

## **GENERAL PURPOSE STANDING COMMITTEE No. 3**

**Friday 26 October 2007**

**Examination of proposed expenditure for the portfolio areas**

### **GAMING AND RACING, SPORT AND RECREATION**

**The Committee met at 1.30 p.m.**

#### **MEMBERS**

The Hon. A. R. Fazio (Chair)

The Hon. G. J. Donnelly  
The Hon. T. J. Khan  
The Hon. C. J. S. Lynn

Ms L. Rhiannon  
The Hon. R. A. Smith  
The Hon. H. M. Westwood

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#### **PRESENT**

**The Hon. G. J. West**, *Minister for Gaming and Racing, and Minister for Sport and Recreation*

**Department of the Arts, Sport and Recreation**

**Mr Robert Aaby**, *Director General*

**Mr John Egan**, *Director, Programs and Partnership*

**Mr Andrew Kuti**, *Director, Corporate Services*

**Centennial Park and Moore Park Trust**

**Mr Steve Corbett**, *Director and Chief Executive Officer*

**Office of Liquor, Gaming and Racing**

**Mr Michael Foggo**, *Commissioner*

**Mr Albert Gardner**, *Director, Compliance*

**Mr John Whelan**, *Director, Policy*

**Mr David Greenhouse**, *Assistant Director, Policy*

**Casino Control Authority**

**Mr Brian Farrell**, *Chief Executive Officer*

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## **CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS**

**Corrections should be marked on a photocopy of the proof and forwarded to:**

**Budget Estimates secretariat  
Room 812  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000**

**CHAIR:** I declare this meeting open to the public and welcome Minister West and accompanying officials to this hearing. At this hearing the Committee will examine the proposed expenditure for the portfolios of Gaming and Racing, Sport and Recreation. Before we commence, I need to make some comments about procedural matters. For the broadcasting of proceedings, according to the Legislative Council Guidelines for broadcasting proceedings only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In recording the proceedings of this Committee, you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee. The guidelines for the broadcast of proceedings are available on the table by the door

Any messages from attendees in the public gallery should be delivered through the chamber support staff or the Committee clerks. Minister, you and your accompanying officers are reminded that you are free to pass notes and refer directly to your advisors while at the table. The Committee has agreed to the following format for the hearings: there will be 20 minutes for questions from the Opposition. We will be doing Sport and Recreation for the first hour and Gaming and Racing for the second hour and a half. If we finish Sport and Recreation before the hour, we will commence Gaming and Racing. We are not having a break.

Minister, I advise that the Committee has resolved that answers to questions taken on notice be provided within 21 calendar days from the day they have been posed. Do you anticipate that it will pose any difficulties?

**Mr GRAHAM WEST:** No.

**CHAIR:** Before I swear in any witnesses, I will advise Committee members that any questions that you lodge on the *Notice Paper* after today's hearing will not be published on the *Notice Paper* until 6 November, which means those questions will not be due back until 12 December. If you have questions, you would be better to put them on notice today rather than submitting them on the *Notice Paper* later.

All witnesses, departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, you do not need to be sworn as you have already taken an oath to your office as a member of parliament.

**ROBERT ADBY**, Director General, Department of the Arts, Sport and Recreation, affirmed and examined:

**STEVE CORBETT**, Director and Chief Executive Officer, Centennial Park and Moore Park Trust, affirmed and examined:

**JOHN EGAN**, Director, Programs and Partnerships, New South Wales Sport and Recreation, affirmed and examined:

**ANDREW KUTI**, Director, Corporate Services, Department of the Arts, Sport and Recreation, sworn and examined:

**CHAIR:** Minister, do you have a brief opening statement?

**Mr GRAHAM WEST:** Yes, thank you, Chair. The future is an interesting time for the portfolio. We are working to align ourselves with the State Plan and working to increase participation in states, parks, reserves and sporting activities. To do that we need the support of the community, especially volunteers, and working at new ways to identify stakeholders, such as clubs who already have these contacts developed.

We also have the liquor bill and the Gaming Machines Act currently under review. Both of these are important matters to the community, and we hope the reviews of these will be tabled very soon. Further, we have the harness and greyhound authorities under review. Their acts are under statutory review. Submissions for that will close shortly and will help inform decisions in the future

regarding these important industries. We also have an IPART inquiry into clubs to help determine ways they can maintain their important role in the community and remain a viable and vibrant part of the community. This will be tabled back to Parliament in June next year as an important way of helping clubs into the future.

We have also received the Brown review in thoroughbred racing, once again with a view to providing a solid framework for the future. We are currently in final negotiations with the industry around this. Casino negotiations are also under way, although we cannot comment any further on them, but we can comment that the funding of the Responsible Gambling Fund will continue with a 2 per cent levy.

The keno licence was renewed and extended into pubs. Lotteries have been renewed for another 12-month licence. The New South Wales Institute of Sport has taken ownership of its new building and continues to develop great facilities for athletes. It is actively involved in our Australian preparations through New South Wales Sport for Beijing. They even have a room there where you can actually go in and feel the humidity and the heat. If you have the chance to go and see the facilities, I am happy to extend the opportunity to any of the members here to experience it. You will see that our athletes in Beijing are in for a tough time.

We also recently announced changes to the rules in the Community Development Supportive Expenditure Scheme [CDSC] for clubs, clarifying the important of this scheme into the future, with a rebate of 1.5 per cent on gaming machine taxes for clubs that participate in this scheme. This will see the 50/50 sweep remain, but we are actively encouraging 75 per cent of projects in category 1 to be determined by the community.

We also work to find \$500,000 in new funding for Aboriginal initiatives in country New South Wales, especially involving the Duke of Edinburgh program and mentoring of young women. There are a number of programs that we are particularly proud of about working with the Aboriginal community. The one I find most appealing is the PCYC Pinaroos in Dubbo. Following disturbances in the Gordon Estate the Department of Arts, Sport and Recreation has asked to take the lead in response to Government policy. After review, the community has determined that young Aboriginal women were the most severely disadvantaged members of this group. An approach was made to local netball associations to allow them to participate without uniforms and in some cases without shoes, and with fees waived. The netball associations agreed, and we thank them very much for that support.

As a result of this program they have a group of young women actively involved in sport, many of whom went on to win their competition. We allowed many of them to get birth certificates and we allowed their parents to be involved in budget counselling to ensure that their daughters can play into the future and help develop better community links.

These are some of the things that sport can actually achieve other than the obvious ones of obesity reduction and simple enjoyment. We have increased the number of events available at Mt Panorama from two to five. We are two years out from the World Masters Games, which will be held in October 2009. This year's event in Edmonton is expected to generate \$100 million in revenue as 56 per cent of tourists and international visitors will spend more than nine days touring the country. This has been funded by \$8.5 million from the New South Wales Government and recently the Federal Government also announced a national contribution of \$8.5 million. We also have a further sponsorship package from our partner clubs New South Wales. We are providing 500,000 to encourage people to get involved in the games and provide post-match functions and are indeed looking at further ways to contribute. We have engaged in some important work—from sport rage to book referees, including ground announcements. We have a good sports program, which we support with \$100,000 a year. We help clubs respond to challenges.

Of course, the big event this year was the equine influenza. We currently have 41,000 horses affected on 5,000 properties. The good news is that the Department of Primary Industries advise us that the rate of infection is on the way down. The Department of Primary Industries have vaccinated 8,500 horses in the buffer zones. Over 4,000 horses have been vaccinated by Racing New South Wales to stop the spread of this insidious disease.

TAB revenue is down \$8 million for the clubs and \$5 million for the State to date. Further

this has impacts on Centennial Park and also impacts on many of the stable hands and other workers in the industry. That is why the New South Wales Government announced a \$7.5 million package in addition to a \$525,000 promotion fund and in addition to the over \$8 million to be spent on containing the disease to complement the Federal Government's package. World Youth Day negotiations are under way and are being led by my colleague the Deputy Premier Tom Watkins.

The Responsible Gambling Fund continues to lead the way in initiatives to help problem gamblers. They are currently reviewing counsellors to set benchmarks to ensure that our people get the best service they can. They are also in the process of developing a \$1.8 million awareness program for young people to use new media to assist them with gambling problems and help prevent them from becoming problem gamblers. We will continue to spend over \$8 million on counselling each year. Further, we continue to support our regional academies in developing sport. This has been a fantastic achievement, with the recent Academy Games being an overwhelming success.

Finally, on behalf of myself and many others, I place on the record our thanks to the service of Bob Aaby, the Director General of the Department who retires next month. Bob, thank you for your service to New South Wales for many years, including in relation to the Olympics, and of course in your current role of Director General of the Department of the Arts, Sport and Recreation.

**CHAIR:** I will now go to the Opposition for 20 minutes of questioning.

**The Hon. CHARLIE LYNN:** What is your view about the social aspects of a supervised amateur discipline environment for boys' boxing?

**Mr GRAHAM WEST:** Boxing is an important community asset. Through the PCYC we support many of the programs that involve boxing. Currently we are working on new changes for the combat sports field, capturing those other sports that currently are not regulated as successfully as boxing—cage fighting, for example—to protect participants. There are no plans at this stage to change the age description at the moment. However, there is nothing stopping young boys from being involved in sparring and other programs at the training centres. We are just not planning to change it to allow them to compete.

**The Hon. CHARLIE LYNN:** You have said there is a benefit in lowering the age limit of 14 for boys' boxing, particularly within the indigenous community.

**Mr GRAHAM WEST:** I think we had to strike a balance. There are real community benefits for boxing, especially identified amongst disadvantaged groups. Many indigenous communities have been actively involved in boxing. It has been effective there. We are trying to balance concerns from the College of Paediatrics about long-term health impacts. We think the current system in place strikes a nice balance. It allows young people to be involved in sparring programs in training and development and then later on in competition.

**The Hon. CHARLIE LYNN:** Could you explain to the Committee the differences between the Olympic sport of amateur boxing compared to professional adult boxing?

**Mr GRAHAM WEST:** Amateur boxing is a very safe sport that is highly regulated. There are plenty of safety standards, including the wearing of protective head gear. It is a system that encourages good competition and fair play. Certainly we do not get too many complaints about amateur boxing. It is a well regulated and important sport.

**The Hon. CHARLIE LYNN:** To my mind professional boxing is about knocking people out over 12 rounds, whereas with amateur boxers you have head protection, thick gloves and a limit of three rounds, scored on points. It would offer, I believe, in my experience, maximum protection to young boys. In indigenous communities the boys would get a sense of belonging, discipline, a sense of self-esteem and pride. This should, in my mind, motivate us to want to think of ways of involving boys at a younger age, particularly below the age of 14. In view of all those advantages, would you reconsider lowering the age limit so that boys under 12 can benefit?

**Mr GRAHAM WEST:** To allow them to compete in amateur boxing as opposed to sparring and training programs?

**The Hon. CHARLIE LYNN:** Sparring is Claytons, is it not? With boxing you get a trophy, you get a sense of pride, you are in a disciplined club and people are looking after you.

**Mr GRAHAM WEST:** There are no plans at this stage to change that 14-year age limit. It is, as I said, trying to strike a balance between the College of Paediatrics and other groups who are worried about boxing in general and the obvious community benefits that you have identified from participation in this Olympic sport.

**The Hon. CHARLIE LYNN:** But would you agree that boxing would carry fewer damages than petrol sniffing, drug taking and all the other things that young boys in Aboriginal communities now are susceptible to?

**Mr GRAHAM WEST:** There is no doubt that participation in sports, boxing being one of them, is far preferable to those activities you have outlined. We would like to see young Aboriginal males involved in these programs; as I have said, we fund them through PCYC. But, when it comes to competition levels, the 14-year age limit remains.

**The Hon. TREVOR KHAN:** Am I right in saying that you would like to see young Aboriginal kids participating in sport?

**Mr GRAHAM WEST:** Of course we want to see that.

**The Hon. TREVOR KHAN:** You have referred to an initiative at Dubbo. Is that right?

**Mr GRAHAM WEST:** The PCYC Pinaroos?

**The Hon. TREVOR KHAN:** Yes. What was the funding commitment at Dubbo?

**Mr GRAHAM WEST:** I am sure that someone will very shortly hand out the full details, but that was a package that was a whole-of-government approach. It included Federal Government money as well as State Government money. Local council, Family and Community Services and police were involved. It was a large project. It also involved a number of NGOs. The PCYC Pinaroos were just one aspect of that. I also visited a number of Aboriginal centres there—

**The Hon. TREVOR KHAN:** I do not wish to cut you off, Minister, but what was the funding commitment?

**Mr GRAHAM WEST:** We have a number of projects here, but I will take the question on notice and give you the exact funding. It is a complicated project that is spread across a number of agencies and it is not included just in my budget. I have the figure here of \$1.8 million.

**The Hon. TREVOR KHAN:** Would you have signed that \$1.8 million off?

**Mr GRAHAM WEST:** I think you will find that the previous Minister signed that off.

**The Hon. TREVOR KHAN:** What are you doing to roll that and other similar programs out to other disadvantaged communities out west?

**Mr GRAHAM WEST:** I myself actually signed off some \$500,000 in new initiatives targeting the areas you are speaking about, including a regional youth leadership program for the Far West Regional Academy of Sport; a Duke of Edinburgh program in the Riverina, including mentoring and training opportunities; a number of Aboriginal scholarships and traineeships in the northern region; a multisport development proposal in the southern region; and a traditional indigenous games rollout program across the State. I also funded an Aboriginal schools based sports scholarship/traineeship program in the central region and a number of sports tours to work with Aboriginal communities in the west and far west of New South Wales.

**The Hon. TREVOR KHAN:** Have you been to Brewarrina?

**Mr GRAHAM WEST:** I have been to Culgoa, Dubbo and Broken Hill but not Brewarrina as yet.

**The Hon. TREVOR KHAN:** What other places have you been to?

**Mr GRAHAM WEST:** I have been to a few of them. Culgoa is close to Brewarrina. We went to Broken Hill, Armidale, Gunnedah, Culgoa and a number of different regions. I am constantly getting out and doing that, but I have not been to Brewarrina.

**The Hon. TREVOR KHAN:** Bourke?

**Mr GRAHAM WEST:** Not as yet.

**The Hon. TREVOR KHAN:** Wilcannia?

**Mr GRAHAM WEST:** No.

**The Hon. TREVOR KHAN:** Dareton?

**Mr GRAHAM WEST:** No.

**The Hon. TREVOR KHAN:** Large disadvantaged Aboriginal communities have high levels of social disadvantage. Would you agree?

