

Members of the Select Committee on Greyhound Racing in NSW (GRNSW)

My name is Kevin Gordon, I was elected President of the National Coursing Association (NCA) some 8 months ago. I have also been the Managing Director of Multicam Routing Systems for 29 years where I have been heavily involved in the Made in Australia Campaign. Our family are breeders, major sponsor and owners of many greyhounds in NSW, I am passionate about the sport in this state moving forward to where it should be and was prior to the Independent GRNSW board. I firstly would like to thank you for the opportunity to put forward, on behalf of NCA members and a large number of participants, our disappointment in the way this sport is, and has been, managed in NSW. I believe that all the issues I will discuss are relevant to this Inquiry into greyhound racing in NSW.

GRNSW's decision on July 31st to not re-register the NSW National Coursing Association's racing licence from August 1st, 2013, and the way it was orchestrated, with no due process or transparency, is the single most disgraceful thing I've seen in 40 years of business. All the work and effort done by the NCA in conjunction with the previous GRNSW to secure a premium race facility in Newcastle.

In February 2013 the NCA was issued a "show-cause" notice due to concerns over its financial viability based on figures taken from its Annual report some 13 months prior. After receipt of this notice the NCA board spent considerable money obtaining an independent assessment from Blackburn Business Advisers, to provide GRNSW with the information requested in its "show-cause" notice. This report confirmed the financial viability of the NCA. I table a letter from Mr Adrian Blackburn (**marked as Item No 1**) that confirms that the NCA was financially viable. After submitting this information and a comprehensive report to GRNSW, the NCA received a response saying it hadn't satisfactorily demonstrated the financial viability and had failed to show cause of its requests. There was no explanation of exactly what it hadn't satisfied, just that it hadn't satisfied GRNSW. (**This letter is marked as Item No 2**) also attached to Item No 2 is The NCA's request for specific detail which led to GRNSW's decision and a request to arrange a meeting of the NCA Board with senior GRNSW management, in a bid to understand the reasoning behind the decision and to form a mutually satisfactory outcome. There was no response to this letter.

Following this advice, on Sunday April 7th with only 12 hours notice the NCA was advised by GRNSW that effective Monday morning at 9am on April 8 the NCA would be under administration by Deloitte. Again, no explanation as to why, just that it was as per the racing act. The NCA was advised by Deloitte they were there to offer help and generate a business plan for the future. My understanding is this position wasn't consistent with the desires of GRNSW.

My observations of GRNSW is that they are a law unto themselves.

For your reference, in February 2012 the NCA sold 70% of the facility to GRNSW on the understanding that it would have a 99 year racing licence at the track. This was done to make the NCA "debt free" so the original loan for the facility from the Commonwealth Bank could be paid out. This would provide a stable foundation for the future, as the NCA was paying up to \$300k per annum in interest. What the NCA was not aware of was the cost of this transaction would be around \$90k. This was incurred because The NCA was forced to use GRNSW's lawyers and accountant at the time. Little did the NCA know that this exorbitant cost was later to be used against it, by GRNSW, as an outstanding legacy creditor.

POINTS OF NOTE

1. In February 2012 GRNSW examined The NCA's books and gave the green light, prior to purchasing the 70% of the track. Less than 12 months later, and without prior notice, a show cause letter was received.
2. On finalisation of the Deloitte report, at a cost of \$500,000 (Mr Hogan on a television show the Catching Pen put the cost as being only \$200k. The additional 300k hasn't been disclosed to the industry. Scenarios were presented which showed a clear way forward for the NCA. In fact one simulation from Deloitte showed a 91% chance of the NCA displaying a healthy, cash positive position for the following year. Note that this item is a Summary and Conclusion of the report (**which is marked as Item No 3**).

I am sure that GRNSW will use one of the other 50 pages in the report but the Summary I present is the final conclusion from Deloitte. I also point out that the \$150k legacy creditors Deloitte speak of, include the \$90k from the sale of The Gardens property to GRNSW, I see this as proof that GRNSW clearly had a fixed path they were going down, and they would use anything to achieve their goal, especially when Deloitte has suggested to GRNSW that they should cover the cost of the transaction. If the GRNSW board wasn't planning on acting on Deloitte advice, why engage them in the first place?

