industry participants should be required to complete training or demonstrate existing competency to obtain and maintain their licence.

71. The commercial entity should be required to educate industry participants on the new regulatory scheme.

72. There should be a transition period to enable existing participants to complete education requirements under the new scheme.

Registration of all greyhounds administered by the integrity commission

- 73. A new greyhound racing register should be established and managed by the integrity commission to capture the identity and whereabouts of all greyhounds throughout their lifecycle.
- 74. The greyhound racing register should be accessible by the RSPCA NSW, AWL, Local Councils and NSW Police.
- 75. The greyhound racing register should include greyhounds that retire and are retained by an industry participant as a breeding dog or pet.
- 76. The greyhound racing register should not include greyhounds that retire and are retained by non-industry participants. New owners will be responsible for registering these animals on the companion animals register.
- 77. Greyhounds that are registered on the companion animal register should not be required to wear a muzzle.
- 78. The greyhound racing register should be updated by the licenced owner when the greyhound is rehomed or euthanised.

Clear retention and rehoming requirements

- 79. Owners of greyhounds should be principally responsible for the welfare of their greyhounds for their full natural life including ensuring their suitability to be rehomed at any stage of their lives.
- 80. Owners of greyhounds that have been assessed as rehomeable must prioritise the welfare of the greyhound and apply all reasonable endeavours to rehome the greyhound or personally retain the greyhound.
- 81. The commercial body rather than the integrity commission should have the responsibility of managing industry based rehoming programs.
- 82. All rehoming programs administered or funded by the commercial body must use best practice to assess the compatibility of a greyhound with prospective owners before permanently rehoming them.
- 83. All rehoming programs administered or funded by the commercial body must track the outcomes of rehomed greyhounds as part of auditing requirements and make this information available to the integrity commission when requested.

Modest bond paid for all greyhounds bred for racing

- 84. Owners should be required to pay a modest upfront bond to the integrity commission, no later than four months after whelping, that is transferable with ownership. This should be paid by the breeder if they still own the greyhound at four months. This should be supplemented with annual payments, made by the person responsible for the greyhound, while the greyhound is registered with the integrity commission. Industry may develop a scheme to fund these payments.
- 85. The bond and annual payments should be recoverable by the last person who has the care and control of the greyhound before it suitably retired, rehomed, died from natural causes or euthanised in a manner consistent with requirements.

Strict controls on euthanasia

- 86. Euthanasia can only be administered by a qualified veterinary surgeon who deems it to be in the greyhound's best interest, or by an owner in the circumstances prescribed under the *POCTA Act 1979*.
- 87. Evidence of attempts to rehome the greyhound must be provided to the veterinarian when deciding if euthanasia is in the greyhound's best interest.

88. If a qualified veterinary surgeon euthanises a greyhound on the basis of the owner's inability or unwillingness to care for the greyhound, or where the greyhound has been deemed unsuitable for rehoming based on behavioural issues, the veterinary surgeon must notify the integrity commission.
89. The death of a greyhound must be reported to the integrity commission and accompanied by a certificate from a qualified veterinary surgeon outlining the circumstances of the death.

Regulation of export of greyhounds

90. The NSW Government should advocate to the Commonwealth Government to regulate the export of greyhounds from Australia so that they can only be exported where the receiving country has appropriate animal welfare standards in place.

Industry to introduce other measures to improve the bred to race ratio

91. The commercial entity should be required to report at agreed intervals to the integrity commission on the implementation and effectiveness of industry led measures to increase the bred to race ratio.

Licencing of public and private trial and training tracks

92. The integrity commission should licence all public trial tracks.
93. Private trial and training facilities that have a bull ring and/or a complete circular track and/or rail lure infrastructure should be licenced by the integrity commission and the licence should also authorise the use of this infrastructure at the facility.
94. Public and private trial track managers should be licenced and all trial track facilities should only operate in the presence of a licenced trial track manager.
95. Licenced private trial tracks should be available for use by other registered industry participants subject to signed agreements between the licensee and the participant being registered with the integrity commission.
96. A veterinarian should be present at all public trial tracks when used for activities with a higher risk of injury based on a risk matrix to be developed by the integrity commission e.g. trialling multiple dogs in race like conditions.
97. All trial track managers, including licenced private trial track managers, will be required to establish access agreements with veterinarians during trials where injuries occur during low risk activities.
98. Public trial tracks should not be used or open for use for high risk activities that require a veterinarian to be present other than between the hours of one hour before sunrise and one hour after sunset on any day without the permission of the integrity commission.
99. CCTV should be installed and recordings retained for a period determined by the Minister on the advice of the integrity commission for all public trial tracks and either:
- a. Option 1: for licenced private trial tracks as determined by the integrity commission; OR
 - b. Option 2: for all licenced private trial tracks unless the integrity commission provides an exemption on application from a licensee.

Restrictions on keeping small animals at greyhound establishments

100. The keeping of small animals (dead or alive) that may reasonably be used as a lure should be banned in the rules of racing, where greyhounds are kept, trained and/or raced in one of two ways:
- Option 1: (supported by greyhound industry representative) :
- a. no exemptions for rabbits and possums

- b. a very limited exemption for piglets where commercial production of pigs is the primary business of the property and this purpose co-existed with greyhounds prior to the requirement commencing – this exemption should only be granted on application by the industry participant to the integrity commission within three months of this requirement commencing and where there are strict controls in place for the separation of the greyhounds and piglets
- c. no exemptions at public trial tracks and race clubs
- d. deemed exemptions for other small animals on notification and verification by the integrity commission.

Option 1: (supported by RSPCA NSW) :

- a. no exemptions for rabbits, piglets and possums
- b. no exemptions at public trial tracks and race clubs
- c. deemed exemptions for other small animals on notification and verification by the integrity commission.

- 101. The integrity commission should have the authority to further limit exemptions for other small animals where it has evidence they are at risk of being used in live baiting.
- 102. Restrictions on small animals being kept where greyhounds are present should be limited to industry-registered greyhounds.

Improving track safety over time

- 103. Research already commissioned by GRNSW on track design and safety by the University of Technology Sydney should be completed and funded by the new commercial body.
- 104. GRNSW should develop minimum track design and safety standards that support the safest form of racing which could include:
 - a. requiring more straight track racing
 - b. specifying the surface to be used at particular
 - c. reduced field sizes for some or all levels of racing on particular tracks
 - d. requiring bigger one-turn tracks or tracks with bigger radius turns
 - e. specifying race and lure design
 - f. requirements for start positions, catching pens and finish on racing
 - g. preferential draws for some or all levels of racing on particular tracks.
- 105. These standards and a timeframe for implementation must be approved by the Integrity Commission, which will retain the capacity to intervene in track design and safety standards if they are not delivering appropriate animal welfare outcomes.

Penalties and offences that drive better animal welfare

- 106. A lifetime disqualification from participating as a licenced participant in the greyhound racing industry should apply for proven live baiting or any other serious animal cruelty offence.
- 107. Section 530 of the *Crimes Act 1900* should be amended to deem live baiting as ‘serious animal cruelty’ for the purpose of that section.
- 108. The live baiting offence in the *POCTA Act 1979* should be amended to address evidentiary difficulties in proving an animal used in baiting was alive when the offence occurred including establishing a definition for a dead animal that may have been used in baiting. This should exclude processed meats but include carcasses and unprocessed animal pieces.
- 109. Section 530 of the *Crimes Act 1900* should be amended to introduce a new offence where a person recklessly commits a serious act of animal cruelty, with a maximum penalty of 3 years imprisonment.
- 110. The *Crimes Act 1900* should be amended to enable a court to prohibit animals being kept on

a property with greyhounds where the person has been found guilty of an animal cruelty offence, consistent with provisions in the *POCTA Act 1979*.

111. The integrity commission's enabling legislation should include new offences, graduated penalties and penalty infringement notices for non-compliance with the new licencing, registration and greyhound industry animal welfare code requirements.
112. The integrity commission should apply penalties proportionate to offences, including where:
 - a. an owner is repeatedly not able or unwilling to care for a greyhound for its natural life
 - b. there is clear evidence a licensee is repeatedly producing dogs that are unable or unsuitable for racing or are unsuitable for rehoming.
113. Members of syndicates should be liable under the *Crimes Act 1900* and the *POCTA Act 1979* only where those members had knowledge of an offence or failed to take reasonable steps to ensure that an offence did not occur.
114. New penalties should apply for not updating the racing register as required.
115. A new criminal offence should apply to providing false and misleading information to the integrity commission.
116. The *POCTA Act 1979* should be harmonised with the rules of racing concerning the keeping of animals around greyhounds registered with the integrity commission.

A self-sustaining industry

117. The commercial entity should consider structural and other reforms to improve the efficiency of the industry's commercial operations and better support improved animal welfare outcomes.
118. Government should consider intervening to increase revenue to support the greyhound industry support the additional welfare, integrity and operational costs of the integrity commission and industry by:
 - a. legislating to amend the Inter-Code Deed so distributions better reflect contribution to TAB turnover (should the industry be unable to agree to a revised arrangement);
or
 - b. revisiting the distribution of the tax harmonisation revenues.

Implementation and review

119. An inter-agency project team should be established for up to six months to progress legislation and establish the new bodies.
120. New legislation for the industry should be considered by Parliament in budget session 2017 with as many of its provisions as possible to commence by 1 July 2017.
121. The commercial entity should be established as a corporation with an operating licence and the integrity commission should be established by 1 July 2017 if possible.
122. A statutory review of the new legislation should occur once the legislation has been in place for at least three years and include the following criteria:
 - a. improvements in animal welfare
 - b. appropriateness of a target for unnecessary euthanasia
 - c. adequacy of compliance and enforcement powers
 - d. appropriateness of the terms of the operating licence
 - e. effectiveness of penalties and offences
 - f. funding and efficiency of the Commission
 - g. impact on exports of greyhounds.

A new governance model

Recommendation:

1. The commercial and regulatory functions for the industry should be separated and vested in two different entities.

Greyhound Racing NSW (GRNSW) currently performs both the commercial and regulatory functions of the industry.

McHugh found deficiencies in this governance arrangement and that the failings in the NSW greyhound racing industry were due in part to one body holding both integrity and commercial functions. This resulted in conflicts between achieving strong outcomes for animal welfare and racing integrity, and commercial objectives focused on promoting the industry and its financial sustainability.

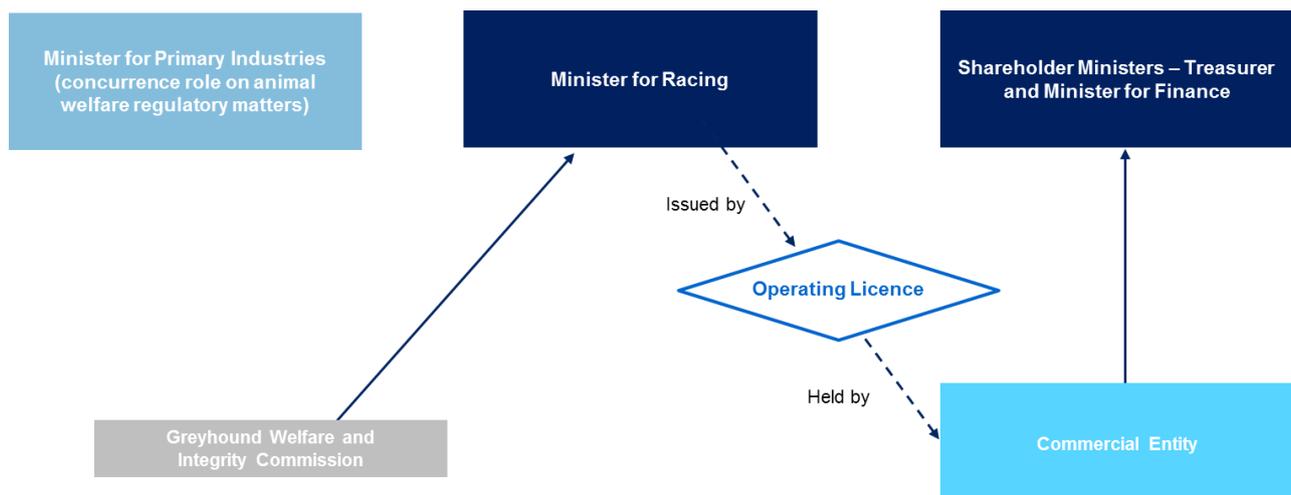
We recommend a new governance model to address these deficiencies that is largely consistent with McHugh’s proposals. The new model has two separate governance organisations:

- / a new Greyhound Welfare and Integrity Commission (the ‘integrity commission’) led by a chief commissioner
- / a separate commercial entity – a renewed GRNSW (the ‘commercial entity’) with a narrower scope.

Each organisation would focus on its specific mandate and have its own staff. We consider this is the best way to prioritise animal welfare and safeguard the integrity of the industry with the aim of building public confidence.

Figure 1 outlines our proposed new model which is then explained in further detail.

Figure 1: Diagram of the new governance arrangements



Reconstitute Greyhound Racing NSW as the commercial entity

Recommendation:

2. GRNSW should be reconstituted as the commercial entity of the industry, responsible for developing greyhound racing in NSW as a competitive and sustainable industry with high levels of public trust.

We recommend GRNSW be reconstituted to become the commercial governing body for the industry. The commercial entity should have a clear remit and focus. The commercial entity's primary objective should be to develop greyhound racing in NSW as a competitive and sustainable industry with high levels of public trust and professionalism.

We propose that the commercial entity's functions and responsibilities reflect its primary objectives and should include:

- / meeting its obligations under an operating licence issued by the Minister for Racing
- / reporting on its operations to shareholding Ministers
- / meeting the full costs of the integrity commission in fulfilling its functions
- / promoting NSW greyhound racing e.g. through developing policy, branding and marketing and developing quality wagering products
- / building and maintaining a culture of integrity and animal welfare
- / developing and overseeing delivery of compulsory animal welfare and compliance education and training for industry participants
- / running greyhound races and delegating the authority to run greyhound races to entities that meet its requirements
- / maintaining oversight of greyhound races, including qualifying trials and race day event activities
- / overseeing the management and administration of race tracks and race clubs
- / setting the racing program including setting the race calendar, race meetings and races, allocating race dates and where races will take place across registered clubs
- / allocating prize money
- / grading greyhounds
- / issuing Race Field Information Use (RFIU) authorities or approvals
- / charging fees for the services provided as part of its functions, including RFIU fees
- / capital planning
- / reviewing track design and developing new track safety requirements
- / responsibility for delivery of all re-homing targets through direct programs, such as Greyhounds as Pets or other methods.

As the lead industry body it will have an important role in promoting cultural change across the sector. As part of its oversight of clubs, it should be able to set expected standards for governance and integrity of these bodies and have the flexibility to employ and oversee staff involved in the operation of greyhound race activities including qualifying trials and race day events.

The following sections set out our recommendations for the form of the renewed body and measures that will strengthen its integrity.

Establish a corporation that is owned by the government

Recommendation:

3. GRNSW should be reconstituted as a statutory state owned corporation owned by the NSW Government, with the NSW Treasurer and Minister for Finance as shareholder ministers and the Minister for Racing as the portfolio minister.

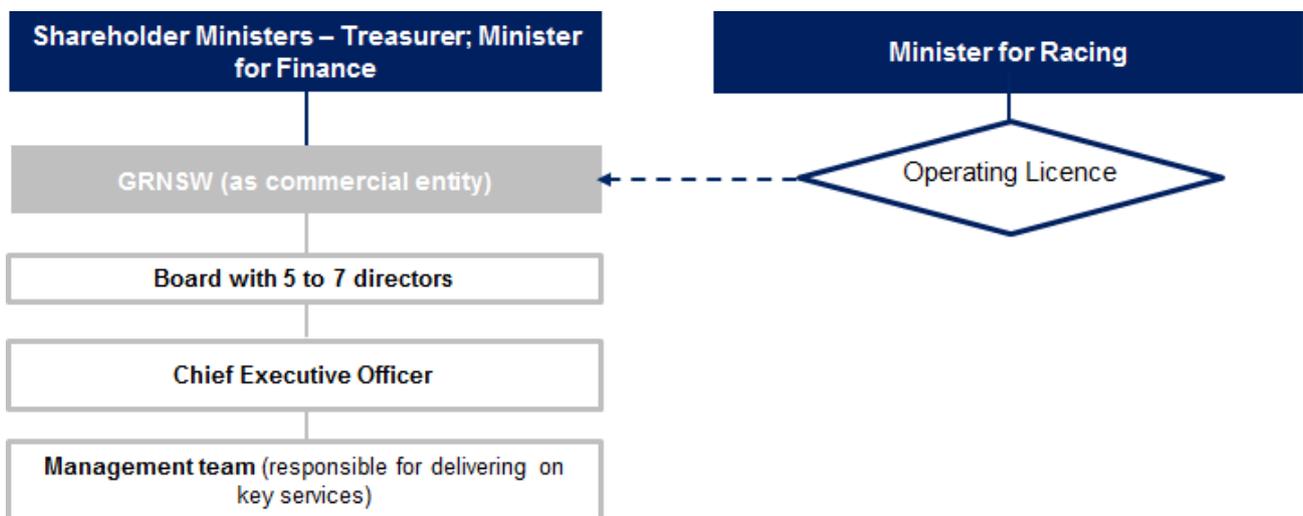
We recommend that GRNSW be reconstituted as a statutory state owned corporation, with the NSW Treasurer and the Minister for Finance as shareholders. GRNSW would not represent the State.

This form would enable the new commercial entity to discharge its commercial functions and day to day activities autonomously while allowing the government some scope to shape expectations about the commercial entity’s performance both as shareholders and through the issuing of an operating licence. Shareholder ministers could appoint and dismiss board members while the Minister for Racing could grant, amend or withdraw the operating licence.

This form would provide the commercial entity with the capacity to take charge of daily operations including to charge fees for its services, enter into contracts, hold assets and deal with property.

Figure 2 shows our recommended structure.

Figure 2: Diagram of the new commercial entity arrangements



A majority independent board with diverse skills and experience

Recommendations:

4. The commercial entity should be governed by a board of at least five but no more than seven directors (including a chair and deputy chair), serving a term of up to three years at a time and able to be reappointed for a maximum period of nine years in total.
5. A chief executive officer should be appointed by the board to run its daily operations.
6. Shareholder Ministers should be authorised to:
 - a. select board directors, with the assistance of a selection committee

- b. select the chair of the board
 - c. remove the board or any board director
 - d. appoint an administrator for the board.
7. All board directors must be selected using a merit-based selection process with skills-based criteria.
8. The board should have the following composition:
- a. The board should have an appropriate mix of skills, knowledge and expertise.
 - b. Office holders of racing clubs should not be eligible for appointment as a director.
 - c. No more than two directors should be active industry participants on a five person board and no more than three on a seven person board.
 - d. More than 50 per cent of the board should be independent directors, that is, persons that have no association with the industry or have not been involved in the industry in the preceding seven years.
 - e. The chair and deputy chair of the board should be independent directors.