**Mr GRAHAM WEST:** The evidence that I have indicates that they have significant problems.

**The Hon. TREVOR KHAN:** We know that there are large levels of social disadvantage, large problems, with young Aboriginal kids, male and female, in those areas—and you have not been there?

**Mr GRAHAM WEST:** With all due respect, omnipresence is not one of the things that I have managed to master. I get around to as many places as I can, including central regional areas. For example, the area of Macarthur, which your colleagues would be well aware of, has one of the highest Aboriginal populations in the State. There are certainly programs we want to work on there. I have been involved in those for many years, including through the Revesby juvenile justice centre. I have not been to every area in the State, but I plan to get to as many places as I can. The Director General advises me that we have development officers who work in many of those areas you are speaking about. But they are priority areas and we need to work harder at improving Aboriginal outcomes. I think that is something I said in the original opening statement.

**The Hon. TREVOR KHAN:** You have referred to regional academies and you opened one when you visited Terrigal a couple of weeks ago. Is that right?

**Mr GRAHAM WEST:** The games, yes.

**The Hon. TREVOR KHAN:** What amount of funding is given to the regional academies?

**Mr EGAN:** \$1.5 million.

**The Hon. TREVOR KHAN:** \$1.5 million goes to which regional academies?

**Mr GRAHAM WEST:** It is spread across the 11 regional academies.

**Mr EGAN:** The funding of \$1.5 million goes to the 10 independent incorporated regional academies in New South Wales.

**The Hon. TREVOR KHAN:** How does that figure compare to the funding, for instance, last year and in the previous three years?

**Mr ADBY:** For each one, it is an increase of \$40,000 in the current year over and above previous years.

**The Hon. TREVOR KHAN:** Just in terms of the Country Athletes Scheme and the officials program, do you believe enough funding is given to the Country Athletes Scheme?

**Mr GRAHAM WEST:** That is an important program and, as you know, there have been recent changes to it. There is a \$600 starting grant that goes up to \$1,000, depending on where you are. I think the bigger issue is transport isolation for rural communities. We need to work on a number of strategies with that. We have been talking to organisations such as Clubs NSW and looking at other Government agencies. We have been talking to the Department of Transport about how we can reduce that transport burden and allow even greater participation in sport. It is one of the challenges we have ahead of us.

**The Hon. TREVOR KHAN:** What is the average grant per athlete?

**Mr GRAHAM WEST:** It depends on where you live. \$600 is the 150 kilometre starting point. The furthest goes up to \$1,000. John, do you have the exact figure?

**Mr EGAN:** I do not have the exact figure.

**Mr GRAHAM WEST:** We can take that on notice.

**The Hon. TREVOR KHAN:** How many athletes were helped by that program during the last financial year? Will you take that on notice, Minister?

**Mr GRAHAM WEST:** We will give him a second. Yes, I think we will take it on notice.

**The Hon. TREVOR KHAN:** Do you know how many coaches were assisted by that program during the last financial year?

**Mr GRAHAM WEST:** We will take that on notice as well.

**The Hon. TREVOR KHAN:** What is the total amount spent to fund travel, under the Far West Travel Scheme?

**Mr EGAN:** It is \$100,000 per annum.

**The Hon. TREVOR KHAN:** Is that wholly consumed?

**Mr EGAN:** Yes.

**The Hon. TREVOR KHAN:** Does the fact that it is wholly consumed suggest there is a shortfall, or is it just coincidental that the whole amount is used?

**Mr EGAN:** With most of our grant programs, the number of applications exceeds the dollars available.

**The Hon. TREVOR KHAN:** What culling process is used to bring it down to the \$100,000?

**Mr ADBY:** Each of our programs has various criteria against which they are assessed.

**The Hon. TREVOR KHAN:** I am sure that is the case.

**Mr ADBY:** It depends on the program. Those criteria relate to each specific program.

**The Hon. TREVOR KHAN:** How many athletes were assisted under that program?

**Mr GRAHAM WEST:** I think we said that we would take that on notice. I think you asked that earlier.



**The Hon. TREVOR KHAN:** This is with regard to the Far West Travel Scheme.

**Mr ADBY:** There are specific detailed statistics on individual programs. Considering the number of programs we have and the number of dollars that we deal with, we will take those kinds of questions on notice.

**The Hon. TREVOR KHAN:** Minister, are you considering any measures to redress the inequality between metropolitan and regional sport and recreation beyond programs such as this and the other programs that you mentioned in your opening statement?

**Mr GRAHAM WEST:** As I said, one of the first things I signed off was \$500,000 of extra funding for sport in the areas you are talking about. It is one of the challenges we face and we are constantly reviewing all our programs to try to extend opportunities to help disadvantaged groups, those west of the divide as well as those east of the divide. But we are working on a number of programs, especially through the State Plan process. We have identified that we need to target isolated communities. Part of the reason I think we gave Culgoa, for example, a grant to help with their facilities is that it is a very isolated community. They have brought back together, on their own initiative, a sporting club that had fallen over a number of years ago. They are the sorts of things that we are going to continue to support and develop communities to grow their own capacity. We will continue to work out ways that we can do that.

**The Hon. TREVOR KHAN:** Minister, this is not a trick question, but will you be able to provide the Committee with an electorate-by-electorate distribution of the Capital Assistance Grant Program for 2005-06?

**Mr GRAHAM WEST:** Sure. But the Capital Assistance Grant Program is pretty evenly distributed amongst electorates. It is about \$40,000 per electorate, give or take, depending on the number of projects submitted and a couple of variations in some areas. Members will get together and say, "Let us not do that but let us fund this one program." On average, it is \$40,000 an electorate. We can give you the details; they are easily available.

**The Hon. TREVOR KHAN:** Could you give us a break down for 2005-06 and 2006-07?

**Mr GRAHAM WEST:** Sure.

**The Hon. TREVOR KHAN:** Do you agree that the program must be increased to deal with the need for sporting infrastructure in the State?

**Mr GRAHAM WEST:** Sporting infrastructure is an issue; we are looking at new funding sources to generate it. One of the announcements that we made in relation to take-out rates was to generate some additional revenue. That would generate an additional \$5 million a year to fund sporting programs. We are also using the State Plan to try to realign some of those objectives. Facilities are important, but they are only part of increasing participation. We also need to support volunteers. As we said earlier, we actually want to work much better and closer with our strategic partners, like the councils and clubs, and try to pool our funds with them.

**The Hon. TREVOR KHAN:** What was the total of funding given under the Regional Sports Facilities Program in the years 2005-06 and 2006-07?

**Mr GRAHAM WEST:** It was \$3.9 million for 2006-07.

**The Hon. TREVOR KHAN:** For 2005-06?

**Mr ADBY:** I stand to be corrected, but I think it was \$2.5 million.

**The Hon. TREVOR KHAN:** Can I assume that you will get back to us if that is incorrect?

**Mr ADBY:** Yes.

**Mr GRAHAM WEST:** This year it is envisaged that it will be about \$1½ million to \$2 million. It depends on the outcome of the issue of equine influenza but, depending on the impacts of the budget, we are expecting it to be about \$2 million. However, if equine influenza hits the Department harder, it could be \$1.5 million.

**The Hon. TREVOR KHAN:** Are you saying that money is being moved out of the Regional Sports Facilities Program to fund issues relating to equine influenza?

**Mr GRAHAM WEST:** No. We were allocated money from Treasury for a number of years. That funding changed this year and we are trying to find additional funds to put into that program.

**The Hon. TREVOR KHAN:** Let me be clear. For 2005-06 you think it was \$2.5 million; for 2006-07 it is \$3.9 million; and for 2007-08 you say that it is perhaps \$2 million or maybe \$1.5 million. Have I got that wrong?

**Mr ADBY:** The funding allocation is available from Treasury. We are still reviewing and looking at our priorities as to what we can bring to that program. We have not settled on what the payout will be. With equine influenza, which is something that we have been hit by, we are still in negotiation with Treasury about finalising the funding we might get for that. Hopefully, the program you have asked about will not be in danger.

**The Hon. TREVOR KHAN:** I am not seeking to be aggressive, but are we looking at a reduction of more than 50 per cent in the size of the program?

**Mr ADBY:** I am saying that I cannot answer that yet, because we are still in negotiation with Treasury regarding our available funding and how we can spend and move around various parts of our funding. We are still looking to finalise what we can bring to bear on that particular program.

**The Hon. TREVOR KHAN:** Are you looking at a reduction in the grants that are available to that program?

**Mr ADBY:** Not necessarily.

**The Hon. TREVOR KHAN:** Minister, as you were the one who volunteered the \$1.5 million or \$2 million figure, I will ask you whether it is the case that you are talking about a reduction of something like 50 per cent in the size of the program.

**Mr GRAHAM WEST:** \$2 million obviously is 50 per cent less than \$3.9 million.

**The Hon. TREVOR KHAN:** My maths agrees with that. That is the case, is it not?

**Mr ADBY:** I think it is appropriate to answer that. There is a specific allocation in our allocation letter from the Treasury of a certain amount. When a department is allocated funds, there is a box of funds and it is up to the Minister and the Department to identify various priorities with those funds and how it can use those funds. I am saying that I believe we still have flexibility to protect some of those programs that you are talking about.

**The Hon. TREVOR KHAN:** What specific projects were funded and for what amount during the 2006-07 financial year?

**Mr GRAHAM WEST:** All the projects are published on the website and large grants are published in the annual report. It is quite considerable. Perhaps we can provide you with a list later.

**The Hon. TREVOR KHAN:** Will you take that on notice?

**Mr GRAHAM WEST:** Yes; otherwise I think we will take a lot of the Committee's time. Even if we had the list available, it is quite extensive.

**The Hon. TREVOR KHAN:** Are you able to give an electorate-by-electorate allocation in respect of the expenditure of those funds during 2006-07?

**Mr GRAHAM WEST:** Which set of funds—the Regional Sports Facilities Program?

**The Hon. TREVOR KHAN:** Yes.

**Mr GRAHAM WEST:** We can provide you with that as part of the detailed list.

**The Hon. TREVOR KHAN:** In terms of parent rage—a simple issue, I think—obviously there have been programs in the past to do with issues of sports rage and in particular parent rage.

**Mr GRAHAM WEST:** Yes.

**The Hon. TREVOR KHAN:** You recognise that is a problem.

**Mr GRAHAM WEST:** Yes.

**The Hon. TREVOR KHAN:** Will the government this year expand upon the campaign?

**Mr GRAHAM WEST:** We recently announced some increased ground announcements, some rollouts to programs. It is a feature of a number of programs that we have. It is not tied up just in one program but in a number of them—the sport rage prevention kit, the use of audio ground announcements and televised ground announcements. We provide conflict resolution training. There is a coloured vest program identifying trainee referees and things so that people are less likely to engage in abuse. We have helped to develop a surfing code, we provide values and integrity awards and we have a Play by the Rules website. But it is essential that we stamp out rage at all levels against coaches, players and people on the sidelines. We want sport to be safe.

**CHAIR:** We will now go to Ms Rhiannon.

**Ms LEE RHIANNON:** Minister, we are all aware that women's sports still struggle in many areas to gain support and recognition. We would also agree that, if it were to gain more recognition, it would probably in turn gain more resources. Perhaps you do not cover the area of television coverage of women's sports, but I hope you will be able to give some comment about it. Such coverage is still incredibly low. Is it an area that you give attention to? Is there any advocacy with the television stations in terms of improving it?

**Mr GRAHAM WEST:** We support more grassroots level participation and we also work closely with Netball New South Wales, who in turn have been one of the successful women's sports on this issue. We run a number of leadership scholarships as well—I think it is about \$100,000 annually—to encourage women to get involved. We provide funding for girls' cricket programs. For example, we are supporting the 2010 World Conference on Women and Sport. With all those things we are trying to raise the profile of women in sport, but it certainly is a challenge.

**Ms LEE RHIANNON:** I am interested in its television coverage. If it gets television coverage, people take it seriously and it is not marginalised et cetera.

**Mr GRAHAM WEST:** Netball is certainly one of those sports that has benefited from being televised.

**Ms LEE RHIANNON:** Are you advocating for it to get more television coverage?

**Mr GRAHAM WEST:** I am advised that, in trying to promote women's sport, we are working through a number of forums of the Australian Sports Commission, especially into the realms of television and, therefore, with the funding that comes with that.

**Ms LEE RHIANNON:** Can you tell us a little about that body?

**Mr GRAHAM WEST:** The Australian Sports Commission is a federal body.

**Ms LEE RHIANNON:** Is there representation from all the State and Territory governments? Is there representation from Government and sporting bodies or only from governments?

**Mr ADBY:** The Federal Government runs the Australian Sports Commission. It is the major mechanism by which the Federal Government does its funding. The Australian Sports Commission has an annual conference. It opened its conference in Brisbane this year with a full-day session on just the issue you are talking about—the promotion of women's sport. It was an open forum that was attended by most of the major sporting women's groups and women's interest groups. The minutes from that are divested to the states. That forum is an annual forum.

It is an issue that we are aware of and are involved in. The previous Minister had close discussions with women's groups about how to promote more television and press coverage of women's sport. One of the key initiatives that we felt might help was to host the 2010 World Conference on Women and Sport. But the issue is addressed and is a concern at the Federal level as well as at the State level and many people are active in trying to promote it. We cannot force the press or television to print stories, but various government bodies are working with women's sport to try to promote it.

**Mr GRAHAM WEST:** It was at a topic that was discussed at the Sports Ministers Conference recently. There was a presentation from women involved in sport on the issue of promoting women's sport, including the benefits of television.

**Ms LEE RHIANNON:** Thank you. I want to also ask you about the National Plan for Disability Sport. Has the New South Wales Government's Department of the Arts, Sport and Recreation signed off on the Federal Government's initiative?

**Mr EGAN:** The Australian Sports Commission embarked on a project a couple of years ago to develop a National Plan for Disability Sport. At the same time that the Sports Commission was doing that, the Australian Paralympics Committee was looking at paralympic sport. What has happened is that the papers prepared by the Australian Sports Commission and the Australian Paralympic Committee have been merged into one document. That document has been circulated to each State and Territory for comment. New South Wales Sport and Recreation has provided comments back to the Australian Sports Commission in regard to that document.

**Ms LEE RHIANNON:** Has that document been approved by the federal sports Minister yet?

**Mr EGAN:** The document is still in draft stage and my understanding is that it has not been approved at the Federal Government level as yet.