Through discussions with David Lombe a partner at Deloitte, it also became apparent the NCA wasn't given the full "Deloitte" report to respond on, with some elements of the report either redacted or left out. When the NCA queried this we were told by Mr Hogan that we didn't need these pages. I ask you, how could we respond without being given the full report to examine. I believe that this fact alone would have most similar cases thrown out of a court room. This sport is being run and governed with lies and deceit, and I have to ask what else is hidden.

3. GRNSW's decision to cancel the registration of the NCA as a greyhound racing club was based on opinion, not fact, I quote from a Letter from Mr Hogan (**which is marked as your Item No 4**)

a) *"the NCA is not or will not be financially viable in relation to participation in the greyhound racing industry and in any event"*

b) *"it would be in the best interest of the greyhound racing industry to cancel the NCA's registration as a greyhound racing club".*

GRNSW came to the above conclusion despite being given two independent reports (Blackburn Business Advisers and Deloitte) that showed that the NCA is profitable now and, as shown in the summary of the Deloitte report, had a 90% chance of being profitable in the future. A statistic that most businesses would be very pleased to hear. Surely this demonstrates that GRNSW make decisions based on opinions not facts, in this case ½ Million dollars of industry money was wasted as the two reports were ignored.

5. Following the decision to terminate the racing licence of the NCA, GRNSW elected to call in the IFIL's (INTEREST FREE LOANS) from the NCA. These loans are given to all clubs to build the facility, the IFILs I speak about (**which are marked as Item No 5**) were for the development of the race track, the semaphore board, the racing kennels, the tractor and water tanker and the stabling boxes, basically the infrastructure for the complex. We believe from information we have, that it is not legally possible (and certainly not ethical) to call in these loans, while the items associated to them remain in full use and benefit to GRNSW at the venue they **own**, especially when they GRNSW elected not to recall IFIL's from 4 other clubs over the last 10 years when these clubs ceased to conduct racing at the venue. I was told by a GRNSW board member who has now walked away from GRNSW over the handling of this whole matter that they did this as the CEO wanted to "put the final sword into The NCA, to ensure it was put into liquidation", naturally the \$1.8m IFIL's could never be repaid nor should they. A letter from Mr Hogan prior to their board meeting and the decision is also attached with **Item No 5**.

I would also like present a number of facts regarding the performance of GRNSW

- I sent a letter to Chairperson Eve Mc Gregor dated August 29th 2013, (**the letter is marked as Item No 6**) requesting that I be allowed to attend the GRNSW board meeting and put forward our case regarding GRNSW calling in these interest free loans, remembering they now own the facility. I did not get a response. I phoned Eve McGregor on two occasions and she said she would get back to me, which she failed to do, I was not given the opportunity to put forward the NCA case for these loans even though I requested it in writing 1 week prior to their meeting. We live in Australia, which is a democratic society where everyone should be given the right to put forward their case. The NCA was not given this opportunity, again unfair play.

- One of the most alarming events that shows the deceit that has occurred behind the scenes at GRNSW arose after I had been trying to find out why I had not had the chance to present our case to GRNSW, at their board meeting. Chairperson Eve McGregor continually told me by phone she had sent me a response by email. On two occasions I phoned her to advise I had not received this email. On Monday September 9th I received a trail of emails from the Chairperson Eve McGregor, **(the emails are marked as Item No 7)** that was clearly not intended for me. It outlines what was going on behind the scenes and clearly showed she, and the CEO, were hatching a plan of lies and deceit, by not sending the email. It says, *"Hey Brent I didn't send this letter as you probably know."* She also says *"I thought from Tony's email (I believe Tony is GRNSW's solicitor) he said we were sending two letters at the same time"*. The response from Mr Hogan is *"There are two letters but the first one needs some clear air first"* *Brent I note that the demand is inflammatory, when we know there is not a hope in hell they can repay this"*

When I rang the Chairperson Eve McGregor she was speechless that I have received this email by mistake and told me, it would be unethical to show this to anyone, and requested I destroy it, her tone was rather threatening, yes she used the word unethical..... the following day I received an email from Eve McGregor telling me *"Kevin I have sent the IFIL letter without the exchange which was not intended for you. I trust it will not be distributed more broadly"*. In any commercial business this type of conduct would have the Chairperson and CEO resign.

