

**GENERAL PURPOSE STANDING COMMITTEE
BUDGET ESTIMATES HEARING**

QUESTIONS ON NOTICE

Attached for the Minister's approval are responses to Questions on Notice from the Parliamentary Estimates Committee process.

Questions 1-12 were taken on notice during the General Purpose Standing Committee hearing on Thursday 4 September 2003 and were assigned as follows:

- ▶ #1-3 responses prepared in consultation with Director of Policy and Development
- ▶ #7-9 and #11 & 12 are Office of Racing and compliance issues with responses prepared in consultation with the Deputy Director-General
- ▶ #6 & 10 have been prepared in consultation with the Director of Revenue and Resource Management, and
- ▶ # 4(b) and #5(b) require some co-ordination between the Minister's response and that of the Director-General – as I understand that they both attended on meeting with Mr Face.

The attached letter to the Director of the Legislative Council General Purpose Standing Committees is submitted for the Minister's signature, if approved.

Michael Foggo
Director
Revenue and Resource Management
October 2003

Director-General

Minister's Chief of Staff

Director, R&RM

Director
General Purpose Standing Committees
Legislative Council
Parliament NSW
Macquarie Street
SYDNEY NSW 2000

The attached questions were placed on notice in relation to General Purpose Standing Committee No. 2.

I forward for tabling answers to the relevant questions.

Yours sincerely

The Hon Grant McBride MP
Minister for Gaming and Racing

4 September 2003
(Parliamentary Estimates : General Purpose Standing Committee No 2)
PORTFOLIO – Gaming and Racing

QUESTIONS TAKEN ON NOTICE DURING HEARING

- 1 Mr Gay asked the Minister for Gaming and Racing, the Hon Grant McBride MP –**

How many clubs will be affected by the new top marginal tax rate? (Hansard p4)

ANSWER:

Matters relating to taxation are a matter for the Treasurer, the Hon. Michael Egan MLC.

- 2 Mr Gay asked the Minister for Gaming and Racing, the Hon Grant McBride MP –**

Has there been an analysis of possible job losses and the social impact associated with the new tax rate? (Hansard p4)

ANSWER:

Not applicable, see answer 1, above.

- 3 Mr Lynn asked the Minister for Gaming and Racing, the Hon Grant McBride MP –**

Are you aware that the new Allens Report to ClubsNSW says that clubs in your electorate will pay an additional \$27 million in tax from 2010? (Hansard p5)

ANSWER:

I am aware of the report that The Allen Consulting Group prepared for ClubsNSW. The version of the report that I have seen does not cite the additional tax payable by individual clubs, or by clubs on an electorate basis.

- 4 Mr Gay asked the Minister for Gaming and Racing, the Hon Grant McBride MP –**

(a) Have you had meetings with former Minister Richard Face since the election?

- (b) If so, what was the purpose of the meetings and the matters that were discussed? (Hansard pp 10-11)

ANSWER:

- (a) No, however I have met with a delegation of representatives from Surf Life-Saving New South Wales. Mr. Face attended that meeting as a delegate from the Hunter Region.
- (b) The purpose of the meeting was to allow Surf Life-Saving New South Wales to make representations to me relating to liquor licensing matters for surf lifesaving clubs.

5 Mr Gay asked the Director-General of Gaming and Racing, Mr K M Brown –

- (a) Have you had meetings with former Minister Richard Face since the election?
- (b) If so, what was the purpose of the meetings and the matters that were discussed? (Hansard p11)

ANSWER:

- (a) Yes
- (b)
- ▶ Meeting requested by former Minister with all available staff to convey appreciation of Department's support over past eight (8) years.
 - ▶ Mr. Face attended a meeting with the Minister for Gaming and Racing, Hon. Grant McBride MP, as part of a delegation of representatives from Surf Life Saving New South Wales, to make representations to the Ministers on the matter of liquor licensing for surf lifesaving clubs.
 - ▶ Courtesy call by former Minister following visit to Department's Client Access Centre. No specific issues discussed.

6 Mr Gay asked the Minister for Gaming and Racing, the Hon Grant McBride MP –

Does the former Minister, Richard Face have any debts outstanding to the department or to the ministerial office? (Hansard p12)

ANSWER:

No.

