

What other industries can learn from the failures of greyhound racing

Written by Roger Burritt, Visiting professor, Management in the International Food Industry, University of Kassel

Those in the greyhound racing industry were surprised by the Premier of NSW's announcement on the [banning of the industry in NSW](#) from 1 July 2017, closely followed in [the ACT](#) .

But the writing has been on the wall since the [NSW Special Commission of Enquiry](#) found systematic malpractice and animal cruelty, described by the Premier as “chilling, confronting, horrific”. The industry ignored the warning signs of the public turning against the sport and now the question is what can other industries learn from the greyhound racing industry losing its social licence.

Self-regulation has flaws

Business needs to recognise that when it's granted the right to operate, it also has to accept the responsibilities of acting in a sustainable and humane way. Different industries have varied levels of government intervention and control of their activities.

The greyhound industry in Australia is self-regulating. The industry promises to abide by animal welfare standards rather than be subject to regulation which directly monitors and enforces standards.

[Penalties can be imposed](#) for using live animals as bait or a lure for the purpose of training dogs under state Prevention of Cruelty to Animals legislation. In NSW the maximum penalty in the case of an individual is A\$22,000 or imprisonment for two years (or both), and \$110,000 in the case of a corporation. There are similar penalties in Victoria and Queensland.

Members of the industry argue that they need more time to adjust behaviour away from the poor practices, but clearly the mindset of those prepared to chance their arm has not changed.

Greyhound racing relies on good behaviour from its members when seeking continuous approval for ongoing operations. In the case of greyhound racing in NSW, all acknowledge that self-regulation failed.

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Other industries associated with gambling on performance of animals, such as horse racing and harness racing, face similar dilemmas. When some industry members act in unacceptable ways, as has happened in the case of greyhound racing, the impact spreads to all other members of the industry, however well-meaning those members are.

The [Special Commission of Enquiry in NSW discovered](#) ongoing programs of live baiting of greyhounds to get them to perform better, multiple deaths of racing dogs on track and mass slaughter of between 48,000 and 68,000 dogs in NSW. Such persistent unacceptable behaviour meant that in the eyes of the government acting on behalf of society self-regulation had failed the public interest.

Improve business models

A second issue is that the greyhound racing industry adopted a business model which has become out of touch with public thinking on animal cruelty.

[A social licence](#) is when local communities, employees and customers approve of a business' practises. In the case of greyhound racing, industry approval might be related to a code of practice on animal cruelty, monitoring whether there are breaches of the code and enforcement of any penalties in the case of a breach.

Greyhounds have been treated as products of the racing industry and when the products failed to make money, they were disposed of en masse as waste products, instead of in a humane way acceptable to society, such as through adoption programs.

Other similar industries can avoid this mistake. Industries can think about how to best maintain their legitimacy to operate in the long run, by considering all aspects of their products or services through its life cycles.

This means considering the relevant costs – social, environmental and economic – from the acquisition of materials and inputs, to the end of life of products. Investors can also be mindful of all these aspects of the business in which they operate, and only accept ethical practices.

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The live cattle trade provides a case in point. All business stopped when Australia negotiated for better [regulation in Indonesia](#) of inhumane treatment of cattle. The industry has recently been questioned again, in relation to inhumane [treatment in Vietnamese abattoirs](#).

Many more of these examples and the trade could be another industry set to lose its license to operate.

Given the growing public concern to reduce blatant animal cruelty as illustrated in these two industries, other industries need to show leadership, develop strategies and prepare themselves for such challenges to their legitimacy and social license to operate.

How can industry restore its social license?

Granting of social license to operate is subject to challenge at any time, especially with the advent of social media and rapid communication of bad news.

It's getting harder and harder to cover up malpractices. Loss of licence in the NSW greyhound industry means about 15,000 participants, 10,000 employees, and contractors for transportation, food supplies and kennels will lose their livelihoods, according to Brenton Scott, CEO of the NSW Greyhound Breeders, Owners & Trainers Association.

Some will switch in the short term to other states resisting closure but astute members will observe what is happening elsewhere. For example, in [vast majority of states the US](#), greyhound racing has been outlawed and this could be a lead indicator of the challenges ahead in Australia.

Meaningful engagement with the parties on which the industry relies for survival, such as customers and employees, is another way forward. For example, those caring for humane treatment of animals in Victoria once supported the opportunity for [industry improvement](#) but there is a turn now to resist any attempts to restore greyhound racing, and a [push for national closure](#).

Business needs to take heed of the concerns and warnings of the key parties they rely on if they

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are to survive, before the opportunity to improve known poor practices has slipped away.

All business needs to consider what has happened with the “surprise” closure of greyhound racing in NSW and develop strategies to ensure they are resilient to shocks and do not get caught out by poor behaviour of some members.

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