- I also have a letter from former NCA President Mike Hilder **(which is marked as Item No 8)** which gives a short summary of how he sees this matter was handled, and how the CEO of GRNSW distributed "Strictly Confidential" letters to unauthorised media parties. Also a diary note from a meeting he had with Mr Hogan on December 3rd 2012. Where Mr Hogan agreed that the IFILs relating to the acquisition and construction of The Gardens should be overtaken by the ownership transaction. Again a total Lie.
- Moving on to other examples on how GRNSW try to deceive the greyhound industry. I am told by a former GRNSW board member that on August 28th Mr Hogan released a statement claiming they, GRNSW would put an additional \$1.3m into animal welfare. Well this was a clear deceit, and the timing of which can only be seen as suspicious considering it was announced a matter of 24 hours after the announcement of this parliamentary enquiry. At the GRNSW board meeting that followed this announcement, all GRNSW board members showed their disapproval of this press release (which was not approved by them) because it was actually announced and approved 8 months earlier. Yes 8 months earlier. This was not new money at all, the announcement was made to make it appear so. I put it to you is the CEO trying to fool the participants or this committee? I ask you to put this direct question to the GRNSW board members at that meeting, under oath.
- Another announcement was made on Monday February 3rd just 2 days prior to this enquiry, again on animal welfare proposing races for greyhounds 3 1/2 years and older. I put to you why last Monday? Why not 4 years ago? I don't believe for 1 minute that they GRNSW give two hoots about animal welfare, and I'm sure no one in this room believes it. If we do care about animal welfare we need to slow down the breeding process, not make up races for older animals. At a later date I can show how we should place a fee to register a broodbitch as we do with stud dogs, and on pups registered at 3 months of age. The funds could then be injected into animal welfare to self fund a facility for preparing retired greyhounds for a new life. This will also reduce the numbers of pups born which in turn will help solve our problems. But unfortunately this process needed to start 3 or 4 years ago. Planning races for 3 1/2 year old greyhounds is another bandaid.

- An example of how important animal welfare is to GRNSW was on November 22nd at a race meeting at Wentworth Park. Trainer Ken Burnett approached GRNSW stewards with major concern regarding the condition of the track from a safety point of view for his greyhound Glama Pak. The GRNSW stewards report for that evening states that "severe storms had struck the Sydney area" the stewards had concerns as they had to put the race meeting back 30mins. Mr Burnett felt it was in the best interest of his animal to scratch and not to start. He was told by the GRNSW stewards he must start regardless of the condition, if he did scratch he would be heavily fined. **(A copy of the article from the Greyhound Recorder on this, is marked as Item No 9)** Again I ask you WHO ARE GRNSW KIDDING. Shouldn't a trainer have the right to look after his animal.
- 12 months ago a group of trainers approached GRNSW stewards at Maitland Greyhound track, complaining that the water piped through the plastic pipes was extremely hot, they were concerned that giving hot water to a greyhound after it had raced wasn't in the best interest of the animal. During the following 12 months on many occasions trainers asked GRNSW Stewards what was being done, the answer nothing, not our problem. One of our leading trainers Robert Smith had to place a greyhound back into a swab kennel recently at Maitland, he requested to purchase a bottle of fresh cold water for the animal, his request was rejected by Stewards. Mr Smith decided it was better not to give the greyhound the warm water, instead he had to place the animal away with nothing to drink on a hot day. Mr Smith then approached Dr John Newell our leading veterinarian in the area and now a GRNSW vet, Mr Newell said in his opinion giving the warm water at Maitland to greyhounds following a race would be detrimental to the animals health. Again GRNSW have shown no concern for the animals.

I quote from an interview with NSW's leading trainer Jason Mackay "

"It's impossible to have any confidence in the administration of this sport, you've got the inter code agreement costing greyhound racing millions and the proper curating of tracks is another massive issue. The state of tracks in NSW is a disgrace and it's the reason I haven't had many starters at Wentworth Park the last few months. Just about anything decent I've got has been injured.

"Wentworth Park is supposed to be the main track in NSW where the big prizemoney is, but in my opinion it's not safe to put a decent dog around there and it's not just me either. Plenty of other trainers are in the same boat because it's almost impossible to find a proper curated track in NSW.