**Ms LEE RHIANNON:** Concern has been raised with us about how this is playing out. Does it exclude—and I have been told that it does—such disabilities as psychiatric, psychological, infectious disease, neurological, learning difficulties and chronic health? Is that the case? We are having representations from some groupings that they are worried that they will end up being excluded.

**Mr EGAN:** I would have to look into the detail of the definition of disability that is being used by the Australian Sports Commission.

**Mr ADBY:** We will take that on notice.

**Ms LEE RHIANNON:** What do you see as the status of the plan? If that plan is adopted, do you see it determining the organisation of disability sports in New South Wales?

**Mr EGAN:** The plan at the moment is a draft plan. We will be interested to see how it eventuates into the future. When it comes to New South Wales, we have developed You're in the Game, which is the NSW Disability Sport and Physical Activity Framework. That was developed following extensive consultation in metropolitan and regional New South Wales. I think that document was launched in January 2006. At the moment we are in the process of developing a New South Wales plan for disability sport and physical activity; the working group had their first meeting about a week ago.

**Ms LEE RHIANNON:** How would that sit beside the national plan? Is it seen as subsidiary to the national plan, or does the New South Wales plan remain the dominant framework for work in this area?

**Mr EGAN:** The New South Wales plan will guide what we do within New South Wales, because there might be different nuances and slightly different priorities that we wish to pursue in New South Wales. Also, the national plan tries to address things obviously across every State and Territory and there are differences between states and territories within the structure of the organisation and the operation of disability sport.

**Mr ADBY:** And demographics as well.

**Ms LEE RHIANNON:** Are you aware that all national sporting organisations for the disabled in NSOD will eventually be eliminated under this Federal policy, if adopted, and that able bodied sports in all states will have to take on the responsibility of all disability sports under each of their umbrellas?

**Mr EGAN:** I am not sure that that would be an outcome of the draft National Plan for Disability Sport. I understand that there is a certain amount of fear among the national sport organisations for people with disabilities but, until the plan is finalised, we will not know what the final direction is in terms of the relationship between disability sport organisations and national sporting organisations.

**Ms LEE RHIANNON:** So you think the NSOD's concerns could eventuate but may not eventuate. You are not sure which direction the plan may go in.

**Mr EGAN:** Until it is signed off by the Federal Government, I could not advise on that. My understanding of what is in the draft plan is that it sees that there is a very valuable and real contribution that the NSODs can make to disability sport within Australia.

**Ms LEE RHIANNON:** In terms of New South Wales input into the plan, are you advocating that the final plan should not be pushing disabled sports on to the peak sporting organisations of able bodied sports?

**Mr EGAN:** I think we have to be fairly realistic about the state of many of the sports within New South Wales and within Australia. A lot of them do not have the capacity at this point in time or into the foreseeable future to have disability sport integrated within their structures. There are some very good examples taking place. If you go out to Sydney Olympic Park on, say, a Saturday afternoon for Athletics New South Wales events, you will find that there are able bodied events taking place and then there will be disabled events taking place. So it is structured to within the calendar of the afternoon. If you go and, say, watch the 800 metres, you will have the able bodied runners commencing at the same time as the wheelchair athletes. Athletics is probably a good sport that is currently doing a great deal in this area. Looking at other sports, they do not have that capacity now. That is something that will take a few years to develop.

**MS LEE RHIANNON:** Is New South Wales favouring that they should all be integrated or some should be integrated, or that they should be separate streams?

**MR EGAN:** I think it will be on a sport-by-sport basis, depending on the capacity of the sport. If I could elaborate a little bit: not every person with a disability has an interest in participating in organised sport. Not everyone has the interest in proceeding to elite level. So there is a whole pool of our community where it is actually more about being physically active and engaging in active recreation. We need to bear in mind that we need to put in place the support structures for those members of the disabled community.

**The Hon. ROY SMITH:** I have been advised that there are a number of shooting clubs where New South Wales have applied to your Department for funding under the Safe Shooting [MACOSC] grant program. Given that the Government did promise earlier this year that there would be funds available by mid-year, can you tell me how much funding will be available for the next

round of grants and when that funding will be available?

**Mr GRAHAM WEST:** I am advised that \$100,000 will be available in 2007-08 under the Safe Shooting Program. So far we have received 30 applications totalling a value of \$421,181. The assessment panel will meet shortly to assess the applications and recommend project funding. The assessment panel includes Bob Brown, New South Wales Sport and Recreation, and a ministry of police representative. Successful applicants under 2006-07 were announced in March 2007. I expect a similar arrangement with the 2007-08 program.

**The Hon. ROY SMITH:** So \$100,000 has been allocated for the next round; is that right?

**Mr GRAHAM WEST:** Yes.

**The Hon. ROY SMITH:** I am not sure where the fine line is between Arts, Sport and Recreation, so you might have to help me with a couple of questions. Budget Paper No 3 on page 17-20 shows that the provision of \$210 million was made for capital grants to non-profit organisations. It also identifies on the same page that there was a revised expense for other organisations for the same year of an unbudgeted amount of over \$45 million. Can you tell the Committee what the \$45 million was expensed for? What were the organisations and what were the grants for?

**Mr GRAHAM WEST:** Firstly, the amount of capital grants paid to non-property organisations in 2006-07 was \$210,000, not \$210 million. On the separate issue of the \$45 million in capital grants, some of the capital grant figures that appear in the budget, as you identify, go across the portfolios. An amount of \$45.441 million was paid in grants for the upgrading of various sporting venues, including \$30.1 million for construction of a western grandstand at Energy Australia Stadium at Newcastle; \$5 million for the redevelopment of Credit Union Australia Stadium at Penrith; \$1.5 million for the redevelopment of Leichhardt Oval; some money for a surf house at Dick's Hill; \$1.7 million for the upgrade of Drummoyne Oval; \$6 million for the redevelopment of Parramatta Stadium; and \$1.1 million for a video screen for the Western Sydney International Dragway. The other figures in that budget relate to the Department of Parks.

**The Hon. ROY SMITH:** I was just curious that it was totally unbudgeted. I do not know how the fiscal stuff works. The fact that it is not budgeted for does not necessarily mean you cannot get it. I will keep that in mind.

Also in the budget papers for the previous years—I am looking at page 17-12 for the Department of Arts, Sport and Recreation—the grants and subsidies budget exceeded the original budget estimates by over \$101 million. Further, it showed the Department's budget estimates for 2007-08 in relation to grants and subsidies is less than the revised amount. Last year we budgeted so much and spent more than that. But this year the grants budget is actually the same or less than the previous allocation. Why did last year's grants exceed the original provisions? Was it anything to do with the fact that 2007 was an election year?

**Mr GRAHAM WEST:** The increase we identified in the revised budget and grants subsidies goes across the agencies. It is not all the Department of the Arts, Sport and Recreation, as I identified the \$45 million one to Sport and Rec before. There is also an increase of \$2.618 million in grants to sporting associations. Across other portfolios there was a maintenance grant provided to the Sydney Opera House of \$41.1 million not originally planned. There are other programs that are the responsibility of the Minister for the Arts.

**The Hon. ROY SMITH:** A lot of unbudgeted maintenance goes on from time to time. I am just curious again as to how the previous amount of \$45 million-odd was unbudgeted. These are, again, mostly maintenance issues that crop up.

The amounts allocated in the budget papers for the previous year were exceeded during the year. In a lot of cases the operational costs for the Department increased against what was budgeted. When we look at what is budgeted this year, although the budget is increased across a range of line items for the Department, there does not seem to be provision for increases in the grant programs. These are mostly not-for-profit or sporting bodies that rely heavily on the Department for grants programs. I can see that the grants that have been provided for the last three or four years have not

increased, particularly for my field of interest. The shooting sports suffer an increased operational cost too. Can you keep in mind that not just the Department's operational costs increase. These not-for-profit bodies certainly suffer the same sort of increase in operational cost.

**Mr GRAHAM WEST:** Sorry, the number of the increase you identify relates to staff salary increases. But on the issue of grants, Treasury provides New South Wales Sport and Recreation funds to support sport and recreation organisations. The Department continues to seek to have all sporting grants provide escalated or relevant CPI increases to the funding, provided sporting bodies maintain parity with cost increases. Funding, you have identified, will remain at the same level for most organisations. But we are using the opportunity for the State Plan to revisit many of those priorities and how we can adjust them in the future.

**Mr ADBY:** The budget, in terms of operating and staff costs, is somewhat skewed this year, in that with the changes to legislative arrangements for the way people are paid, the Department of Art Sports and Recreation picks up the labour costs for all the cultural institutions. Whereas before individually within the cultural institutions they were effectively grant payments, they are now reflected as employee costs within the Department of Arts, Sport and Recreation. You will find there is a revenue amount that comes in as an offset which is the contribution from those cultural institutions.

**The Hon. ROY SMITH:** The sports development program has the stated aim of assisting eligible State sporting organisation peak industry bodies. The Sporting Shooters Association of Australia (NSW) is by far the largest shooting association in this State but does not currently receive any funding under the program, despite, as I say, servicing more shooters than any other shooting body.

Can the Minister please explain why the Sporting Shooters Association, which conducts and promotes target pistol shooting, rifle shooting and clay target shooting is not recognised and funded as either a peak shooting body or as a state sporting organisation? I do believe that there is a review of the program coming up in the future. Can you tell me when that review will take place and will you be seeking submissions to the review from sporting organisations?

**Mr GRAHAM WEST:** I was surprised that they are not an agency to begin with. To receive funding under the Sports Development Program the State sporting organisations must be affiliated to a national sporting organisation, which in turn must be recognised by the Australian Sports Commission—that federal body we have spoken about before. Currently the Australian Sports Commission does not recognise or provide funding to the Sporting Shooters Association of Australia as a national sporting organisation. Therefore, the Sporting Shooters Association of Australia does not meet the eligibility criteria under the Sporting Development Program as a state sporting organisation.

The definition used, as I said, was through the national sporting organisation, the Australian Sports Commission. To be recognised as a peak body, organisations must provide a specific function to their education, promotion of equity, improving safety and support for New South Wales athletes. Activities must be of benefit across a wide range of sports or to a specific industry sector. The organisation must have coverage of their service function across the State.

This is the final year of the current three-year corporative arrangement under the Sport Development Program. A review is now under way by the Department of Sport and Recreation Advisory Council to ensure that sports are situated in the correct categories for funding purposes to consider dual funding issues and other aspects of the program. Organisations are to provide comments on the Sport Development Program either to me as Minister or to the representative council at any time. Should the Sporting Shooters Association wish to raise any issues, I suggest they forward their comments to the chair, Mr Alan Wilkin.

**The Hon. ROY SMITH:** I have one other question and it is very lengthy. Might I place it on notice to the Minister?

**CHAIR:** If you read it out briefly.

**The Hon. ROY SMITH:** It is in respect of the Sydney Academy of Sports and Recreation at

Narrabeen. Can the Minister advise us why the indoor shooting facility at Narrabeen has been closed down for some time? What are the plans for the academy for the indoor shooting facility?

**CHAIR:** You can take that on notice, if you like.

**Mr GRAHAM WEST:** We will take it on notice.

**CHAIR:** Government members, have you any questions?

**The Hon. GREGORY DONNELLY:** Yes, indeed. Could you inform the Committee what the New South Wales Art, Sport and Recreation Department are doing to get children, young people, more physically active?

**Mr GRAHAM WEST:** The New South Wales Government is actively progressing a range of obesity prevention initiatives. These are outlined in the *Prevention of Obesity in Children and Young People - New South Wales Government Action Plan 2003-2007*. The State Plan Priority S3 relates to smoking, obesity, drugs and alcohol. The Government is committed to stop the growth in childhood obesity, and that is why as part of the State Plan we want to see an increase in participation in sporting activities of 10 per cent by 2016.

Increasing our levels of physical activity, along with a balanced diet, can be directly related to reducing the incidence of obesity in children and young people. New South Wales Sport and Recreation manages a range of community grants that encourage sport and physical activity opportunities. \$750,000 has been allocated to the Building Active Communities Grants Scheme over three years until 2007-08 to nine community based projects. The majority of these are three-year funded projects focusing on children and young people. Under the Youth in Sport Program priority is given to projects which focus on healthy lifestyles, incorporating physical activity and nutrition education. The program targets youth at risk with funding of \$300,000 per annum.

The agency works closely with the community sport sector and conducts a range of professional development sessions for State sport organisations. Throughout 2006-07 a series of bi-monthly lunch time seminars and three full-day workshops provided a platform for addressing contemporary issues in sport and an opportunity for coaches and development officers to share best practice. Over 70 participants attended each of the full-day workshops, which focus on enhancing sporting opportunities for children and young people. Over 25 representatives attended each of the bi-monthly information sessions.

The agency continues to draw on evidence based practice to inform the sporting industry in the delivery of fun, safe, quality and inclusive environments for junior sport. Professional development sessions for sporting organisations will continue to be the platform of sharing of this information to support the industry's capacity to deliver relevant sport and physical activity opportunities to children and young people. The New South Wales Sport Directory has been successful in promoting the link between community sport and schools. This resource will be updated and printed annually and forwarded in hard copy to all State schools. With an increasing number of parents placing their primary school-aged children in after-school hours care, this is the ideal setting to tackle physical inactivity. A range of partnerships have been instigated to offer community based sport and physical activity programs in this time setting.

The partnership of the Central Coast Area Health Service and Children's Hospital Institute of Sports Medicine offers a successful intervention and evaluation program, the "Be Active After School" initiative on the Central Coast. As a result of the program a training package and resource manual has been developed for out-of-school hour care coordinators.

Network for Community Activities, in partnership with the Children's Hospital Institute of Sports Medicine, is now responsible for facilitating this opportunity. The agency is represented on the State Steering Committee of the federally funded Active After Schools Community [AASC] program and continues to work closely with the staff implementing this initiative. In May 2007 the Active After Schools Community received a further \$124.4 million to roll out the program nationally to the end of the 2010 school calendar year. The program operates approximately 850 sites in New South Wales, predominantly after school time setting at primary schools. The agency's collaboration with the



Active After Schools Community program has enhanced the success of the program in New South Wales, creating additional opportunities for children of working parents to engage in physical activity.

The agency is also represented on the Hunter-New England Child Obesity Prevention Program Advisory Committee and Strategic Management Group. This program is Australia's largest ever obesity prevention trial and represents a substantial investment—\$7.5 million over five years—funded by New South Wales Health and Hunter-New England Area Health Service within a specific geographical area. The overall goals of the program are to reduce the prevalence of overweight and obesity in children aged nought to 15 in the Hunter-New England area and build evidence for the policy and practice related to the prevention of childhood obesity in New South Wales.