Governed by a board of five to seven directors with a mix of skills

We recommend that the commercial entity be governed by a board with at least five but no more than seven directors, including a chair and deputy chair. This size aligns with accepted general practice for small to medium sized organisations. A chief executive officer appointed by the board should run daily operations and be supported by a management team.

The board would have the ability to appoint independent advisers, as required. Directors will have general duties to act with care and diligence, to act in the best interests of the company (including to manage conflicts of interest), to not improperly use their position, and to not improperly use the information gained during their time as a director.

The board should be composed of directors with a diversity of skills, experience and knowledge including in law, accounting, animal welfare, business strategy, change management, and marketing. Best practice corporate governance emphasises the value of a range of skills and expertise, as well as diversity on boards.

Directors should be appointed through a merit-based selection process that applies a skills matrix and/or a succession plan consistent with the appointment process for boards of NSW state owned corporations. Our proposed approach would equip the board with the expertise it needs to make sound decisions, deliver value and respond to challenges.

Shareholding ministers should appoint the directors and the chair. They should also be able to remove the board, chair, and any board director.

Board directors should be appointed for a term of up to three years and able to be reappointed for a maximum of nine years in total. This provides flexibility for board succession and aligns broadly with the approach in Queensland, Victoria, South Australia and Tasmania.

Measures to strengthen transparency and probity

A range of complementary measures should be put in place to remove conflicts of interests, enhance transparency, strengthen probity, and support the board's independence. These measures would address McHugh's concerns about the lack of transparency and weak accountability mechanisms in the governance arrangements of GRNSW.

Board composition

We recommend that more than 50 per cent of the board are independent persons. Independent persons would be defined as:

- / persons fully independent of the industry and free of any relationship that could materially or reasonably be perceived to interfere with their independent judgement
- / previous industry participants who have not been active for a period of at least seven years (e.g. have not held an active licence or any form of industry registration for at least seven years), and free of any relationship that could materially or reasonably be perceived to interfere with their independent judgement.

Persons who are current office holders in a governing body of a greyhound racing club should be required to relinquish their office prior to appointment as an industry board member. In addition, potential appointees should not have been employed in a senior position of GRNSW for a period of at least seven years between ceasing employment and serving on the board.

Less than 50 percent of directors on the board should be allowed to be active industry participants (e.g. persons licenced by the body) or have close affiliations with the industry. For example, no more than two directors should be active industry participants on a five person board and no more than three on a seven person board.

The chair and deputy chair of the board should be independent directors. This is consistent with Greyhound Racing South Australia and the Queensland Racing Board.

This approach would meet corporate governance best practice and provides the greatest opportunity for a strong sense of professionalism and objective decision-making on the board, which is critical to maintaining public trust in the industry. This approach minimises the risk of conflicts of interest, which are more likely if there are more board directors that are active industry participants than independent directors. Including more, active industry participants would impact on the ability of the board to make decisions. For example, reaching a quorum for votes on some matters could be difficult where there is a majority of industry participants.

Disclosure and voting responsibilities of board directors

A potential appointee to the board should be required to disclose any real or potential conflicts of interest they may have during the selection process, including the nature and extent of the interest, the date when the interest arose, and how the interest relates or may relate, to the affairs of the commercial entity or the greyhound racing industry in NSW. The selection committee should take this information into account in the selection process.

Board directors should be required to disclose a real, potential, or perceived interest in a matter being considered or that could be considered by the board as soon as the director becomes aware of the conflict of interest.

The board should establish a conflicts of interest policy and register as part of general operations, to be reviewed and updated regularly.

An operating licence to authorise the commercial entity

Recommendations:

9. The commercial entity will be required to hold an operating licence to authorise its role as the industry's commercial entity.
10. The requirement for an operating licence should be established in legislation.
11. The Minister for Racing should be responsible for granting the operating licence and monitoring compliance.
12. The operating licence should authorise the commercial entity oversee or conduct greyhound race meetings by allowing it to:

- a. authorise greyhound race clubs to operate greyhound racing venues and to conduct greyhound race meetings, or
- b. operate greyhound racing venues and conduct greyhound race meetings on its own behalf.

13. The operating licence will outline the Minister's requirements for the administration of greyhound racing by the commercial entity.

14. The operating licence should specify review triggers, with the potential to vary, amend or cancel the licence.

We recommend that an operating licence be established in legislation and issued to the commercial entity. The licence would provide the authority to act as the commercial entity for the greyhound racing industry in NSW.

An operating licence is an appropriate mechanism for managing the relationship between the government, the integrity commission and the industry's commercial activities. It will provide the commercial entity with the autonomy required to promote the industry and develop quality wagering product, while recognising the broader public interest impacts of the entity's work.

The operating licence would also allow the government to set its expectations about the commercial activities of the entity and specify the terms under which it can operate, without providing further scope for government control.

Importantly, the operating licence will provide the commercial entity with the authority to conduct greyhound races in NSW. The authority can be delegated to individual clubs under arrangements determined by the commercial entity. It could also withdraw this authority if a club did not operate consistently with the conditions of delegation, or as in the existing act, the delegation is not in the best interests of the industry.

We recommend that the Minister for Racing be responsible for granting the licence, monitoring compliance with licence conditions, and enforcing and reviewing the licence.

The Minister for Racing should be able to vary, suspend or cancel the operating licence in specific circumstances. The minister should also be able to direct the commercial entity to rectify a matter related to the licence or its conditions.

The licence should be issued for a set term and be able to be renewed. There should be a periodic review and public report to assess the commercial entity's performance against the conditions of the licence.

The licence should also specify the requirements that the commercial entity will need to meet. The operating licence should provide the entity with the authority to perform a range of functions for promoting greyhound racing and other commercial matters consistent with its proposed functions and responsibilities.

The licence requirements should include:

- / fully offsetting the operating costs of the integrity commission, via a payment to the State
- / exercising its functions in accordance with the rules of racing, Greyhound Industry Code of Practice for Animal Welfare (code of practice), any standards set by the integrity commission, the commission's enabling Act, the *Prevention of Cruelty to Animals Act 1979 (POCTA Act 1979)* and any other relevant legislation
- / reporting obligations to the Minister for Racing, including a plan setting out how GRNSW would conduct its affairs under the licence and a timetable for implementing these measures; the commercial entity's operational plan and strategic plan; and its' annual report
- / reporting to the integrity commission on the operation of the Greyhounds as Pets program

- / the circumstances when the commercial entity should consult with the integrity commission.

The licence should specify circumstances that could trigger a review of the licence by the Minister for Racing. These should include the following:

- / the board becomes dysfunctional
- / the commercial entity is found to be insolvent or financially unviable
- / there is a failure to provide funding to offset the integrity commission's operations
- / there is a breach or a potential breach of the licence, for example, a licence condition has not been met or is at risk of not being met
- / there is unlawful conduct or potential unlawful conduct by the commercial entity, the board or a board director
- / the commercial entity is no longer an eligible corporation.

Consultation with industry

We have recommended that industry participants should be able to be appointed as directors on the board of the commercial entity, and that integrity and commercial functions be separated. Hence, we consider that the Greyhound Racing Industry Consultation Group is no longer required. It is appropriate that the board be left to determine how best to consult with industry participants and other stakeholders. We have also proposed that the integrity commission be able to form advisory committees, including a Greyhound Industry Animal Welfare Committee, with participation by industry representatives.

Establish a new Greyhound Welfare and Integrity Commission

Recommendations:

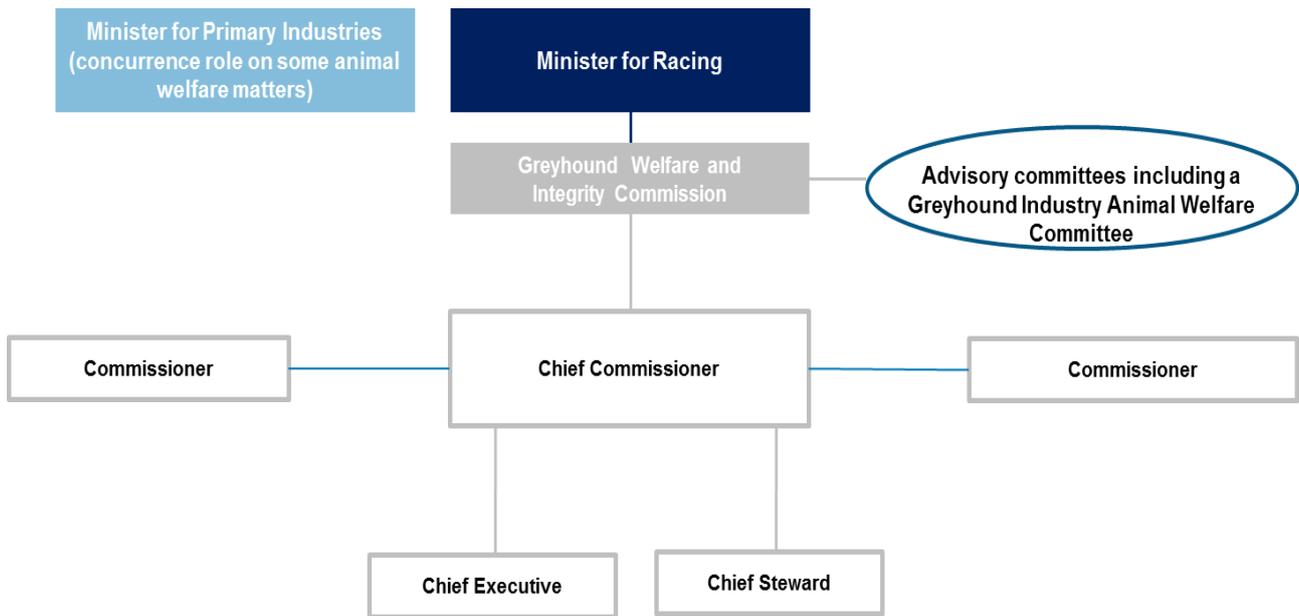
15. A Greyhound Welfare and Integrity Commission (the 'integrity commission' should be established as an independent statutory corporation in legislation. The integrity commission should represent the State.
16. The integrity commission should be able to exercise its powers and make decisions independently of government.

An integrity commission should be established in legislation as an independent statutory corporation representing the Crown. Its staff should be employed in a separate public sector agency under the *Government Sector Employment Act 2013 (GSE Act)*.

This structure would allow the integrity commission to exercise its functions and powers and make decisions independently of government. At the same time, some arms-length oversight by the Minister for Racing will provide appropriate protections of the public interest and from inappropriate use of the integrity commission's powers.

The proposed model for the integrity commission should provide a high level of public confidence in the independence and objectivity of the industry regulator. Figure 3 provides an outline of the proposed integrity commission.

Figure 3: Greyhound Welfare and Integrity Commission arrangements



Objectives and functions of the integrity commission

Recommendation:

17. The integrity commission should be responsible for upholding high animal welfare standards, overseeing the integrity of greyhound racing and monitoring and enforcing compliance.

We recommend the integrity commission's objectives should be to:

- / protect the welfare of greyhounds
- / safeguard the integrity of greyhound racing and betting
- / maintain public confidence in the NSW greyhound racing industry.

We recommend the functions and responsibilities of the integrity commission should reflect its objectives and include:

- / controlling, supervising and regulating greyhound racing including through the investigation and prosecution of integrity and animal welfare matters and monitoring of compliance
- / developing policies and standards to protect animal welfare and the integrity of greyhound racing (e.g. policies about managing conflicts, the code of practice, the rules of racing) and reviewing track safety standards developed by the commercial body
- / registering and licencing of: greyhounds, trial tracks, bookmakers (including clerks and course agents), promoters, and any persons or facilities associated with greyhound racing during a greyhound's total lifecycle including catchers, attendants, trainers (and subclasses), owners (including syndicates), studmasters, breeders, educators, rearers and greyhound health assistants
- / maintaining accurate, transparent and publicly accessible records including lifecycle records for each greyhound bred to race and ensuring clubs and industry participants meet their reporting requirements
- / administering a random swabbing regime.

The integrity commission should be headed by a chief commissioner

Recommendation:

18. The integrity commission should be headed by a chief commissioner, responsible for overseeing the administration and operation of the commission and the performance of its functions.

We recommend that the integrity commission be headed by a chief commissioner who leads and provides oversight of the integrity commission. The chief commissioner should be responsible for overseeing the administration and operation of the organisation, and the discharge of its functions.

Most independent regulatory authorities and oversight bodies (including integrity bodies) are established as commissions and typically led by a chief commissioner. This model also aligns with the approach adopted in Queensland and Victoria. The chief commissioner would replace the role of the integrity auditor, which McHugh considered to be limited and ineffective.

We also recommend the chief commissioner is directly responsible for overseeing the role of stewards and the administration and enforcement of the rules of racing. This will ensure there is effective oversight of this role and adequate enforcement of the rules to address the issues identified with stewards identified by McHugh.

A chief commissioner to be supported by two commissioners

Recommendations:

19. The chief commissioner should be supported by two commissioners.
20. The chief commissioner and commissioners should be appointed by the Governor, on recommendation of the Minister for Racing. The Minister for Racing should also be able to recommend to the Governor the removal or suspension of the commissioners in very specific circumstances.
21. The appointment of the commissioners should be subject to a merit-based selection process.
22. The appointments should be for a term no longer than three years, and the commissioners should be eligible for reappointment.
23. A chief executive should be appointed by the chief commissioner to run the integrity commission's daily operations based on a selection process consistent with the requirements of the *GSE Act 2013*.

We recommend that two commissioners should be appointed to assist the chief commissioner with discharging the integrity commission's functions. It is proposed that each commissioner manage different functions within the organisation.

This is a typical structure for independent regulatory and oversight bodies. It is also broadly consistent with models adopted elsewhere, including the Queensland Greyhound Racing Integrity Commission and the Australian Charities and Not-for-profits Commission.

A chief executive should be appointed by the chief commissioner to run the day-to-day business operations of the integrity commission. This structure would enable the chief commissioner to focus on the substantive legal, compliance and investigative work of the commission. The chief executive would exercise the employer functions of the government under the *GSE Act*.

Selection process for the chief commissioner and commissioners

We propose that the chief commissioner and commissioners be appointed using a merit-based selection process.

We suggest that the following eligibility requirements apply to the role of a chief commissioner and commissioners:

- / at least one appointee should be qualified for appointment as a judicial officer which requires the person to have been an Australian lawyer of at least 7 years' standing
- / the appointee should have held a senior role, or had experience at a senior level as a regulator
- / the appointee should not have been an industry participant at any time in any jurisdiction
- / the appointee should demonstrate sound knowledge of the principles of corporate governance and best practice, have membership of the Australian Institute of Company Directors (or comparable organisation) and have completed formal training on requirements of modern corporate governance.

In addition to usual corporate requirements, we propose that a person should not be eligible to be appointed to the position of chief commissioner or commissioner if the person has, at any time, been:

- / involved in the industry as a member of GRNSW or an equivalent body
- / a licensee and had that licence cancelled
- / in any other way affiliated with the industry as a member of a committee or club or association formed to promote the industry.

Length of appointment

We propose that the chief commissioner and commissioners should be appointed by the Governor on the advice of the Minister for Racing for a term no longer than three years, and should be eligible for reappointment.

We also propose that the Minister for Racing should be able to recommend to the Governor the removal or suspension of the commissioners in very specific circumstances. This is necessary to prevent abuses of power and maintain public confidence in the integrity commission.

Selection process for the chief executive

We recommend that the chief executive be appointed through a merit-based selection process and have relevant experience. Any conflicts of interest should be disclosed during the selection process.

The selection process requirements that apply to the employment of Public Service senior executives would apply to the appointment of the chief executive.

Major decisions to be made by majority of commissioners

Recommendation:

24. Major decisions of the integrity commission should be made by a majority of the three commissioners.

We recommend that major decisions are made by a majority of the three commissioners. This should ensure robust decision making. Examples of major decisions might include: changes to the rules of racing, development of the code of practice, an initial decision to conduct an inquiry, institute court proceedings or any public hearing, exercise of coercive powers, and delegation of the powers of the integrity commission.

We propose that both the chief commissioner and the commissioner that was not the original decision maker should make decisions on internal reviews. This will eliminate any conflict between the original decision maker and the review decision makers, and support objective and impartial decision making.

In general, commissioners should have the authority to delegate their functions and powers to an officer of the integrity commission.

Ability to establish committees including a Greyhound Industry Animal Welfare Committee

Recommendations:

25. The integrity commission should have the capacity to form and disband advisory committees.
26. A Greyhound Industry Animal Welfare Committee should be established to advise the integrity commission and should be comprised of five members – an independent animal welfare or behaviour expert; a senior officer of RSPCA NSW; the Chief Veterinary Officer of NSW or their nominee; an industry representative and a representative from the commercial entity.
27. The integrity commission may also wish to establish a rules of racing advisory committee with any rules related to animal welfare to be reviewed by the Greyhound Industry Animal Welfare Committee.

We recommend that the integrity commission have the ability to form advisory committees. Generally, the commission should be left to determine what types of committees and members are required to enable it to effectively discharge its functions.

However, consistent with a recommendation from McHugh, we recommend that a Greyhound Industry Animal Welfare Committee is established. This committee will be an important source of advice to the integrity commission given the significant animal welfare reforms we are recommending. The Greyhound Industry Animal Welfare Committee would provide advice on best practice animal welfare requirements that are practical to implement. To facilitate this, we recommend, at a minimum:

- / the integrity commission should be required to seek and consider the committee's advice
- / the integrity commission should meet with the committee quarterly, or more frequently as required
- / GRNSW should be able to meet with and seek the views of the committee, with the consent of the integrity commission
- / the commission should inform the committee of any serious or repeated breaches of an animal welfare-related rule or standard that it becomes aware of during its operations

The committee should comprise of five members – an independent animal welfare or behavior expert; a senior officer of the Royal Society for the Prevention of Cruelty to Animals NSW (RSPCA NSW); the Chief Veterinary Officer of NSW or delegate; an industry representative and a representative from the commercial entity. This is a suitable mix of skills and knowledge on animal welfare issues.

Independence in decision-making balanced by public accountability

Recommendations:

- 28. The Minister for Racing should be the responsible minister for the integrity commission.
- 29. The Minister for Primary Industries should have a concurrence role in approving the code of practice in code of practice to ensure consistency with NSW government animal welfare policies and the *Prevention of the Cruelty to Animals Act 1979*.
- 30. The Minister for Racing should have the ability to issue directions to the integrity commission on its operations in the public interest.
- 31. The integrity commission should be legally required to publicly report on its operations.

The integrity commission should report to the Minister for Racing

We recommend that the Minister for Racing be the responsible minister for the integrity commission. This is consistent with the minister's regulatory role for the other two racing codes (harness and thoroughbred racing).