"You try talking about it to the people that are supposed to be running the sport but they don't care. Nobody takes any notice. You might as well go and find a brick wall and keep head-butting it."

How can we expect the CEO of GRNSW to push our industry forward. What an embarrassment on August 24th 2013 for NSW as Mr Hogan was the only State CEO who did not attend and represent our State at the major event of the year, The National Sprint and Distance Finals at The Meadows Victoria, this is where each state is represented by one greyhound to become the National Champion, why, because it was more important to him to fly back to attend a B grade thoroughbred meeting that afternoon at Warwick Farm. This was well noted by interstate participants. This has happened many times in the past where he has been missing at major Group races, but would be present instead at a thoroughbred meeting.

The Industry needs action with some level of accountability from GRNSW and a management team that see the participants in the sport, outside of their head office as important. If not, people will just keep leaving in droves like they are at the moment. If the management of GRNSW who is supposedly running this sport had to survive in a commercial environment, they would have been without jobs years ago. They need to be answerable to the sport.

I believe that this enquiry should make recommendation to totally disband GRNSW and its management team, and replace it with a board and management team from the industry that understand the industry and have the ability to manage and run it successfully.

I thank you for you time.

Yours sincerely,



Kevin Gordon
NCA President

BLACKBURNS

Chartered Accountants & Business Advisers

Account rendered by
Received by Kevin Gordon
Date: 5 / 2 / 2014
Resolved to publish Yes / No

ITEM 1

22 November 2013

The President
Mr Kevin Gordon
NSW National Coursing Association Limited
Email: KGordon@multicam.com.au

REPORT ON FINANCIAL VIABILITY OF THE NCA

I reported on the financial viability of the NSW National Coursing Association Limited (NCA) in February 2013 and concluded (at that time) that the NCA was financial viable and that with the continued support of GRNSW, NCA Committee Directors and Members, would continue to prosper.

My findings were submitted to the board of GRNSW and I personally addressed a GRNSW Board Meeting on 27 February 2013 to advise of my findings.

I advise that I have some 30 years experience in the Accountancy profession, being a Chartered Accountant, Accredited Financial Planner with degrees in Accountancy & Law, and advise that I did not lightly come to the conclusion, that in my opinion, the NCA was financially viable and would be able to pay its debts when they became due.

Should you wish verbal confirmation of the above please do not hesitate to contact me.

Regards,

Adrian Blackburn
EB

Liability limited by a Scheme approved under the Professional Standards Legislation

Adrian Blackburn CA Daniel Wood CA Aaron Jupp CA
Blackburn Business Advisers Pty Limited ACN: 069 996 630

28 March 2013

ITEM 2

Mike Hilder
President
The Gardens NCA
PO Box 192
Wallsend NSW 2287

Dear Mike,

Re: Show Cause Notice - NCA Financial Viability

We write with respect to the show cause notice issued to the NSW National Coursing Association (“NCA”) on 1 February 2013 and the subsequent request for additional information on 28 February 2013.

At its 27 March 2013 meeting, the Board of Greyhound Racing New South Wales (“GRNSW”) considered the information provided by the NCA, consisting of both its written representations of 25 February 2013 and 7 March 2013 together with the presentation made at the GRNSW Board meeting of 27 February 2013.

Following its detailed consideration of the information provided by the NCA, the Board of GRNSW has resolved that the NSW National Coursing Association has not satisfactorily demonstrated the financial viability of the Association and has failed to show cause as requested by Greyhound Racing New South Wales in its letters of 1 February and 28 February 2013.

Further, the Board has directed GRNSW management to prepare arrangements for the potential appointment of a suitable administrator under *s.10(2)(e) of the Greyhound Racing Act 2009* to conduct the affairs of the club with the formal appointment of such an administrator to be considered by the Board at a specially convened meeting on 4 April 2013.

Noting that the NCA is currently registered as a race club until 31 March 2013, the Board has resolved that the NCA be granted registration as a race club for the period 1 April 2013 to 30 April 2013 to facilitate the above.

We will liaise with you further after our 4 April 2013 meeting.

