

REPORT OF PROCEEDINGS BEFORE

GENERAL PURPOSE STANDING COMMITTEE No. 1

INQUIRY INTO OLYMPIC TICKETING

At Sydney on Monday 8 November 1999

The Committee met at 5.00 p.m.

PRESENT

Reverend The Hon. F. J. Nile (Chairman)

The Hon. Patricia Forsythe
The Hon. J. R. Johnson
The Hon. A. B. Kelly
The Hon C. J. S. Lynn
The Hon. D. Moppett
The Hon. P. T. Primrose
The Hon. Dr P. Wong

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CHAIR: I welcome the media and members of the public to this meeting of General Purpose Standing Committee No.1. I advise that in accordance with Standing Order 252 of the Legislative Council any documents presented to the Committee that have not yet been tabled in Parliament may not, except with the permission of the Committee, be disclosed by any member of such Committee or by any other person. Copies of the guidelines relating to broadcasts of the proceedings are available from the committee table at the rear.

I remind members of the public and advisors present that any messages for members of the Committee or witnesses should be handed up through the attendants on duty or the Committee clerks and not taken to Committee members.

For the benefit of members the Committee has allocated these approximate times for questions: Opposition, 10 minutes; Dr Wong, five minutes; Government, 10 minutes, and Reverend Nile, five minutes, and that will rotate throughout the time available. It is not rigid, it is just a proposal.

I know, Minister, you are willing to have questions in an open hearing. We welcome Minister Knight, Mr Hollway, Mr Richardson and Mr Reading. Section 4 of the Parliamentary Evidence Act 1901 provides that any person, not being a member of the Council or the Assembly, may be summoned to attend and give evidence before a Committee.

Minister Knight, as you are a member of the House of Assembly it is not possible to summons you and there is no provision under the Parliamentary Evidence Act for you to be sworn prior to the taking of evidence. The Committee is therefore grateful that you have complied with our invitation to attend today.

DAVID ALEXANDER HOLLWAY, Chief Executive Officer, Sydney Organising Committee for the Olympic Games, SOCOG Headquarters, Jones Street, Ultimo, affirmed and examined:

PAUL GEORGE READING, Group General Manager, Commercial and Marketing, Sydney Organising Committee for the Olympic Games, SOCOG Headquarters, Jones Street, Ultimo, and

GRAHAM FREDERICK RICHARDSON, Chairman, Ticketing Subcommittee, Sydney Organising Committee for the Olympic Games, SOCOG Headquarters, Jones Street, Ultimo, sworn and examined:

CHAIR: Did you receive a summons issued under my hand in accordance with the Parliamentary Evidence Act 1901?

Mr HOLLWAY: I believe I may just have.

Mr READING: I did as I entered the room.

Mr RICHARDSON: I did.

CHAIR: Are you conversant with the terms of reference of this inquiry?

Mr HOLLWAY: Yes, sir.

Mr READING: I am.

Mr RICHARDSON: I am.

CHAIR: For the benefit of all witnesses, if you consider at any stage during your evidence that in the public interest some part of your evidence or documents should be heard or seen only by the Committee, the Committee would be willing to accede to your request, but I warn you that Parliament may override that decision at any time and make your evidence public. I understand, Minister, that you would like to make a statement?

Mr KNIGHT: Yes.

CHAIR: Would any other witnesses like to make a statement?

Mr HOLLWAY: I would like to make a statement, if I may.

Mr KNIGHT: I have a fairly lengthy statement. I have brought along seven copies, which I am happy to distribute to members of the Committee.

At the outset I want to make it clear that I am here to co-operate with the Committee. While a Legislative Council Committee can compel all sorts of people to attend as witnesses, it cannot compel a member of the Legislative Assembly. However, as I indicated

in my letter to the Chairman on 21 October 1999, I volunteered to come here. If the Committee requires my presence again on 15 November, I will again volunteer to attend and answer questions.

I recognise that the Committee has been charged by the Legislative Council with a responsibility to report generally on the SOCOG ticketing process. On 2 November 1999 I wrote to the Chairman indicating that I had commissioned an independent review of SOCOG ticketing by Mr John Shirbin, solicitor, of Clayton Utz, and Mr Rory O'Connor, auditor, of Deloitte Touche Tohmatsu. In that letter I also indicated that I expected the written report of the review by 15 November and that it would be made available to this Committee.

Further, I offered the Chairman the opportunity to have a Committee staff member attend the meetings of the review team with David Richmond, Director-General of the Olympic Co-ordination Authority, and Jim Sloman, Deputy Chief Executive Officer and Chief Operating Officer of SOCOG, who are overseeing the review process. Reverend Nile accepted that offer, and Ms Anna McNicol has since attended.

Oversight of the review by Messrs Richmond and Sloman involves a quality assurance role to monitor progress and provide advice to the review. Responsibility for the contents of the report clearly and unequivocally rests with Messrs Shirbin and O'Connor as independent reviewers. That independent review is designed to provide clear information to me, the SOCOG board and this Committee. We all must learn the lessons from past mistakes if we are not to repeat them.

Regrettably some sections of the media and the Liberal Party have misinterpreted this review as some sort of witchhunt looking for individual scapegoats. It is therefore an important time to reinforce what I have already said on these matters. The SOCOG board, including me, is collectively responsible for the actions of SOCOG. I have already admitted publicly that in my view the board was wrong not to proactively overrule the staff advice and the precedents of previous Olympic Games and instead publicly reveal the number of tickets available in each category in each session before the public offering of these tickets.

The board did formally overrule the staff advice and the precedents at its meeting on 21 October 1999 and publicly released that information. However, this was after the first round of ticketing had taken place. As I said in my press release of 29 October 1999:

I am sorry we didn't tell them before they ordered what was available in each session of each sport.

We have learned some salient lessons from this exercise and will certainly be applying what we have learned in all future ticketing rounds.

The other area where I have publicly said that the board was wrong was in not proactively seeing that the premium package program was publicised openly. Again I quote from my press release of 29 October 1999:

I am sorry we didn't tell people sooner about the premium ticket packages.

The board collectively has accepted responsibility for these matters and I have publicly

apologised on behalf of the board generally and myself personally. Individual board members, as well as staff members, will be interviewed by the review team. That obviously includes me. Indeed, I have been interviewed for approximately two hours last Friday morning and will be interviewed again later in the process. If errors have been made by board members, including me, they will be dealt with in the report of the review team. This Committee would accept nothing less and it is a slur on the competence and integrity of the members of the review team to suggest otherwise.

This Committee has been provided with two documents from the review team: a work in progress-activity report; and a project plan. I am happy for these both to be made public. However, I should say that since these documents were prepared I have had a verbal request from the review team for an extension of time on the basis of the scope and complexity of their task. Therefore, I have agreed to a one-week extension until 22 November 1999. I turn now to two matters which this Committee will have a particular interest in. These are premium packages and the number of tickets in the first public offering.

As I have said on many occasions, I do not believe it is proper or appropriate for the names of individuals or companies which purchase tickets at a premium above face value for their own use to be publicly named. They are entitled to their privacy and SOCOG generally is very concerned that publicising the names of those who have purchased will compromise the future marketing drive to sell a range of packages including such things as tickets, hospitality and accommodation at a premium. The consequences of SOCOG not achieving planned revenue from such activities would be harmful to either the quality of the Games or the taxpayers interests, or both.