In partnership with New South Wales Health, the Department of Education and Training and the National Heart Foundation, the agency contributes to the development of the Kids Healthy Lifestyle Portal. This internet gateway facilitates access to relevant and reputable information for a range of community members, including parents and carers, young people, teachers, health professionals and sport coaches on physical fitness, nutrition and healthy lifestyle options for children. Nine useful fact sheets with tips and ideas for supporting a healthy lifestyle for children can be downloaded from the portal and are widely distributed by agency staff to both the community and the school sector.

In partnership with the Australian Sports Commission the agency coordinates the Schools Network in this State. The purpose of the Schools Network is to support schools in their promotion and delivery of sport and physical activity, and to build stronger school/community sport links. In 2007-08 \$30,000 has been allocated by the Federal Government to support New South Wales schools registered on the Schools Network to develop links with local sporting clubs and engage in teacher professional development. A partnership with the Schools Sport Unit of the New South Wales Department of Education and Training supports the provision of professional development courses for teachers. Teacher in-service and pre-service is provided around sports coaching and delivering inclusive sport and physical education opportunities for students with a disability. Other successful teacher in-service programs encourage physical activity through traditional indigenous games.

Each year over 68,000 children attend education programs offered by the sport and recreation centres as part of their school program. The camps complement existing school curriculum in personal development, health and physical education and involve children in a diverse range of physical activity pursuits. Additionally, to support healthy food choices a review of catering in the centres has been instigated. A pilot at the Jindabyne Centre utilising a new menu aligned with the Healthy Schools Canteen framework is under way.

The agency continues to work with the fitness industry and the Children's Hospital Institute of Sports Medicine to get more children and adolescents into gyms and fitness centres through the promotion and implementation of the "Kids in Gyms Guidelines". The guidelines have been incorporated into the Fitness Industry Code of Practice.

Funding of \$79,000 per annum is allocated to New South Wales Playground Advisory Unit to provide advice on technical safety and design issues for the development of creative and safe play environments. This service supports schools, childcare services and councils and supports the concept of physical activity through play.

At a community level, the agency has developed partnerships with a wide range of local agencies to provide innovative ways for children to be physically active. These programs operate in a variety of settings, both in and out of school hours, and are developed to address community issues. For example, the Sport in the Neighbourhood Program provides introductory sporting opportunities in the local park for kids in the neighbourhood free of charge. This benchmark program, in its fourth year of operation, is recognised as a successful, sustainable community based physical activity project. Other significant physical activity programs offered by the agency include the annual learn to swim program and holiday vacation activity programs.

**The Hon. HELEN WESTWOOD:** The Hon. Charlie Lynn referred earlier to the question of parent rage. If I could turn to sport rage more generally. Could you inform the community of the initiatives that the Government has put in place to address bad behaviour by players and supporters at

sporting events?

**Mr GRAHAM WEST:** Dealing with sport rage and bad behaviour in sport is a major challenge for sports industries. Not only does it reflect badly on sport, but it can defer participation at all levels.

New South Wales Sport and Recreation has developed a comprehensive response to this problem, together with a range of strategies, resources and training to assist sporting clubs in the community to tackle sport rage. To achieve this the New South Wales Government has been working in partnership with state, regional and local sporting associations and clubs, national professional sporting bodies, local government, community organisations, schools, players, coaches and officials.

Major initiatives addressing bad behaviour by players and supporters at sporting events include the Sport Rage Prevention Kit. Eight thousand of these resource kits have been developed to assist volunteer communities to combat sport rage at the grassroots level. Each kit contains information and a suite of free materials, including brochures, posters, good sport awards, announcements to assist clubs to prevent and deal with sport rage. The kit provides valuable advice club committees on how to prepare for sport rage in the pre-season by putting in place correct procedures, policies and personnel. The kits were officially launched to the industry in November 2006. To date 5,545 free kits have been distributed to sporting clubs throughout New South Wales.

Key sports embracing the resource include ruby league, 1,100 kits; football, 1,000 kits; swimming, 400 kits; Little Athletics, 250; touch football, 250; AFL, 200; basketball, 200; hockey, 200; gymnastics 200; netball, 100; ruby union, 60; water polo 50; plus over 1,500 kits distributed to a range of other sports ordered via the websites. From the kits over 253,303 free promotional material such as brochures and posters have been ordered by clubs to assist and promote a sport rage-free zone at their club. These materials reinforce the "sport rage—act your age" message and that sport rage is totally unacceptable.

We also use audio ground announcements, and a number of local sporting bodies have successfully used these to increase awareness around behavioural messages at sporting events. A generic announcement featuring key sporting personalities, including Les Murray and Tony Greig, has been developed and forms part of the sport rage program.

We also use televised ground announcements. There is a powerful televised ground announcement called "Dummy Spits are for Babies" which sends a message that junior sport matches are no place to get carried away and behave in irrational, immature and potentially dangerous ways. The campaign highlights the ugly side of sport rage and encourages parents not to interfere with their children's enjoyment of sport. The televised ground announcements have been played at key sporting events, including the NRL, A-League, AFL and Rugby Union matches. The announcement was also played at "live sites" located in Circular Quay, Darling Harbour and Bondi Junction during the 2006 Ashes tours.

"Dummy Spits" will also be shown during the NRL 2007 final series. In addition "Dummy Spits" have been distributed to free-to-air television stations in New South Wales as a community service announcement. We have also provided conflict resolution training. The agency has been working in partnership with sporting bodies to develop a range of these programs targeting volunteer officials. A sports breakfast is held in March 2006 to highlight the elements of the training package. Training on Diffusing Anger and Conflict Resolution have been provided to administrators from a range of sports.

We also have a successful coloured vest program. This program focuses on providing support to beginner referees and umpires predominantly in the junior age group. The referees receive coloured vests which clearly indicates them as being in training, and there is supporting material including posters that can be displayed at sporting clubs.

The message to spectators and players is to encourage and support the learner, not criticise them. The program was first piloted in September 2006 in over 180 clubs and associations representing a variety of sports in New South Wales have now entered the program. To date, 1,200 vests and program kits have been distributed to sports clubs in New South Wales. We also have the

web based resource, the generic online sport rage prevention launch in 2004. It was based on the successful pilot program with Blacktown District Soccer Association. The site features practical guidelines and tools for club administrators to prevent and deal with sport rage; downloadable sport rage prevention kits for parents, players, coaches and officials; and sample codes of conduct, sample newsletter articles and guidelines for setting up a good sport award and sports specific case studies. In addition, a series of sport rage prevention posters are available to clubs free of charge.

We also have a values and integrity award. The 2004 inaugural award was made at the NSW Sports Federation Annual Sports Awards held in February 2005. The award is provided to an individual organisation that has initiated or promoted policies, strategies and programs which achieve respectful and responsible behaviours and attitudes in sport. The winner of the award received a trophy as well as \$2,000, which is to be used in a manner that upholds the ethos inherent in having values and integrity.

Further, we have a Play By the Rules website, an online training and information resource regarding equal opportunity and other relevant legislation to address inappropriate behaviour in sport which is aimed at sport and recreation clubs and associations. The site provides information on how to prevent and deal with inappropriate behaviour, including discrimination, harassment, favouritism, bias and other forms of abuse. The agency has been working with a number of State sporting organisations to promote the use of the website.

We also have a number of other community initiatives we are involved in, including Fair Play, curriculum resource. It is a curriculum resource for upper primary students, developed by New South Wales Sport and Recreation and the New South Wales Department of Education and Training. It is linked to the personal development, health and physical education K-6 syllabus. The social skills program has been designed to assist primary school teachers and principals to help students understand the true value of fair play, both on and off the field. Fair Play contains a range of fun, integrated activities, supported by professional, easy to use resources, including a DVD. Launched in 2007 Fair Play has been distributed to over 2,600 primary schools, 1,800 public, 340 independent and 460 Catholic schools across the State in term 3, 2007. It reflects the New South Wales Government's commitment to promote respect and responsibility in young people of New South Wales, which is a key element of the New South Wales State Plan.

We also have a Spirit of Surfing program. The project is a cooperative approach between New South Wales Sport and Recreation, Byron Bay Shire Council, world surfing champion Nat Young and other community members on the north coast. The aim of the project is to reduce the number of surf rage incidents between local surfers and tourists in the Byron Bay area through the promotion of beach signs, surfers code of conduct, distribution of surf safety information brochures, and school talks by professional services. We also developed a central coast surfing code which outlines respect and responsibilities for surfers on the central coast and was released by the New South Wales Government in January 2007. The aim of the code is to educate and inform the surfing community, especially new surfers, about the dangers and customers associated with surfing. Brochures and posters containing "The Surfers Code" will be distributed to school children, novice surfers, tourists, surf stores, surf club members, surfboard hirers and surf school students. The brochure also contains tips for staying safe in the surf, common warning signs, flags and a map of the central coast patrolled beaches.

**CHAIR:** We have four minutes left. Can I get an indication from members if they have any further questions. If the Government asks its last question, then we will have a couple of minutes more.

**The Hon. GREGORY DONNELLY:** Unlike the Opposition that has no plan for the future for New South Wales, the Iemma Government has plans for the State.

**The Hon. CHARLIE LYNN:** You are living in a dreamtime.

**The Hon. GREGORY DONNELLY:** Can you explain how the Government is going to achieve 10 per cent participation increase forecast in the State Plan?

**Mr GRAHAM WEST:** The State Plan recognises the importance of sports in developing

healthy lifestyles, self-esteem and social interaction. That is why we have committed to the 10 per cent participation increase. As part of that we plan on working closely with sporting organisations and many of the groups who have helped to develop the State Plan.

Sport is a great unifier of people and the friendships can be forged to help building harmonious communities. The Department of Arts, Sport and Recreation currently supports over 90 State sporting organisations and peak industry bodies throughout New South Wales. Every year in New South Wales around four million people participate in some form of sporting or physical activity. These State level organisations have the capacity to introduce plans and programs to enhance sport and physical activity at local level. Getting involved in the local sporting organisation is a great way to be part of your community.

The New South Wales Government has developed programs to improve the quality of training and amenity of local and regional sporting facilities. However, it is our volunteers who are the backbone of the sports industry whether as coaches, officials or helping out in the canteen on the weekend at local sporting fields across New South Wales. Additionally, the 11 sport and recreation centres offer outdoor education and basic training in outdoor pursuits to children.

We have also identified a number of other stakeholders we need to work with more closely, including local government and the clubs movement. These organisations have great capacity to work with us, and us to work with them, in developing healthy activities and lifestyles, and we see them as important partners in increasing participation in the State by more than 10 per cent.

**CHAIR:** We will now have five minutes of Opposition questioning.

**The Hon. TREVOR KHAN:** Minister, have you cooperated with the Department of State and Regional Development to earmark major sporting events that potentially can be bid for by the new Major Events Corporation? If so, can you list the events currently under bidding?

**Mr GRAHAM WEST:** The New South Wales Government has committed to a major program; as you know, John O'Neill is to head that. The details of that are best addressed through that program. But we are involved in a number of international sporting events. We recognise that they contribute to the State's economic development and provide economic and social benefits to the community.

P1, increased business investment and increased tourism by 10 million visitor nights in 2006, and P6, increased business investment in regional and rural New South Wales, are important parts of the State Plan. Through the Department, we also run the International Sporting Events Program, which works with small organisations to promote their sports. We supported the innovation statement, which identified the—

**The Hon. TREVOR KHAN:** Minister, can I just stop you there? I am not being rude, but you are plainly reading off a briefing note that covers a whole variety of issues. What I am asking you is: can you list the events currently under bidding?

**Mr GRAHAM WEST:** I think they are questions that should be asked of the board.

**Mr ADBY:** There are two issues with this. First of all, nobody announced the events that they are currently bidding for, because that can give a competitive advantage to the people living south and north of us. That is the first point. The second point is that we are not the Major Events Board or the Major Events Corporation; the Premier has made announcements about the formation of that. As yet, corporate governance arrangements have not been put into place for that board. We are constantly in discussion with the executives of people who work on major events and not just in sport but also in the area of major arts. There have been a number of major arts events in recent months. We have put \$1 million extra into the Sydney Festival, for instance. We have seen the Paris Opera Ballet come here. We are in continual discussion with those events. But really you could not announce what you are bidding for. You basically would be saying to Victoria, "Put more money on the table and go and grab them."

**The Hon. TREVOR KHAN:** What has happened with the Premier's announcement just after year's FIFA World Cup that Sydney would be bidding for the world cup in the near future? Specifically, what has been done and how much has been expended so far?

**Mr ADBY:** Governments do not bid for football world cups; the football federations of the nations do. If there were to be a world cup bid for football in New South Wales, it would be a combined State Government-Federal Government effort supporting the FFA. International football or FIFA has announced that it will have a rotation system. You will notice that recently there has been press that says they are reviewing that rotation system. The position of the rotation system was that Australia or Oceania would have come up in 2018. It would be very difficult to see Europe not bidding for it for 2018. But as we have gone into Asia—you have to remember that Australia then moved from Oceania to Asia—we have to successfully bid against China and other Asian nations. I believe that basically what is being said in the statements of the Premier—and I am taking a little bit of latitude in speaking for him, which I guess I should not do—by the Minister for Sport and Recreation and by this Department is that we are there ready to support the FFA as soon as we can in terms of bidding for the world cup, and we hope that it is imminent.

**The Hon. TREVOR KHAN:** Do I take it that at the present time nothing active is being done by your Department with the FAA in respect of the bid?

**Mr ADBY:** We are actively involved with the FFA, again through Major Events, in supporting them in bidding for a whole range of international events. We are regularly in discussion with the FFA. In terms of the world cup, that is really an issue that has to be passed on to them. We cannot speak on their behalf about their relationships with Asian football and FFA.

**The Hon. TREVOR KHAN:** Is it the intention of the Government to guarantee the bid and underwrite the word cup, if the bid is successful?

**Mr ADBY:** The question is irrelevant.

**The Hon. TREVOR KHAN:** It may not be for you to make the assessment.

**Mr GRAHAM WEST:** I think the Director General has identified that we are not responsible for the Major Events Corporation. It is a question that is possibly best directed there.

**The Hon. TREVOR KHAN:** Has any financial contribution been made by the Government to secure the 'Beckham friendly'?

**Mr ADBY:** You will have to ask Major Events.

**The Hon. TREVOR KHAN:** How many Bledisloe Cup matches will be held in New South Wales for each of the years 2008 to 2011 inclusive?