We also recommend that the Minister for Primary Industries has a concurrence role in approving the Greyhound Industry code of practice. This will help build the public's confidence that animal welfare is a primary focus of the proposed governance arrangements and that there is consistency with broader NSW animal welfare policies and the *POCTA Act 1979*.

The integrity commission should function without day-to-day control by the government. The commissioners should be able to make regulatory decisions and recommendations and conduct investigations and audits without the direction or control of the government. This would allow the integrity commission to impartially regulate the industry, creating a greater level of confidence in its independence.

However, it is proposed that the Minister for Racing have the ability to direct the integrity commission if it is in the public interest to do so. This would be in the form of a general direction (e.g. directing the commission cease issuing a certain class of licence, rather than not issue a licence to a particular applicant). It is anticipated this would only occur in exceptional circumstances.

Public reporting obligations

In order to maintain transparency and accountability, we propose that the integrity commission be legislatively required, at a minimum, to prepare:

- / an annual report to be presented to the Minister for Racing, tabled in Parliament and publicly released, outlining the integrity commission's operations and financial activities, reviewing the commission's work, and forecasting its work program
- / a three year strategic plan, to be presented to the Minister for Racing and publicly released which outlines the integrity commission's planned activities to meet its objectives.

The integrity commission's performance against its strategic plans should be subject to a three yearly independent audit and the results published in the next annual report.

To further enhance transparency, we also recommend that the integrity commission publicly report periodically on, at a minimum:

- / audited figures of registrations and licences

- / audited figures of the number of greyhounds at different life stages, as found in the greyhound racing industry register
- / the number of inspections undertaken and summaries of the outcomes
- / drug testing outcomes
- / a summary of major issues and outcomes identified by stewards, including track injuries
- / disciplinary action taken by the integrity commission for breaches of the rules of racing
- / the investigation and outcome of breaches of animal welfare standards and animal cruelty offences, including prosecutions by the RSPCA NSW, AWL and the police.

The integrity commission's operational plans, such as compliance and enforcement strategy, and audited plans, should also be made publicly available.

This will provide high levels of transparency to help restore public trust in the regulation of the industry.

Compliance and enforcement powers strengthened

Recommendations:

32. The integrity commission should be given a broad range of investigative powers to enable it to effectively discharge its functions and achieve enforcement and animal welfare outcomes.
33. The integrity commission should have the authority to enter and search:
 - a. public premises AND
 - b. the premises of licensed participants and licensed facilities AND
 - c. other private premises, if the integrity commission has a reasonable suspicion that an offence or non-compliance has occurred or is occurring at the premises.
34. The integrity commission should have the authority to enter any part of a premises used for residential purposes only with an occupier's consent or with a search warrant.
35. Inspectors of the integrity commission and the RSPCA NSW should be able to obtain overt video and photographic evidence when lawfully inspecting a property. The *Surveillance Devices Act 2007* should be amended to allow for this.
36. The integrity commission should be able to use evidence from lawfully obtained covert surveillance in the following circumstances:
 - a. a police officer has applied to a court for a surveillance device warrant for the purpose of investigating an indictable offence AND
 - b. the power to undertake covert surveillance is exercised by a police officer.
 The *Surveillance Devices Act 2007* should be amended to allow for this.
37. Police officers should be seconded to the integrity commission to enable direct application for search warrants for residential properties and surveillance device warrants in appropriate circumstances.
38. Officers of the integrity commission should be appointed as inspectors under the *POCTA Act 1979*.
39. Prosecutions for offences related to greyhounds under the *POCTA Act 1979* or *Crimes Act 1900* should be undertaken by the integrity commission except in circumstances agreed in Memoranda of Understanding (MOUs) with the RSPCA NSW, the Animal Welfare League (AWL) and the NSW Police Force. The Director of Public Prosecutions may sometimes elect to

take responsibility for prosecutions under the *Crimes Act 1900*.

40. The integrity commission should be able to employ, second or use specialist staff, including veterinarians and police officers.

41. The integrity commission should be responsible for regulating all licenced participants, clubs, licenced trial tracks and related persons (for example, managers), and other persons associated with greyhound racing.

Strengthened investigative powers

We recommend that the integrity commission have a range of investigative powers to effectively monitor and enforce compliance, ensure animal welfare standards are upheld, and to oversee the integrity of the industry. This should include powers that are currently available to GRNSW to monitor compliance with the rules of racing, coupled with powers available to inspectors under the *POCTA Act 1979*. This combination of powers will enable the integrity commission to monitor the industry and build public confidence in the new regulator. These include powers to:

- / Investigate complaints and undertake own motion inquiries.
- / Audit, including random, periodic and annual audits.
- / Require name and address.
- / Inspect and examine evidence while on premises, including taking videos and photographs.
- / Take samples and undertake tests (e.g. swabbing).
- / Conduct hearings, require attendance, take evidence on oath or affirmation and compel witnesses to answer questions (a person would continue to be entitled to refuse to answer on the basis it might tend to incriminate them and/or legal privileges apply).
- / Inspect places or things, including random inspections and drug testing.
- / Require information, documents and things (power to compel evidence).
- / Detain and seize evidence.
- / Enter and search all premises (except parts of premises used for residential purposes only).
- / Prosecute offences under the *POCTA Act 1979*.
- / Take disciplinary action including: issuing work orders and penalty notices, imposing conditions on licences, and cancelling or suspending licences.

McHugh found illegal activity such as live baiting has been occurring in both public and private settings. The activity in private settings has been difficult to detect and prosecute, largely because of the limitations on powers of search and entry and ability to use evidence from covert surveillance. We recommend that these powers be strengthened so that the integrity commission can effectively regulate the industry. This will give it the capacity to address the challenges of gathering and using evidence of live baiting identified by McHugh and create a culture of compliance in the industry.

Powers of search and entry

Currently, search and entry powers are limited and dispersed between the rules of racing and the *POCTA Act 1979*.

Under the rules of racing, the search and entry powers of GRNSW officers are limited to properties owned or under the control of licensed persons. GRNSW officers cannot enter premises of non-

licenced persons or buildings used for residential purposes only. This means that there are people and places that are not captured by current entry and search powers.

The *POCTA Act 1979* enables inspectors to enter land, including land used for commercial purposes. However, this is limited to exercising functions specified in the *POCTA Act 1979*. Therefore, these powers are not available for a range of greyhound related offences.

To address this, we recommend the integrity commission is given powers to enter and search:

- / public premises
- / the premises of licenced participants and licensed facilities
- / other private premises, if the integrity commission has a reasonable suspicion that an offence or non-compliance has or is occurring at the premises
- / any premises used for residential purposes only with the consent of the occupier or with a search warrant issued by a court.

Powers to obtain video and photographic evidence

Recent investigations have demonstrated that video and photographic evidence gathered while lawfully on a property may not meet the requirements of the *Surveillance Devices Act 2007* (SDA), and may not be admissible as evidence in court proceedings.

To address this, we propose that inspectors of the integrity commission and the RSPCA NSW be authorised to obtain video and photographic evidence once lawfully on a property and to be able to use this as evidence in court proceedings. We recommend amending the SDA to allow for this. This will provide both entities with capacity to obtain admissible evidence that will assist with the investigation and prosecution of offences.

While the ability to obtain video and photographic evidence will go some way to addressing the evidentiary gap, it will not always be sufficient to capture a person engaging in illegal conduct. Therefore, the ability to use evidence from lawfully obtained covert surveillance is also necessary.

Ability to use evidence from lawfully obtained covert surveillance

Currently, GRNSW and the RSPCA NSW cannot lawfully gather their own covert surveillance evidence and are not able to readily use evidence from lawfully obtained covert surveillance. This makes it difficult to obtain evidence of the offences occurring in private settings, or to capture a person at the time of engaging in illegal conduct, and to successfully prosecute.

We therefore recommend the integrity commission has capacity to initiate covert surveillance and use evidence from it. Evidence from covert surveillance would enable the commission to effectively investigate and address the most serious, indictable, live baiting and animal cruelty issues identified by McHugh.

The power to undertake covert surveillance lawfully can only be exercised by holding search and surveillance device warrants. In practice, these warrants can only be sought for suspected offences of serious animal cruelty under the *Crimes Act 1900* and serious integrity offences. For example, search and surveillance warrants could be sought to investigate live baiting and other serious animal cruelty offences. We do not propose to change this requirement.

Seconding police officers to the Commission

Currently, only law enforcement officers are able to apply to a court for a search warrant or a surveillance device warrant (with the exception of officers authorised under the *Protection of the Environment Operations Act 1997*). Law Enforcement Officers include officers of the NSW Police

Force, NSW Crime Commission and the Independent Commission Against Corruption (ICAC). All other entities are required to request a law enforcement officer apply for a warrant on their behalf. It is not appropriate to provide this power directly to the integrity commission given this practice and the very significant privacy issues associated with covert surveillance.

However, timely access to warrants is critical, and this has been a frustration of animal welfare regulators using existing mechanisms. For this and other evidentiary/prosecutorial reasons, we recommend that police officers from the NSW Police be seconded to the integrity commission. These officers would apply for search and surveillance device warrants and undertake surveillance on behalf of the integrity commission.

This approach would capitalise on the expertise of police in the appropriateness of using covert surveillance in particular situations, the application process and the execution of a warrant if it is granted. This approach is also administratively efficient as it circumvents the need for the integrity commission to apply to a third party, who must then form their own view about the warrant, and prioritise the integrity commission's request.

Limitations on strengthened powers of search and entry, and covert surveillance

We recommend the following limitations apply to the exercise of the proposed strengthened powers:

- / only seconded police officers may apply directly to courts for search and surveillance device warrants
- / the legislative requirements to apply for search and surveillance warrants continue to apply
- / the power to apply for search and surveillance warrants would be limited to suspected offences of serious animal cruelty under the *Crimes Act 1900* and serious integrity offences
- / the exercise of these powers will continue to be subject to the oversight of the Independent Commission Against Corruption and the Law Enforcement Conduct Commission.

Commission officers to be inspectors under *POCTA Act 1979*

Currently, NSW Police and inspectors appointed by the RSPCA NSW and the AWL under the *POCTA Act 1979* investigate animal cruelty offences. While the RSPCA and AWL currently investigate some animal cruelty offences that occur in the greyhound industry, these entities do not have the resources to prioritise greyhound related offences referred to them.

We recommend that some officers of the integrity commission should be appointed as inspectors under the *POCTA Act 1979*. This will enable inspectors to investigate animal welfare offences (such as live baiting) occurring in the greyhound racing industry and boost the resources available for this purpose given the much wider remit of the RSPCA and AWL.

We recognise that the animal welfare entities and the integrity commission are likely to encounter both greyhound and non-greyhound related issues in the performance of their functions which could be investigated by either of the entities.

We propose, subject to establishing Memoranda of Understanding (MOUs) between the entities, that the integrity commission lead on these investigations, investigating both the greyhound and non-greyhound related elements. This will provide clarity on roles and responsibilities between the bodies, and ensure that matters are able to be dealt with as expeditiously as possible.

Evidentiary issues will need to be managed

Appointing officers of the integrity commission as inspectors under the *POCTA Act 1979* means the integrity commission will have a role in investigating non-compliance with the rules of racing, the code of practice, as well as criminal offences under the *POCTA Act 1979* and the *Crimes Act 1900*. In view of this, we recommend that existing powers to compel information (about the rules of racing or other codes) should be managed carefully by the integrity commission. For example, powers to compel information should not be exercised for offences under the *POCTA Act 1979* and the *Crimes Act 1900*. This will mitigate the risk of evidence used in court proceedings being deemed inadmissible.

This could be achieved through a structural separation of the teams investigating criminal offences and those investigating all other matters. However, this is ultimately a matter for the integrity commission.

Prosecutions

We recommend that the integrity commission be responsible for prosecuting offences it has investigated under the *POCTA Act 1979* or the *Crimes Act 1900*. This will enable prosecutions to proceed in a timely manner and to be prioritised. The Director of Public Prosecutions may sometimes elect to take responsibility for prosecutions under the *Crimes Act 1900*.

Specialist staff will be required

Some functions will require employment, contracting or seconding of officers with unique skills and knowledge. The following specialised roles are proposed:

- / Law enforcement officers: police officers should be seconded to the integrity commission to exercise certain powers.
- / Veterinarians: only qualified veterinarians are able to diagnose and treat greyhounds for illness and injury. The integrity commission will require veterinarians to be present during race meetings and competitive trials for this purpose. We propose that some veterinarians are employed directly by the integrity commission to perform this role and others could be contracted. There will be practical difficulties in ensuring the integrity commission's veterinarians are present at all race and competitive trial events, particularly in regional areas. The integrity commission should be authorised to accredit veterinarians in regional areas, on the advice of the Greyhound Industry Animal Welfare Committee, to address this.

Regulated entities

We recommend that the integrity commission regulate licenced participants, clubs and trial tracks, and related persons (e.g. managers and employees of clubs and tracks). This would enable all licenced entities and any related parties involved in the industry to be monitored for potential breaches of the rules of racing, code of practice or relevant legislation.

The integrity commission should also be able to exercise its powers on those engaging in the industry who are not licenced. This will close a gap, as only licenced industry participants are currently regulated by GRNSW.

Measures to ensure independence from industry

Recommendations:

- 42. Integrity commission officers should not be industry participants.
- 43. Integrity commission officers should have no direct or close relationships with the industry and industry participants.
- 44. Stewards should be solely responsible for regulating race day events and trials under the rules of racing.

A range of measures should be put in place to ensure the probity of commission officers and support the integrity commission's independence.

Similar to the commissioners, we recommend that commission officers are not involved in the industry and should not engage in any greyhound betting-related activity. This will help instil objectivity in the integrity commission's work, and ensure that it can achieve strong compliance and enforcement outcomes. McHugh highlighted problems with inappropriate relationships between officers of the regulator and the industry.

We also recommend that stewards be solely responsible for regulating race day events and trials under the rules of racing. Stewards will be provided with the same powers that are currently available under the rules of racing to investigate any matters that fall within this remit.

However, McHugh found a number of conflicts of interests with stewards holding a broader role investigating a range of matters outside of 'race day management'. We propose that stewards are not involved in the investigation of any other matters for which the integrity commission is responsible that fall outside race day management and associated issues.

Further, we recommend that each commissioner be responsible for overseeing and making decisions for their respective streams of work. This could include one commissioner holding responsibility for receiving complaints, licensing and registration, and the other holding responsibility for investigations and intelligence.

Consultation between the integrity commission and industry

Recommendation:

- 45. The integrity commission's enabling Act should specify the circumstances when formal consultation with the commercial entity is required. This should include a requirement to consult on major policy and legal developments, such as development of the code of practice, amendments to the rules of racing and track safety requirements.

Any regulator would be expected to regularly consult with the industry it regulates as well as other interested stakeholders.

We consider that the integrity commission's enabling Act should specify the circumstances when formal consultation with the commercial entity is required given its key role. For example, legislation could require consultation when the commission is proposing substantive amendments to the rules of racing or is setting a new standard for track design. The commercial entity's operating licence should also specify when the entity is required to consult with the integrity commission.

Major policy and legal developments, such as the development of the code of practice and amendments to the rules of racing, should be subject to thorough public consultation processes

that include industry and other stakeholders. This would help build public trust in the integrity commission, foster transparency and provide a level of assurance that the commission is not being held captive to the views of the commercial entity as the sole industry representative.

Importantly, an industry representative and a representative from the commercial entity would also be members of the Greyhound Industry Animal Welfare Committee and would be able to provide advice on the code of practice and the rules of racing as part of this role.

The Commission should represent NSW on Greyhounds Australasia Board

We recommend that the integrity commission represent NSW on the Greyhounds Australasia Board as a voting director. This is appropriate given the Greyhounds Australasia Board generally represents the bodies which are responsible for rule-making in their jurisdiction. The commercial entity should be able to participate in Greyhounds Australasia's committees, as relevant.

Industry required to adequately fund the integrity commission

Recommendations:

- 46. The integrity commission should be sufficiently staffed and resourced.
- 47. The integrity commission's budget should be based on the efficient costs of performing its functions and it should seek annual funding from the consolidated fund via normal State budgetary processes.
- 48. As a condition of the operating licence, the commercial entity should fully offset the costs to government of maintaining the integrity commission.

The level of staffing of the integrity commission will directly impact its effectiveness. It is important the integrity commission be sufficiently staffed to enable it to discharge its functions and achieve strong enforcement and animal welfare outcomes.

GRNSW is currently funded by industry. The primary sources of income are TAB distributions and Race Field Information Use fees (RFIU fees). The commercial entity should be required to fully offset the costs of the integrity commission fulfilling its responsibilities from this funding. We consider that funding for these integrity and welfare responsibilities should take precedence over prize monies, industry development and other commercial activities.

To provide for sufficient scrutiny of the integrity commission's funding, we recommend that the integrity commission be required to submit a proposed budget to government each financial year. The budget should forecast the operating costs of the integrity commission for the financial year. This should be subject to the usual budget scrutiny processes of NSW Treasury. This should mean that the budget proposed by the integrity commission is reasonable and appropriate for its functions. Further, the integrity commission will be required to demonstrate it is executing its functions efficiently.

Relationship of integrity commission to other animal welfare regulators

Recommendations:

- 49. The integrity commission should have primary responsibility for investigating and prosecuting greyhound related offences recognising the RSPCA NSW, AWL and NSW Police will have complementary roles which collectively improve the overall reach and capacity for enforcement.
- 50. Information about investigations should be able to be lawfully shared between the integrity

commission, the RSPCA NSW, the AWL and the NSW Police in appropriate circumstances.

51. The integrity commission should enter into MOUs with compliance and enforcement bodies such as the RSPCA NSW, AWL and the NSW Police.

The RSPCA NSW and the AWL are the primary compliance and enforcement bodies for animal welfare issues in NSW but have limited capacity to prioritise increased activity for greyhounds given their broader remit. We recommend that the integrity commission has primary responsibility for investigating and prosecuting animal cruelty offences related to greyhounds and be resourced for this purpose. However, we expect that the RSPCA NSW and AWL will continue to receive complaints and intelligence that they may act on and/or refer to the integrity commission. These bodies also have geographic reach and intelligence that can complement the resources available to the integrity commission.

In view of this, we propose that information should be shared between these entities as appropriate and for the purpose of investigations. We also recommend that matters should be able to be referred between the integrity commission and these entities.

We recommend that the role of the NSW Police in assisting the RSPCA and AWL to investigate and prosecute offences should be maintained. Similarly, we recommend the integrity commission should engage the police for assistance with investigations and prosecutions where necessary.

We recommend that MOUs be developed between the integrity commission and a number of bodies including the RSPCA NSW, the AWL, and the NSW Police.

A strong animal welfare plan

We have developed a comprehensive approach to protecting and promoting animal welfare and making this central to the greyhound racing industry.