I do, however, have a different view about naming organisations which purchase premium products for resale to their own members—as the Tattersalls Club appears to be doing—and commercial organisations which are involved in a broader marketing exercise. I have been provided with two documents in regard to the names of purchasers of premium packages. I have given both to the review team to examine. It is my view that once these documents have been audited by the review team details of purchasers should be made available to this Committee on a confidential basis. The manner in which that is done is a matter for the chairman.

At that time the names of those purchasing premium packages for onselling could be made public. The sale of these premium packages was a matter for SOCOG staff. I did not actively promote the scheme to anyone. I have no recollection of referring anyone directly to Paul Reading in the case of premium packages, and Paul told me last Monday he has no specific instances he can recall. However, I should say that if anyone asked me about tickets outside the public offering, premium accommodation packages, hospitality packages, corporate boxes or anything of that nature I would have automatically told them to contact Paul Reading, as I would today. I do recall referring a colleague who inquired on behalf of some business people about a corporate box. Paul tells me that he received that inquiry but it did not result in a sale.

In relation to premium packages, I am advised that staff in my ministerial office had referred business people to SOCOG staff. By way of background, my office receives many

ticketing inquiry calls. Most are about individual cases involved in the ballot process. All are referred to SOCOG. Further, some companies and agents for companies have approached my office about sponsorship or licensing arrangements. These were all referred to the appropriate people in SOCOG.

However, in view of recent events I want to advise the Committee of five referrals made by my staff that could be categorised as premium package sales. In these five cases the people involved approach my office. In all cases they were given Paul Reading's numbers and Paul was informed that he was likely to receive these approaches. While these things were done without my knowledge, they are entirely appropriate things to do. Again, they were not done proactively—I have been assured that the people concerned contacted my office, not the other way around—and the negotiations were conducted directly by Paul Reading.

Further, while I generally keep negotiations at arms-length from me on these commercial matters, there are two instances in which I recall having had discussions in which I put a position. The first relates to PacRim. Although the tickets ultimately sold for participants in the PacRim conference did not form part of the premium packages, they were part of the stadium gold buy-back packages resold at a premium.

In May 1997 the board agreed to sell PacRim, at a premium, tickets to the closing ceremony and some events in the final days. Subsequently, the Premier went to a PacRim conference in Hong Kong to publicly announce New South Wales would be welcoming PacRim to Sydney in October 2000. Since that time I, and my staff, have had contact with the PacRim organisers and Paul Reading about the progression of the arrangements. The discussions centred on the final number of packages required and the timing of payments. I understand that these matters have been resolved.

The second relates to Investment 2000. Although the tickets sold to Investment 2000 form part of the most recent list I was given for premium packages, they are sold at face value. Investment 2000 is a joint venture between Westpac, Telstra and the New South Wales Department of State and Regional Development. The pricing of tickets to Investment 2000 was raised by Paul Reading at one of the weekly meetings I had with a group of senior staff including the chief executive officer and the deputy chief executive officer. At that meeting I strongly put my view that if tickets were being sold to the Federal Government at face value for their business promotion activities then the investment vehicle of the State of New South Wales, which is underwriting SOCOG, should be treated the same.

I now turn to the issue of the number of tickets allocated in the public ballot and the number allocated in each category at each session. At the outset I want to make clear that the board collectively knew for a long time that the figure provided by SOCOG staff of 52 per cent of tickets being for the Australian public was an average taking into account all sessions but that the percentages in each session would vary markedly. There can be no doubt that the board knew that the percentages available to the public in the finals of high profile events, particularly those in venues with relatively small spectator capacity, would be much smaller than the 52 per cent average. However, I can find no board minute or resolution which approves the exact number of tickets actually made available in the allocation process following the first public offering nor the exact numbers available in each of the categories in

each of the session. To the best of my knowledge, no-one on the board was provided with this information until after the ballots had been conducted and the tickets allocated to the public.

In my own case, I received some printed material from SOCOG staff with a covering memorandum dated 23 August 1999 relating to session by session provisional quotas. However, this differed significantly from the actual quotas subsequently used in the ballot. This was given in response to my request for information both on how widespread the public orders were—were they concentrated in a few high profile events like the opening and closing ceremonies or spread much more evenly—and for material to assist in upcoming negotiations with the IOC over the IAAF's attempt to change the athletics program. That memorandum referred to a schedule of first choice public requests and the available seating for that quota group.

It contained several caveats which could affect the size of the quote. These were matters which appeared to have both positive and negative potential effects on the quotas. An attached document gave a total "provisional ticket quota" of 3,873,875. That was a figure that I found very encouraging. The attachment also gave, in a coded format, provisional ticket quotas for each category in each session. Unfortunately, the codes for that information were different from the codes used in the ticket order book and were therefore not readily understandable.

On Friday 3 September 1999 I received two documents. The first was a further memorandum and attached information. The second was a mock-up of the booklet which had gone to the printer for the second round offering and showed which categories and which sessions were marked "sold out". Both documents were given to assist me in negotiations with the IOC over the IAAF proposals to change the athletics program after tickets had been sold. They were given to me late on Friday 3 September as I was departing for Johannesburg on the morning of Monday 6 September, where I would be meeting both IOC President Juan Antonio Samaranch and Chairman of the IOC Co-ordination Commission for Sydney, Jacques Rogge. Both these documents were provided after the final quotas had been set and the tickets had been allocated. The covering memorandum from Paul Reading said in part:

You will note that the total number of tickets in the quota is 2,998,561 and this, when added to the contingency shown in the session by session quotas of 573,156 makes up the approximate 3.5m tickets that were made available to the Australian public.

When I queried this with him verbally Paul was adamant that the approximately 3.5 million tickets that the board understood would be available to the public included the contingency and that the contingency was never in addition to the 3.5 million. An attachment to the memorandum was a document with the actual allocations made to the public, category by category and session by session. Again, this used different codes from those in the ticket book. I did spend some time trying to match the codes for athletics to the sessions in the ticket brochure so that I could use the information in my negotiations with the IOC over the athletics program. This was a very slow process. Since my focus was on trying to manage the crisis over the athletics program I did not give the rest of the document much attention, especially as the allocations had been done and the horse had effectively bolted.

Mr Chairman, I am happy to table those documents I referred to with the

exception of the draft ticketing brochure because the final ticketing brochure is already in the public arena. I am happy to table the memo and the attachments and I have no objection to their being made public.

CHAIR: Are those documents identified clearly by title?

Mr KNIGHT: Yes, the covering notes clearly identify them. I am sorry that it was a lengthy statement but it gets to the nub of many of the issues the Committee would like to raise. I showed it to Paul Reading and Sandy Hollway and got them to verify the facts, as stated before.

CHAIR: Does that include the monitoring?

Mr KNIGHT: Mr Hollway is about to make a statement that will cover that.

CHAIR: Thank you for that presentation, Minister. Mr Hollway, would you like to make a statement?

Mr HOLLWAY: Mr Chairman, members of the Committee, I will leave to questions any specific ticketing issues which you wish to raise with me. In this brief opening statement I would simply like to make some points concerning the broader picture and the broader implications for SOCOG. I shall also come to the points you have just made a moment ago about the ticketing committee minutes.