**Mr ADBY:** Again it is an issue for Major Events.

**CHAIR:** We will now go to Ms Rhiannon for five minutes.

**Ms LEE RHIANNON:** Minister, how much of the Sport and Recreation budget has been allocated for World Youth Day?

**Mr GRAHAM WEST:** None.

**Ms LEE RHIANNON:** So in your Sport and Recreation hat you do not have any involvement with assisting with all the people who will be moving into Centennial Park and possibly the racecourse and staying overnight there, if it plays out that way?

**Mr GRAHAM WEST:** Centennial Park is a trust. The CEO is here.

**Mr CORBETT:** Yes, I can answer that. The Centennial Park and Moore Park Trust is liaising with the World Youth Day Coordination Authority and Catholic Church youth representatives

on World Youth Day being hosted at Centennial Park as a live site, which is only a day event rather than overnight.

**Ms LEE RHIANNON:** Do you say that they would not sleep there overnight?

**Mr CORBETT:** At the moment that is what we have been advised by the World Youth Day Coordination Authority.

**Ms LEE RHIANNON:** So where will the 200,000 people who will be staying overnight go to?

**Mr CORBETT:** They will be in the Randwick Racecourse.

**Ms LEE RHIANNON:** What part of Centennial Park will be involved in this?

**Mr CORBETT:** The actual Centennial Park itself.

**Ms LEE RHIANNON:** The whole of the site or the southern side?

**Mr CORBETT:** The whole parkland is called Centennial Parklands. The core or, if you like, the inner part of Centennial Park is very well used by major events now. In fact, the trust regularly holds events in that central park quite effectively for tens of thousands of people, without any adverse—

**Ms LEE RHIANNON:** But tens of thousands is different from 100,000. That is where I am trying to get an idea of where you are going to put all the people.

**Mr CORBETT:** Certainly. In fact, the last time we had that number was back at the inauguration of Federation in 1901. But the interesting thing is that, as opposed to, say, music events and sporting activities, which happen by the thousands each week there, this is primarily a passive event where people come to sit and be fairly quiet. So there will not be an assertive and reactive crowd as such listening to loud music. It will be a quiet, passive pilgrimage.

**Ms LEE RHIANNON:** Will there be big screens?

**Mr CORBETT:** That is right. There will be several large site screens. In that sense, it will be very much like the Olympics and other major events that have used those live screens.

**Ms LEE RHIANNON:** How many people do you anticipate will be the flow-over that Centennial Park will have to handle?

**Mr CORBETT:** At present the World Youth Day Coordination Authority is indicating in the order of 200,000 to 250,000.

**Ms LEE RHIANNON:** In Centennial Park alone?

**Mr CORBETT:** That is right.

**Ms LEE RHIANNON:** Has Centennial Parklands been given additional funding to handle this?

**Mr CORBETT:** We have not been given additional funding. What we require of the Youth Day Coordination Authority and the Catholic Church is that the trust will have no net cost against it and the parklands and the site will be made good when they have finished. So, in other words, the trust will have no cost to it.

**Ms LEE RHIANNON:** Obviously, with that many people, there will be damage to the parklands. Do you have a contract, a bit of paper, where it is written down that they will restore Centennial Park to its previous standard?

**Mr CORBETT:** That is right. In fact, we are in the middle of those discussions right now. Part of that is the scoping of the nature and the necessary overlay of amenities—the usual things that you would have at a major event. The contract will be explicit about all of those, including making good the site. But the trust does not expect to see massive damage or any major damage at all, in fact, by the nature of the crowd.

**Ms LEE RHIANNON:** Seriously, with 100,000 people in Centennial Park?

**Mr CORBETT:** Yes. If it is passive, well managed and well directed, it would be no more than you would see with, say, a large Festival symphony concert and the like in the Domain, which takes tens and tens and tens of thousands of people.

**Ms LEE RHIANNON:** Yes, and then for the next week or two there are massive operations with fertiliser, water, turf and everything.

**Mr CORBETT:** This is all very much doable. The Youth Day Coordination Authority are very aware that the trust has agreed to undertake this with them and the Catholic Church at no cost to the trust and that the site is made good.

**CHAIR:** Do you have any further questions, Mr Smith?

**The Hon. ROY SMITH:** No, thank you.

**CHAIR:** I thank very much the people from the Centennial Park Trust and the Department of the Arts, Sport and Recreation for coming today.

**(The witnesses withdrew.)**

**MICHAEL FOGGO**, Commissioner, Office of Liquor, Gaming and Racing, affirmed and examined:

**JOHN WHELAN**, Director, Policy, Office of Liquor, Gaming and Racing,

**BRIAN FARRELL**, Chief Executive Officer, New South Wales Casino Control Authority,

**ALBERT GARDNER**, Director, Compliance, Office of Liquor, Gaming and Racing, and

**DAVID GREENHOUSE**, Assistant Director, Policy, Office of Liquor, Gaming and Racing, sworn and examined:

**CHAIR:** Minister, do you have a brief opening statement?

**Mr GRAHAM WEST:** I think I touched on these matters in my initial statement.

**The Hon. TREVOR KHAN:** Minister, can you guarantee that any changes to the current structure of the wagering industry in New South Wales will provide benefits to the racing industry?

**Mr GRAHAM WEST:** The sole intention of looking at these issues is for the benefit of the racing industry. We already know that a number of these products are being used by people in New South Wales but New South Wales is not benefiting from it. We are led to believe that 25 per cent of the patrons of Betfair, for example, are from New South Wales. Similarly, we are losing a number of bookmakers to corporate bookmakers of the Northern Territory, which means that New South Wales is not benefiting. The whole intention of looking at these issues is to make sure that the revenue streams going forward are there for the racing industry and for the New South Wales businesses that are currently staying with us.

**The Hon. TREVOR KHAN:** Are you in a position to guarantee that any changes will ensure that the revenue stream to the racing industry will be maintained?

**Mr GRAHAM WEST:** No-one in economics is ever able to give a guarantee. There has been a downturn because of equine influenza, which I do not think anyone here saw. So there are ups and downs. I can tell you that the policy intention is to make sure that we get growth revenue for racing.

**The Hon. TREVOR KHAN:** Minister, have you, any of your staff or any departmental officers met with any person acting on behalf of Betfair?

**Mr GRAHAM WEST:** Yes, I have met with representatives of Betfair UK. I can give you their names later on.

**The Hon. TREVOR KHAN:** I would like that.

**Mr GRAHAM WEST:** I have also met with—who was the person in Victoria?

**Mr WHELAN:** I think it was Anthony Block.

**Mr GRAHAM WEST:** Anthony Block. I will confirm who that individual was. So I have met with one person from Betfair from Victoria and a number of officers from the Department have had discussions with Betfair.

**The Hon. TREVOR KHAN:** You may need to take this on notice: will you be able to indicate when and where those meetings took place and who was present?

**Mr GRAHAM WEST:** We can those on notice, sure.

**The Hon. TREVOR KHAN:** Will you be able to provide us with copies of any minutes of the meetings held with those people?

**Mr GRAHAM WEST:** No.



**The Hon. TREVOR KHAN:** Minister, are you aware that betting exchanges have been banned in 47 of 50 racing nations around the world and that it is only in the UK, Ireland and Tasmania that they have a presence?

**Mr GRAHAM WEST:** Betting exchanges, as you have already identified, are legal in Australia. Our issue is in identifying and working with them to get the maximum benefit for them. Currently we get nothing out of all that money that people spend in Tasmania. Part of the intention of meeting with Betfair in the UK was to look at that very issue of their integrity systems. There are a number of examples of where they have flagged irregularities and have actually been of benefit to stewards. But certainly the integrity issue is one of the issues we will look at as we go forward in addressing these issues.

**The Hon. TREVOR KHAN:** How much income does Tasmania receive from Betfair?

**Mr GRAHAM WEST:** I do not have their budget figures on hand, but we can find that out for you.

**The Hon. TREVOR KHAN:** If it were a relatively modest amount, how do you intend to ensure that the taxpayers in the racing industry of New South Wales get their fair share?

**Mr GRAHAM WEST:** That is the whole point of going through reviewing these issues. Obviously you have totaliser betting, fixed odds betting and betting exchanges. The whole idea of reviewing these issues is to work out the answer to that question.

**Mr GRAHAM WEST:** In 2002 an all-states task force—I think it was called the Betting Exchange Task Force—concluded that there was no adequate system of regulation that could be introduced to deal with betting exchanges and that they should therefore be banned.

**Mr GRAHAM WEST:** I think the world has changed since 2002. As you have identified, Tasmania has betting exchanges already, so people in New South Wales are currently using betting exchanges. The question for us is how to address those integrity issues and ensure that the racing industry benefits from those streams.

**The Hon. TREVOR KHAN:** Do I take it therefore that there is, in a sense, a policy change that you now accept that betting exchanges are part of the landscape?

**Mr GRAHAM WEST:** I do not think there is any question that betting exchanges are part of the landscape. As I have said, I am advised that 25 per cent of Betfair's clients come from New South Wales. Betting exchanges are certainly a bit part of the landscape in the UK. As part of the landscape, the issue is how we regulate them and we get returns to the racing industry.

**The Hon. TREVOR KHAN:** Is it the case that the previous Minister, Graham McBride, submitted a proposal recommending the introduction of legislation banning the operation of betting exchanges in New South Wales and prohibiting New South Wales residents from investing on interstate and overseas betting exchanges?

**Mr GRAHAM WEST:** I could not comment on that, especially with a matter submitted to the Cabinet. It was before my time. I could not comment on that.

**The Hon. TREVOR KHAN:** A number of people have been prepared to either hand you notes or intervene up until that—

**Mr GRAHAM WEST:** You are talking about a matter that would be submitted to Cabinet and Cabinet matters are in confidence.

**The Hon. TREVOR KHAN:** I did not ask you that question.

**Mr GRAHAM WEST:** I think you asked whether there was a proposal to submit that. If you re-ask your question, I will reconsider the answer.

**The Hon. TREVOR KHAN:** Did the former minister submit a proposal recommending the introduction of legislation banning the operation of betting exchanges in New South Wales?

**Mr GRAHAM WEST:** If there were such a proposal, it would go before Cabinet and therefore would be in confidence, so I cannot answer that question.

**The Hon. TREVOR KHAN:** I am not asking about discussions in Cabinet.

**The Hon. CHARLIE LYNN:** Are you aware of any proposal to resubmit it?

**Mr GRAHAM WEST:** As I have said, I am not aware of the proposal and I cannot comment. I was not there at the time and so I cannot comment.

**The Hon. CHARLIE LYNN:** Did the Minister give you a briefing when you took over from him, when giving you a handover or a takeover, so to speak?

**Mr GRAHAM WEST:** But matters that are submitted for review by government to Cabinet are Cabinet in confidence.

**The Hon. TREVOR KHAN:** That was not the question that you were asked, Minister.

**Mr GRAHAM WEST:** I think it was. I think you asked whether there was a proposal. Such a proposal to change policy would have to be submitted to Cabinet. That is the way policy changes.

**The Hon. TREVOR KHAN:** Do any of the other gentlemen who are sitting at the table know of a proposal prepared to ban the operation of betting exchanges in New South Wales under the former Minister?

**Mr GRAHAM WEST:** As I said, such a thing—I am answering for them—would be a Cabinet matter and would be Cabinet in confidence.

**The Hon. TREVOR KHAN:** I did not direct the question to you, Minister.

**CHAIR:** Order! In accordance with the usual procedure of budget estimates, the Minister can opt to answer questions that are directed to other witnesses who have been sworn in. The Minister has answered this question on a number of occasions. It might be better if you made better use of your time and moved on.

**The Hon. CHARLIE LYNN:** Minister, did the changes to government policy coincide with the appointment of Morris Iemma as Premier and the acquisition of a share in Betfair by PBL?

**Mr GRAHAM WEST:** The change in policy is to do with the fact that 25 per cent of the people in New South Wales are using this facility. You would have to ask the Premier what his views are.

**The Hon. CHARLIE LYNN:** Did the Premier issue directions to the Minister with respect to betting exchange operations?

**Mr GRAHAM WEST:** Certainly the Premier has asked me to look at this issue and that is entirely appropriate.

**The Hon. CHARLIE LYNN:** Did your predecessor, Minister McBride, discuss these issues with you on an informal basis?

**Mr GRAHAM WEST:** No.

**The Hon. CHARLIE LYNN:** So he gave you no indication at all about what his views were on betting operations?

**Mr GRAHAM WEST:** It is a matter that I am using the facts on. The facts are that 25 per cent of people in New South Wales engage in betting exchanges. We currently get no revenue. That is how we view the policy principle we are looking at.

**The Hon. CHARLIE LYNN:** It is a significant issue, so he would have discussed it with you, surely.

**Mr GRAHAM WEST:** We have not had discussions on this issue since I have been Minister.

**The Hon. CHARLIE LYNN:** Minister, is the New South Wales Government assisting the Western Australian Government in the High Court challenge to its legislation banning betting exchange activity?

**Mr GRAHAM WEST:** We are watching the outcomes of that case.

**The Hon. TREVOR KHAN:** Is the answer therefore no, you are not assisting the Western Australian Government?

**Mr GRAHAM WEST:** No. We are simply watching the outcomes.

**The Hon. TREVOR KHAN:** You would have the right to intervene in those proceedings, would you not?

**Mr WHELAN:** I understand that the Attorney-General's Department has submitted something in relation to that concerning Gaming and Racing.

**Mr FARRELL:** It is an appearance.

**The Hon. TREVOR KHAN:** Do I take the concept of "submitting an appearance" to mean no participation in the proceedings?

**Mr FARRELL:** They are not our proceedings.

**The Hon. TREVOR KHAN:** I will move on to another subject. Minister, are you in a position to guarantee that the Government will maintain a one-casino policy for New South Wales, given the expiration of the current exclusivity licence?

**Mr GRAHAM WEST:** Currently the casino is under negotiation, so we cannot comment on that at all. As I say, we are currently negotiating the casino.

**The Hon. TREVOR KHAN:** Are any proposals being considered by you to permit multiple casino licences in New South Wales?

**Mr GRAHAM WEST:** Currently the casino is with the arrangements that are under negotiation and I cannot comment on those any further.

**The Hon. TREVOR KHAN:** I did not ask anything about the negotiations. Are you considering any proposal for multiple casino licences in New South Wales?

**Mr GRAHAM WEST:** We are currently in negotiations with Tabcorp on the issue of the casino and I cannot comment any further on this issue.