Yours sincerely,

EVE MCGREGOR
Chairman



29th March 2013

Ms Eve McGregor
Chairman
Greyhound Racing New South Wales
PO Box 170
Concord West NSW 2138

Dear Eve,

Re: Show Cause Notice-NCA Financial Viability

Thank you for your letter dated 28th March 2013 advising the NSW NCA that it had not satisfactorily demonstrated its financial viability and had failed to satisfy GRNSW's show cause notice and as a consequence an administrator was potentially being appointed.

Given the extent of the information provided by the NCA, both written and verbal, we consider it not unreasonable to expect GRNSW would provide specific detail which led it to this decision. This is especially so in the light of an independent professional opinion to the contrary. We also have an obligation to inform members, sponsors and staff as to why this action will be taken. In the absence of such information, the NCA Board is having difficulty reconciling its position.

Whilst we understand that the appointment of an administrator under s.10 (2) (e) of the Greyhound Racing Act 2009 differs from the appointment of same under the Corporations Act 2001, public reaction to a potential media release announcing such an appointment will be very different. It will have potentially catastrophic ramifications for the NCA and The Gardens brand. For example, we had planned on Thursday of this week to announce the three (3) year extension of the Unibet sponsorship. However the appointment of an administrator is a breach under the contract. Consequently the renewal of the sponsorship could be placed in jeopardy.

In view of the foregoing, and in a spirit of co-operation, we submit a request to arrange a meeting of the NCA Board with senior GRNSW management, prior to or on Thursday, in a bid to reach a mutually satisfactory outcome that will be of benefit of all parties.

We believe there is a better way to deliver the outcomes GRNSW so desires.

Look forward to hearing from you.

Yours sincerely

Mike Hilder
President

We have sensitised our base-case Scenario 1 forecast model for varying levels of success in implementing the performance improvement initiatives, however the most significant variable is NCA’s potential ability to secure the proposed member loan contributions of \$150,000

- On 17th June 2013 we received further advice from the NCA’s President, Mr Mike Hilder, that three members were prepared to provide support to the level of \$150k. Mr Hilder notes that previously the amount of the financial assistance as evidenced in the letters of comfort was not specified (see **Appendix 3**).
- Mr Hilder further advises that the members (Mr Hilder and Mr Gordon) are aware of NCA’s financial position and the third, Mr Healion, has had the position explained to him by Mr Hilder.
- The letters of comfort signed by each member are dated 15 December 2012 and appear to have a 12 month term, however they do not specify any amounts or terms and conditions. We note that further investigation is required into the terms and caveats attached to this funding
- From our review, whilst there is potentially some form of intention, there is no legally enforceable agreement that binds the members.
- As outlined on page 13, we have prepared two additional cashflow scenarios to reflect this and also to sensitise the performance improvement initiatives outlined in this report.
- While these scenarios result in a more positive position, the achievability of these scenarios is still subject to the member loans and other assumptions outlined on page 16 of this report.

- Before Scenarios 2 and 3 can be viewed as more than illustrative of a potential outcome, the following matters must be addressed:
 - Can a legally enforceable loan agreement be entered into with the members
 - A solicitor’s certificate is obtained to certify that the members have been advised and understand and accept the terms and conditions of the loan
 - That the terms and conditions are acceptable to NCA
 - That the term of the loan is sufficient to allow the legacy creditors to be paid and the loan not be able to be called for repayment
 - If the term of the loan is at call or 2 year or less, this will impact solvency going forward.
 - Finally, whilst Scenarios 2 and 3 indicate a more positive outcome, they are still contingent on entering into a mutually acceptable legally binding loan agreement as well as achieving the initiatives. We are unable to positively opine as to the ability of NCA to achieve a legally binding contractual outcome. However, it must be said that Mr Hilder appears to be very committed to this outcome.

Monte Carlo Simulation

- We have also performed a Monte Carlo simulation and applied it to a forecast scenario where NCA successfully obtains the \$150k in member loan contributions and where it does not.
- The results of the Monte Carlo simulation suggest that:
 - With no cash injection, there is an 80% chance that the FY14 final cash position will be between \$0 and negative \$250k having repaid all legacy creditors;
 - With an injection of \$150k of member loan contributions, there is a 91% chance that the FY14 final cash position will be between \$0 and \$280k having repaid all legacy creditors.