Firstly, notwithstanding recent difficulties and indeed sharp public concerns about aspects of ticketing, there is much being done in SOCOG which is good. In the case of ticketing itself, it is difficult to overstate the scale and complexity of a task involving millions of tickets to be marketed through multiple channels, in Australia and internationally, produced and distributed.

As chief executive, I wish to assure the Committee, and through you the public, that the staff in all areas, including ticketing, are dedicated, determined to get the job done, and—importantly—understanding of the need to learn from mistakes and from experience. I totally concur with Michael Knight's remark that we must learn the lessons if we are not to repeat them. This leads me to my second point, which is that with only some 10 months to go—and less than that until the torch relay—it is vital rapidly to embody any necessary changes and reforms in how we work and get on with the job of putting on the Games. I want the organisation to be constructively self-critical, and mindful of constructive criticism from outside as well, but to remain buoyant and focused.

A top priority for me will therefore be to sustain the organisation's internal confidence and restore full public confidence. It is in this spirit—rather than one of any reluctance or hesitation—that I approach both the work of this Committee and the work of the review group to which Michael has referred. I envisage that these mechanisms, combined with my own ideas about how we can introduce improvements on the basis of recent experience, will make us more capable and better placed to deal with the very considerable challenges ahead on this, the biggest and toughest of all projects.

May I address one matter of process. The Committee wishes to have minutes of the ticketing committee of the SOCOG board, and I may say that we have no problem with this in principle. My first scan of the minutes does, however, show that there are some specific matters—notably related to information and comments on tenders and companies—which ought to remain private. The process I propose, Mr Chairman, is that I provide you, without delay, a full copy of the minutes and that you and I might then jointly consider and resolve where deletions are appropriate.

CHAIR: One of the documents you have tabled, headed "First Choice Request", relates only to the first choice public request. It also has a "confidential" stamp on it. That can be made public?

Mr KNIGHT: That can be made public. It was confidential at the time it was given to me, but it has been overtaken by events. Just while we are dealing with housekeeping matters—there was some correspondence earlier about who might have been coming from SOCOG. We have John Bosiljevac who is with us from the ticketing area. The other people at the table are members of my personal staff, and there noone else from SOCOG staff here as well. But I do note that the shadow Minister and SOCOG board member Mr Chris Hartcher is here, and he may be happy to answer questions.

CHAIR: I thank those staff members for coming. They cannot answer questions unless they become formal witnesses, but they can give advice to the Minister and give other information that may be required. The Hon. C. J. S. Lynn has requested, or it has been requested, that he attend this hearing and ask questions. That is the right of any upper House member, and he will be part of the Opposition team asking questions. We will now go to the Opposition for the first question. I ask members to indicate which witness they wish to answer the question, if not all of them.

The Hon. C. J. S. LYNN: My first question is to the Minister: Did SOCOG have a firm policy in regard to the marketing and sale of premium tickets?

Mr KNIGHT: SOCOG—some of my colleagues may be able to supplement the information on this if you require it—to the best of my knowledge does not have a written down, detailed process of marketing of premium tickets. As I indicated in my statement, this was a matter essentially in the hands of staff, namely, Paul Reading.

The Hon. C. J. S. LYNN: So there was no policy direction given by you?

Mr KNIGHT: Let me say there is no doubt that the board knew and approved of the existence of a premium package scheme. There would be no doubt about that. In terms of specific documentation approving that, one or two things that will emerge from the Shirbin and O'Connor review will be a definitive paper trail.

The Hon. C. J. S. LYNN: So that scheme, the ticketing scheme, would have been a written document approved by the board or the head of the ticketing committee?

Mr KNIGHT: I think I just answered the question quite differently to you.

The Hon. C. J. S. LYNN: Can you provide a copy of that policy or details of the scheme to the Committee?

Mr KNIGHT: I have just talked to you about the difficulty of a single document that you seem to believe exists. I am very happy, if any of my colleagues can supplement, to inform you about the lack of such a document; but if you are seeking a paper trail on the approval process, you will certainly get that from the independent review.

The Hon. C. J. S. LYNN: Minister, would you regard the restoration of public confidence in the Games to be more important than that the public disclosure of companies or organisations who took up your offer to purchase premium tickets?

Mr KNIGHT: I would not say that I see the two—the restoration of public confidence in the Games and the disclosure of companies—necessarily linked in the way that the parliamentary Liberal Party does.

The Hon. PATRICIA FORSYTHE: You refer in your statement to packages being a matter for SOCOG staff?

Mr KNIGHT: Yes.

The Hon. PATRICIA FORSYTHE: Did you inquire of the staff what criteria they would have used in negotiating with people about the purchase of these tickets?

Mr KNIGHT: No. What I think needs to be appreciated is that at the time that the staff were set forth to get some premium sales, that was a time when we had no real idea what the value of the tickets was. We had no idea of what the market for the tickets would be. When we looked at the issue of the Stadium Gold buy-back—and I do not want to be too cute about this—there is a range of different tickets that are sold above face value and only one of those is in what is called the premium packages. There are other tickets sold above face value.

If you look at the first substantial exercise we were involved in by selling above face value, that was a range of tickets we bought back from the stadium float. At the time we bought those back, there was incredible nervousness in the board as to whether we would break even or lose money on that, let alone make a profit. One of the things that has emerged in recent months is just how much of a market there is for these premiums. It was very much a working process where the staff were testing the market to see if there was in fact a market and to get some idea of what is the value of that market.

The Hon. PATRICIA FORSYTHE: Just focusing on the premium packages—not the buy-back, but the premium packages—did the staff rely on people contacting them—the sort of people who find your office—or did they have a program to go out and seek purchasers?

Mr KNIGHT: I think that is best addressed by the staff. They are here. You can ask them.

The Hon. C. J. S. LYNN: My question is to Mr Richardson. I would remind you of your publicly stated views of lying and doing whatever its takes.

The Hon. A. B. KELLY: Fair go!

The Hon. C. J. S. LYNN: I remind you that you are under oath to tell the truth to this Committee.

The Hon. P. T. PRIMROSE: Mr Chairman!

The Hon. C. J. S. LYNN: Anyway, it is a matter of public record. I understand that 55,000 premium tickets have been sold. Is this correct?

Mr RICHARDSON: I think the number was 54,000 and some number. But just before I get to that, may I just say in answer to what you have just said—which is a pretty cheap shot, may I say, Mr Lynn—that when people like John Howard deny a move against the bloke they were knocking off the day before it happened and when Alexander Downer was knocked off and you had Costello denying what was happening with him, can I just say that that is the context into which I put it in my book. If you want to quote my book, I am very happy to put it into context. Do not make it sound like I said at any point in time ever in my life that lying is generally appropriate. If there is any suggestion that I may be lying here, I would be very very surprised. I would be appalled, and I would be offended.

The Hon. C. J. S. LYNN: Thank you, Mr Richardson. Did your ticketing committee—

CHAIR: We should leave out those personal remarks and just keep to questions relating to the Olympics ticketing.

The Hon. A. B. KELLY: Standing orders that apply in the House apply here as well.

The Hon. C. J. S. LYNN: Did your ticketing committee or Mr Reading prepare any strategy document or plan to market and sell these tickets?