The components of our proposed Animal Welfare Plan are:

1. an enforceable Greyhound Industry Animal Welfare Code that adopts best practice and is based on the internationally recognised “five domains of animal welfare”
2. whole of life cycle tracking and obligations for care of greyhounds that minimise unnecessary euthanasia
3. a comprehensive licencing and accreditation scheme for industry participants focussed on protecting animal welfare
4. stronger penalties and enforcement for animal cruelty offences including jail terms and life time bans from the industry for live baiting.

Together, these mean NSW will have the most stringent animal welfare standards in Australia for the greyhound racing industry.

We carefully considered the animal welfare and enforcement issues identified by McHugh in his report. We also considered the practicalities for industry in implementing new higher standards.

Our recommendations are consistent with McHugh’s and some of them build on initiatives industry has started to implement itself in NSW and other jurisdictions.

An enforceable code with the highest standards in Australia

McHugh recommended establishing an enforceable code of practice containing the minimum standards of care for greyhounds throughout their lifecycle. Previous codes developed by GRNSW were descriptive and not prescriptive. We recommend developing a code that sets out clear standards and requirements against which industry participants can be assessed.

The proposed code will complement existing animal welfare requirements under the *POCTA Act 1979* but would be established under the integrity commission’s enabling legislation. The integrity commission will be responsible for developing the code with advice from the Greyhound Industry Animal Welfare Committee. It will be able to impose penalties for breaches of the code ranging from orders to address non-compliance, penalty infringement notices, suspension or banning of industry participants and prosecutions that may result in significant court-imposed fines.

GRNSW has already initiated work on a new animal welfare code with industry and animal welfare stakeholders. The Panel has not seen this work. The new integrity commission could consider this work as it prepares the new code but should not be bound by it.

The code should be based on the five domains of animal welfare

Recommendations:

52. The integrity commission should develop and recommend a code of practice for the treatment, handling and care of greyhounds based on the five domains of animal welfare outlined in more detail in this report – the code should be approved by the Minister for Racing with the concurrence of the Minister for Primary Industries.
53. The code of practice will apply to greyhounds owned or supervised by any licenced greyhound

industry participant.

54. The code of practice should be enforced by inspectors of the integrity commission.

55. Penalties for breaches of the code should include work orders, penalty infringement notices, fines, licence restrictions, suspensions and lifetime disqualification from the industry.

The Panel recommends the code be based on the five domains of animal welfare. These are an internationally recognised framework for assessing an animal's welfare status. The five domains are:

- / nutrition
- / environment
- / health
- / behaviour
- / mental or affective state.

Based on these domains and industry specific requirements, we propose the code should address but not be limited to:

1. Nutrition (*providing appropriate nutrition and access to food*)

- / nutrition requirements tailored to the age, gender, body mass and health of the dog and its career
- / water and feeding infrastructure standards that will ensure accessibility to and security of food
- / the quality of the food provided.

2. Environmental (*ensuring environmental opportunity and choice*)

- / kennelling requirements, including sizes, materials, design, bedding, drainage, ventilation, yards, yard sizes, temperature control and location – this will include requirements for both indoor and outdoor kennels
- / sanitation requirements, including how often kennels, pens and yards must be cleaned
- / transportation requirements which ensure well ventilated and secure transport of greyhounds between establishments.

3. Health (*ensuring fitness, ableness and access to treatment*)

- / regulating services provided by greyhound health assistants which limit them to massage therapy, non-invasive injury detection and first aid for greyhounds and requires them to be licenced
- / veterinarian provisions and health care, including when an industry participant is required to seek veterinarian advice and requirements for the use of natural and synthetic substances
- / race day hot weather policies to prevent dogs racing in excessive heat
- / breeding requirements, including a minimum and maximum age for whelping, banning back-to-back breeding and safe breeding practices
- / preventing the spread of infectious disease
- / process for euthanasia which means a greyhound may only be euthanised by a registered vet when the vet considers it is in the best interest of the greyhound
- / minimum exercise requirements.

4. Behaviour (*enabling behavioural expression*)

- / banning the use of barking muzzles or other devices that hinder the dog from being able to express normal behaviours, anxiety or distress

- / ensuring all greyhounds can access activities that involve choice, variety and benign challenges
- / prohibiting the use of substances not prescribed by a veterinarian which may unnaturally alter a greyhound's behaviour.

5. Mental or affective state (*encouraging engagement and positive stimulation*)

- / security of greyhounds, such as fencing and protection from other animals which may cause the greyhound harm or distress
- / tethering and containment standards
- / regular stimulation that provides goal-orientated engagement, rewards, playfulness, curiosity and affection
- / the number of dogs allowed per staff member at each type of establishment
- / minimum socialisation requirements in the whelping, rearing, educating and training phases of the greyhound's life – this will include interaction with small dogs, people and different indoor and outdoor environments.

An enforceable code of practice is consistent with the Victorian industry which has a code of practice for greyhound establishments under the *Domestic Animals Act 1994*. The code in Victoria regulates minimum standards of care, such as nutrition and exercise as well as infrastructure requirements for greyhound establishments, including kennel sizes.

The code will ban unacceptable practices

Recommendations:

- 56. The code of practice should ban the use of barking muzzles.
- 57. The code of practice should ban the use of aversive behaviour altering substances on greyhounds, or the use of regulated products other than for their intended purpose, except where prescribed by a registered veterinarian.
- 58. Age and litter limits should be set for breeding females in the code of practice.

The code of practice should ban the use of all barking muzzles. Excessive barking is a sign of distress, boredom and/or fear. Barking muzzles prevent greyhounds from expressing natural behaviours and impact their mental state. Barking muzzles enable owners to avoid addressing the root causes of excessive barking which can put the welfare of the greyhounds at risk.

New Zealand has banned most types of barking muzzles in greyhound racing.

The integrity commission will set and regulate on-track swabbing requirements. Drug use is both a racing integrity and animal welfare issue.

A potential unintended consequence of banning barking muzzles is participants doping their greyhounds to keep them calm. To mitigate this risk, we recommend banning use of aversive substances on greyhounds which may artificially alter their behaviour. The use of aversive behaviour altering substances on a greyhound, or the use of regulated products other than for their intended purpose, should be prohibited under the code of practice unless administered or prescribed by a registered veterinarian.

Stronger regulation of those who provide aid to greyhounds

Recommendation:

59. The role of greyhound health assistants should be established for those who are not veterinarians but provide limited healthcare to greyhounds such as massage therapy, acupuncture and other complementary therapies, non-invasive injury detection and first aid.
60. Greyhound health assistants should be licenced based on demonstrated competencies which will require completion of training and/or recognition of existing skills.
61. The services that greyhound health assistants can provide should be clearly defined.
62. A licence condition of greyhound health assistants should be evidence of a relationship with a registered veterinarian to whom greyhounds can be referred when in need of veterinary assessment and care.

McHugh examined the role of “muscle men” in the industry and identified instances of inappropriate, harmful and unlawful treatments being provided including pin firing, sclerosing and blistering as well as instances of treatment of severe injuries such as broken bones.

Existing regulation of veterinary care means most invasive diagnoses and treatments can only lawfully be administered by a registered veterinarian.

We recognise that muscle men have had a useful role in the industry in providing quick and cost effective first aid and non-invasive muscle therapy with benefits for greyhounds and based on many years of practical experience. However, cultural change is critical to stamp out unlawful practices and prevent harm to greyhounds and we propose to reset the scope and requirements for this role. We also recognise there are a range of complementary therapies, such as acupuncture or chiropractic, being accessed by industry participants.

We recommend a new role for “greyhound health assistants” be established. This role should be limited to complementary therapies such as massage, non-invasive injury detection and first aid. A clearly defined scope should be complemented by licencing and competency requirements.

We do not intend that on-track veterinarians are replaced with greyhound health assistants. We consider a veterinarian should be the first point of contact for all severe injuries and no official race should be held unless a veterinarian is present. The integrity commission should set out the required competencies for greyhound health assistants and determine the appropriate education requirements that must be completed and/or competencies demonstrated to be licenced as a greyhound health assistant. Existing training courses in animal first aid and/or massage therapy provided by accredited providers could be suitable. However, it may also be appropriate to design a new tailored and accredited education program. As a minimum, greyhound health assistants will need to demonstrate they understand and will act within the scope of the role.

We also recommend that greyhound health assistants be required to establish formal relationships with registered veterinarians. They may be required to seek advice from their veterinarian partners before administering particular treatments. The Greyhound Industry Animal Welfare Committee should consult with the integrity commission to develop a list of treatments that require supervision or pre-approval by a veterinarian. The veterinarian should be able request to supervise the treatment (by video or in person). Where injuries are more severe, including fractures, greyhound health assistants must be required to refer greyhounds to a veterinarian.

Life cycle management for all greyhounds

Whole of life cycle management has the potential to dramatically reduce euthanasia by both:

- / reducing the number of greyhounds bred through better matching breeding and future race programs
- / caring for and managing greyhounds appropriately at each stage of their life to improve opportunities for racing and rehoming.

NSW does not currently capture the identity and whereabouts of all greyhounds across their life cycle nor are obligations for care always explicit or enforced. A number of reforms are recommended to ensure visibility of greyhounds and to prevent unnecessary euthanasia.

Industry also has the opportunity to configure its race programs in ways that provide more opportunities for more greyhounds to race for longer.

Options for national breeding controls and targets should be revisited

Recommendations:

63. Industry should continue to advocate for a national approach to breeding controls for greyhounds.
64. Additional options for breeding controls and other total lifecycle management initiatives, including a target date for achieving zero unnecessary euthanasia, should be considered in two years informed by more robust data.

We carefully considered imposing a fixed cap on the number of greyhounds that could be bred each year to eliminate unnecessary euthanasia. In August, the industry proposed a cap of 2,000 greyhounds to be bred for racing in NSW each year.

We were briefed about existing data on greyhound numbers across the life cycle and were not satisfied that it is currently possible to set a fixed cap without unintended consequences. Data collection in NSW has been particularly poor which means it is difficult to determine the 'right' number.

NSW is also a net exporter of greyhounds and the transfer of dogs across state borders means a cap would be very difficult to enforce unless it was adopted and monitored nationally. It is also not clear that the number of greyhounds needed for competitive racing schedules could be derived accurately.

We propose a range of measures that can be implemented in NSW at this time that we expect will significantly reduce over-breeding of greyhounds, reduce the number of greyhounds euthanised and contribute to overall lifecycle management. These include:

- / introducing a new licencing scheme
- / education requirements for industry participants
- / registration of all greyhounds
- / effective breeding controls
- / clear retention and rehoming requirements
- / strict controls on euthanasia
- / regulation of exports
- / industry incentives.

However, we also recommend that options for breeding controls, including the issue of a breeding cap and/or stricter limits on the number of dogs euthanised, be revisited in two years. In particular, setting a goal of zero unnecessary euthanasia by a set date should be considered once we have better data on the greyhound lifecycle in NSW and the potential for increasing rehoming rates. We understand Victoria has set a goal of zero euthanasia by 2020. However, it has a more mature rehoming program and better data to inform this goal.

New licencing scheme administered by the integrity commission

Recommendations:

65. A new greyhound racing licencing scheme should be established to support improved animal welfare. The new scheme should apply to all industry participants, including breeders, owners (including syndicates), rearers, educators, trainers, greyhound assistants and trial track operators.
66. The standard conditions of the new licencing scheme will include:
 - a. mandatory education and training requirements
 - b. compliance with the code of practice
 - c. record keeping and reporting requirements
 - d. the maximum number of dogs that can be kept by the licensee
 - e. any other requirements as determined by the integrity commission.
67. Several categories of some licence types should be available depending on the scope and scale of the industry participant's operations.
68. Syndicates will be required to have an owner licence on which all members are listed but with a manager nominated to be primarily accountable for compliance. Managers and syndicate members should all be responsible for any penalty infringement notices for breaches of a licence.
69. A condition on the breeder licence will be that a breeder is responsible for reporting every pup whelped and for the welfare of every pup whelped until ownership is transferred.

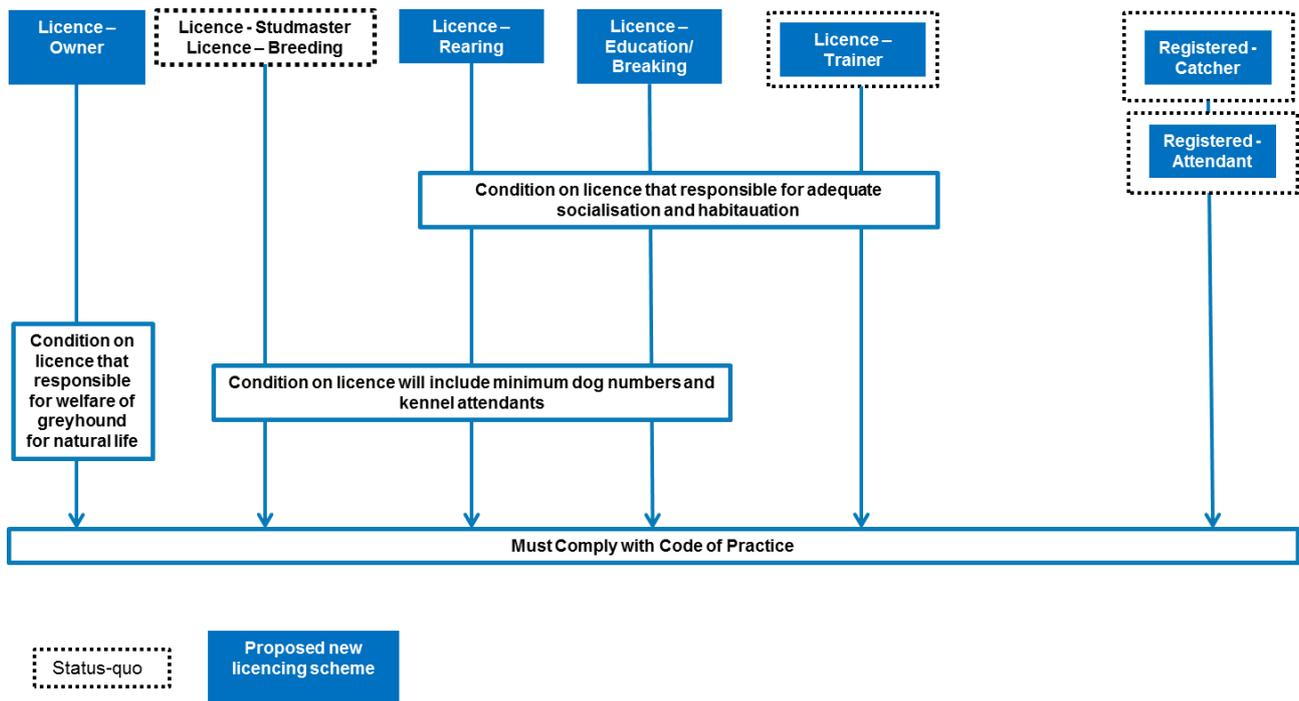
McHugh concluded that there are deficiencies in current licencing requirements, particularly for rearers, educators and participants involved in the pre-training stage of greyhounds' lives. Some licences are essentially a form of registration with few requirements on the licensee.

Our recommendations are designed to support effective implementation of standards and a stronger enforcement and compliance regime across the life cycle of a greyhound. It means that whoever is responsible for the care of a greyhound at any point in time will have clear, enforceable obligations.

The conditions of each licence will incorporate the new enforceable code of practice and licensees will be subject to the new penalties and offences regime.

A high level outline of the licence types and requirements is set out in figure 4.

Figure 4: Diagram of the new licence scheme



Education requirements for industry participants

Recommendation:

70. Most industry participants should be required to complete training or demonstrate existing competency to obtain and maintain their licence.
71. The commercial entity should be required to educate industry participants on the new regulatory scheme.
72. There should be a transition period to enable existing participants to complete education requirements under the new scheme.

There are currently limited accreditation and education requirements for industry participants. For example, education for breeders and rearers can just rely on completing a checklist or form with no genuine assessment of capabilities.

This partially contributes to greyhounds being bred in excess of the numbers required for racing with many euthanised if judged to be unsuitable for racing. A significant number of greyhounds are also not adequately socialised. This leads to anxious and anti-social behaviour which affects their ability to race and ultimately their suitability to be rehomed.

Under the new licencing scheme, most industry participants will be required to complete some form of training or demonstrate competency to obtain and maintain their licence. For example, breeders will be required to complete a course to enable them to implement responsible breeding practices. This should result in more considered brood bitch and sire selection and mating decisions. In addition, improved early care of greyhounds is likely to improve the proportion of greyhounds bred that race.

Rearers will be required to undertake a course on good rearing practices and comply with the code of practice. The number of dogs per kennel attendant will be regulated to ensure effective

socialisation. Well socialised greyhounds are more likely to be rehomed and will reduce the rate of unnecessary euthanasia.

Breeding and rearing outcomes over time will be used to assess an individual's ongoing suitability for a licence. High rates of euthanasia or unraced dogs entering rehoming programs may result in the individual's licence being revoked.

The training programs could be provided by the commercial entity or other providers if the integrity commission is satisfied that proposed programs meet the licencing requirements.

The commercial entity should be required to educate industry participants on the requirements of the new regulatory scheme. It should provide ongoing training and support so as to encourage cultural change and increase conscious compliance and professionalism.

Registration of all greyhounds administered by integrity commission

Recommendations:

- 73. A new greyhound racing register should be established and managed by the integrity commission to capture the identity and whereabouts of all greyhounds through their lifecycle.
- 74. The greyhound racing register should be accessible by the RSPCA, AWL, Local Councils and NSW Police.
- 75. The greyhound racing register should include greyhounds that retire and are retained by an industry participant as a breeding dog or pet.
- 76. The greyhound racing register should not include greyhounds that retire and are retained by non-industry participants. New owners will be responsible for registering these animals on the companion animals register.
- 77. Greyhounds that are registered on the companion animal register should not be required to wear a muzzle.
- 78. The greyhound racing register should be updated by the licenced owner when the greyhound is rehomed or euthanised.

McHugh found that whole of lifecycle registration was important for permanent identification, tracking change of ownership and overall lifetime care. He concluded that the lack of transparency had been an unfortunate feature of the industry and that there was a lack of certainty about requirements for greyhounds no longer registered to race.

We recommend the integrity commission be required to administer a registration scheme covering all greyhounds in the industry for their entire lifecycle. The proposed new racing register, together with the new licencing scheme, will enable increased oversight by the new integrity commission and improve the data available about euthanasia rates, bred to race ratios and transfers interstate which will help inform future improvements to animal welfare.

The new registration scheme will be updated by breeders when greyhounds are microchipped at 12 weeks, and registered owners for all other stages of a greyhound's life, including when it is reared, educated, trained, retires from racing or when it is deceased.