ITEM 4



1 August 2013

STRICTLY CONFIDENTIAL

ATT: Kevin Gordon
President
New South Wales National Coursing Association Limited (NCA)
PO Box 192
Wallsend NSW 2287

Also by email: kgordon@multicam.com.au

Dear Kevin

Re: Notice of cancellation of registration of the NCA as a greyhound racing club under s20(1) of the Greyhound Racing Act 2009 (NSW) (Act)

Thank you for your correspondence of 16 July 2013, 21 July 2013 and 24 July 2013 as well as your presentation to the GRNSW Board of 31 July 2013 in response to our show cause letter of 4 July 2013 (**Notice**) in relation to the registration of the NCA as a greyhound racing club under the Act (together, the **Response Material**).

After consideration of the Response Material, the Relevant Information (as referred to in the Notice) and the Deloitte letter of 17 July 2013 attached to our letter to the NCA of 18 July 2013, the GRNSW Board has formed the following final opinions:

- (a) the NCA is not or will not be financially viable in relation to participation in the greyhound racing industry; and in any event
- (b) it would be in the best interests of the greyhound racing industry to cancel the NCA's registration as a greyhound racing club.

In these circumstances, GRNSW has made a final and operative decision to cancel the registration of the NCA as a greyhound racing club pursuant to section 20(1) of the Act, effective from **11.55pm, Sunday 4 August 2013**.

Yours Sincerely,

BRENT HOGAN
Chief Executive



GREYHOUND RACING NSW
Building B, 1 Homebush Bay Drive, Rhodes NSW 2138
PO Box 170, Concord West NSW 2138
Ph: 02) 8767 0500 Fax: 02) 9764 6244
E: admin@grnsw.com.au ABN: 61 018 166 136

ITEMS

**IFILs – GRNSW TO NCA
As at 23 August 2013**

Project No.	Purpose of Loan – Project Description	GRNSW Approval Date	Amount of Loan [Excl GST]	Complete Date
4131	The Gardens development	24/08/2001	1,499,892.13	12/01/2006
4131/1	The Gardens development – consultant costs	24/08/2001	118,876.37	30/06/2005
5203	Semaphore Board	26/04/2005	46,118.00	05/08/2005
5204	Purchase tractor & water tanker	26/04/2005	48,489.54	21/06/2005
5220	Construction & installation of kennels	24/05/2005	72,430.00	24/06/2005
5349	Operational Review	28/08/2006	4,600.00	25/09/2006

23 August 2013

STRICTLY CONFIDENTIAL

ATT: Kevin Gordon
President
New South Wales National Coursing Association Limited
PO Box 192
Wallsend NSW 2287

Also by email: kgordon@multicam.com.au

Dear Kevin

Interest Free Interminable Loans – Call Up Notice

I refer to our letter dated 6 August 2013.

As you are aware, Greyhound Racing NSW (**GRNSW**) has made the Interest Free Interminable Loans to New South Wales National Coursing Association Limited (the **NCA**) detailed in the attached schedule (**Loans**).

The terms of each Loan provide that it will not be subject to call up unless certain circumstances occur, including that the NCA ceases to conduct Greyhound Racing at The Gardens.

The NCA ceased conducting Greyhound Racing at The Gardens on or about 4 August 2013. (**Repayment Event**).

As a result of the Repayment Event occurring, GRNSW is entitled to call up each Loan. It is currently the intention of GRNSW to call up each Loan to the maximum extent possible by the liquidation of NCA assets. Such recovery will not extend to Directors being personally responsible for any amounts over and above that which is available from NCA assets.

Yours Sincerely,

BRENT HOGAN
Chief Executive

ITEM 6



29th August 2013

Ms. Eve McGregor
Chairperson
Greyhound Racing NSW
PO Box 170
Concord West NSW 2138

Dear Eve

Re: Request Regarding NCA IFIL position

I write to you following our face-to-face meeting on Friday August 23, 2013 where you were joined by GRNSW Chief Operating Officer Darren Simpson.

At this meeting you indicated that the GRNSW board is considering its position in regard to IFIL loans provided to the NCA for The Gardens project. This is consistent with the letter sent to me by your CEO Brent Hogan on August 6, 2013.

As requested and discussed, the NCA board will write to you and your board, explaining why from a moral and ethical viewpoint at the very least, it is totally improper to consider recalling any IFIL loans provided to the NCA for The Gardens project.