Mr RICHARDSON: With the 54,000 that have already been sold, no. What occurred with those was that at the time the board agreed to this, which is way back in May 1998—and it was the board that agreed to this prior to the ticketing committee, I might say—we had no idea what these tickets would be worth. In fact, there was considerable controversy within the board at the time as to what they would be worth. They were many different opinions, I would have to say—as many opinions as they were board members. It was therefore left to the staff to see how these tickets would go and what the market would bear.

Over the course of time, the board was given a report on this on, I think, a monthly basis. So they were kept up to date on the dollar value of the deals done and the dollar value of the deals to be done, and that was compared to budget. We had set a target budget for these tickets. I was always of the view that at the end of this process, the vast majority of

premium asset sales would then be undertaken with some sort of written as well as oral policy that we had all agreed to. That, of course, is occurring now. I would not have thought it would be finalised for some weeks yet, but it will be finalised soon

The Hon. C. J. S. LYNN: Who selected the individual companies, clubs, groups or associations to sell the premium ticket package to or market it to?

Mr RICHARDSON: I did not market the tickets, as I have just said. I am only the chairman of the committee that sets the guidelines in terms of a policy decision. I do not market them. You would have to ask the staff that question.

The Hon. C. J. S. LYNN: If I were to mention a couple of individual companies, groups, organisations or associations, could you advise if they were approached to purchase a premium ticket package and confirm if they did in fact purchase one or more?

Mr RICHARDSON: I could not, no.

The Hon. C. J. S. LYNN: Could I direct this question to Mr Reading?

The Hon. PATRICIA FORSYTHE: Before Mr Reading answers, can I just ask about the role of the ticketing committee? What actually is the function of the ticketing committee if it is not to advise on names? It is not marketing, you said.

Mr RICHARDSON: No. There is a marketing committee. We did not attempt to market anything. What the ticketing committee did—just to give you an example—was sit down and have discussions on what price we could put the tickets at. A considerable amount of time was devoted to that. We talked about cascading—should we have it, or should we not. In other words, the form or the direction which we took in terms of selling the tickets, we sat down and discussed all those sorts of things. Obviously over the last couple of weeks we have taken a different role. I think at the last meeting, which was in August, we were discussing matters like the distribution of ticket material in the future and whether we would be using Westfield or United Parcel Service [UPS]. That is the kind of thing that we discussed.

The Hon. PATRICIA FORSYTHE: So the day-to-day work of selling the premium tickets was left to the staff?

Mr RICHARDSON: Absolutely.

The Hon. PATRICIA FORSYTHE: How many times has the ticketing committee met this year?

Mr RICHARDSON: I would say four or five times. I have not counted them; I am not sure. Perhaps the staff can help me there.

Mr READING: Of that order.

Mr RICHARDSON: It would be about that, yes. I would not want to pretend:

that is not counting the last couple of weeks. We have met three times during the last 10 days, and I would not include those in that count.

The Hon. C. J. S. LYNN: Were you personally involved in identifying people, companies, organisations or associations that should be approached for the purchase of premium tickets?

Mr RICHARDSON: No.

The Hon. C. J. S. LYNN: You had no personal involvement at all?

Mr RICHARDSON: No. As I said at the press conference when I was asked the other day, as people have approached me over the course of the last couple of years and made inquiries—and I think Michael Knight gave a similar answer about boxes and tickets—I have simply said, "Well, you had better call Paul Reading." I do not think it would have been appropriate for me to sit down and negotiate with people about premium tickets or boxes. It would not have been appropriate. The only negotiations in which I have been involved were with Mr Reading and at the direction of the board I was involved in setting the price at which we were to purchase the gold packages from Stadium Australia. That is the only negotiation which I have been involved in during my time on the board.

The Hon. Dr P. WONG: Mr Hollway, I have some general questions. As the chief executive officer [CEO], whom do you answer to?

Mr HOLLWAY: I am accountable to the board of SOCOG and particularly to the chairman of the board.

The Hon. Dr P. WONG: In general, whom do you think the board answers to?

Mr HOLLWAY: I think the board of SOCOG has the most senior government role in the entire running of the organisation. It does so under the statute that establishes SOCOG and it functions as an autonomous board within that statute.

The Hon. Dr P. WONG: In that regard, it does not answer to anybody?

Mr HOLLWAY: It is like the board of any other statutory authority, I would guess, or corporation. It is answerable, obviously, within the law generally and within the statute establishing SOCOG in particular.

The Hon. Dr P. WONG: Do you think the Minister would have responsibility, and the Government would be managing the board in turn?

Mr HOLLWAY: I think that the board is the supreme governance body for SOCOG. I think that, as with other boards, generally speaking its role is properly about two things: one is broad strategic guidance rather than the nitty-gritty management detail, and the second is the resolution of threshold policy or program design questions. That is really the way

the board operates with, I would say, a considerably devolved responsibility on the part of chief executive; and from me, in a very complex organisation, to my managers—an increasing devolution, I might say; but a very close working relationship between me and the chairman, in particular, and with the board generally.

The Hon. Dr P. WONG: Do you answer to the Minister or the Olympics?

Mr HOLLWAY: I understand your question. I think that Michael Knight has two hats. I answer to him with his hat on as President of SOCOG and in his role as Minister for the Olympics. I also desire to have a very close connection with him as the Government's main Minister in charge of the Olympic Games.

The Hon. Dr P. WONG: Do you know when you are answerable to the President and when you are answerable to the Minister?

Mr HOLLWAY: Yes. I believe I can make a good distinction between those roles.

The Hon. Dr P. WONG: I notice that the SOCOG report 1998 says the detail of the 2000 Games ticket strategy and pricing policy was formalised and approved by the SOCOG board in May 1998, including a model map and detailed policy of the ticket production, distribution, pricing and access, and that the strategy was submitted to the IOC for approval in June 1998. Was it submitted and approved?

Mr HOLLWAY: Yes. There was, I would say, a rather definite and important special meeting of the SOCOG board, as I recall, in May 1998. That led, amongst other things, to the submission of an extremely detailed policy submission to the IOC executive board, which was meeting in June of that year in Seville.

The Hon. Dr P. WONG: I notice that the Minister replied that the pricing policy and strategy appeared not to involve premium packages.

Mr HOLLWAY: I would have to refresh my memory.

The Hon. Dr P. WONG: Can I direct that question to the Minister then? I notice in the newspapers that Dr Rogge of the IOC mentioned that no premium package policy was ever included in the list sent to them. You said that you did send every policy, including I presume the premium package policy, to the IOC.

Mr KNIGHT: I would not be wedded to the words reported in the newspaper. If you want my words, my words are that I believe that the IOC was aware of the existence of the premium package proposal, such as it was, in June 1998. The revenue that has been sought to be raised from it I think—and I would check with Sandy and Paul—is bigger than that that is flagged in those documents. But, certainly, there was mention of the premium packages.

The Hon. Dr P. WONG: Minister, if there are no written documents, how can the IOC be sure that there was mention about it? How can you mention premium packages

without any detail of what it was all about? How can the IOC accept your verbal report? They say "document".

Mr KNIGHT: I do not have the documents with me at the moment. We are happy to get the actual documents that went to the IOC, if that is of assistance to the Committee.

CHAIR: Thank you. Dr Wong, you are out of time in that particular segment. I now invite questions from Government members.

