

MEDIA RELEASE

NSW AUDITOR-GENERAL'S REPORT Greyhound and Harness Racing Regulatory Authority

The Auditor-General of New South Wales, Peter Achterstraat, today released a report on the amalgamation of the regulatory functions of the former Greyhound Racing Authority and Harness Racing Authority to form the Greyhound and Harness Racing Regulatory Authority. The commercial functions of the former authorities are now called Greyhound Racing NSW and Harness Racing NSW.

Key Findings

The amalgamation achieved staff reductions, the sale of a surplus building and the refurbishment of the Authority's remaining building.

The amalgamation started more than three years ago and is still not complete. It has cost more than anticipated and stakeholders are dissatisfied. This is largely due to the surplus building not being sold promptly, the refurbishment costing more than anticipated and reductions in staff numbers taking too long.

The key expectations of the amalgamation were for the racing industry bodies to receive a return from the sale of the surplus building and also receive annual savings of \$800,000 based on staff reductions.

"Instead of receiving a return from the sale of the surplus building, what the racing industry bodies received from the amalgamation was a 'bill' for \$267,000 as refurbishment costs of the remaining building exceeded the proceeds on the sale of the surplus one", said Peter Achterstraat. "There has been no reduction in industry contributions to run the Authority as salary increases and racing integrity initiatives cancelled out savings from staff reductions".

The amalgamation proceeds were to be used to pay for the proposed greyhound registration system. Instead, the Authority is seeking \$535,000 from Greyhound Racing NSW.

"The amalgamation was not well managed. Stakeholders became dissatisfied with the amalgamation process and its outcomes", said Peter Achterstraat. "The Authority adopted an approach different from the one originally proposed. It did not prepare an amalgamation plan and did not communicate with stakeholders about its progress towards its objectives".

The audit notes that there were significant operational issues at the time of amalgamation and that these diverted the Authority from concentrating on the amalgamation. These included resolving high levels of bad debts and disciplinary actions against two senior stewards.

The audit recommends that the Authority finalise outstanding amalgamation issues, with specific attention to finalising its structure, installing the greyhound registration system and reporting on the amalgamation's costs and benefits. Other recommendations focus on the Authority connecting its planning and budgeting, agreeing efficiency dividends with the Minister and developing a strategy for communicating with stakeholders.

The Authority accepted all the Auditor-General's recommendations.

Further Information

Please contact Barry Underwood, Executive Officer on 9275 7220 or 0403 073664.

The full report is available on the Audit Office's website www.audit.nsw.gov.au