Eve, as you and your board is aware, the circumstances where IFILs may be called upon is if a club;

- Cease to conduct greyhound racing at the venue;
- Carry out its racing activities in such a manner to jeopardize its financial stability; and/or
- Dispose of the freehold property on which the improvements are located (if land is owned by the club).

The decision arrived at by GRNSW to not renew the NSW NCA's registration was completely outside its control. Therefore, the NCA wasn't afforded the opportunity to meet any commitments to IFILs in question.

For GRNSW to consider calling in such items - items which remain in full use and of benefit to the venue on a daily basis — for the benefit of GRNSW and the GBOTA - is totally unethical. We believe

consideration of the calling in of these items isn't within the spirit of why the GIDF (Greyhound Industry Development Fund) was established.

The NCA believe a fair and reasonable independent assessment on this issue would arrive at the same conclusion.

It is prudent to note there is no exposure to Greyhound Racing NSW whatsoever. The items should simply be taken up by the new operator for ongoing use under the same terms and conditions.

For a point of clarity, the items we are talking about include:

1) \$1,499,892 — Gardens track development

Following a meeting between NCA President Mike Hilder and GRNSW CEO Brent Hogan in the first week of November 2012 at GRNSW Offices, Rhodes NSW regarding the above, it was indicated by Mr Hogan these projects could be looked at by the board in terms of being absorbed in the GRNSW/NCA ownership transaction. The merit of this was owing to the fact the IFIL was for the track construction, a track GRNSW owns. In short, the NCA is saying it can't owe money on something it doesn't own or control. Has GRNSW considered the residual effect of greyhound racing boards around NSW learning that GRNSW intend on calling in IFIL's at the conclusion of racing?

2) \$398,933 - Remaining items including semaphore board, tractor & water tanker, construction & installation of kennels, corporate box refurbishment, starting box and catching pen relocation etc. The assets and venue improvements are still be utilized on a daily basis by GRNSW and there tenant.

After reviewing the terms and conditions surrounding these loans from GRNSW to the NCA of \$1.8m, there exist clear moral and legal grounds that require further investigation.

The NCA owns the track, rail, kennels, semaphore board (etc) and other capital improvements which were built between 2002 to 2006 and funded by the GRNSW loan of \$1.8m to facilitate greyhound racing at The Gardens.

These capital improvements are logged and recorded on the Capital Asset Register. Under normal principles of business and commercial law, the NCA has the ability to sell these capital improvements either as a whole intact package or part disposal of individual items at market value.

There exists a massive conflict of interest with GRNSW terminating the NCA's licence at The Gardens, and endorsing GBOTA to use the track facilities without negotiation of sale price or rent. There exists a natural purchaser of these assets in GBOTA and presumably GRNSW could extend the same loan facilities to this tenant to allow the purchase of these track facilities.

The NCA requires that an independent market valuer be appointed for the purposes of facilitating the sale of these track facilities at market value. Should that not be forthcoming, then the NCA has the right to break up these capital improvements and sell for scrap value. Clearly this would be an undesirable

course of action which does not further greyhound racing in Newcastle.

We understand that GRNSW cancelled the Cessnock Greyhound Racing Club Licence a number of years ago and that GRNSW did not call up the applicable loans for repayment. It is difficult to see how the NCA's situation is different. An impartial observer may see the NCA's case as being seemingly stronger than Cessnock. It may be conferred that the actions of GRNSW appear to show a perceived bias against the NCA.

On top of this, it is also important to note GRNSW's proposed position isn't consistent with what occurred with the NCA at Singleton and Tamworth between 2004 and 2006.

Given the gravity of this issue, I request myself along with another representative to personally table this to your board at your next meeting.

Yours sincerely,

Kevin Gordon
President

ITEM 8

M J Hilder

27th November 2013

Dear Sir,

Re: Parliamentary Enquiry –Greyhound Racing New South Wales (GRNSW)

By way of introduction I was the President of the New South Wales National Coursing Association Ltd (NCA) during the period commencing February 2012 until 20 July 2013.

I am a retired merchant and corporate banking executive with some 39 years of experience with one of Australia's largest financial institutions.