The Hon. J. R. JOHNSON: Mr Reading, what was the total number of tickets available? Then I will ask you to break them up into categories.

Mr READING: By "available", do you mean available in globo terms, for all groups?

The Hon. J. R. JOHNSON: In globo.

Mr READING: Approximately 9.2 million. I can be more specific if you wish.

The Hon. J. R. JOHNSON: Please do.

Mr READING: It was 9,265,373 as at 31 August 1999, when the public allocation was done.

The Hon. J. R. JOHNSON: What is the break-up of those figures? How much is for the Olympic family, how much to the general public, how many were for the \$10 to \$19 tickets, and how many were for the premium packages?

Mr READING: I would say, Mr Chairman, and members, there were about 12 or 13 groups, so I will move through them as quickly as I can.

CHAIR: Mr Johnson, would you like a copy of that break-up given to all Committee members?

Mr READING: I should say, ladies and gentlemen, that this document was distributed to the press on 25 October at a press conference. I am more than happy to have it tabled, if that is your desire.

CHAIR: We will have copies made so that members can follow the figures. Have you got only one copy?

Mr READING: I have another copy.

CHAIR: If you give one to the attendant, we will have that photocopied for the benefit of the members of the Committee.

The Hon. J. R. JOHNSON: Mr Reading, with the premium packages, do I take it that certain members of the SOCOG board may have recommended to people that they contact you?

Mr READING: Correct.

The Hon. J. R. JOHNSON: I leave out Mr Richardson because he has indicated that he cannot recall, but in relation to Mr Valder, Mr McDonald, Mr Nick Greiner, Mr Rod McGeoch, Mr Armstrong and Mr Hartcher, do you recall any persons contacting you and saying that these people recommended that you be contacted for premium packages?

Mr READING: I do. I also recollect members of the public calling me and saying, "I have spoken to X board member and they suggest that I call you." The members of the board who I recollect—and I say this advisedly because in many cases they may have recommended others but who not disclose that to me—but I do recall people being referred to me by Mr Greiner and by Mr McGeoch when he was on the SOCOG board.

The Hon. J. R. JOHNSON: You cannot recall any others?

Mr READING: I am sorry, I cannot specifically, no.

The Hon. J. R. JOHNSON: Did you make any notations?

Mr READING: Notations as to what?

The Hon. J. R. JOHNSON: As to the referees.

Mr READING: No.

The Hon. J. R. JOHNSON: Thank you.

The Hon. A. B. KELLY: I am trying to get in my mind the time frame of changes and when the announcement was made, or the public became aware, it was 3.5 million. I am not aware of the total break-up of those 9.265 million tickets, but roughly, going by the newspapers, there were about 5 million open to the general public, of which 1.5 million were for one segment and 3.5 million were open to the general public. I particularly wanted to know the time of the change from 3.5 million to 3.1 million. Then I have some subsequent questions.

Mr READING: I cannot answer on what time it changed. I can only answer on the time I knew it changed. Is that your question?

The Hon. A. B. KELLY: Yes.

Mr READING: I was advised in writing on 2 September this year, some two days after the ballot had closed, that the number available to the public was approximately 3.1 million tickets.

The Hon. A. B. KELLY: Subsequent to that, you found an extra half million tickets from somewhere.

Mr READING: Yes.

The Hon. A. B. KELLY: Where did they come from?

Mr READING: I would not like to give the impression they were ever lost.

The Hon. A. B. KELLY: The understanding now is that there are 3.6 million tickets available.

Mr READING: I need to explain, if I may. There are many categorisations of tickets, as you will see when we get back to the original question that was asked. I think what is clear is that a number of tickets had become available, both in terms of returns from people like the NOCs, the IOC and sponsors, and some sponsors not taking up the full allocation of tickets, for example, that became available. That figure is approximately 520,000, and our intention is that that 520,000 be fed back into the public in two separate forms. Where they are for tickets that had previously been announced as sold out in terms of the public ballot, these will be put back to those members of the public who applied for them, in the order that those members of the public asked for them.

If I may explain that for a moment. That means that when ticket applications came in they were randomly numbered—for example 1 through 1,000—and if we only had 100 tickets, we took the first 100. Then, for example, if we had 50 tickets, we will go back to number 101 through to 150 and offer those in the same order that they were previously randomly selected. The second part of the 520,000 tickets will be those tickets that were available in the second book, in other words, not sold out, and they will simply be used in a pool of tickets for those who applied for those in the applications that closed on 22 October.

The Hon. A. B. KELLY: The tickets that you show here show a public ticket pool of 3,080,000. So that 520,000 goes back on top of that?

Mr READING: Correct.

The Hon. A. B. KELLY: So that is 3.6 million?

Mr READING: Correct.

The Hon P. T. PRIMROSE: Mr Hollway, one of the terms of reference we have is the cost of providing full subtitles of all events telecast. Could you give us an idea of some of the mechanisms as to how you might start costing that, and how vital at this early stage you think that proposal might be?

Mr HOLLWAY: I might provide some advice on this, if I may, based upon a briefing to me from the chief operating officer of the broadcasting organisation SOBO, the Sydney Olympic Broadcasting Organisation, that is Mr Fenton. First of all, he makes the point

that the responsibility of SOBO as the host broadcaster is to provide an international signal for the rights holders, the television rights holders. That is its obligation under the charter of the IOC. The signals comprise vision and natural ambient sound, that is, sound effects such as applause, starters' guns and so on.

It is for the rights holders in each country, not the host broadcasting organisation, to decide what commentary they provide in their particular country to go, as it were, over the top of the feed provided by the broadcasting organisation—what they wish to do, in other words, for their audience. Therefore, it is a rights holder's issue, and subtitling is not the responsibility of SOBO. But perhaps just as importantly, with over 200 countries and 50 languages, how could it be otherwise?

The other point that I think is noteworthy—because I did see this, of course, on the Committee's agenda—is that the Seven Network, which is the rights holder within Australia, has in fact recently announced their intention regarding closed captioning for the Sydney Olympics for the Australian audience. I could refer the Committee to a media release of 13 July by the Seven Network which announces plans to include closed captioning for all prime time Olympic free-to-air television coverage, and the media release provides a bit more detail on that within the Australian market.

CHAIR: The time for Government members has expired. Some general matters, Mr Hollway. In regard to your request about the tabling of the minutes of the ticketing committee, and a suggestion that I be given a copy, I advise that General Purpose Standing Committee No.1 as a whole will need to consider this request, and I will let you know the outcome of the Committee's deliberations in relation to this matter.

Mr HOLLWAY: Yes, I understand.

CHAIR: Thank you, Mr Reading, for that list, which we were given at previous briefings by the Minister. Did anyone on SOCOG ever consider at the very beginning, when it became obvious that out of the 9.6 million tickets only 3.1 million would be available for public sale, not through any fault of the committee but by the arrangements through the IOC contract, that a million had been put aside for press broadcasters, 1.4 million for Olympic Opportunity, and so on, those large quantities, so that you had only one-third of the tickets? Did anyone consider making that public at that time, when the contract was being signed, or following that period, so that the public would be better informed and not have the shock, you might say, that has come as a result of the small number of tickets available? Perhaps Mr Hollway or any other member of the committee might like to answer.