**The Hon. TREVOR KHAN:** What role have you played in negotiations regarding the casino licence?

**Mr GRAHAM WEST:** There is a team that consists of officers of my Department and officers of Treasury negotiating this at the moment, which is overseen by a probity auditor.

**The Hon. TREVOR KHAN:** Have any parties approached you or officers of your Department for a second casino licence?

**Mr GRAHAM WEST:** We are not aware of anyone who has made a proposal to us for a second casino.

**The Hon. TREVOR KHAN:** Have you had any discussions with either Lawrence or Stanley Ho?

**Mr GRAHAM WEST:** No, I have never met them.

**The Hon. TREVOR KHAN:** Has anyone in your Department had discussions with Lawrence or Stanley Ho?

**Mr FOGGO:** I had some discussions with Stanley Ho in I think it was probably 1997 or 1998, when he was the proponent for the then proposed Darling Harbour scheme.

**The Hon. TREVOR KHAN:** It was the case, was it not, that Mr Stanley Ho was found or considered to be an inappropriate person to hold a casino licence in New South Wales?

**Mr FOGGO:** Not that I am aware of.

**The Hon. TREVOR KHAN:** Was it not the case that he was not considered to be an appropriate person to bid for a casino licence in New South Wales?

**Mr FOGGO:** Not that I am aware of.

**The Hon. TREVOR KHAN:** Was Mr Stanley Ho considered for a casino licence in New South Wales?

**Mr FOGGO:** He was part of a tender process. From my recollection—and it is a fair few years ago now—he was a co-owner or owned a share in Federal Hotels. He had a bid with Federal Hotels in the first round and I think there were some other rounds as well where he was with a Hong Kong consortium.

**The Hon. TREVOR KHAN:** Was there not a probity assessment done on potential bidders for the casino licence?

**Mr FOGGO:** Yes, there was a probity assessment done, but that probity assessment really only kicked in, if you like, after the successful tenderer was announced. So the answer to the question is that my understanding is that there was never any determination by any person about whether any of those tenderers were fit and proper—and there were quite a few tenderers.

**The Hon. TREVOR KHAN:** You may have answered this question already: have you had any discussions of any sort with Mr Lawrence Ho?

**Mr FOGGO:** No, not that I can recall.

**Mr FARRELL:** Just to clarify things, I think Mr Foggo was talking about 1985 to 1988. The Casino Control Authority was established in 1992. Mr Ho was linked to a—

**The Hon. TREVOR KHAN:** I am sorry; could I just ask—I do not wish to interrupt you—which Mr Ho?

**Mr FARRELL:** Mr Stanley Ho was linked to one of the parties in one of the consortiums. There was no probity done on biddings until the number of biddings was reduced. There was a Hong Kong main consortium and he had some link with one of the parties. Once probity had commenced but before any real information had been obtained, they withdrew.

**The Hon. TREVOR KHAN:** Was it not the case that the reason they withdrew was that essentially there was a smell floating around the bidding parties?

**Mr FARRELL:** People can speculate as to why that would be, but there was certainly no decision made as to probity.

**The Hon. TREVOR KHAN:** Mr Stanley Ho of recent times, for instance, has sat on the table of the Premier of China with the Premier of New South Wales during the APEC proceedings. Are you aware of that?

**Mr GRAHAM WEST:** Only from newspaper reports.

**The Hon. TREVOR KHAN:** Only from newspaper reports?

**Mr GRAHAM WEST:** That is what I read in the paper.

**The Hon. TREVOR KHAN:** So we have Mr Stanley Ho, a gentleman involved in casinos in Macau and other locations, sitting at a table with the Premier, amongst others, at an APEC event. Is that your understanding of events?

**Mr GRAHAM WEST:** I can tell you only of what I read in the newspapers.

**The Hon. TREVOR KHAN:** Is that your understanding of events?

**Mr GRAHAM WEST:** No, my detail is not nearly as detailed as yours. I just remember reading in the newspapers that such a thing occurred.

**The Hon. TREVOR KHAN:** You never considered it appropriate to ask questions as to why a casino operator was sitting with the Premier at a table during an APEC event?

**Mr GRAHAM WEST:** I think you identified, going from what you said here, that he was sitting with the Premier of China. I imagine it is up to the Premier of China who sits at such tables.

**The Hon. TREVOR KHAN:** If I told you that the invitation to sit at that table was extended by the Premier of New South Wales and not the Premier of China, would that also have been something that you read in the papers?

**Mr GRAHAM WEST:** I do not remember reading it.

**The Hon. TREVOR KHAN:** Is this a concept of wilful blindness that you apply to anything that is a bit delicate by not asking?

**Mr GRAHAM WEST:** Who sits with the Premier is up to the Premier. It is a question you should ask of the Premier.

**The Hon. TREVOR KHAN:** It was. I am asking questions of you now.

**Mr GRAHAM WEST:** I was not there.

**The Hon. TREVOR KHAN:** So we have a major casino operator, who may have a smell about him, sitting at a table with the Premier of New South Wales at his invitation and you have not considered it appropriate to say, "Hey, Morris, what's going on behind my back?"

**Mr GRAHAM WEST:** I imagine there are hundreds of people who sit with the Premier at hundreds of different functions that I would not be aware of or that I would not ask about either. It is a question you should ask of the Premier.

**The Hon. TREVOR KHAN:** Are you aware that Mr Stanley Ho, Mr Lawrence Ho or people connected to them have made contributions to the Australian Labor Party of \$148,000?

**Mr GRAHAM WEST:** They are questions that you will have to ask the party. I do not know those figures at all.

**The Hon. TREVOR KHAN:** Again, that is something that you have heard about?

**Mr GRAHAM WEST:** The ALP looks after the party returns. You would have to talk to them. They would be published, if such a thing is correct.

**The Hon. TREVOR KHAN:** We have a major casino owner, or operator, who is sitting at a table with the Premier of New South Wales at a function at APEC who has made contributions of \$148,000 to the Australian Labor Party and that is also a matter you would not consider asking a question about.

**Mr GRAHAM WEST:** You are telling me the facts. I have no idea whether they are facts or not. As I said, you would have to check the returns of the ALP on these matters.

**The Hon. TREVOR KHAN:** Is that a demonstration, once again, of willful blindness?

**Mr GRAHAM WEST:** We have a probity order in this whole process. It is all being done above board. There is no conspiracy theory there.

**The Hon. TREVOR KHAN:** Have you ever considered that an invitation made by the Premier of New South Wales to a casino operator to sit at the table with the Premier of China may involve, in essence, a favour being offered by the Premier to Mr Stanley Ho?

**Mr GRAHAM WEST:** I think these are questions you should be asking the Premier. As I said to you numerous times, I was not there and I have only seen stuff in the newspapers.

**The Hon. TREVOR KHAN:** I am asking the Minister for Gaming and Racing, who is involved in the licensing of casinos in New South Wales.

**Mr GRAHAM WEST:** As I said, we have a probity order in place overseeing the negotiating team between Treasury and the Department of Gaming and Racing. There is a whole process in place to keep it above board.

**The Hon. TREVOR KHAN:** Could it be that you are being kept like a mushroom?

**THE HON. GREGORY DONNELLY:** On a point of order: obviously Mr Khan is enjoying this line of questioning and getting some entertainment out of it.

**The Hon. TREVOR KHAN:** It is never a matter of enjoyment.

**THE HON. GREGORY DONNELLY:** It seems to me the Minister has answered the question clearly. He was not present at this meeting and his knowledge of this appears to be, as he put to the Committee, based on what he has read in the paper. He seems to have answered this question pretty clearly and categorically. In fact, he answered the same on at least two or three occasions. I think the line of questioning really is trying to take us all up the garden path.

**The Hon. TREVOR KHAN:** In my submission that is not a point of order.

**The Hon. CHARLIE LYNN:** This is clearly a matter that falls within the Minister's portfolio. I think my colleague is quite right in seeking answers to these questions, given the amount of money that has been donated by these people to the ALP, and the fact that it impacts clearly on the Minister's portfolio.

**CHAIR:** In ruling on a point of order, the line of questioning in relation to casino licensing is clearly the responsibility of the Minister. However, comments similar to the last ones made by Mr Khan to the Minister certainly are out of order.

**The Hon. CHARLIE LYNN:** What allocation has been made—you may like to take this on

notice—to a recipient, amount and purpose, from the Casino Community Benefit Fund during the period 1 July 2006 to 30 June 2007?

**Mr GRAHAM WEST:** Did you want a list of the counselling services we provided funding to?

**The Hon. CHARLIE LYNN:** What allocation has been made to a recipient, amount and purpose, from the Casino Community Benefit Fund, and have any grants been made by any Department, agency, instrumentality or government related entity from the Casino Community Benefit Fund from 1 July 2006? You may like to take those on notice?

**Mr GRAHAM WEST:** Could you repeat the last part of your question?

**The Hon. CHARLIE LYNN:** Have any grants been made to any government department, agency, instrumentality or government related entity from the Casino Community Benefit Fund from 1 July 2006?

**Mr GRAHAM WEST:** We will take that on notice.

**CHAIR:** We will now go to cross-bench questioning. I understand Mr Smith has no questions. We will go to Ms Rhiannon.

**MS LEE RHIANNON:** Are you aware that roulette is being played in New South Wales clubs, despite the fact that the Unlawful Gaming Act states that this is illegal?

**Mr GRAHAM WEST:** I missed the first part of your question, sorry.

**MS LEE RHIANNON:** Are you aware that roulette is being played in New South Wales clubs?

**Mr GRAHAM WEST:** Are you possibly talking about multi-terminal gaming machines?

**MS LEE RHIANNON:** I call it "roulette". I have heard that it is often referred to as other names, but I am calling it "roulette". I wonder if you have seen or played this roulette game in a New South Wales club?

**Mr GRAHAM WEST:** The issue of table games, which are solely within the casino—that is, multi-terminal gaming machines—can be operated in clubs. I have not played one of the ones you are talking about.

**MS LEE RHIANNON:** You have seen it?

**Mr GRAHAM WEST:** I have not seen the roulette one.

**MS LEE RHIANNON:** It sounds and looks like a roulette wheel. A croupier actually calls for last bets. Why is it not roulette?

**MR FOGGO:** I think you are referring to multi-terminal gaming machines.

**MS LEE RHIANNON:** I appreciate when you use that term that is the term that you refer to it within the Act; therefore, it is not coming under the Unlawful Gaming Act; is that not the case?

**MR FOGGO:** That is correct. The Gaming Machines Act overrides the Unlawful Gaming Act in relation to approved gaming devices. Multi-terminal gaming machines are in that category. They are electronic versions of the game roulette. They do not have a croupier.

**MS LEE RHIANNON:** They have a croupier. She is just on a screen. She does actually say something. Seriously. She calls for last bets, does she not?

**MR FOGGO:** Yes.

**MS LEE RHIANNON:** We have a croupier, we have a roulette wheel; it sounds like roulette, looks like roulette and people place their bets. The croupier is there. So all we have is this different term when it comes to the Act.

**Mr GRAHAM WEST:** It is not a different term; it is entirely electronic, whereas the other has a physical presence of a human being rather than an image.

**MR FOGGO:** The total game is somewhat different. The game is played with chips. There are no chips involved in the multi-terminal gaming machine version of roulette.

**MS LEE RHIANNON:** But it looks like chips. When you are playing the machine you are moving things around. It is virtual, but it looks like a roulette game. They have replicated it as much as they can. Surely you would agree with that?

**MR FOGGO:** Yes.

**MS LEE RHIANNON:** I will go on to equine influenza. Did your office redraft the equine influenza compensation package put forward by Racing New South Wales?

**Mr GRAHAM WEST:** Redraft? Racing New South Wales submitted a number of submissions to us on how they thought the money should be spent. We released our own package.

**MS LEE RHIANNON:** Within your office the Racing New South Wales package particularly ensured that strappers, stable hands and other people on low wages would be covered, that there was a substantial redrafting when it came to your office; is that the case?

**Mr GRAHAM WEST:** Racing New South Wales do their own submissions. We do not redraft their submissions. There was a separate Government response prepared, of which I can give you the details.

**MS LEE RHIANNON:** In that separate Government response did you insert the starters rebate?

**Mr GRAHAM WEST:** We considered a number of options at one stage. In the end the package ended up being \$3.5 million in assistance—this is out of 7.5—of which \$2.5 million is being allocated on submissions from Racing New South Wales, and \$1 million from Harness Racing New South Wales.

**MS LEE RHIANNON:** I am trying to get down to the details of how it played out in your office. I understand the starters rebate is usually \$200. In your office when you were in negotiation about the EI compo package was there a proposal that it should also include a starters' rebate, possibly at a level of \$500?

**Mr GRAHAM WEST:** We looked at a range of packages, including starters' rebates, but that is not the one we ended up going with.

**MS LEE RHIANNON:** You did look at a starters' rebate of \$500?

**Mr GRAHAM WEST:** The exact figure?

**MR WHELAN:** The starters' rebate was not a proposal we received from Racing New South Wales. It was from the Owners Association.

**MS LEE RHIANNON:** Is that what you raised in the negotiations, Mr Whelan?

**MR WHELAN:** I was not involved in those negotiations when this package was—

**Mr GRAHAM WEST:** There were a number of submissions received from a number of different agencies. Racing New South Wales put up one submission. There were also individual



submissions from many other agencies. We went through them and looked at a number of options. At one stage we looked at the starters' bonus that you are talking about. That is not the one we ended up going with.

**MS LEE RHIANNON:** Mr Whelan, you were not involved in those negotiations?

**Mr WHELAN:** I spoke to the Owners Association. I spoke to Racing New South Wales and other industry groups. I was not involved in the final determination of that package.

**MS LEE RHIANNON:** You brought forward the Owners Association recommendation of a starters' rebate of \$500 to be included in that package?

**Mr WHELAN:** I am not sure whether I had discussions with them. I know other people in Government also had discussions with the Owners Association.

**MS LEE RHIANNON:** Did you put that proposal forward for a starters' rebate of \$500?

**Mr WHELAN:** I cannot remember whether it was \$500. It was certainly an amount of a few hundred dollars. That proposal was put in the mix along with all the other options that were considered.

**MS LEE RHIANNON:** The starters' rebate would enormously benefit trainers, would it not?

**Mr WHELAN:** Owners—

**MS LEE RHIANNON:** Owners and trainers.

**Mr WHELAN:** Owners rebates generally flow back through the industry to trainers, jockeys—

**MS LEE RHIANNON:** Did you feel you had a conflict of interest because your family is involved in the owning and training of race horses?