7 Mr Gay asked the Minister for Gaming and Racing, the Hon Grant McBride MP –

What action have you taken to address the crisis of a lack of prize money for race meetings throughout country NSW? (Hansard p22)

ANSWER:

In the financial year 2002/2003 *"returns to owners"* at NSW country thoroughbred meetings (consisting of prize money, bonuses, trophies, rebates, jockeys insurance and jockeys riding fees paid by race clubs on behalf of owners) increased by \$1,154,414 (4.5%) to \$26,715,678.

Over the last five years *"returns to owners"* at NSW country thoroughbred race meetings has increased by \$5,281,709 (24.6%) from \$21,433,969 in the financial year 1998/1999 to \$26,715,678 in the financial year 2002/2003.

The NSW Country Racing Council has advised that it will be directing an additional \$1m in funding to support BOBS bonuses (NSW Thoroughbred Breeders Owners Bonus Scheme) at country race meetings in the financial year 2003/2004 and continuing Country Cash bonuses for non-BOBS eligible horses. (Source NSW Country Racing Council).

In regard to the harness and greyhound industries, the new commercial boards, being Harness Racing New South Wales and Greyhound Racing New South Wales, have each released a draft strategic plan for their respective industry.

Both draft plans address issues which they believe will impact positively on the prize money available to country racing within their respective code.

The contents of each draft plan have been released, with industry participants and stakeholders invited to make comment as part of a consultation process prior to the release of the final strategic plan.

8 Mr Gay asked the Minister for Gaming and Racing, the Hon Grant McBride MP –

What measures have been taken to address the exodus of NSW country racehorse trainers to the Victorian racing industry? (Hansard p22)

ANSWER:

It should be noted that there has been a 19.2% increase in TAB Limited distributions to the racing industry over the last five financial years. (Source NSW Racing Pty Ltd Analysis)

In addition, the NSW Country Racing Council has advised that it will be directing an additional \$1m in funding to support BOBS bonuses (NSW Thoroughbred Breeders Owners Bonus Scheme) at country race meetings in the financial year 2003/2004 and continuing Country Cash bonuses for non-BOBS eligible horses. (Source NSW Country Racing Council).

As Minister, I will continue to work with the three codes of racing to promote and support country racing in NSW.

9 Mr Lynn asked the Minister for Gaming and Racing, the Hon Grant McBride MP –

What is your response to the recent establishment of the NSW Trainers Network in respect to the recent problems facing the NSW country racing industry? (Hansard p22)

ANSWER:

The Trainers Network is a new body established to air the grievances of New South Wales racehorse trainers due, apparently, to claims by some trainers that the officially recognised body, the Australian Trainers Association (NSW), has not delivered adequate outcomes on some issues, such as the increased cost of Workers Compensation Insurance in New South Wales.

The NSWTRB indicates it has always been ready to discuss matters with trainers and has met with both the Australian Trainers Association, and the Trainers Network.

The NSW Country Racing Council has also met with representatives of the Trainers Network.

10 Dr Chesterfield-Evans asked the Minister for Gaming and Racing, the Hon Grant McBride MP –

How much money has the Government [Department] spent on *Windows* based software products in dollar terms? (Hansard p26)

ANSWER:

The Department spent \$233,828.95 on software in 2002-03.

11 Mr Gay asked the Minister for Gaming and Racing, the Hon Grant McBride MP –

(a) Was any money spent on legal fees for matters connected with Oasis?

(b) If so, who provided these legal services? (Hansard p29)

ANSWER:

(11) (a)-(b)

In the case of core work for public sector agencies the Crown Solicitor meets these costs. Matters relating to the Oasis project were classified as core work.

12 Mr Gay asked the Minister for Gaming and Racing, the Hon Grant McBride MP –

How much revenue was generated through country race meetings for 2002-03?
(Hansard p29)

ANSWER:

TAB Limited Totalizator Sales on New South Wales Fixtures 2002/2003

	Thoroughbred	Harness	Greyhound	Total		
	\$	\$	\$	\$	%	
1	Metropolitan	600,897,112	85,992,089	66,883,368	753,772,569	47.5%
2	Provincial	216,027,821	80,539,268	97,017,299	393,584,388	24.8%
3	Country	279,392,818	52,178,317	107,571,095	439,142,230	27.7%
4	Total	1,096,317,751	218,709,674	271,471,762	1,586,499,187	100.0%

The estimated wagering tax including GST from TAB Limited totalisator bets on NSW country fixtures in 2002/2003 was \$20.7m (\$439.1m @28.2% @16.7%).