Mr HOLLWAY: If I might comment in two parts. The first is that the recognition that the base for the ballot operation would be more like 3.1 million tickets than 3.5 million is a rather recent recognition by many of us, myself included. It has therefore been subsequent to that and from a number of other recent developments that we have put out an unprecedented amount of material attempting to explain how the Australian numbers are left both in macro and micro terms by sport and venue when you have taken away the various categories that you have referred to for the international community and the obligations we have.

So, my first point is that we have tried to do it recently. The second point is that this is one of the lessons to be learnt. I agree with what Michael Knight said in his opening statement in this regard. I think I have said publicly before that if I had to do it again, if I were advising another Olympic Committee, I think I would probably advise a mechanism along the lines of a kind of public open discussion paper or briefing document perhaps even several months before the definitive announcement of the ticket policy so that people could understand how the obligations under the charter, rule 66, under various contracts and in other ways really shape the slices of the pie chart. That would have been sound to do.

CHAIR: Was it never discussed at SOCOG? You now state you realise it should have been done, but was it ever raised at SOCOG meetings that such a large percentage of tickets was being allocated to all the other bodies and such a small number were for sale in Australia?

Mr HOLLWAY: No. At the macro level the desirability of trying to inform the public of how the total gets pared back was recognised. In fact, a pie chart was put out when a ticketing policy was announced in August 1998. That was our effort at that time to show what would be taken out by the International Olympic Committee [IOC], national Olympic committees, the athletes, broadcasters, the media and so on and how much would be left in a macro sense for the Australian public. It is from that pie chart that the well known 52 per cent comes. Again, had we updated that as we had gone along and had we indicated that some of that included, for example, contingency for venue changes and the like, we would be in a happier public position than we have been in recent times. But this is in retrospect. The short answer to your question is, yes, we did realise the need to do it at a macro level in August 1998 and tried to do so at the macro level.

CHAIR: Do you know if any other Olympic committees did do that? Has it been a policy not to make it publicly known?

Mr HOLLWAY: I am not aware of whether it has been done by them at that macro level. What I am absolutely sure of is that the amount of material that was provided by the President of SOCOG and my various colleagues at a recent press conference is utterly unprecedented in the history of the Olympic Games and, to my knowledge, may be unprecedented in the history of sporting events of any magnitude.

The Hon. PATRICIA FORSYTHE: Mr Reading, how flexible are the packages? Were people able to specify where they wanted seats and for what events?

Mr READING: They were able to specify where they wanted seats only in the sense of whether they were paying for A-class, B-class or C-class tickets, except for two groups of people, and they are best described as follows. The first group of people are those who purchased seats from SOCOG, from the original bankers or through the underwriters in terms of what is known as Stadium Australia or Stadium Gold packages. They were described and the seats were laid out in a prospectus. I do not recall the date of it but I suspect it was two to three years ago. Of the other class of person who may, and I emphasise the word "may", have seats that could perhaps be described as normally set aside for the IOC major sponsors et cetera, there are approximately 2,400 from memory, though I should check that number if you

permit me for a moment.

The Hon. PATRICIA FORSYTHE: You can take that on notice and tell us later.

Mr READING: I am close to telling you the answer. There were 2,475 tickets out of the 54,803 premium tickets, or approximately 4.5 per cent, that may, and I emphasise the word "may", be allocated areas of, if you like, seats traditionally reserved for major sponsors, the IOC and broadcasters.

The Hon. PATRICIA FORSYTHE: In relation to sponsors, if a company is clearly in direct competition with one of your sponsors, what criteria would you use for allocating tickets to that company? Was that an issue for discussion? Would it be taken up to the board or the ticketing committee or was it simply a matter left for the staff?

Mr READING: No. I wear two hats: one is a commercial hat and the other is a marketing hat. I have responsibility to the sponsors to ensure their investments are protected. There is a very clear rule laid down: We will not sell tickets or any other assets to people who compete with sponsors in their category. The only exception to that has been an isolated number of instances where competitive companies have come along, we have referred them to our sponsor and only when we have received approval in writing from that sponsor will we deal with a competitor to that sponsor.

The Hon. C. J. S. LYNN: Mr Reading, did you keep files or handwritten notes of your meetings, discussions and phone calls in regard to the premium tickets issue?

Mr READING: Myself personally, no.

The Hon. C. J. S. LYNN: You did not keep any records at all of any discussion you have had or any meeting you have been to?

Mr READING: No. I personally did not keep records. In many cases what was happening was I had an initial phone call, that was then referred to members of my staff who, in most cases, did the negotiations, the paperwork and followed up with appropriate written documentation.

The Hon. C. J. S. LYNN: It could be said that you were carrying a lot of corporate knowledge in your head in regard to this issue?

Mr READING: No, not correct. If, for example, I received a phone call from individual ABC or company ABC, in some cases I would do the transaction myself in terms of indicating what the most likely terms and conditions would be. I would then refer it to a member of my staff who would follow it up with that company or individual and effectively do the deal.

The Hon. C. J. S. LYNN: Did you not keep any written note or anything else of the conversation you had before you passed it on to your staff?

Mr READING: I may have scribbled a note to one of my staff members which says, "Conversation with Mr ABC. Please look after it from here."

The Hon. C. J. S. LYNN: Would there be a copy of those notes or minutes?

Mr READING: I do not know.

The Hon. C. J. S. LYNN: You cannot recall?

Mr READING: It is not a matter of I cannot recall. I wrote it and passed it on. I do not know what that staff member may or may not have done with it.

The Hon. C. J. S. LYNN: Do you keep a diary on this sort of activity?

Mr READING: No, I do not.

The Hon. C. J. S. LYNN: I would submit to you that you would be carrying a lot of corporate knowledge in your head. This is the biggest marketing event in the world. If you walked out of here and were run over by the proverbial Macquarie Street bus, how would that impact on the SOCOG organisation in regard to this issue?

Mr READING: I think I answered that by saying I passed it on to my staff to finish the deal. On top of that, there are records kept by my staff about the deals that were done and in some cases there were contractual documents written up by SOCOG lawyers and lawyers of the other side.

The Hon. C. J. S. LYNN: Who selected the individual companies, clubs, groups or associations for you to sell premium tickets to?

Mr READING: It came in a variety of ways, either referred to me, as I mentioned earlier, by board members or, in terms of SOCOG, direct approach into the marketplace. To those parties who had purchased Stadium Gold packages, SOCOG went out and pro-actively marketed those people. The reason for that is that the opening ceremony is on day one, there is then an eight-day gap before anything else happens in the Stadium and we were obviously interested in selling tickets to those who had an eight-day wait before the next event. We went out and pro-actively marketed tickets to those people. The result of that was that it became obvious to those people and others that SOCOG was in the market to do premium deals and really much of the information actually came to us rather than us out there chasing it.

The Hon. C. J. S. LYNN: What criteria did you use to prioritise who should be offered a stadium package?

Mr READING: It was a very simple criteria: Were the tickets available and was the company prepared to pay the amount of money you asked for it?

The Hon. PATRICIA FORSYTHE: Did it carry any weight with you if the

reference came from a board member?

Mr READING: They were treated no better or no worse. If they could pay the money, the deal was done.

The Hon. PATRICIA FORSYTHE: What if a board member was a board member of another company and that company was in contact with you? Would the board member have normally told you that they had a connection with one of the other companies or would you simply just treat them all the same?