Clear retention and rehoming requirements

Recommendations:

79. Owners of greyhounds should be principally responsible for the welfare of their greyhounds for their full natural life including ensuring their suitability to be rehomed at any stage of their lives.
80. Owners of greyhounds that have been assessed as rehomeable must prioritise the welfare of the greyhound and apply all reasonable endeavors to rehome the greyhound or personally retain the greyhound.
81. The commercial entity rather than the integrity commission should be responsible for managing industry based rehoming programs.
82. All rehoming programs administered or funded by the commercial entity must use best practice to assess the compatibility of a greyhound with prospective owners before permanently rehoming them.
83. All rehoming programs administered or funded by the commercial entity must track the outcomes of rehomed greyhounds as part of auditing requirements and make this information available to the integrity commission when requested.

We recommend new requirements for owners and breeders to increase their responsibility for their greyhounds for their full natural life.

These requirements will be coupled with administrative penalties for licencees with high euthanasia rates or poor rehoming rates.

The commercial entity should also be responsible for improving industry rehoming initiatives. This could include providing education, training and support to new owners. To date it has been much less effective at rehoming than Greyhound Racing Victoria and there is scope for a significant increase in rehoming rates led by industry. For example, in 2015-16 the Victorian GAP program achieved 895 adoptions compared to 324 by the NSW GAP program. This was an 80 per cent increase on the previous year for NSW.

It is critically important that dogs are carefully assessed for rehoming to protect their welfare and the welfare of any potential new owner. This is also important for the sustainability of rehoming programs which will rely on positive perceptions by the community.

Incentives to rehome will be strong under the new framework and it is an important means of minimising unnecessary euthanasia. However, it will not always be appropriate for the greyhound or potential new owner and could be detrimental for both. Our recommendations seek to ensure that only dogs suitable for rehoming are placed with new owners.

The integrity commission would have the administrative power to impose constraints on participants renewing their licences under the new scheme. This may include restricting the numbers of racing greyhounds able to be under the control of a trainer or through a suspension of a licence.

Modest bond paid for all greyhounds bred for racing

Recommendations:

84. Owners should be required to pay a modest upfront bond to the integrity commission, no later than four months after whelping, that is transferable with ownership. This should be paid by the breeder if they still own the greyhound at four months. This should be supplemented with annual payments, made by the person responsible for the greyhound, while the greyhound is

registered with the integrity commission. Industry may develop a scheme to fund these payments.

85. The bond and annual payments should be recoverable by the last person who has the care and control of the greyhound before it suitably retired, rehomed, died from natural causes or euthanised in a manner consistent with requirements.

McHugh recommended a significant fee should be imposed on the breeder of any greyhound, whether they are named, registered or raced. This fee would be transferable and recoverable by the last person who has the care and control of the greyhound before it is rehomed or has been retired as a pet of an industry participant. No other jurisdiction has introduced a bond for greyhounds although it is one option being considered in Queensland.

We recommend the introduction of a modest bond paid by owners no later than four months after whelping as well as annual payments throughout its life. This bond should be paid by the breeder if they still own the greyhound at four months. The bond should be set at a level that does not deter owners from registering their greyhound as we do not want to encourage them to operate outside the system. However, the bond with the additional annual payments, should be material enough for the greyhound to have some commercial value for the owner at the end of its racing life. This will act as a disincentive to euthanising the greyhound. It is not intended to set the bond based on specific costs of caring for a greyhound. The annual payments could be paid by industry rather than owners if GRNSW can devise a suitable scheme e.g. through allocating a proportion of prize money for these annual payments.

The bond would be held by the integrity commission and the accrued funds held until the greyhound was suitably retired, rehomed, died from natural causes or euthanised in a manner consistent with requirements. The bond would then be refunded. Any retained funds could be used to contribute to the welfare of unwanted greyhounds. The amount of the bond would be set by the integrity commission.

We consider the bond is an important measure to reduce over breeding and unnecessary euthanasia, particularly in the absence of having a strict breeding cap or euthanasia target in the short term. It would also reinforce the industry's commitment to total lifecycle management.

Strict controls on euthanasia

Recommendations:

86. Euthanasia can only be administered by a qualified veterinary surgeon who deems it to be in the greyhound's best interest, or by an owner in the circumstances prescribed under the *POCTA Act 1979*.
87. Evidence of attempts to rehome the greyhound must be provided to the veterinarian when deciding if euthanasia is in the greyhound's best interest.
88. If a qualified veterinary surgeon euthanises a greyhound on the basis of the owner's inability or unwillingness to care for the greyhound's welfare, or where the greyhound has been deemed unsuitable for rehoming based on behavioural issues, the veterinary surgeon must notify the integrity commission.
89. The death of a greyhound must be reported to the integrity commission and accompanied by a certificate from a qualified veterinary surgeon outlining the circumstances of the death.

McHugh determined that high levels of euthanasia of greyhounds bred for racing were likely although it is hard to determine rates accurately because of the historically poor administrative records of the industry. This partly reflects the low value placed on greyhounds by some in the industry if they are found un-suitable for racing or no longer competitive. The proposed bond and

other requirements on industry participants are designed to change this culture and align it much more closely with community expectations.

We also propose strict controls on euthanasia. Greyhounds should only be euthanised by a qualified veterinary surgeon where it is considered to be in the greyhound's best interest.

We acknowledge that it is occasionally appropriate for an owner to euthanise their own animal. For example, when it suffers a catastrophic injury on a remote property and euthanasia is the only means of relieving its pain and suffering. These circumstances are already adequately provided for under the *POCTA Act 1979* which allows owners of animals to euthanise them but only if done humanely and if it is a reasonable step to alleviate pain. We expect this will apply rarely in this industry.

The integrity commission will track the circumstances under which greyhounds leave the industry. To assist this, we recommend that a veterinary surgeon should be required to notify the integrity commission if they decide to euthanise a dog on the basis of:

- / the owner's inability or unwillingness to care for the greyhound's welfare
- / the dog being deemed unsuitable for rehoming based on behavioural issues.

Regulation of export of greyhounds

Recommendation:

90. The NSW Government should advocate to the Commonwealth Government to regulate of the export of greyhounds from Australia so that they can only be exported where the receiving country has appropriate animal welfare standards in place.

NSW is a net exporter of greyhounds both to other states and overseas.

Tighter regulations within NSW without also managing export restrictions could result in adverse outcomes for greyhounds not required for the Australian industry. Owners may export unwanted dogs if there is demand overseas and to avoid their obligations within NSW. Other countries may not have the same standards for animal welfare as established in NSW.

We recommend the NSW Government liaise with the Commonwealth and other Australian jurisdictions to ensure appropriate restrictions are in place so that greyhounds are only exported from Australia to another country where appropriate animal welfare standards are in place.

The commercial entity must also influence bred to race ratios

Recommendation:

91. The commercial entity should be required to report at agreed intervals to the integrity commission on the implementation and effectiveness of industry led measures to increase the bred to race ratio.

The industry should explore other measures that put downward pressure on breeding numbers and euthanasia rates and to promote cultural change in the industry.

These mainly involve ongoing education and support for participants, changes to race programs, grading of greyhounds, prize money allocations and other incentives that mean a higher proportion of greyhounds bred race competitively for longer. For example, a greyhound could qualify for prize money if it meets a certain number of starts. Currently, a high proportion of greyhounds bred for

racing have no or very few starts and this prize money may provide sufficient incentive for owners to keep and care for their dogs even if they are not considered highly competitive.

We are aware there are multiple ways industry could increase incentives for a higher bred to race ratio through such changes. However, we do not propose to prescribe how industry should develop its racing product nor do we have information to assess whether these changes might be commercially sustainable in a competitive national market. The commercial entity and industry stakeholders should further explore these options and weigh up the costs and benefits of different quality racing products.

Improved racing and training conditions to minimise injuries

McHugh identified widespread euthanasia and animal welfare abuses occurring at race, trial and training tracks.

Training and trialling environments are currently inconsistently regulated and there is little oversight of the handling and care of greyhounds at these facilities.

We recommend new licencing and surveillance requirements as well as improvements to track design to improve the safety of greyhounds in racing, trialling and training environments. This should reduce injury rates, unnecessary euthanasia and live baiting.

Licensing of public and private trial and training tracks

Recommendations:

92. The integrity commission should licence all public trial tracks.
93. Private trial and training facilities that have a bull ring and/or a complete circular track and/or rail lure infrastructure should be licenced by the integrity commission and the licence should also authorise the use of this infrastructure at the facility.
94. Public and private trial track managers should be licenced and all trial track facilities should only operate in the presence of a licenced trial track manager.
95. Licenced private trial tracks should be available for use by other registered industry participants subject to signed agreements between the licensee and the participant being registered with the integrity commission.
96. A veterinarian should be present at all public trial tracks when used for activities with a higher risk of injury based on a risk matrix to be developed by the integrity commission e.g. trialling multiple dogs in race like conditions.
97. All trial track managers, including licenced private trial track managers, will be required to establish access agreements with veterinarians during trials where injuries occur during low risk activities.
98. Public trial tracks should not be used or open for use for high risk activities that require a veterinarian to be present other than between the hours of one hour before sunrise and one hour after sunset on any day without the permission of the integrity commission.
99. CCTV should be installed and recordings retained for a period determined by the Minister on the advice of the integrity commission for all public trial tracks and either:
 - a. Option 1: for licenced private trial tracks as determined by the integrity commission (Greyhound industry representative preference) OR
 - b. Option 2: for all licenced private trial tracks unless the integrity commission provides an exemption on application from a licensee.

Serious animal cruelty offences have occurred at both public and private trial tracks and there are risks of injury of greyhounds at private tracks as with any other. We recommend licencing both public and private trial tracks to set clear expectations for industry, deter illegal behaviour, promote compliance and strengthen enforcement. There are a wide range of facilities that could be called private tracks. We recommend limiting licencing requirements to those with certain infrastructure associated with higher risks of injury or live baiting – specifically a bull ring and/or a complete circular track and/or rail lure infrastructure. The licence should authorise the use of this infrastructure at the facility.

A condition of a track licence will be to ensure the track is maintained to safe standards. These standards will be set by the integrity commission.

The installation of CCTV has the potential to reduce the risk of live baiting at private trial tracks, and can provide oversight of training practices. However, we were unable to agree on the circumstances where CCTV should be required. Two options are put forward:

Option 1 – as part of the licensing process, the integrity commission would determine whether CCTV should be installed. This would be based on an assessment of risks and other practical considerations. A key rationale is that not all trial tracks will have the same risk profile, and there may be practical limitations to installation (e.g. access to electricity supply) for existing facilities.

Option 2 – all trial tracks would be required to install CCTV unless an exemption is granted by the integrity commission. This approach places the onus on the industry participant to demonstrate why the requirement is unnecessary or unreasonably burdensome.

Under either option recordings would be held for a period of time and be made available to the integrity commission if requested.

Both the facility and the trial track manager should be licenced to allow for disciplinary action to be taken on the individual for activities occurring at their facilities. There will also be specific requirements of trial track managers.

Private trial tracks should be available for use by industry participants other than the licensee. This should help to consolidate the number of private trial tracks and enhance transparency across the industry. A trial track manager will be required to inform the integrity commission if other participants are using their track facilities. It will be a licence requirement to provide the integrity commission with a written contract between the licensee and participant using the private trial track facility.

McHugh recommended that a veterinarian be present at public trial tracks during all training and trialling activities. We considered this and decided to recommend a risk based approach instead as not all activities are likely to be dangerous, particularly if greyhounds are training individually. We also understand that insufficient veterinarians are likely to be available to fulfil this requirement.

We recommend a veterinarian should be present during high risk training and trialling activities when injuries are more likely to occur. This could include activities that involve multiple greyhounds trialling together. The length of track could also be a determining factor as higher speeds are achieved on longer tracks. A risk matrix should be developed by the integrity commission to identify those activities during which a veterinarian is required to be present.

Public trial track managers must have an access agreement with a veterinarian who would be available to attend to an injury if necessary. It will be a condition of the licence to have the access agreement on record with the integrity commission. Similarly, private trial track managers will be required to have an access agreement with a registered veterinarian.

Victoria has imposed restrictions on the operating hours of trial tracks and we propose similar restrictions. This increases visibility of training sessions and helps to ensure the availability of

veterinarians and integrity officers. Conducting trialling and training in the early hours of the morning or late at night decreases oversight. There may be a practical requirement to train greyhounds at night under lights to accustom them to race conditions. This should only occur outside the specified opening hours with the approval of the integrity commission.

Restrictions on keeping small animals at greyhound establishments

Recommendations:

100. The keeping of small animals (dead or alive) that may reasonably be used as a lure should be banned in the rules of racing, where greyhounds are kept, trained and/or raced in one of two ways:
- Option 1: (supported by greyhound industry representative) :
- a. no exemptions for rabbits and possums
 - b. a very limited exemption for piglets where commercial production of pigs is the primary business of the property and this purpose co-existed with greyhounds prior to the requirement commencing – this exemption should only be granted on application by the industry participant to the integrity commission within three months of this requirement commencing and where there are strict controls in place for the separation of the greyhounds and piglets
 - c. no exemptions at public trial tracks and race clubs
 - d. deemed exemptions for other small animals on notification and verification by the integrity commission.
- Option 2: (supported by RSPCA NSW) :
- a. no exemptions for rabbits, piglets and possums
 - b. no exemptions at public trial tracks and race clubs
 - c. deemed exemptions for other small animals on notification and verification by the integrity commission.
101. The integrity commission should have the authority to further limit exemptions for other small animals where it has evidence they are at risk of being used in live baiting.
102. Restrictions on small animals being kept where greyhounds are present should be limited to industry-registered greyhounds.

The keeping of small animals where greyhounds are kept, raced or trained has been banned since 2015 under the NSW greyhound rules of racing with some exemptions allowed for domestic pets or for rural and agricultural purposes. South Australia bans the keeping or possession of all small animals (alive or dead) which may reasonably be used as a lure where greyhounds are present. There are no exemptions provided for in the rules of racing in South Australia.

The ban on small animals has been poorly enforced in NSW partly due to the exemptions. The exemptions are not narrow enough to target key risk species. McHugh recommended removing the exemptions from the rules of racing because he was concerned these enabled participants to continue to keep animals for use as live bait.

The risk of live baiting can be reduced by banning the keeping of small animals and any exemptions should not aim to accommodate individual hobbies or preferences.

We understand that the animals most likely to be used in live baiting are piglets, possums and rabbits. We recommend bans on rabbits and possums, and while agreeing on the need for strict requirements around piglets, did not reach consensus on whether or not a limited exemption could apply for existing commercial piggeries. Two options are put forward for consideration. Both will

require some existing industry participants to decide between their interests rather than be able to continue to have these small animals on the same property as their greyhounds:

Option 1 – (greyhound industry representative preference) a ban on the keeping of piglets by industry participants, with a very narrow exemption for circumstances that exist prior to the commencement of legislation. That is, an exemption could apply where the primary business on a property is commercial production of pigs and the pigs and greyhounds are on the same property. This exemption would be subject to approval by the integrity commission with strict requirements in place to ensure the piglets and greyhounds remained separate. We understand there is at least one property where these circumstances might apply. In future, it would not be possible for any new cases of greyhounds and piglets to be kept on the same property.

Option 2 – (RSPCA NSW preference) a ban on the keeping of piglets by industry participants, with no exemptions.

Exemptions for other animals are potentially beneficial for the welfare of greyhounds as socialisation with small animals can help them prepare for both racing and future rehoming. Some small animals are also highly unlikely to be used for live baiting. Licencees should be required to notify the integrity commission if they keep other small animals on their properties but be given an exemption on verification. The integrity commission could revoke this exemption for individuals if it has a reasonable suspicion the animals are at risk of being used as a lure, dead or alive.

The notification requirement should apply to rearers, breeders and educators who use other small animals for socialisation (a requirement of their licence) or for some agricultural businesses. Exempt animals kept on the property will need to be accounted for if the property is inspected. We believe this provides enough flexibility for participants to own common companion animals that may also be used for socialisation.

We propose that the integrity commission should also have the power to add animals to the list for which no exemptions apply if it has evidence species are at risk.

The administrative process for notifying the integrity commission of the presence of exempt small animals or applying for exemptions should be simple, potentially linked to licence applications.

Options to improve track safety over time

Recommendations:

103. Research already commissioned by GRNSW on track design and safety by the University of Technology Sydney should be completed and funded by the commercial entity.
104. GRNSW should develop minimum track design and safety standards that support the safest provision of racing which could include:
 - a. requiring more straight track racing
 - b. specifying the surface to be used at particular tracks
 - c. reduced field sizes for some or all levels of racing on particular tracks
 - d. requiring bigger one-turn tracks or tracks with bigger radius turns
 - e. specifying race and lure design
 - f. requirements for start positions, catching pens and finish on racing
 - g. preferential draws for some or all levels of racing on particular tracks.
105. These standards and a timeframe for implementation must be approved by the Integrity Commission, which will retain the capacity to intervene in track design and safety standards if they are not delivering appropriate animal welfare outcomes.

McHugh reviewed a UTS proposal to research track design and concluded that its recommendations could contribute to a reduction in injuries. However, the work was suspended earlier in 2016 and remains incomplete. The project involves investigating track design features to determine optimal features which will improve track safety. This research is the first of its kind in Australia and could pioneer track design reform across the country.

We recommend that GRNSW have the function of developing new track design and safety standards. While some standards could be developed based on existing information, comprehensive standards should be set after the UTS research is complete. These standards would need to be approved by the integrity commission, as well as the timeframe for their implementation. Given the close link between animal welfare and track safety, the commission would retain the capacity to intervene in track design and safety standards if they do not prove effective in reducing the rate of and severity of greyhound racing injuries.

An optimal track design may not be possible at all existing tracks depending on existing infrastructure, space and costs. The standards should require track design that promotes the safest form of racing. This could involve a mix of infrastructure and variations in race conditions. For example, less safe tracks may be restricted to racing fewer dogs per race.

GRNSW will need to determine how it can best meet any new standards. This could involve rationalisation of the number of tracks.

Penalties and offences that drive better animal welfare

We recommend strengthening some of the existing offences applicable to greyhound racing and establishing some new offences under the new regulatory framework.

Our recommendations also address some of the challenges of evidentiary requirements for some offences including live baiting.

New offences will cover serious regulatory breaches, including operating without a licence while suspended and repeated breaches of the code of practice.

It is proposed to empower the integrity commission with a number of flexible penalty options and compliance tools. Breaches of the code of practice will be dealt with through new penalty options, such as work orders, penalty infringement notices and fines and suspension or disqualification for life from participating in the industry. Increased access to lower level penalties will allow proportionate and early intervention on low level breaches which is important for promoting a cultural shift in the industry. Strong penalties will be imposed for serious offences.