My term as President spanned the period during which GRNSW served a Show Cause Notice on the NCA regarding its financial viability and its subsequent appointment of an Administrator to the NCA.

It became apparent early in the process that Chairperson Eve McGregor, had a limited understanding of financial matters generally and as a result was either unwilling or unable to provide responses to the NCA's many requests for clarification and indeed the basis for commencement of the process in the first place. Several meetings were held between Ms McGregor and I where she gave undertakings to respond within a particular timeframe. None were met.

The ultimate determination of the GRNSW Board not to re-register the NCA is not supported by the report prepared by Deloitte and it is also at odds with comments made by the Administrator, David Lombe, a partner of Deloitte to me.

During the process I also received feedback from participants regarding comments attributed to GRNSW CEO, Brent Hogan that related to Board confidential information relative to the Administration. I am also aware that Mr Hogan provided copies of letters addressed personally to me, marked "Strictly Confidential" to unauthorised parties. It would appear that the GRNSW Code of Conduct has limited application.

In summary, the carriage of the process by GRNSW has been anything but transparent and the distinct absence of accountability allows it to happen. The NCA has been denied procedural fairness and justice because CEO Brent Hogan dug himself such a deep hole he had to see it through. His performance and that of the "independent" GRNSW Board should be a matter of deep concern for the entire industry if a level of accountability is not installed.

Yours Sincerely

Michael Hilder

Diary Memorandum

Meeting with GRNSW CEO Brent Hogan 3rd December 2012-GRNSW Offices, Rhodes NSW

Given the significant write-down the NCA had incurred as a result of the ownership transaction with GRNSW, which had resulted in a negative net worth position for the NCA, the matter of outstanding IFIL's was raised with Brent Hogan. It appeared, according to our records, that an IFIL for \$1,050,00 related to the initial development of The Gardens because it was in our books going back prior to 2008. Brent agreed that the IFIL's related to the acquisition and construction of The Gardens should be overtaken by the ownership transaction.

Mike Hilder,

President, NSW NCA

3rd December 2012

Collerson's Wenty Wra

Pre-Race Drama No Issue For Glama Pak

GLAMA Pak finally broke through for a well-deserved Wentworth Park win last Friday night but not before trainer Ken Burnett and steward Terry Hynes clashed over whether the greyhound was going to contest the third race.

After a storm soaked the WP surface less than two hours before Glama Pak's race, Ken Burnett sought permission to pull the greyhound out of her event.

But steward Terry Hynes insisted Glama Pak, a short priced pre-post favourite, must take her

place in the field.

"I was concerned for the safety of my greyhound because after the storm the track didn't look too flash," Ken Burnett told the *Greyhound Recorder*.

"But Terry Hynes told me that I would face penalties if I took Glama Pak out of the race so I had to comply.

"All this happened around 6.35pm but then the rain stopped, some work was done on the track, and by the time Glama Pak's race was

held everything was okay.

"I can understand the stewards' viewpoint, they don't want scratchings, but I also have a responsibility to my owners and the welfare of their greyhounds."

"Wombat" Walden, who shares ownership of Glama Pak with former Bulldogs rugby league star Bary Ward, now a Canterbury board member, was at WP and supported his trainer.

Glama Pak's win, her first in seven WP appearances, continued an amazing winning streak for Walden and Ward.

A week earlier they had won on Wednesday at Bulli with the Ken Burnett-trained Stiff Arm



Glama Pak in full stretch winning night for trainer Ken Burnett

St George, Friday as he watch the England.

After Glama Pak said: "I think short of her

Gaudi's Got The Wenty Goods

THERE are plenty of greyhounds with quirky names but there aren't many as off the wall as Gaudi, who won at Wentworth Park last Saturday night for trainer Steve White and owner Geoff Slattery.

Gaudi is a son of Collision and Geoff, proprietor of Melbourne-based Slattery Media Group, a leading book and magazine publisher, named the dog after a world renowned architect.

Despite those misfortunes Geoff remains a committed greyhound fan, saying: "I've owned a couple of racehorses but greyhounds are more affordable, race more often, and give the owner a bigger thrill."

Steve White lamented not backing Gaudi on Saturday, commenting: "I had a crack at him when he ran second the week before but thought he'd be a short price this time so didn't bother," White said.

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