Mr READING: I think it is fair to say I treated them all the same. You have to understand that people who rang me did not always say, "I was referred to you by Mr XYZ."

The Hon. PATRICIA FORSYTHE: I shall take Tattersall's as an example as it is in the public arena. How was it chosen?

Mr READING: They came to us.

The Hon. C. J. S. LYNN: Mr Reading, how many referrals did Graham Richardson pass on to you from potential premium tickets purchasers?

Mr READING: I do not recall the exact number, but off the top of my head, I do not know, somewhere between six and 10 I expect.

The Hon. C. J. S. LYNN: Would you have a record of these? Would a record be available?

Mr READING: There may be. I could not answer that. I do not know.

The Hon. C. J. S. LYNN: Can you recall any of the names of the companies?

Mr READING: I can.

The Hon. C. J. S. LYNN: Would PBL Marketing be one of those?

Mr READING: Mr Chairman, I would refer that question to you, bearing in mind the initial remarks of Minister Knight.

Mr KNIGHT: What Mr Reading is getting at is that I indicated that we do not intend to reveal the names of companies. We intend to provide that on a confidential basis to the Committee after matters have been audited. Indeed, when the Legislative Council had to make a decision on whether or not to make those records public, the majority of the Legislative Council voted not to. Mr Chairman, I do not believe in that framework that it is appropriate to play 20 questions and keep asking, "Was it this one, was it this one" and so on, when we have indicated that our policy is about not publicly revealing the names.

CHAIR: The only thing to do is to put those questions on notice.

The Hon. C. J. S. LYNN: I will place those questions on notice.

The Hon. PATRICIA FORSYTHE: If the board did not have a ticketing policy and all of this is going through to the staff, how often would you as a staff member inform the board about the process, and would you at any stage provide the board with a list of names?

Mr READING: On a monthly basis, as Mr Richardson said, the board was advised of the dollar quantum of tickets that had been sold, cumulative to the end of any one month.

The Hon. PATRICIA FORSYTHE: So the only thing the board was interested in was just dollars?

Mr READING: I cannot answer that.

The Hon. PATRICIA FORSYTHE: Mr Knight, was the board only interested in dollars?

Mr KNIGHT: As I said to you earlier, this was an evolving program where we initially had no idea what the market would be and whether this would be successful. It was delegated to the staff, particularly through Paul Reading, to go out there and try to sell some. From time to time he would report, he may correct me on this, through the finance committee rather than through the ticketing committee on revenue matters, and the finance committee reports would come each month as part of the broad agenda to the board.

The Hon. PATRICIA FORSYTHE: Earlier Mr Reading suggested that in order to avoid that sense of competition with sponsors he would have been careful and might have spoken to sponsors. Would that sort of issue also have gone to the board for general policy?

Mr KNIGHT: My recollection, and the documents may not bear this out, is that when we were doing the stadium gold packages that we brought back for reselling, there was an explicit recommendation, or approval, by the board which included not ambushing sponsors. I do not recall a specific decision of that nature regarding premium packages. However, the culture of SOCOG generally is to look after our sponsors and not ambush our sponsors. I would be surprised if Paul Reading and the staff involved in ticketing needed to be told not to go and assist in the ambushing of our sponsors. It would be part of the accepted culture of the organisation.

Mr RICHARDSON: May I supplement that answer, as a board member.

CHAIR: Yes.

Mr RICHARDSON: My recollection over the course of the past couple of years is that there have been a number of discussions about ambush marketing. The board has been at great pains to avoid it, so has its staff. I am absolutely certain that we would not have

needed to tell anybody that you could not have a competitor buying tickets because they just would not do that. I would be stunned and staggered if that were to happen, because our whole operation was in that direction of having no ambush marketing, of not tolerating it.

The other point I would make in relation to the premium ticket packages is that we are talking about, roughly, if one looks at the total number of tickets, roughly half of 1 per cent of the tickets. It is not as if this was a massive number of tickets, it is half of 1 per cent. It did leave 99.5 per cent up for grabs. So I am uncertain that it was ever going to be the ultimate focus of the board. Sometimes we are acting as if this was a huge number of tickets, when in fact it was not.

The Hon. Dr P. WONG: Minister, as you will notice, many questions are asked about premium tickets. With perfect hindsight would you agree it would have been better to make it more transparent to have had some category of agreed pricing arrangement for hospitality tickets, et cetera, in order to ease the public's suspicion?

Mr KNIGHT: Yes. As I said in my opening statement and in other places, I think we were remiss. I am very sorry that we did not go out and explain more in advance about premium packages to the public. But also you will find that the premium package revenue is evolving over time. It is worth putting it in context. When we brought back seats from stadium gold, which we then went and sold at a premium, this was in a context where the stadium had been unable to sell them. The people who had been doing the float had been unable to sell them. We were buying them back from them not because there was a huge premium demand for them; we were buying them back from them because, frankly, we were worried that if they started breaking them up and breaching their agreements—which they had a financial motivation to do and I do not cast any aspersions on their ethics—this would have undermined the public ticket float that we were going into.

That was a pretty scary exercise for us about protecting the reputation of SOCOG, and not having these things end up in the hands of competitors to sponsors, through ambush marketing, and so on. At that time that was a very bold decision. Over time the value of these things has improved enormously. If you ask looking back could we have predicted that, had we predicted that—yes, we would have done things a little differently. But, as we explained earlier, the delegation to Paul Reading about the premium packages was very much part of a market testing exercise in which we did not really know what the market would bear. It may well be the case, and I suspect it is the case, that a couple of months ago the market for tickets at a premium was considerably higher than it was a year ago, it quite likely will be higher again for the same tickets in six months time.

The Hon. Dr P. WONG: I do not think the public are objecting to it, except about the lack of transparency. Can you assure the public that such a mistake or oversight will be rectified in the near future?

Mr KNIGHT: One of the things we would like to do in the whole process with this Committee and the independent review is to change some of our procedures. But I do not want to prejudge exactly the way in which we will do that. Also, in view of the issue I just discussed with you about the possibility of the prices moving further upward in sponsorship-

type packages, and hospitality, I would be reluctant to disclose the prices that things sold for when in fact they may sell for considerably more in future.

The Hon. Dr P. WONG: I accept that. On the other hand the public will accept the changes that have been made, without disclosure of a name. At the moment it seems to be a deal with Mr Paul Reading, you do not know what you are getting, you do not know what the offer is. It is not transparent. Mr Paul Reading openly admitted he does not keep much of a record. I do not think it is very good in the eyes of the public.

Mr KNIGHT: Mr Richardson may want to add to my answer. One of the things that I understand the ticketing committee, the relevant policy committee of the board, is looking at it, now we have seen an indication of the market, is what are the appropriate policies for the hospitality-accommodation type of packages that are still to be sold.

Mr RICHARDSON: If I could supplement that answer, tomorrow the ticketing committee will be looking at the allocation of the 520,000 tickets on a session-by-session basis and how they will all go back into the mix. You will appreciate that with 600 sessions it will be a long meeting, but we intend to go right through it. Also we have to look at the effect that has on revenue. It will have an effect on revenue. Some will come out of the asset sales packages. But not tomorrow, Mr Wong. One would hope over the next two to three weeks—I do not want to put a specific date on it—we will address how we are going to market and how we are going to price the other 200,000 tickets that are still to be done in the asset sales program.