Range of regulatory offences and penalties

Recommendations:

106. A lifetime disqualification from participating as a licenced participant in the greyhound racing industry should apply for proven live baiting or any other serious animal cruelty offence.
107. Section 530 of the *Crimes Act 1900* should be amended to deem live baiting as 'serious animal cruelty' for the purpose of that section.
108. The live baiting offence in the *POCTA Act 1979* should be amended to address evidentiary difficulties in proving an animal used in baiting was alive when the offence occurred, including establishing a definition for a dead animal that may have been used in baiting. This should exclude processed meats but include carcasses and unprocessed animal pieces.
109. Section 530 of the *Crimes Act 1900* should be amended to introduce a new offence where a

person recklessly commits a serious act of animal cruelty, with a maximum penalty of 3 years imprisonment.

110. The *Crimes Act 1900* should be amended to enable a court to prohibit small animals being kept on a property with greyhounds where the person has been found guilty of an animal cruelty offence, consistent with provisions in the *POCTA Act 1979*.
111. The integrity commission's enabling legislation should include new offences, graduated penalties and penalty infringement notices for non-compliance with the new licensing, registration and code of practice requirements.
112. The integrity commission should apply penalties proportionate to offences, including where:
 - a. an owner is repeatedly not able or unwilling to care for a greyhound for its natural life
 - b. there is clear evidence a licensee is repeatedly producing dogs that are unable or unsuitable for racing or are unsuitable for rehoming.
113. Members of syndicates should be liable under the *Crimes Act 1900* and the *POCTA Act 1979* only where those members had knowledge of an offence or failed to take reasonable steps to ensure that an offence did not occur.
114. New penalties should apply for not updating the racing register as required.
115. A new criminal offence should apply to providing false and misleading information to the integrity commission.
116. The *POCTA Act 1979* should be harmonised with the rules of racing concerning the keeping of animals around greyhounds registered with the integrity commission.

New regulatory offences need to be created with proportionate penalties to incentivise greater compliance by industry participants with rules and standards.

A key change is to toughen the penalty for breaching the rules of racing so that anyone found guilty of live baiting or a serious animal welfare offence under both the *POCTA Act 1979* and the *Crimes Act 1900* is banned from the industry for life.

We also recommend amending section 530 of the *Crimes Act 1900* to deem that live baiting is an act of 'serious animal cruelty'. The existing offence, which already prohibits serious animal cruelty, carries a maximum penalty of 5 years imprisonment.

The current offence is limited to where the act of 'serious animal cruelty' is committed intentionally. It is proposed that a new offence be inserted into section 530 of the *Crimes Act 1900* that provides that a person will be guilty of an offence of 'serious animal cruelty' where they commit the act recklessly. This new offence would have a reduced maximum penalty of 3 years imprisonment. The government may wish to consult further on this new offence due to the broader implications of creating a new general animal cruelty offence.

The current live baiting offence in the *POCTA Act 1979* addresses the use of live animals in connection with training or racing a greyhound. McHugh found that these offences were difficult to prove, and recommended that the *POCTA Act 1979* should be amended so that all animals, dead or alive, are covered by the baiting offence. This would cover any live animal or animal carcass, or part of an animal carcass, being used to entice, excite or encourage a greyhound.

Finally, new offences and penalties will be created for other breaches of the code of practice or the licence conditions. This will enable the integrity commission to apply a number of flexible compliance tools, such as work orders and suspensions.

The penalties and offences regime will support embedding strong animal welfare standards and will be underpinned by a properly resourced integrity commission. We believe NSW will have the highest enforceable standards for the industry of any Australian jurisdiction.

Appeal rights for decisions of the integrity commission will be available internally with external review by the Racing Appeals Tribunal. Appeal rights for convictions under the *Crimes Act 1900* or the *POCTA Act 1979* will follow the existing process under these Acts.

McHugh highlighted some deficiencies in the live baiting provisions in the *POCTA Act 1979*. We agree the legislation should be clarified and consistent with our proposal for banning small animals.

Regulating live baiting under both the racing rules and legislation will enable both criminal and administrative penalties to be applied to individuals guilty of the offence. This will enable the commission to enforce permanent bans on those caught live baiting from the industry.

A financially self-sustaining industry

Recommendations:

117. The commercial entity should consider structural and other reforms to improve the efficiency of the industry's commercial operations and better support improved animal welfare outcomes.
118. Government should consider intervening to increase revenue to support the greyhound industry meet the additional welfare, integrity costs and operational costs of the integrity commission and industry by:
- a. legislating to amend the Inter-Code Deed so distributions better reflect contribution to TAB turnover (should the industry be unable to agree on a revised arrangement)
OR
 - b. revisiting the distribution of the tax harmonisation revenues.

GRNSW has been responsible for both the commercial interests of the industry and fulfilling integrity and welfare functions. These responsibilities have been funded from revenue generated by GRNSW, including payments from TAB under the Racing Distribution Agreement and related Inter-Code Deed.

Under the Inter-Code Deed, greyhound racing receives 13 per cent of TAB distributions to the three racing codes, with harness racing receiving 17 per cent, and thoroughbred racing receiving 70 per cent. The Inter-Code Deed was executed in 1998 for a 99 year term, by the NSW Thoroughbred Racing Board, Harness Racing NSW and the Greyhound Racing Authority (NSW).

This arrangement had regard for wagering performance at the time. The Inter-Code Deed stipulated minimum program responsibilities for the three codes (593 meetings per annum for greyhound racing) and a 15 year review date for growth monies.

In 2014, the government passed legislation which reduced the betting tax in NSW, so as to harmonise with the betting tax applied to the Victorian racing industry. The financial benefits of the reduced betting tax are distributed to the racing codes at the following percentages: 77.3% thoroughbreds, 12.7% harness and 10% greyhound racing. This arrangement was based on the economic contribution of each code.

The table below outlines the contribution to wagering turnover of the three codes and the share of funds distributed under the Inter-Code Deed and tax harmonisation arrangements:

	Relative contribution to TAB wagering turnover (2015/16)	Share of TAB distribution	Share of Tax Harmonisation
Thoroughbreds	67.3%	70%	77.3%
Greyhounds	21.7%	13%	10%
Harness	11.0%	17%	12.7%

It is appropriate that industry fully funds the commercial and integrity functions that underpin the ongoing sustainability of the industry. The industry also indicated in its guarantees to government that the costs of more stringent lifecycle management and injury minimisation measures could be sustained by the industry.

The enhanced integrity and welfare functions and creation of two entities will result in higher costs to the commercial entity especially given these appear to have been underfunded by the GRNSW historically. Meeting these costs should take precedence over industry distributions (e.g. prize money and club funding).

We also recognise this will require adjustment on the part of industry. Rather than proposing how such changes should occur, we consider it is appropriate for the commercial entity to make these decisions. However, we have recommended providing the commercial entity with significant flexibility that will allow it to pursue an efficient industry structure and operations.

In addition, it is clear that the capacity of the NSW greyhound industry to meet its welfare, integrity and operational demands would be enhanced if wagering funding arrangements of the codes were revisited. McHugh recognised this and proposed a more equitable distribution of TAB revenue, either by the agreement of the codes, or by the Government intervening and legislating to this effect.

Industry to meet costs of higher integrity and welfare standards

We recommend that the commercial entity be required to fund the operating costs of the integrity commission and this should be a condition of the operating licence. As set out in the recommendations, we propose:

- the integrity commission is funded through the normal State budget process
- the commercial entity makes an equivalent payment to the State to cover the appropriation to the integrity commission.

It is expected the arrangements will cost much more than GRNSW's past expenditure although determining these costs is beyond our terms of reference.

The separation of the commercial and integrity bodies will mean overall increases in support staff, overheads and administrative costs. More critically, restoring public trust through enhanced integrity arrangements will require significant resourcing.

The Queensland Racing Integrity Commission (QRIC) oversees all three racing codes but the proposed NSW integrity commission will have more comprehensive functions. Hence, it provides at least a broad indication of potential future costs. The set up costs for the QRIC in 2015-16 were \$4.3 million and its operating budget for 2016-17 is \$24.6 million. Greyhound Racing Victoria indicated its integrity function (which excludes an animal welfare role) requires roughly \$10 million per annum.

The animal welfare reforms and supporting infrastructure that will likely be implemented in NSW will require significant investment. For example, establishing a Greyhound Industry Code of Practice for Animal Welfare, total life cycle tracking, and a new licencing scheme will require new ICT infrastructure and a monitoring and enforcement process that does not yet exist. Any major changes to the design of race tracks will also attract significant costs.

Some revenue growth is expected

GRNSW's revenue has grown in recent years, up from \$39.9 million in 2012/13 to \$55.9 million in 2015/16. This reflects some growth in TAB distributions under the Inter-Code Deed, but has primarily been driven by increases in receipts from RFIU fees paid by corporate bookmakers.

The NSW Government decision to adjust tax rates on the TAB's gambling turnover to achieve parity with the Victorian racing industry has resulted in additional distributions to GRNSW (currently

via a trust fund). In 2015/16, an additional \$2.4 million in tax harmonisation revenue was received by GRNSW, and this is expected to grow to roughly \$7 million per annum by 2019/20. This represents 10 per cent of the additional TAB revenue from the tax harmonisation arrangements. While this provides greyhound racing with additional revenue, the proportion reflects assumptions about the relative economic contribution of the codes, and is less than that received by harness racing (12.7 per cent) and thoroughbred racing (77.3 per cent). We recognise the difficulty GRNSW faces in increasing the fees imposed on corporate bookmakers who could choose not to promote or not take bets on NSW races if the costs of doing so are higher compared to other States and Territories.

Within this context, the commercial entity is likely to face a more constrained financial environment as it redirects funding to integrity and animal welfare functions.

Amend the Inter-Code Deed so distributions better reflect contribution

We recognise the long-standing concern of the greyhound industry that the current Inter-Code Deed means that gambling revenue shares received by the codes do not correlate to their relative contribution of gambling turnover. Renegotiation is a potential mechanism for delivering increased revenue to help with the likely costs of reform. However, the Inter-Code Deed itself is a contract between parties which requires an unlikely consensus in order to change the current distribution arrangements.

We recommend that the Minister for Racing encourage the three codes to revisit the Inter-code Deed in order to meet greyhound industry concerns about the current distribution arrangements.

McHugh recommended that, should the parties be unable to reach consensus, the NSW Parliament should legislate to link distributions to each codes' contribution to TAB revenue.

While the Parliament does have the capacity to legislate in this way, it would be highly unusual to given it requires intervening in a commercial agreement. Nonetheless, the Parliament could choose to do so. A stronger correlation between each racing code's contribution to TAB turnover would have seen GRNSW receive an estimated extra \$23.3 million in 2016 (at 21.7 per cent of TAB turnover).

Increasing the distributions under the Inter-Code Deed to the commercial entity to link to contributions to gambling revenue may be criticised by the other codes as rewarding the greyhound industry for expanding the race calendar beyond that funded under the current Inter-Code Deed distributions. A link to gambling revenues could see pressure for additional races for all codes with a related increase in breeding and unnecessary euthanasia. However, the provision of race meetings in NSW is generally considered to already be at maximum levels and the Inter-Code distribution of wagering revenue in all other states are directly connected to market performance.

Revisiting the distribution of the tax harmonisation revenues

A potential source of funds would require government to shift its current approach to the distribution of revenue accruing as a result of the tax harmonisation legislation. In effect it would mean directing a larger percentage of the tax harmonisation payments to the greyhound industry, which may achieve a similar effect to amending the Inter-Code Deed. Increasing greyhound racing share of the tax harmonisation payments from 10 per cent to 25 per cent would result in an additional \$7 million (a total of \$11.7 million) in 2017/18, growing to an additional \$10.5 million (a total of \$17.5 million) by 2019/20.

We understand this option would require amendments to the *Totalizator Regulation 2012*, which could be made by regulation.

Commercial entity to determine response to changed finances

The commercial entity will need to make decisions about how the industry can best operate given higher integrity and welfare costs. Although, some of the standards and requirements we recommend are consistent with existing rules and regulations, past investment in compliance and enforcement appears to have been inadequate.

A reduction in monies for commercial purposes may require decisions about either the level of prize monies per race, or the number of races held. There may also be impacts on the commercial entity's capacity to fund safety upgrades across all facilities and it could choose to rationalise tracks to increase efficiency and the quality of product. One proposal GRNSW has previously considered is to establish centres or hubs of excellence which would involve reducing the number of tracks maintained but making significant investments to improve the infrastructure and safety of the remaining tracks.

Ultimately, we consider these decisions should be made by the new board which should develop a long term model for industry sustainability.

Implementation and review

Our recommendations require real reform and cultural change in the industry and need to be supported by effective implementation.

Maintaining reform momentum is important to signalling the new standards to the community and to clearly set new expectations for industry. However, it is also important to get the new settings right. For example, the integrity commission will be responsible for developing a number of plans, codes and rules. Adequate time should be allowed for consultation with stakeholders as well as to use inputs from research currently underway.

A balance is needed between fast paced reform and ensuring changes are practical, understood and will work. It is also important that change is clearly communicated and managed for those employed in the industry who may be affected.

As a first step, the government should consider establishing an inter-agency project team for about six months to expedite progressing legislation, reconstituting Greyhound Racing NSW as a corporation and establishing the new Greyhound Welfare and Integrity Commission.

Once established, the integrity commission will then need to lead many elements of the reforms including:

- / developing the enforceable animal welfare code
- / revising the rules of racing
- / developing new track safety standards
- / establishing the greyhound racing register
- / establishing licencing and education requirements and implementation systems.

We expect that with adequate resourcing, many of these elements could be delivered, at least in part, within about 12 months of the integrity commission being established but some could take up to two years to fully implement.

The reconstituted GRNSW will also have a significant task to reset its strategy to underpin a commercially sustainable industry.

New legislation in budget session 2017

Recommendations:

119. An inter-agency project team should be established for up to six months to progress legislation and establish the new bodies.
120. New legislation for the industry should be considered by Parliament in budget session 2017 with as many of its provisions as possible to commence by 1 July 2017.

The *Greyhound Racing Prohibition Act 2016* provides for closure of the greyhound racing. We recommend that new legislation based on our recommendations is introduced as soon as possible in the budget session of Parliament to repeal that Act and introduce the new proposed regulatory framework. This will allow the industry to continue beyond 1 July 2017 subject to the strict new measures we have proposed.

We propose that as much of the new legislation as possible commence on 1 July 2017 including the penalties and offences.

It will take the new integrity commission some time, once established, to develop the capacity to perform all of its functions. Some transitional arrangements may need to be included in the legislation to provide for this and for existing staff affected by the changes.

New governance arrangements in place from 1 July 2017

Recommendation:

121. GRNSW should be established as a statutory state owned corporation with an operating licence and the integrity commission should be established by 1 July 2017 if possible.

A big part of the implementation task is to reconstitute GRNSW as a statutory state owned corporation, including appointing new board members, establishing the new integrity commission and appointing its commissioners, and developing the operating licence. Each of these bodies has key functions within the new framework which cannot be executed until the bodies are in place and the operating licence is in force.

Forming these bodies should be the first priority once legislation is in place. It is important that key appointments are made early so that the leadership can establish the culture and priorities of each organisation from the outset as well as oversee recruitment of its staff. Equally, it is important that the right people are appointed who will lead with integrity and have the capability to deliver the functions of these bodies. We recommend this occur by 1 July 2017 but also recognise it may not be possible to make the appointments by then – if this is the case, a delay in establishing the bodies may be warranted.

The commission to lead development of key reform elements

The integrity commission will need to develop a number of critical products to enable the new framework to be fully implemented including:

- / the enforceable animal welfare code – we have made detailed recommendations about the content of this code but it will need to be further developed with advice from the proposed Greyhound Industry Animal Welfare Committee and should be subject to consultation with stakeholders. This should be a high priority for the integrity commission as it is critical to enhancing the welfare of racing greyhounds
- / revising the rules of racing – we have recommended a number of specific changes to the rules of racing that could be made relatively quickly but other changes may need to be considered over time and require consultation
- / developing new track safety standards – we expect this may take the longest time to deliver given the likely heavy reliance on research commissioned by GRNSW by UTS that is expected to take at least another 12 months to complete
- / establishing the greyhound racing register – we understand GR NSW has done some very preliminary work on establishing a register but this will now need to be fully developed and tested so that it is practical, can generate useful reports and so that the integrity of the data is protected
- / establishing the new licencing scheme and education requirements – it is likely a transition period will be required while the new licencing scheme is developed in detail and education requirements defined for licencees. In some cases education programs may need to be developed and accredited.

At the same time, the commission will need to establish and start to implement its compliance and enforcement policy as well as undertake its race meeting responsibilities.

It is likely to be 12 to 24 months before all of the recommended reform elements are in place.

Timing and criteria for legislative review

Recommendation:

122. A statutory review of the new legislation should occur once the legislation has been in place for at least three years and include the following criteria:
- a. improvements in animal welfare
 - b. appropriateness of a target for unnecessary euthanasia
 - c. adequacy of compliance and enforcement powers
 - d. appropriateness of the terms of the operating licence
 - e. effectiveness of penalties and offences
 - f. funding and efficiency of the integrity commission
 - g. impact on exports of greyhounds.

Our Terms of Reference require us to propose timing and criteria for a statutory review of the new legislation.

One of the challenges in developing our recommendations was the poor quality of data available, particularly about the welfare of greyhounds including the numbers bred, euthanised and injured. This is because of an historically lax approach to data collection and reporting. Improvements have been made over the last 18 months and if our recommendations are implemented, much more accurate and comprehensive data over the full life cycle of greyhounds and for individual industry participants will become available.

The racing industry register and licencing requirements may take up to 12 months to fully implement before data is collected consistently. Further the animal welfare code, revised rules of racing and other standards and requirements will not be in place immediately.

We believe that any review should have at least two years of comprehensive data to inform any enhancements that may be considered to the framework. Hence we recommend a review occur after the new legislation has been in place for at least three years and at least two years of full data collection.

We have suggested criteria for the review that we think focus on the most important animal welfare outcomes the reforms should deliver. We also propose revisiting setting an explicit target for unnecessary euthanasia or a breeding cap subject to the outcomes of the proposed review of this after two years.

Our suggested criteria for review are:

- / **improvements in animal welfare** – have there been improvement in rates of euthanasia, injury, live baiting and rehoming
- / **appropriateness of a target for unnecessary euthanasia** – should a cap on breeding or a target of zero unnecessary euthanasia by a certain date be set informed by the data collected since the new legislation has been in place?
- / **adequacy of compliance and enforcement powers** – does the integrity commission have adequate compliance and enforcement powers to operate effectively?
- / **appropriateness of the terms of the operating licence** – are the terms and conditions of the operating licence appropriate, practical and effective?
- / **effectiveness of penalties and offences** – are the broader suite of penalties and offences practical and effective?

- / **funding and efficiency of the integrity commission** – are the arrangements for industry funding to cover the efficient costs of the commission's activities fair and operating effectively?
- / **impact on exports of greyhounds** – has the framework created any perverse incentives to increase exports of greyhounds from NSW to other jurisdictions including overseas?