**Mr WHELAN:** No.

**MS LEE RHIANNON:** Is that why you were not involved in the final negotiations, because of that conflict of interest?

**Mr WHELAN:** No. I have no involvement in breeding or training race horses.

**MS LEE RHIANNON:** Your family does, does it not?

**Mr WHELAN:** It does.

**MS LEE RHIANNON:** That is why I am asking whether there was a conflict of interest and that is why you were not involved?

**Mr WHELAN:** No.

**MS LEE RHIANNON:** Did you take that into consideration, Minister?

**Mr GRAHAM WEST:** The final negotiation was done with Racing New South Wales.

**MS LEE RHIANNON:** I wrote to the Premier urging that he initiate two gambling summits, similar to the obesity summit and the alcohol and drug summit that we have held. I understand that the Premier has forwarded that correspondence to you. In the correspondence I indicated the wide support there was from local government associations and from different advocates within the responsible gambling industry. I was interested in your response to this issue.

**Mr GRAHAM WEST:** We have had a number of difficulties. For a start, the date you

proposed, for example, is the same date as the National Association—

**MS LEE RHIANNON:** No, I did not propose a date. The proposal that came from us was that it should be an initiative of the Government similar to the drugs, obesity and alcohol summits that they have had. We were suggesting it should be an initiative of Government.

**Mr GRAHAM WEST:** You are not talking about a separate one?

**MS LEE RHIANNON:** We are holding our own forum. Certainly it would be great to have the summit this year. I realise that this year is running out. I am after your response to that suggestion.

**Mr GRAHAM WEST:** At the moment the Department has a number of things on its plate which make it difficult to contemplate such a thing in the short-term—the review of the Gaming Machines Act, the Liquor Bill processes and the Greyhound Harness Racing Regulatory authorities. It is something we are considering at the moment and we will provide a detailed response to you formally.

**MS LEE RHIANNON:** I would draw it to your attention that those other summits have been organised out of the Premier's office with help of the relevant Minister. I therefore ask you, when you make your response, to take into consideration that it is has never just been left up to the Minister who covers that particular area. Just on the issue of revenue, do you consider there should be an upper limit on how much revenue comes from gaming?

**Mr GRAHAM WEST:** To whom?

**MS LEE RHIANNON:** The State raises revenue from gaming. It is obviously a huge amount. There is considerable dependency on that revenue. Do you think there should be an upper limit?

**Mr GRAHAM WEST:** We are not proposing to introduce an upper limit. Currently funding from the Department represents about 3.56 per cent of State revenue.

**MS LEE RHIANNON:** I thought it was about 10 per cent.

**Mr GRAHAM WEST:** You will find that figure might be related to levies the State raises itself. It is not a proportion of the State budget. The portion of the State budget is actually 3.56 per cent, which is down from 4.7 per cent in 1988. The figure you are talking about is 9.16 per cent of gambling revenue, taxes, fees and fines. Of the State budget it is 3.56 per cent.

**MS LEE RHIANNON:** The 9.6 per cent does need to come into this debate. It is relevant that I ask that question. Again, I do ask that question: is there any discussion within your Department or within Government about what is a healthy level for that figure to come to?

**Mr GRAHAM WEST:** The figure is actually 9.16 per cent. At the moment we have the Gaming Machines Act under review. We are looking at a whole range of issues. I just point out that in 1988 it was 10.58 per cent of revenue, and consistent through the 1990s it was over 10 per cent. It has actually been trending downwards over the long term. As the State grows, other sectors, including the organisations such as clubs which use gambling, have been diversifying into other activities.

**MS LEE RHIANNON:** When you are conducting the review of the Gaming Act is the amount of revenue coming from gaming overall a consideration?

**Mr GRAHAM WEST:** The issue of tax rates is actually under the Treasurer, under the administration orders. The issue of regulation approvals and design is under my portfolio. The issue of tax rates is for the Treasurer.

**MS LEE RHIANNON:** The impact of gaming is enormous and you look after that. There is obviously a link with the amount of revenue because that is linked to how much gaming people are involved in. Surely you would see that you would have an involvement or some input into that amount, into determining what that amount should be for Government?

**Mr GRAHAM WEST:** What we are focusing on is the harm minimisation measures surrounding it. We have identified, through the Prevalence Study, that 0.8 per cent of the population are problem gamblers with all the tragic effects that go with that. A further 1.6 per cent are at risk of becoming problem gamblers as the circumstances change. We are trying to direct as many of our resources and programs towards assisting those people. The study found that the majority of people gamble responsibly and a third of the population do not gamble at all. It is about targeting those who are being harmed by the product.

**MS LEE RHIANNON:** Do you support the position that gambling should be treated as a public health issue, like smoking and alcohol, with responsibility to problem gambling handed to New South Wales Health, as it is in other jurisdictions in Australia and also in New Zealand?

**Mr GRAHAM WEST:** The issue of gambling harm cannot be divorced from the broader policy implications and, therefore, we see it is appropriate that this Department continue to administer that. However, we do work closely with other agencies such as Health. We have a Responsible Gambling Fund, which provides about \$8.5 million a year in counselling services, and is currently involved in developing other programs. I am advised they work very closely with New South Wales Health as well as Fair Trading, which conducts the financial counselling program, and we have a health representative invited to participate in an expression of interest process, conducted by the RGF. So we develop links with them.

**MS LEE RHIANNON:** Have you given any consideration to the model in New Zealand, which is this public health model within Health?

**Mr GRAHAM WEST:** I attended a forum put on by the Gambling Impact Society during a Gambling Awareness Week, and they had discussions about that. But is it is not something we are currently looking at adopting.

**MS LEE RHIANNON:** I have noted that you have spoken here. When you hear the Government speaking about the problem side of gambling, about problem gambling, do you have any plans to invest in early intervention and prevention campaigns to prevent people becoming problem gamblers?

**Mr GRAHAM WEST:** Yes. The important thing that came out of the Prevalence Study is the need to do that. Currently the Responsible Gambling Trust is developing a \$1.8 million program to target young people, looking at new media "After the Night After" marketing as well. We know counselling services are effective, but young people are not using them. But, more importantly, we want to try to educate young people and get them to understand the dangers involved in these products. We are working with industry partners in helping to communicate that message.

**MS LEE RHIANNON:** Has that program started or is it still in the planning stage?

**Mr GRAHAM WEST:** \$1.8 is currently in development. We have a number of advertising agencies and various things developing messages currently under review. The issue of education programs for these young people is currently under development. It has not started.

**MS LEE RHIANNON:** Moving on to state lotteries. You said that you read the newspapers.

**The Hon. TREVOR KHAN:** Occasionally.

**MS LEE RHIANNON:** Some of your colleagues in Cabinet tell us they do not. Are recent media reports that State Lotteries may be privatised true?

**Mr GRAHAM WEST:** State Lotteries—I extended their licence. Currently the performance of lotteries is under review at the moment. No policy decisions have been made.

**MS LEE RHIANNON:** Did you say that there have been no submissions, no suggestions that it should be privatised or did I mishear that?

**Mr GRAHAM WEST:** The issue you are discussing is predominantly a Treasury issue. We re-issued the licence for 12 months as a review of the future lottery arrangements is conducted. That review should complete on 2 July 2008.

**MS LEE RHIANNON:** If there were proposals from Treasury about the privatisation of State Lotteries, at what point would you become involved in those discussions?

**Mr GRAHAM WEST:** It is State Corporation Lotteries. There are two shareholding ministers who are responsible for commercial activities. My role is as the regulator, making sure they comply with the law.

**MS LEE RHIANNON:** Are you saying you would have no involvement if there were a move to privatise State Lotteries?

**Mr GRAHAM WEST:** We would be involved to the extent that it would require regulation changes and legislation changes. But the shareholding ministers would be responsible for the future directions of the commercial operations.

**MS LEE RHIANNON:** If Treasury moved to privatise State Lotteries it could happen within 12 months, because they only have a 12-month licence; is that the case?

**Mr GRAHAM WEST:** They are issues for the shareholding ministers and Treasury. We can always re-extend licences.

**MS LEE RHIANNON:** But the privatisation could not happen for 12 months—I will phrase it that way?

**Mr GRAHAM WEST:** Yes. I extended their licence for 12 months, so 2 July 2008.

**MS LEE RHIANNON:** After that it could?

**Mr GRAHAM WEST:** After that I would have to look at the outcome of the review. That is a matter for the shareholding ministers and the Treasury.

**MS LEE RHIANNON:** We spoke a little about World Youth Day. That was in the context of Centennial Park. I am interested in your involvement and your Department's involvement with Randwick Racecourse and those negotiations. Could you tell us how many other sites you looked at before the Randwick Race Course?

**Mr GRAHAM WEST:** The actual World Youth Day Authority is under John Watkins, who is the Minister for World Youth Day. A number of sites were looked at with the final recommendation being Randwick. That is where negotiations are continuing at the moment.

**MS LEE RHIANNON:** Could you outline what is your involvement and how much money your Department is putting into World Youth Day or into ensuring that any damage to racing at Randwick will be minimised?

**Mr GRAHAM WEST:** I am obviously involved in discussions with the Deputy Premier about negotiations that are under way. As far as the Department's expenditure, that is not coming out of this Department's budget. World Youth Day is a separate authority. It is a separate budget.

**MS LEE RHIANNON:** In terms of the negotiations, you are involved in negotiations with Mr Watkins about Randwick Racecourse; is that correct?

**Mr GRAHAM WEST:** Yes.

**MS LEE RHIANNON:** We are always fortunate when we go down College Street we know how many days to go. It is about 200 and something to go now. Considering this is such an enormous event, at what point do you judge that you have to have the contract and everything locked in so it can be finalised at Randwick Racecourse? These negotiations cannot go on forever. What is your time line

for concluding them?

**Mr GRAHAM WEST:** Negotiations are very close to finalising. We understand we cannot go on forever. We are in final negotiations at the moment.

**MS LEE RHIANNON:** When you say that, you are referring to the Randwick Race Course people. When do you anticipate they will be finalised?

**Mr GRAHAM WEST:** Once all parties have reached an agreement on the effects that it may have, as you have identified.

**MS LEE RHIANNON:** The question then is when?

**Mr GRAHAM WEST:** When negotiations finish.

**MS LEE RHIANNON:** Approximately two weeks, a month?

**Mr GRAHAM WEST:** It depends on how long they take. They are under negotiation at the moment.

**The Hon. TREVOR KHAN:** I do not know, I think is the answer.

**CHAIR:** We now go to Government members for questions.

**The Hon. HELEN WESTWOOD:** I understand that your Department has developed an alcohol response taskforce to address alcohol related crime. Can you explain what the taskforce achieves?

**Mr GRAHAM WEST:** The alcohol taskforce is an important part of our compliance activities. We have identified that we want to work closely with our stakeholders, which means that we are moving from the traditional forms of enforcement to working exclusively with venues that are doing the right thing, be they clubs, pubs or other venues. We are focusing our efforts intensively on areas where there are significant problems.

The Alcohol Response Taskforce has actually reduced alcohol intoxication and alcohol related crime around licensed venues. Recently I was up in the Tweed with the local area commands unit. We saw a drop in alcohol related violence of licensed premises in two months of 39 per cent. We have had similar results in Coffs Harbour where we saw a drop in drug related violence of licensed venues of 43 per cent. Since the program has been under way in Newcastle we have seen a drop of 20 per cent.

This involves working very closely with the Liquor Accords. It involves members taking voluntary actions. It involves working closely with police. It involves undercover operations by police and by officers of the Office of Liquor, Gaming and Racing. It also involves high profile activities as well. We actually let people know we are going to be involved in the activity.

The objective of the initiative is the development of practical and sustainability strategies to improve local amenity and reduce alcohol related crime. We also run educational workshops for bar, security and door staff. We have done audits of licensed venues and licensees strengthen alcohol and security management plans. We have initiated zero tolerance towards drunk patrons refusing to leave venues when asked. We have initiated a "Be Part of It Not Out of It" responsible drinking campaign targeting young adults. We have a taskforce which includes clubs, pubs, restaurants, nightclubs, police, local councils, the RTA, New South Wales Health and business and community groups.

The majority of licensees do the right thing, and we thank them for their efforts and for continuing to work with us. But where licensees have failed to appreciate or recognise the importance of legal compliance and being a good corporate citizen, they will be targeted by the Strategic Enforcement Unit, which means possibly prosecution. We work very closely with local police with that, and we thank them for their support and assistance. We continue to work with new strategies for licensed venues and we will continue to help them improve their outcomes as much as we can.

We have also done research and testing where people ask for ID. For example, we did a study on liquor stores and found that young adults are not asked for ID in 54 per cent of cases. These venues did not break the law, because we used people who were young looking rather than under age. But it is a worrying trend and we are trying to encourage all venues to ask for ID if persons are under the age of 25. We will continue to work very closely with the industry on these programs.

**Mr DONNELLY:** My question also relates to the State Plan. The importance of reducing alcohol related harm and antisocial behaviour in the community is a key priority of the Government and the State Plan. What is the Gaming and Racing portfolio doing to achieve the targets set in the plan?

**Mr GRAHAM WEST:** We recognise that there needs to be scope for improved effectiveness of the use of the harm minimisation measures around liquor. That is why we are committed to several key initiatives that address these issues. We understand the effects of alcohol related harm and antisocial behaviour and have identified that these are key priorities of the State Plan.

As identified in our compliance activities, we have adopted an across-the-government response requiring targets like risk drinking and problems with drunkenness to take a whole-of-community approach. A number of government agencies, including the Office of Liquor, Gaming and Racing, are working on these activities and we are also looking at the liquor laws. Currently the liquor laws are under review and we had over 900 submissions relating to the last exposure bill that was put out and we will hopefully have reforms in place soon.

Under the frameworks that are in place, we are looking at strengthening the obligations that are imposed on the responsible service of alcohol and harm minimisation for venues that sell liquor, their staff and their patrons. I think it is important to recognise that it is not only about the responsible service of alcohol but also about the responsible consumption of alcohol, especially when we are dealing with young people. We need to target those groups specifically.

But whatever licensing arrangements end up being put in place, our particular focus will remain on responsible service in line with community expectations. We are looking at new offences and increased penalties to encourage compliance, assist with enforcement and help prevent underage drinking, intoxication and antisocial behaviour. As identified, we are targeting hotspot areas in a number of locations. Typically these are venues that draw a large number of people from outside the area.

These joint operations will continue targeting responsible service of alcohol practices, intoxication, patron behaviour, minors, security and overcrowding. Where new problems occur, we will move with those conditions as well and reward those areas that have done the right thing. This will ensure that all licensed venues comply with the liquor laws and their licence conditions to enforce the responsible service and consumption of alcohol. All venues have a responsibility to ensure that they do not impact on the general community.