Attachments

Attachment 1 – Greyhound Industry Reform Panel Terms of Reference

Matters for Consideration

The Panel is required to consider:

- The recommendations in the Report of the Special Commission of Inquiry (the Report);
- Industry reform guarantees put forward to the NSW Government by the NSW Greyhound Racing Industry Alliance (The Alliance), including those contained in its letter to the Premier of 9 August 2016 and media release of 9 August;
- Industry reform efforts currently being undertaken by Greyhound Racing NSW (GRNSW);
- The outcome of consultations by Dr John Keniry, Coordinator of the Greyhounds Transition Taskforce; and
- Input from the Expert Advisory Committee, as sought by the Panel.

Content of the Panel's Report

The Panel will prepare recommendations to Government that ensure that:

- issues relating to the governance, integrity and animal welfare standards of the greyhound racing industry are appropriately addressed;
- the industry as a whole operates to and upholds the highest possible standards;
- individual industry participants comply with those standards, including all animal welfare obligations.

In particular, the Panel will:

1. develop an appropriate governance structure for the NSW greyhound racing industry that will set a benchmark among like jurisdictions and ensure best practice across NSW regarding the transparency and integrity of the industry;
2. develop a comprehensive animal welfare plan which will ensure best practice across the industry, and in particular effectively remediate issues of wastage and live baiting, including by recommending any appropriate changes to regulatory frameworks, penalties for infringements and compliance mechanisms;
3. make recommendations regarding a new independent industry regulator with appropriately robust compliance mechanisms that can ensure and enforce effective governance and oversight of the animal welfare plan;
4. make recommendations relating to the safety of the racing and training environment for greyhounds, including the design of tracks, with a view to eliminating injuries;
5. ensure that the guarantees provided to the NSW Government by the industry, in the letter from the NSW Greyhound Racing Industry Alliance of 9 August 2016, are incorporated into the governance, regulatory and animal welfare proposals put forward by the Panel;
6. propose any additional measures that the industry needs to take in order to meet community expectations regarding the integrity of the industry and the welfare of the animals involved in it;
7. make any other relevant recommendations considered necessary to ensure community confidence in the greyhound racing industry; and
8. propose the timing and criteria for a Statutory Review of the new legislation.

Proposed Membership

The Panel will comprise Morris Iemma (Chair); Simon Draper, Department of Premier and Cabinet (Deputy Chair); Steve Coleman, CEO, RSPCA NSW; Brenton Scott, Chief Executive, NSW Greyhound Racing Industry Alliance; Christine Middlemiss, NSW Chief Veterinary Officer.

Proposed Expert Advisory Committee Membership

The Panel will have access to an Expert Advisory Committee, from which it may seek advice in addition to the Report, guarantees of The Alliance, Industry reforms undertaken by GRNSW and the consultation process undertaken by Dr John Keniry.

The Expert Advisory Committee membership will be determined by the Panel but will include John Gibbons, GRNSW Administrator, Micheil Brodie, Executive Director, Office of Racing, Scott Parker, CEO, Greyhounds Australasia, NSW Police and experts in animal welfare.

Timetable

The Panel should seek to provide a report to Government by December 2016, and will be asked to continue to assist the Government on drafting legislation to give effect to the Panel report and Government's decision in 2017.

Secretariat

The Panel will be supported by a secretariat formed by the Department of Premier and Cabinet.

Attachment 2 – Alignment of the Panel’s recommendations with the recommendations of the Special Commission of Inquiry

	Recommendations of the Special Commission of Inquiry	Panel’s recommendation
2	The <i>Greyhound Racing NSW Rules of Racing</i> (“rules of racing”) should be amended to provide a penalty of disqualification for life for any person found to be involved in the practice of live baiting.	Consistent.
3	Section 21 of the <i>Prevention of Cruelty to Animals Act 1979</i> (NSW) should be amended to strengthen the offences of live baiting. The recommended amendments are detailed in Chapter 8.	<p>Consistent in principle.</p> <p>Regulation 16(g) of the <i>Companion Animals Regulation 2008</i> will be repealed to be consistent with the <i>Prevention of Cruelty to Animals Act 1979</i> (POCTA Act 1979) amendments.</p> <p>Section 21 of the <i>POCTA Act 1979</i> will be amended to:</p> <ul style="list-style-type: none"> • include the use of dead animals in live baiting offences • prohibit the keeping or presence of small animals with some exemptions. <p>The <i>Crimes Act 1900</i> will be amended to be clear that live baiting is serious animal cruelty and to also introduce an offence for ‘reckless’ action which could attract a jail term of up to three years.</p>
4	The exemption in R 86C(5) of the rules of racing in relation to the keeping of live animals at or on premises where greyhounds are kept should not continue.	<p>Not consistent.</p> <p>The keeping of small animals that may reasonably be used as a lure should be banned.</p> <p>The panel identified socialisation with some small animals is potentially beneficial for the welfare of greyhounds.</p> <p>Key risk species (rabbits, possums) will not be exempt from the ban (with further consideration on whether there will be a very narrow exemption to an otherwise outright ban on the keeping of piglets) There will be deemed exemptions for other animals upon</p>

		notification to, and verification by, the Greyhound Integrity and Welfare Commission.
5	There should be a mandatory requirement that dogs which engage in the sport of lure coursing are registered as such on the NSW Register of Companion Animals for such period or periods of time during which they engage in the sport. The penalty for a failure to register them should be the same as that which applies generally in respect of a failure to have a companion animal registered on the NSW Register of Companion Animals.	<p>Not consistent.</p> <p>The panel's recommendations are limited to greyhounds and do not extend to all coursing dogs.</p> <p>All racing greyhounds will be registered and tracked for their whole life cycle.</p>
6	Rule 86B(1)(c) of the rules of racing should be amended to extend the disciplinary offence to advertising, promoting or organising live baiting.	<p>Noted.</p> <p>This recommendation can be further considered during the review of the rules of racing proposed to be undertaken by the integrity commission. The integrity commission may also wish to establish a rules of racing advisory committee with any rules related to animal welfare to be reviewed by the Greyhound Industry Animal Welfare Committee.</p>
7	The exemption contained in R106(4) of the rules of racing should not continue.	Consistent.
8	Greyhounds should be registered on the NSW Register of Companion Animals throughout their lifecycle.	<p>Consistent in principle.</p> <p>The integrity commission will implement a new whole-of-life cycle tracking system. This will track the whereabouts of the greyhound from the point it is microchipped until it leaves the industry or is retired and retained by an industry participant. Greyhounds which no longer race and are not owned by an industry participant will be transferred to the companion animals register.</p>
9	Greyhound Racing NSW should amend its Privacy Policy to permit disclosure of a greyhound's identity to those who have a legitimate interest in it, including RSPCA NSW, the Animal Welfare League, the NSW Police Force and local councils. Any new regulator should have a like policy.	<p>Consistent.</p> <p>Memoranda of Understanding (MOUs) will be established between the integrity commission and animal welfare organisations. A central part of this working relationship will be sharing information for use in investigations.</p>

10	<p>The role of Greyhound Racing NSW, or the role of any new regulator, as Registration Agent under the <i>Companion Animals Act 1988</i> (NSW) (for the purposes of processing on the NSW Companion Animals Register the permanent identification, change of ownership details and lifetime registration information) should apply to all greyhounds and not just those undertaking approved retraining programs. Whether or not the regulator remains Greyhound Racing NSW, the regulator must update the NSW Companion Animals Register by reference to R 105 and LR 106 (3) notifications received by it.</p>	<p>Not consistent.</p> <p>The panel formed the view that this responsibility should fall with the owner of the greyhound. The panel proposed the integrity commission will be responsible for tracking the current status of the greyhound from birth and until it leaves the industry or is retired and retained by an industry participant.</p>
11	<p>To the extent possible, those who commit offences involving live baiting should be required to indemnify the prosecutor not only for the cost of conducting the prosecution but for the cost of the investigation which led to the commencement of proceedings.</p>	<p>Not consistent.</p> <p>The panel proposed that, in line with industry guarantees, industry will be required to fully fund the commercial and integrity functions that underpin the ongoing sustainability of the industry. This will include funding the integrity commissions' operating costs.</p>
12	<p>The <i>Greyhound Racing Act 2009</i> (NSW) should be amended to clarify, or any new Act establishing a new regulator should specify, its interrelationship with the <i>Prevention of Cruelty to Animals Act 1979</i> (NSW) and the <i>Prevention of Cruelty to Animals Regulation 2012</i> (NSW) as detailed in Chapter 8.</p>	<p>Consistent.</p>
13	<p>The <i>Greyhound Racing Act 2009</i> (NSW) should be amended to include a requirement that Greyhound Racing NSW consult with RSPCA NSW and other relevant welfare organisations when developing and amending regulations, rules and minimum standards relating to or potentially impacting on animal welfare. If a new regulator is established this should be contained in the Act establishing the new regulator.</p>	<p>Consistent in principle.</p> <p>The integrity commission should be required to seek the advice of the Greyhound Industry Animal Welfare Committee on best practice animal welfare requirements – the committee will include a senior officer of the RSPCA NSW.</p> <p>The integrity commission will be able to consult more broadly as it chooses.</p> <p>MoUs should also be developed between the integrity commission and animal welfare organisations and cover operational matters.</p>
14	<p>The <i>Greyhound Racing Act 2009</i> (NSW) should be amended to include a provision that requires Greyhound Racing NSW and its stewards to report any serious or repeated breaches of an</p>	<p>Consistent in principle.</p> <p>The role of stewards, the Greyhound Industry Code of Practice for Animal</p>

	<p>animal welfare-related rule or standard to RSPCA NSW or the Animal Welfare League. If a new regulator is established this should be included in the Act establishing the new regulator.</p>	<p>Welfare (code of practice) and other standards will be overseen by the integrity commission which will also have carriage of enforcement and compliance.</p>
15	<p>The <i>Greyhound Racing Act 2009</i> (NSW) should be amended to impose an obligation on Greyhound Racing NSW to report annually details of any proceedings brought for welfare related disciplinary offences including progress and outcomes. If a new regulator is established this should be included in the Act establishing the new regulator.</p>	<p>Consistent.</p>
16	<p>Private trial tracks should be licensed and subject to regular inspections by Greyhound Racing NSW or any new regulator. The <i>Greyhound Racing Act 2009</i> (NSW), or the Act establishing a new regulator, should make it compulsory to register private trial tracks. It should be a condition of the licence of a private trial track that the track should only be used by greyhounds that are owned or leased by the licensee.</p>	<p>Partially consistent.</p> <p>Public and private trial tracks will be required to be licenced and will be tracked in a register managed by the integrity commission. Private trial tracks will be required to be maintained to high safety standards.</p> <p>To enable participants to continue to train their greyhounds in regulated environments, private trial tracks will be open for limited use by the public. The trial track manager must notify the integrity commission where their private trial tracks are open for use by others. A written agreement between the participants will be required to be lodged with the integrity commission upon notification.</p>
17	<p>The rules of racing should be amended to require private trial tracks to be maintained to a standard reasonably required by the regulator.</p>	<p>Consistent.</p>
18	<p>Officers of Greyhound Racing NSW or any new regulator should not be appointed authorised officers or inspectors under the <i>Prevention of Cruelty to Animals Act 1979</i> (NSW). Possible breaches of the <i>Prevention of Cruelty to Animals Act 1979</i> (NSW) and of other criminal laws concerning the welfare of greyhounds should be referred to RSPCA NSW, the Animal Welfare League or the NSW Police Force for investigation.</p>	<p>Not consistent.</p> <p>The integrity commission will be an independent body separate from the reconstituted GRNSW (the commercial entity) which will increase public confidence in the use of these powers by the commission. The integrity commission should take primary responsibility for actively investigating and prosecuting criminal charges under the POCTA Act relating to the greyhound industry and be resourced for this. The RSPCA and other animal welfare regulators</p>

		are still likely to receive complaints and reports that they may refer to the commission or may sometimes prioritise and act on themselves. MOUs between the integrity commission and other animal welfare regulators should set out clearly their complementary roles. This will help to minimise the resource burden on the RSPCA to manage an increase in greyhound industry related investigations.
19	The rules of racing should specifically provide a range of penalties for welfare offences, as is now the case in relation to live baiting. The range of penalties should include suspension and disqualification for serious breaches and continuing or repeated breaches. If a statutory code of practice is introduced, the rules of racing must provide that a breach of that code is a breach of the Rules.	Consistent.
20	The rules of racing should be amended to prohibit the use of barking muzzles on any occasion.	Consistent.
21	The current R 106 Form should be kept in a form where essential information for lifecycle tracking can be extracted and entered into a readily accessible database. The regulator should have the current R 106 Form independently assessed for shortcomings. The R 106 Form should be such that transfers of greyhounds to third parties can be verified.	Consistent. The panel supports the independent assessment of these forms to ensure the right information is captured and verifiable. This will support effective and accountable life cycle tracking.
22	Rule 106 of the rules of racing should be amended to: (a) Create an offence of providing false or misleading statements in relation to a notification of transfer or retirement. (b) Require participants to supply further information as required by the regulator. A failure to do so should result in suspension until such information is provided.	Consistent.
23	Greyhound Racing NSW or any new regulator should put in place an audit plan whereby a statistically significant sample of R 106 Forms are verified each year. The results of the audit should be reported in its annual report.	Consistent. The panel supports accountability of both the industry and the commission. Verification of these forms will be crucial in identifying breaches of the code of practice, the rules of racing or general animal welfare obligations.

24	The rules of racing should be independently reviewed, particularly in relation to race day welfare obligations to ensure that what they contain is adequate.	Consistent. A Greyhound Industry Animal Welfare Committee will be established as an advisory body to the integrity commission. This committee would be best placed to conduct reviews on rules related to animal welfare.
25	The power to compel the attendance of unlicensed persons and the production of documents should be exercised by the Supreme Court of NSW upon an application by the regulator or its delegates.	Not consistent. The panel proposes that the integrity commission be given powers to require attendance for hearings and to compel information and documents. The panel formed the view that such powers will be crucial to effectively safeguard the welfare of animals and regulate the industry. These powers are consistent with those available to the Queensland Racing Integrity Commission and the Office of Racing Integrity in Tasmania. Importantly, powers to compel information and require attendance are already available to GRNSW under the rules of racing.
26	The rules of racing should be amended to make it clear that Greyhound Racing NSW or any new regulator has power to supply personal information to other authorities and will do so if requested.	Consistent.
27	Greyhound Racing NSW or any new regulator should not be given statutory powers of entry, search and seizure including the power to obtain and execute search warrants.	Not consistent. The panel proposes that the integrity commission be given powers of entry, search and seizure. The panel formed the view that such powers will be crucial to effectively safeguard the welfare of animals and regulate the industry. These powers are consistent with those available to the Queensland Racing Integrity Commission and other similar regulatory bodies.
28	Greyhound Racing NSW or any new regulator should not be given a power to undertake covert, filmed surveillance activities.	Partially consistent. The panel recommends the integrity commission be given powers to use evidence from lawfully obtained covert surveillance. Illegal activity occurring in private settings has been

		difficult to detect and prosecute, largely due to the limitations on powers of search and entry and ability to use of evidence from covert surveillance. The ability to use evidence from lawfully obtained covert surveillance will assist with capturing and prosecuting this conduct.
29	The NSW Government should consider extending the offences in respect of which warrants can be obtained under the <i>Surveillance Devices Act 2007</i> (NSW) to the live baiting offences and the offence of aggravated animal cruelty contained in the <i>Prevention of Cruelty to Animals Act 1979</i> (NSW).	Consistent.
30	Greyhound Racing NSW or any new regulator should not be given the power to issue remedial directions that are enforceable in Court.	Noted. Details to be determined in the drafting of legislation.
31	Greyhound Racing NSW or any new regulator should not be given the power to enter into undertakings with greyhound racing clubs that are enforceable in Court.	Noted. Details to be determined in the drafting of legislation.
32	Greyhound Racing NSW or any new regulator should not be given a power to issue penalty infringement notices.	Not consistent. The panel proposes the integrity commission be given the power to issue penalty infringement notices for breaches of the new licensing, registration and animal welfare requirements. This will support early intervention, proportionate and graduated penalties and promote a cultural shift in the industry.
33	An enforceable code of practice containing minimum standards of care for greyhounds throughout their lifecycle should be established. The recommended amendments to the <i>Prevention of Cruelty to Animals Regulation 2012</i> (NSW) are detailed in Chapter 9.	Consistent.
34	The enforceable code of practice should require Greyhound Racing NSW or any new regulator as well as industry participants to maintain complete lifecycle records. The record should travel with the greyhound throughout its lifecycle.	Consistent. Life cycle record keeping will be a responsibility of the integrity commission and required by the integrity commission's enabling Act.
35	Greyhound Racing NSW or any new regulator should be required to use all reasonable	Consistent.

	endeavours to enter into Memoranda of Understanding with RSPCA NSW and with the Animal Welfare League which properly reflect the roles and responsibilities of each organisation. This obligation should be enshrined in the legislation governing the regulator and performance should be monitored and audited each year at the cost of the regulator.	
36	Greyhound Racing NSW or any new regulator should bear the costs of RSPCA NSW and the Animal Welfare League in their performance of obligations under the Memoranda of Understanding.	Partially consistent. The integrity commission will have statutory powers of investigation and prosecution of animal cruelty offences. Any activities undertaken by the RSPCA or the Animal Welfare League will fall within their existing mandate. The integrity commission will cover the costs for their own operations with costs ultimately recovered from the industry.
37	The <i>Greyhound Racing Act 2009</i> (NSW) should be amended to require Greyhound Racing NSW to include in its strategic plan the measures it will take, in the three years which follow, for the advancement of the welfare needs of greyhounds. A like provision should be contained in the Act establishing any new regulator.	Consistent.
38	Performance against future strategic plans must be the subject of an annual independent audit. The audit should occur prior to the publication of the annual reports and its results should be published in the relevant annual reports.	Consistent. The panel supports accountability and transparency of the integrity commission and industry more broadly. The commercial entity and the integrity commission will be required to meet reporting obligations.
39	Section 9 of the <i>Greyhound Racing Act 2009</i> (NSW) should be amended to include, as a function of GRNSW, promoting the welfare of greyhounds across the industry. The Act should be further amended to impose a specific obligation on members of GRNSW members to do likewise.	Not consistent. Promoting animal welfare will be the responsibility of the integrity commission and will be included in the commission's enabling Act. The commercial entity will be responsible for commercial aspects of the industry, including rehoming and to promote high levels of public trust. The commercial entity will be required to meet animal welfare requirements as a condition of its operating licence.
40	The rules of racing should be amended so that on-track veterinarians and the stewards have	Consistent.