Inspectors from the Office of Liquor, Gaming and Racing are also cracking down on irresponsible liquor promotions like "shooters" and ensuring that venues refuse service/entry to intoxicated persons. Workshops are being conducted, partnerships are being strengthened and we also work closely in supporting liquor accords. Liquor accords involve venue operators, police, local councils and health authorities, and they have an important role in implementing local initiatives that can make a real difference in the community. For example, many accords provide subsidised bus services late at night and run other transport initiatives which help their patrons. Initiatives targeting underage drinking are another priority, particularly in view of recent studies that highlight the problem of binge-drinking by young people. Some accords are proactive in involving local Aboriginal communities in initiatives to raise awareness about liquor laws and how those communities can become involved in finding solutions. These are just some of the various approaches to reducing alcohol related harm that operate at the local level with support from the liquor industry, NSW Government agencies, local government and community groups.

The Government is also responding to the challenges of preventing underage drinking through a range of legislative and other programs, including ongoing monitoring of underage issues, point of sale and other education programs and targeted compliance programs. The Office of Liquor, Gaming and Racing is also working with other agencies to educate young people about the liquor laws, particularly high school students who are at a vulnerable point in their life. An across-government effort involving a number of agencies, together with community and industry support, is necessary if we are to reduce alcohol related harm in New South Wales.

**The Hon. HELEN WESTWOOD:** In what ways are studies' findings being used to reduce problem gambling in the community?

**Mr GRAHAM WEST:** The Prevalence Study into Problem Gambling is one of the most significant studies that has been done in this area. It used the Canadian Problem Gambling index, which is important and allows us to compare ourselves to other jurisdictions, including international and state jurisdictions. The Canadian Problem Gambling index is also widely accepted as the current benchmark; it is the best practice model to be using. Also, this is not a one-off process. Responsible Gambling is to conduct another prevalence study and is currently deciding whether that should be in two or three years time, but it will be conducting it in a short time frame. Any harm minimisation measures that we put in place as a result of this study—say, through the Gaming Machines Act review—we can actually test their effectiveness as to whether they have made any difference.

We also are using this to inform future studies. We identified, as part of it, that the single largest cohort group of problem gamblers are young males aged 18 to 24 in full-time employment and, worryingly, some in year 10. That clearly means, as identified by a question earlier, that we need to be focusing more on early education strategies. We are in discussion with the education department and with Catholic schools, and a number of individual schools have also approached us about what they can do at a local level.

A number of programs have been put in place in other jurisdictions. The United Kingdom, for example, has a voluntary program targeting young people problem gambling through this issue. We are also looking at material they have put in place. We are not going to reinvent the wheel but find out what works. Clearly, we have also identified that more research needs to be done. We recognise that, while only 0.8 per cent of the population are problem gamblers, that is still a worrying figure. There are tragic stories. I am sure that all members of Parliament would be aware of the effects that it has. It affects the lives of many people for many years past their addiction, including with criminal records and in some circumstances family tragedies. We are seriously focusing on that.

We also have a worrying 1.6 per cent of the population who are at risk of becoming problem gamblers. Their gambling perceived habits are probably at the fine line of what they can afford. The issue of problem gambling is not so much how much you spend but the effect it has on your life and your basic necessities. You could have a problem gambler, for example, who spends \$7 a week, or you could have a problem gambler who spends \$70,000 a week. But it is related to what effect it has on their food, on their rent and on their families. It is not the amount they spend that is important but the effect it has on their lives. That 1.6 per cent are probably close to breaking point. If something were to happen in their life—an unforeseen event or an accident—they could easily trip into problem gambling. That represents about 2.4 per cent of the population that we really need to be focusing our efforts on.

Ideally, we would like to see them not become problem gamblers. That is where the education strategy comes in. That is also where further research by the gambling trust comes in. It has been identified that they are spending \$1.8 million on targeting young people, that cohort we identified. We know that they do not use counselling services. We know that, of the people who use counselling services, over 80 per cent say they work, they make a difference. But, if you talk to a counselling service, they will tell you that the median or average age of the client coming through is in the thirties to forties and not in the single largest cohort that we have identified.

So we need to look at new strategies. Part of the strategies we are looking at include chat rooms, for example; using new media; and SMS messages perhaps. If you have a gambling problem you might register yourself on line and a message can be sent to you about your activities. Of course

we have the self-exclusion scheme in place where you can choose to help yourself. That is a voluntary program. It makes it easier for the venue operator to say, "You are excluded from this," and they keep an eye on them. If you go to the venues, they keep a book that has the photo of the people and says when they were excluded from and to. They can actually make informed choices. It is an important part of the strategy.

We are also looking at accrediting counselling services. Currently there is no benchmark for counselling services. We bundle these services and they do good and important work, but there is no benchmark on what a problem gambling counsellor requires. We are looking at a three-stage process. People who have been in the game for a long period of time obviously have a wealth of skills and can easily be accredited as a counsellor. Then there might be a group of people who have a good level of skills but who need to be aware of some of the other programs and initiatives and do a bit of training. The third level is, I suppose, the new entrants coming into it. We want to have a clear framework in place for them so that they can get accreditation as a problem gambling counsellor. That will assist problem gamblers as well. We do not want people giving them the wrong information or approaching the situation in the wrong way. Instead of looking at how they can solve their problem, they might get caught up in guilt issues.

They are some of the things that we are looking at. But the responsible gambling trust, led by the Reverend Harry Herbert, is doing a fantastic job on these issues and they are using the prevalence study to drill down and change the way we do things. One of the things they have under review is the shutdown period. The responsible gambling trust has under review ways of improving that process. Currently there are a number of exemptions that people get from that to change and vary the hours. It is not a coherent standard at the moment, and we need to look at that issue.

Problem gambling we have identified as a health issue, which is why for the first time ever—and I do not think many jurisdictions do this—we have included gambling questions on the quarterly health survey. People are asked about their exercise levels, their smoking, their heart conditions or whatever; they will also get asked about their gambling habits. That is an important recognition as we move into harm minimisation that this has health effects and it will help us to inform future directions. We may find that there is a cohort of the community that gets picked up further in those studies that we can drill down and focus on more. But we are particularly concerned about those young people, those 18- to 24-year-old males. We need to look at how we reach them. Clearly we are not doing it at the moment. The responsible gambling trust is investing a lot of energy in working on how we can do that.

But that is not to say that New South Wales is not already doing some good things. There is a journal article here from the Harvard Medical School Massachusetts Council on problem and compulsive gambling. They have a chronology of important milestones in gambling. They begin at 31AD, with Roman soldiers throwing dice for Jesus' robes. It is a comprehensive history. I will not go through the entire history here, but it has interesting facts of lotteries being used to fund the Civil War, for example. It goes through significant events. 1957 saw Gamblers Anonymous founded; it also saw a National Council on Problem Gambling founded in the US in 1972. It continues to go through think tanks on youth gambling held at Harvard and there was a federal commission on the social impacts of gambling. Interestingly enough, there is an international journal that highlights that in 2000, as one of the key milestones in gambling, the New South Wales Government issued strict harm minimisation regulations. That is one journal article. Visiting expert Dr Robert Hunter from the Las Vegas Problem Gambling Centre—he founded that centre—is quoted in the *Fairfield Advocate* on 24 October, which is this Wednesday. He makes a couple of interesting points. The article states:

Dr Hunter said no statistical evidence showed Sydney had more or fewer gamblers than other large cities—but it did stand out for its rehabilitation initiatives.

"On a national level Australia is more socially conscious and more proactive regarding gambling as a public health issue than any other country I have visited in my international travels," he said.

"You guys are doing a very good job on the national level."



That is not to say that we do not want to take it further, but in many ways we are leading the fight on problem gambling and we will continue to work with our partners and the responsible gambling trust on tackling this important issue.

**CHAIR:** We will go to the Opposition for a couple of minutes of questioning.

**The Hon. CHARLIE LYNN:** Minister, I have been advised that there have been a range of charges laid against racing identities for corruptly backing horses using Betfair in the United Kingdom. I understand that the police investigation in the UK has exceeded £6 million. Are you willing to commit the New South Wales taxpayer to these sorts of police costs if there is an investigation into Betfair?

**Mr GRAHAM WEST:** Betfair is in Australia.

**The Hon. CHARLIE LYNN:** I am sorry; I meant the betting exchange.

**Mr GRAHAM WEST:** Betfair is in Australia now, so the issues that you are talking about can theoretically occur. That is why we are looking at how we regulate these issues so that we can make sure they are done in a manner that has all the safeguards in place. That is why we are looking at the issue.

**The Hon. TREVOR KHAN:** Since you have become Minister, have you met with representatives of PBL?

**Mr GRAHAM WEST:** I do not think I have, no, other than news journalists. Is that what you are talking about?

**The Hon. TREVOR KHAN:** No. I am sure you have met with them. So you have not met with any representatives of PBL?

**Mr GRAHAM WEST:** Not that I can think of, no.

**The Hon. TREVOR KHAN:** What about Graham Richardson? Did you meet with him before you become Minister?

**Mr GRAHAM WEST:** Sure. He used to go to ALP functions. You could not go to one without seeing Graham Richardson telling some tale. I have also bought his book and read it as well.

**The Hon. TREVOR KHAN:** So have I. In that context, are you aware if Mr Graham Richardson has met with the Premier of late?

**Mr GRAHAM WEST:** You will have to ask the Premier that.

**The Hon. TREVOR KHAN:** Has he discussed with you, in the context of Betfair, meeting with Graham Richardson?

**Mr GRAHAM WEST:** No.

**The Hon. TREVOR KHAN:** You are aware, of course, that Graham Richardson has a relationship with PBL.

**Mr GRAHAM WEST:** Yes.

**The Hon. TREVOR KHAN:** And you are aware that Mr Iemma used to work for Graham Richardson.

**Mr GRAHAM WEST:** I think it is a matter of public record.

**The Hon. TREVOR KHAN:** And you are aware that of relatively recent times PBL has acquired an interest in Betfair.

**Mr GRAHAM WEST:** Yes.

**The Hon. TREVOR KHAN:** That relationship has never struck you as, again, one of those interesting conundrums?

**Mr GRAHAM WEST:** We are dealing with facts here. I hope you are not trying to draw aspersions across the good officers of the Department who are involved in looking at these issues.

**The Hon. TREVOR KHAN:** I have not directed anything at the officers of the Department, Minister.

**Mr GRAHAM WEST:** The issue is that we are told 25 per cent of the people using Betfair are from New South Wales. That is an issue we have to deal with.

**The Hon. TREVOR KHAN:** And the issue is that you have been directed by the Premier to look at the issue of Betfair.

**Mr GRAHAM WEST:** Sure—to look at the whole issue around fixed odds betting as well. We are losing bookmakers to corporate bookmakers. If we do not do something about this issue, I worry that there will be a day when you will not have a New South Wales bookmaker, because the corporate bookmakers will drive them out of business.

**The Hon. CHARLIE LYNN:** This is a hypothetical, Minister: if a horse race in New South Wales were rigged this weekend and various betting exchange layers profited from backing the horse to lose, would you support the full force of the law being applied to that conduct? In addition, under which law would the Government take action? For example, if a betting exchange layer implicated in the activity lived in Peru, how would you envisage the force of New South Wales would apply in this case?

**Mr GRAHAM WEST:** Certainly we support full action being taken against any rigging that would occur in any race. But I think the important thing to note is that such things are a possibility now, but New South Wales, through its stewards, have been doing a fantastic job in making sure that any irregularities are dealt with. The discussions I had with Betfair in the United Kingdom about their security systems were around the systems they would have in place in such events you are talking about. They identified that they would flag particular issues. They have actually already done so. I think in the case of the UK, which you are involved in, they also are involved, as you mentioned before. They were actually involved in bringing parts of it to the authority's attention and then working closely with the authorities in building a case against the people that you are talking about.

**Ms LEE RHIANNON:** Minister, you would have to agree that the current review of the Gaming Machines Act will probably result in the biggest shake-up of gaming and poker machine laws that we have seen in New South Wales. Is that the case?

**Mr GRAHAM WEST:** It will be a significant review. The review is not the law. The review will be tabled by 19 December. I am informed that the development of law will have to be put to Parliament in the following year. But certainly we want to pick up on some of those issues that I spoke about before around harm minimisation as well as the current operation of poker machines in this State.

**Ms LEE RHIANNON:** You have said that it is significant, so why have you given such a free kick to clubs and the Hotels Association by keeping all the submissions confidential? Surely you must agree that that is of benefit to the clubs and hotel industry, because there are now no public debates about what they are advocating; we just do not know.

**Mr GRAHAM WEST:** The idea of the review is to stimulate a public debate and those submissions, except for the commercial-in-confidence parts, will be available when they are tabled. At the moment they are internal working documents to inform the review. The review will be brought out and the submissions will be available—except for any items that are commercial in confidence—for widespread community debate. Given that we have to table by 19 December and Parliament does not resume until February, that is quite a few months.

**Ms LEE RHIANNON:** But that is not usual practice, is it? Is it not usual practice for submissions to go up, particularly now we have the advantage of websites, at that stage? That is where we usually all go and look at submissions.

**Mr GRAHAM WEST:** No. IPART, for example, the independent body, has held back submissions on its website because of commercial-in-confidence issues. The Brown review into thoroughbred racing had submissions that were held back. It is not an unusual thing.

**Ms LEE RHIANNON:** Are you saying that the submissions from Clubs NSW and AHA will be released publicly?

**Mr GRAHAM WEST:** We will not be releasing the commercial-in-confidence parts of them, but the other parts we will.

**MS LEE RHIANNON:** Who will determine what is commercial-in-confidence? Can Clubs New South Wales say that every second page is commercial-in-confidence?

**Mr GRAHAM WEST:** We are talking to them at the moment about what is commercial-in-confidence. I think the feedback from them has been pretty positive.

**MS LEE MS LEE RHIANNON:** Positive and they will agree that their submissions are released.

**Mr GRAHAM WEST:** To a large extent, yes.

**CHAIR:** That concludes our time for this hearing of Budget estimates. I would like to thank the Minister and his staff from the Department of Gaming and Racing and Sport and Recreation for coming along today. The Committee Secretariat will contact you shortly with any of the questions that have been taken on notice today. You will also be sent copies of the transcript to look at and correct, if necessary. I would like to thank you for coming today.

**The Committee proceeded to deliberate.**