	<p>power to direct any industry participant who has the care or control of a greyhound at a race meeting or trial to take it to a veterinary clinic. The rules of racing should also be amended to require that any person who has been so directed provide evidence of compliance to the regulator within 48 hours. That evidence should be in the form of a certificate from a qualified veterinary practitioner which sets out what treatment was administered including whether the greyhound was put down. A breach of these rules should be treated as a serious offence.</p>	<p>Requiring proof of compliance with veterinary instructions given on the track or after a trial injury will ensure owners are held to account for the health and wellbeing of their greyhounds. This oversight will also enable the commission to identify those participants engaging in unsafe and illegal treatment practices offered by unqualified persons. This could be included in the animal welfare code.</p>
<p>41</p>	<p>The rules of racing should be amended to impose an obligation upon industry participants to report to the regulator injuries not detected by the on-track veterinarian within 24 hours. If the injuries are serious, the regulator's Chief Veterinary Officer should have power to direct the person who has the care or control of the greyhound to take it to a veterinary clinic. That person should be required to report back in the same manner as referred to above.</p>	<p>Consistent.</p> <p>This will cover injuries that occur at trial tracks or outside of official meetings, as well as injuries not immediately visible to on-track veterinarians. The same requirements of reporting and complying with veterinary directions should apply to all injuries.</p> <p>This could be included in the animal welfare code.</p>
<p>42</p>	<p>As soon as it is reasonably practicable to do so, Greyhound Racing NSW, or any new regulator, should amend the rules of racing to introduce a requirement that greyhounds cannot be trialed at public trials without a veterinarian being present.</p>	<p>Not consistent.</p> <p>The panel agreed that it is not practical to have a veterinarian present every time a public trial track is in use. Trial tracks can be in use all day, multiple times a week. Trialling conditions also vary in intensity and in some cases the conditions can pose little risk to greyhound safety. Veterinarians should be present where activities at trial tracks are high risk e.g. where they mimic race-track conditions and the risk of injuries increases including where multiple greyhounds race one another. In addition, all public trial tracks and licenced private trial tracks will be required to have agreements with local veterinarians who can be on call to give advice or provide assistance if an injury occurs.</p>
<p>43</p>	<p>Greyhound Racing NSW or any new regulator should take steps to regulate the extent to which 'muscle men' can be involved in the treatment of greyhounds, if at all. It should be an offence under</p>	<p>Consistent.</p>

	the rules of racing for a registered participant to engage a 'muscle man' for treating a greyhound contrary to the Rules.	
44	Greyhound Racing NSW or any new regulator should assume direct responsibility for providing veterinary services at all NSW race meetings, whether held at TAB tracks or non-TAB tracks.	<p>Consistent.</p> <p>The integrity commission will be responsible for providing these services.</p>
45	Greyhound Racing NSW or any new regulator should adopt the recommendations of the Nous Group Report "Review of greyhound racing veterinary services in New South Wales" as detailed in Chapter 17, except to the extent that they differ from any recommendation of the Commission.	<p>Consistent.</p> <p>The Nous Group recommendations ranged from recording and compliance measures, the provision of first aid equipment at race clubs, veterinary facilities at race clubs and the overall supply of veterinarians in the industry.</p> <p>The panel is aware that GRNSW has since introduced some measures to address the issues raised by the Nous report. The panel supports the full implementation of the remaining recommendations which are consistent with the panel's recommendations.</p>
46	Greyhound Racing NSW or any new regulator should take steps to ensure that formal training is provided for new on-track veterinarians and that they are given initial, on-track experience in the company of an experienced Greyhound Racing NSW veterinarian.	<p>Consistent.</p> <p>The panel recommends that the integrity commission should be responsible for the provision of on-track veterinary services. The integrity commission could assume this role. This training will ensure veterinarians are informed of their obligations and the processes regarding their services. It will make clear their ability to issue directives and their responsibility in reporting breaches of the code of practice.</p>
47	Greyhound Racing NSW or any new regulator should amend the rules of racing to provide that an on-track veterinarian is required to be in attendance for both the pre-race and post-race trials, whether they are at TAB tracks or non-TAB tracks.	<p>Not consistent.</p> <p>A veterinarian is currently required to be present at pre-race trials and during a race. They are not required to be present at post-race trials. The Panel agreed that veterinarians must be present in high risk trials where injury is more likely.</p>
48	A significant fee should be imposed upon the breeder of any greyhound which is transferable	Partially consistent.

	and recoverable by the last person who has the care and control of the greyhound before it is rehomed or has been retired as a pet of an industry participant. In the latter case the fee should not be recoverable for a period of two years.	The panel recommends a modest fee on the owner, followed by annual payments for each year the greyhound is still registered with the industry. The bond would be held by the integrity commission. The accumulated funds will incentivise whole of life cycle management and care.
49	The Greyhound Racing Rules of Racing should be amended to provide for the imposition of the fee detailed in recommendation 54. The fee should apply to all greyhounds whether or not they are named, registered or race.	Not applicable. Recommendation 54 does not refer to a fee. The fee referred to in recommendation 48 will apply to all greyhounds whether or not they are named, registered or race.
50	The fee detailed in recommendation 54 should be set by Greyhound Racing NSW, or any new regulator. A fund should be established into which these fees must be deposited. The regulator should be required to apply any unclaimed funds to the Greyhounds As Pets (GAP) Program or other welfare measures.	Not consistent. The integrity commission will manage the funds collected under recommendation 48. The commercial entity will be responsible for rehoming and will be responsible for funding the rehoming program from their own funding sources. The bond is targeted at promoting whole of life cycle care and welfare of the greyhound rather than rehoming outcomes.
51	Greyhound Racing NSW or any new regulator, in conjunction with Greyhounds Australasia, should continue to engage with the Federal Government with a view to increased action, by the Federal Government, in connection with the export of live greyhounds.	Consistent.
52	The NSW Government should make representations to the Federal Government to implement the recommendations of Greyhounds Australasia concerning the export of live greyhounds.	Consistent.
53	All clubs should follow the Greyhound Racing NSW swabbing procedures and must withhold prize money of, or above, the sum of \$6,000 until the result of the swab is known.	Noted. This recommendation can be further considered during the review of the rules of racing proposed to be undertaken by the integrity commission.
54	A random swabbing regime should be introduced to complement Greyhound Racing NSW's existing swabbing policy.	Consistent.

55	Stewards should refer specifically to the relevant penalty tables, and how they apply to a particular case, when publishing the outcomes of prohibited substance hearings.	Noted. The integrity commission will have oversight of the stewards and their practices.
56	Greyhound Racing NSW or any new regulator should undertake frequent and random kennel inspections.	Consistent. Frequent and random kennel inspections will be part of the mandate of the integrity commission and essential in upholding the code of practice and rules of racing.
57	Greyhound Racing NSW or any new regulator should publicly report accurate data concerning the number of inspections undertaken in its annual report each year and include a high-level summary of the outcome of its inspections	Consistent. This will be a reporting requirement under the integrity commissions' enabling act.
58	The Greyhound Racing Rules of Racing should be redrafted or amended to address the inaccuracies and deficiencies in content identified in Chapter 23.	Consistent.
59	Greyhound Racing NSW officials or the officials of any new regulator should officiate at all greyhound race meetings in NSW, whether the meetings are TAB or non-TAB meetings.	Consistent.
60	There should be at least two stewards on-track at any race meeting.	Consistent.
61	Greyhound Racing NSW or any new regulator should ensure that adequate resources are provided for stewards to be able to carry out their functions appropriately.	Consistent.
62	Property inspections and investigations of industry participants (other than stewards' inquires) should be undertaken by compliance staff and dedicated investigators within Greyhound Racing NSW (or any new regulator) and should not ordinarily be undertaken by stewards.	Consistent.
63	Greyhound Racing NSW or any new regulator should adopt the recommendations of the "Sector Seven Stewards Report" except where they differ from a recommendation of the Commission. However, a move to any regulatory, risk-based strategic approach should not result in a failure to ensure that compliance officers maintain frequent and random kennel inspections at the properties of industry participants.	Consistent.

64	<p>If the racing codes cannot agree on a more equitable distribution of TAB revenue, the Parliament of New South Wales should legislate to amend the current arrangements by providing for a distribution that reflects each code's contribution to TAB revenue.</p>	<p>Consistent.</p> <p>The panel has recommended funding options for the government to consider.</p>
65	<p>The regulatory and commercial functions of Greyhound Racing NSW should be separated. A separate regulator, the NSW Greyhound Racing Integrity Commission should be established. It should not be independent of Government but it should be independent of Greyhound Racing NSW. It should be a statutory corporation representing the Crown. The NSW Greyhound Racing Integrity Commissioner should be appointed by the Governor on the recommendation of the NSW Minister for Racing to provide oversight of the NSW Greyhound Racing Integrity Commission and its operations.</p>	<p>Consistent.</p>
66	<p>The NSW Greyhound Racing Integrity Commission should be required to report to the NSW Minister for Racing annually. Apart from including audited financial statements the report must contain comprehensive details of its operations including disciplinary action taken by it for breach of the rules of racing, drug testing results, and the investigation and outcome of breaches of animal welfare standards, including prosecutions conducted by RSPCA NSW, the Animal Welfare League and the NSW Police Force. The report should specify any steps taken by the Greyhound Racing Integrity Commissioner in the year to which the report relates to maintain appropriate welfare standards and enhance them, including through the education of industry participants.</p>	<p>Consistent.</p>
67	<p>The NSW Greyhound Racing Integrity Commissioner's annual report should contain audited figures of registrations and licenses, litters whelped, lifecycle outcomes for greyhounds from whelping to the lodgement of R 106 Forms, significant track injuries (being those where there has been a stand down period of 21 days or more or the greyhound has been euthanased), and rehoming figures whether through an industry program such as the GAP Program or otherwise. If a breeding quota or some other breeding management system is introduced then the NSW Greyhound Racing Integrity Commission must administer it and report on its outcomes each</p>	<p>Consistent.</p> <p>The panel supports transparency over the industry. Releasing these details will work towards restoring public trust in the industry</p>

	<p>year. The annual report should be made available online and free of charge to members of the public.</p>	
68	<p>Persons who have at any time been involved as participants in the greyhound racing industry must be ineligible for appointment either as the NSW Greyhound Racing Integrity Commissioner or to the Board of the NSW Greyhound Racing Commission.</p>	<p>Partially consistent.</p> <p>The panel has recommended all integrity commissioners are independent of industry and more than 50 percent of board members of GRNSW be independent.</p>
69	<p>An Animal Welfare Committee should be established. It should comprise three members. One member should be an existing member of the NSW Animal Welfare Advisory Council with appropriate experience in animal ethics. One member should be a senior officer of RSPCA NSW or the Animal Welfare League nominated by the Board of those organisations or, in the event that they do not wish to participate, a person with extensive animal welfare experience at a senior level. The third member should be an independent veterinary practitioner.</p>	<p>Consistent.</p> <p>The panel has recommended a Greyhound Industry Animal Welfare Committee but has suggested it have five members including industry representation.</p>
70	<p>The Board and the Chief Executive Officer of the NSW Greyhound Racing Integrity Commission should be required to seek advice from the Animal Welfare Committee in relation to all significant matters concerning the welfare of greyhounds including the formulation of appropriate welfare policies and standards. The Board and the Animal Welfare Committee should be required to meet quarterly.</p>	<p>Consistent.</p>
71	<p>The amendments to the <i>Greyhound Racing Act 2009</i> (NSW) that create the NSW Greyhound Racing Integrity Commissioner should specify the following objects referable to the NSW Greyhound Racing Integrity Commission's operations:</p> <ul style="list-style-type: none"> (a) the control, regulation and integrity of greyhound racing in New South Wales; (b) the maintenance, protection and enhancement of animal welfare and animal welfare standards in greyhound racing; and (c) the maintenance of accurate, transparent and publicly accessible records including lifecycle records for each greyhound purpose bred to race. 	<p>Consistent.</p> <p>The panel's recommended objectives and functions for the integrity commission integrate these objectives.</p>
72	<p>The functions of the NSW Greyhound Racing Integrity Commission should include the following:</p> <ul style="list-style-type: none"> (a) The registration of greyhound racing clubs 	<p>Consistent.</p>

and trial tracks.

- (b) The licencing and registration of industry participants such as bookmakers, breeders, pre-trainers, rearers, educators, owners and trainers. This includes making determinations whether, in the opinion of the NSW Greyhound Racing Integrity Commissioner, persons are fit and proper persons to be licenced or registered.
- (c) The registration of greyhounds.
- (d) The appointment and management of stewards.
- (e) The initiation, development and implementation of policies to protect and enhance the integrity of greyhound racing.
- (f) The development of compulsory animal welfare and compliance education and training and the delivery of such education and training.
- (g) The amended Greyhound Racing Act 2009 (NSW) should make it a criminal offence for any industry participant to fail to lodge a R 106 Form or to knowingly provide false or misleading information in such notification.

<p>73</p> <p>The powers of the NSW Greyhound Racing Integrity Commissioner should include:</p> <ul style="list-style-type: none"> (a) the power to make rules for or with respect to the control and regulation of greyhound racing in NSW. That includes the matters covered in s. 23(2) of the Greyhound Racing Act 2009 (NSW). It should also include the power to make or adopt codes of practice which relate to greyhound welfare and embed those codes in the rules of racing; (b) the power to investigate the conduct of any racing official in respect of the exercise of functions relating to greyhound racing; (c) the power to cancel or suspend registration, and, in the case of clubs, the power to appoint an administrator in appropriate cases. (d) the power to conduct own motion inquiries that do not relate to any specific complaint and may include an investigation into systemic issues in greyhound racing; (e) the power to hold hearings (if considered appropriate), summon persons and receive oral evidence on oath or affirmation; (f) the power to investigate and prosecute breaches of the rules of racing by way of 	<p>Partially consistent.</p> <p>The panel recommends that the integrity commission be provided with broad powers including those recommended as well as strengthened powers of entry and search and the ability to use evidence from covert surveillance.</p>
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	<p>disciplinary action;</p> <p>(g) the power to investigate complaints from members of the public and industry participants concerning compliance and animal welfare;</p> <p>(h) the power to impose fines, periods of disqualification and like penalties;</p> <p>(i) the power to develop compliance enforcement strategies; and</p> <p>(j) the power to liaise with RSPCA NSW, the Animal Welfare League and the NSW Police Force in relation to breaches or suspected breaches of the <i>Prevention of Cruelty to Animals Act 1979</i> (NSW) and to disclose all relevant information to those bodies whether or not that information might be regarded as otherwise protected by privacy and personal information protection legislation.</p>	
<p>74</p>	<p>Upon the establishment of NSW Greyhound Racing Integrity Commission, it and Greyhound Racing NSW must enter into a Memorandum of Understanding dealing with the operational relationship between the two bodies including the sharing of resources.</p>	<p>Partially consistent.</p> <p>The panel is not proposing that staff and operational resources be shared between the two bodies. The panel recommends that a condition of the operating licence to be issued to the commercial entity require the entity to fund the operating costs of the integrity commission.</p> <p>The panel's recommendations do not preclude an MOU between the two bodies for other operational matters.</p>
<p>75</p>	<p>A provision similar to s. 5 of the (repealed) Greyhound Racing Act 2002 (NSW) should be introduced into the <i>Greyhound Racing Act 2009</i> (NSW).</p>	<p>Noted.</p> <p>This type of provision is not considered necessary under the arrangements. The operating licence to be issued to the commercial entity will outline the functions that can be exercised by the body.</p>
<p>76</p>	<p>Members of the Greyhound Racing Industry Consultation Group and industry participants should not be appointed as members of Greyhound Racing NSW.</p>	<p>Not consistent.</p> <p>The panel recommends that active industry participants should be able to be appointed to the commercial entity's board. This acknowledges the entity's commercial imperatives. For this reason, the panel considers that the GRICG is no longer needed.</p>

77	Past and present Board members of Greyhound Racing NSW and staff should be excluded from appointment to the Selection Panel.	Consistent.
78	Consideration should be given to amending the <i>Greyhound Racing Act 2009</i> (NSW) so as to provide for an express power, vested in the Minister, to remove the board of Greyhound Racing NSW or any of its members.	<p>Consistent in principle.</p> <p>The panel proposed the ability to remove the board of the commercial entity or any of its members will be exercised by shareholder Ministers of the body.</p>
79	Greyhound Racing NSW should review its consultation policies, particularly in relation to the development of industry strategic plans, to ensure that appropriate consultation takes place with all stakeholders within the greyhound racing industry including NSW Greyhound Racing Integrity Commissioner.	<p>Noted.</p> <p>The panel proposes the commercial entity should establish its own consultation policies. Consultation between the integrity commission and the commercial entity will be outlined in the integrity commission's enabling legislation, as well as the operating licence to be issued to commercial entity.</p>
80	The Greyhound Racing Integrity Auditor should be replaced as part of the necessary change that the Commission identifies in Chapter 30; namely the separation of commercial and regulatory functions, the creation of a new statutory body, the NSW Greyhound Racing Integrity Commission, and the appointment of a NSW Greyhound Racing Integrity Commissioner.	Consistent.

Attachment 3 – Alignment of the panel’s recommendations with industry’s proposed guarantees

Industry guarantee	Panel’s recommendations
<p>Total lifecycle management of all greyhounds, including every greyhound unable to race and all retired greyhounds</p>	<p>The panel’s recommendations are consistent with this guarantee. New licence and registration requirements will be established to ensure total lifecycle visibility for greyhounds and participants. Owners will also have primary responsibility for the care and suitability for rehoming of all greyhounds bred for racing.</p>
<p>A controlled breeding programme, including the immediate restriction of 2000 greyhounds annually for NSW racing purposes</p>	<p>The panel’s recommendations are not directly consistent with this guarantee. The panel considers introducing a breeding quota in NSW alone at this time would be ineffective because of the export of greyhounds interstate and overseas and existing poor data. The panel has recommended a suite of other measures that collectively put downward pressure on breeding numbers and minimise unnecessary euthanasia. These include a bond for all greyhounds bred for racing.</p> <p>It has also recommended revisiting more specific targets for breeding controls and unnecessary euthanasia in two years.</p>
<p>Zero tolerance for animal cruelty, including live baiting, punishable by a lifetime ban for any infringement</p>	<p>The panel’s recommendations are consistent with the guarantee. It has recommended strengthened and new penalties and offences as well as establishing an independent integrity commission with broad powers to enforce compliance with strict new animal welfare measures.</p> <p>Importantly, licencing and education requirements for industry participants will also support cultural change in the industry.</p>
<p>Provide the most stringent, safest racing environment to eliminate avoidable injury</p>	<p>The panel has recommended GRNSW be required to develop new track safety requirements to provide the safest possible racing environment. This will be informed by research being undertaken by UTS previously commissioned by GRNSW and will require approval by the integrity commission.</p>
<p>Commitment to underwrite and take on the financial risks of the agreed model, including fully funding all costs associated with greyhounds that cannot be rehomed and cared for</p>	<p>The panel’s recommendations are consistent with the guarantee. The panel has recommended that the commercial entity be required to fund the operating expenses of the integrity commission each year.</p>