I am not sure that we can do that any quicker than two or three weeks, but we will get to it very shortly. We will make that all public. Whatever we decide tomorrow at the ticketing committee will have to be approved by the board and we will try to get that done by telephone or fax over the next 24 hours and we will then make it public. Before it is marketed to individuals it will be made public.

The Hon. J. R. JOHNSON: Minister, can you tell us whether this astronomical figure, for the press and broadcasters, of 1¼ million allocated spaces is the usual thing?

Mr KNIGHT: Yes, it is pretty much the usual thing, Mr Johnson. In fairness to this, I do not want to get into any reciprocal bashing of the press. I will leave them to do the bashing.

The Hon. J. R. JOHNSON: Write that all down fellows.

Mr KNIGHT: In fairness to the press, most of the broadcast or media spots are not for the Australian media, they are for the world media. Clearly, some are for Australians but the overwhelming majority are for the world's media. If you are having an Olympic Games in Australia and you want the world to report what is happening, the various correspondents from the German, British and Chinese newspapers, and so on—I will not name the whole 200 countries—not only would claim to have a right to be there, but in many cases the IOC would insist upon that entitlement. Similarly, for example, in Atlanta not only were

there a whole series of broadcast positions for the host broadcaster, their equivalent of SOBO, but there were a number of positions that were given to rights holders from around world. For example, when you saw Kieren Perkins swimming to victory in the 1,500, most pictures were off the common feed, but Channel 7 also had some commentary positions for their commentators and cameras for interviews and so on.

It is part of the nature of having a world event in Sydney. The other thing about the broadcasters is, I am not sure how you are lining up that document, but the broadcast rights holders, like sponsors, also get the right to purchase a range of tickets in various venues in addition to the commentary positions.

The Hon. J. R. JOHNSON: Tickets and spaces I would think for tripods, et cetera.

Mr KNIGHT: Yes, but tickets for their guests.

Mr HOLLWAY: May I supplement that?

CHAIR: Yes.

Mr HOLLWAY: The other important point that I would like to make about this is that a substantial number of the seats taken by media and broadcasters, those that are provided under rule 66 of the Olympic Charter, are accredited seats, permanently reserved, free of charge. So it is extremely important to understand that comparisons of any other slice of the pie, including any Australian slices of the pie, against gross venue capacity as opposed to net ticketable sale capacity, will always be excessively crude comparisons. Analytical work on this and the effort to set out these issues, which was done by Michael Knight and the team at SOCOG and was reflected in the paperwork that was put out at the press conference a couple of weeks ago, contains an excellent description of that sort of issue.

The Hon. A. B. KELLY: Is there a simple explanation why they have gone up by 150,000-odd over 12 months, on the documents you gave us?

Mr READING: There may well be; I am not aware of it.

The Hon. A. B. KELLY: Mr Hollway, at our last hearing you gave us some figures off the cuff. I was surprised the next day to read in the newspaper that you gave a confession that you had misled the Committee. I was quite surprised when you said that, because you made quite clear to the Committee that night that those figures were from your memory at the time. You were trying to give us, as you prefaced and completed your statement, that you would get back to us in writing and if there was any alteration you would tell us. There is no way in the world you misled the Committee. You tried to help us out that night by giving the best information available at the time. What made you pick that figure of 250,000 tickets? Was that something you had in mind, was that the only information you had at the time?

Mr HOLLWAY: Yes. Firstly, I thank you very much for your comment. In

fact, I had not confessed to misleading, it was exactly as you describe. I would never, as is well known, mislead a committee of any Parliament. So I thank you for that comment. There were several bases for the numbers that I gave, inaccurate though they turned out to be. I mention this because I do not want you to think that I was simply plucking them from thin air. First, I had had a telephone conversation with Mr Reading, who was in Europe at the time. It was a very hurried conversation in which he also spoke from recollection and I might have inaccurately also interpreted what he was saying to me.

Second, at one stage about July 1998 the figure of 60,000, which I specifically mentioned, was being used for premium tickets, but it could be higher than 60,000. I was also correct that we had brought back approximately 10,500 stadium packages, in fact it was 10,895 stadium packages, and 196,101 tickets. But I was wrong about the use of those stadium packages.

So there were a number of reasons behind the figures I recollected that evening. Suffice it to say that the accurate—and absolutely accurate—figures are in the letter I subsequently sent to the Committee. I can elaborate if you wish, but perhaps need not repeat it here. The bottom line is a sold total of 125,839 across sports passes, premium packages and stadium packages, and of course the board has subsequently chosen to set aside another 200,000 for such purposes, which will bring us to a total of around about 325,000 going forward. I apologise to the Committee for the inaccuracy of the figures. I assure the Committee it was in no way intentional.

The Hon P. T. PRIMROSE: Just as I asked earlier about subtitling, another brief that the Committee has been given by the House is to look at the publication of ticket books, information and formats that were accessible for people with disabilities. Do you have any comments to make at this stage on the issue of formatting tickets and ticket books, or any other aspects about the provision of facilities, services, ticket books, et cetera, for people with disabilities?

Mr HOLLWAY: Mr Reading, I think, will want to supplement my answer because this is an issue that he particularly was handling when it arose, in connection with vision-impaired people. In particular, the question arose whether the first ticket book should be in braille. This was an issue we considered with all due seriousness, and indeed, in the final analysis, it went to the Human Rights and Equal Opportunity Commission.

To cut a long story short, it was our decision that it would not be warranted to provide the ticket book in braille for Olympic tickets, but that we affirmed what we were already doing, which was to provide other facilities which we believe would help vision-impaired people to have access to the tickets—in particular, a dedicated capability at our call centre to take people, at whatever length of time required, through the ticket book to help them make their selections.

Philosophically, I think our position is that, given real questions of practicality about doing the books, we have sought to be as sensitive as possible to the equity issues involved with disability in that sort of case. More generally, we are extremely interested in the issue of access to the Games for people with disabilities. This applies, obviously, in an

extremely important way for the Paralympic Games, which we are also operationally delivering, but it will also be vital for spectators and others to the Olympic Games. Paul Reading may wish to add to that.

CHAIR: You may wish to take the remainder of the question on notice. Time for the hearing has expired. As Mr Knight knows, we have set aside next Monday, 15 November, from 10.00 a.m. to 5.00 p.m. for another hearing. The Committee will advise you whether you will be required on that occasion. We understand that you are willing to appear and you will be available. As you know, this hearing was organised at this late hour to coincide with Mr Hollway's return from leave. I apologise for the shortness of notice. The Committee has resolved that questions on notice will be forwarded to you by late tomorrow, and you will be required to provide answers by next Monday.

Mr KNIGHT: Mr Chairman, may I interrupt you. I have just been conferring with my colleagues, mainly by note. If the Committee would like to go a little longer tonight, we are happy to keep going. That is in no way an indication that we will not come back on the 15th if asked. It is a matter for the Committee. We would not want to go on indefinitely, but certainly if the Committee wishes to go on for another half hour or so we would be happy to do that. We are in the hands of the Committee.

CHAIR: Some members of the Committee have other appointments.

The Hon P. T. PRIMROSE: I certainly would be interested to hear what Mr Reading has to say. I welcome the fact that the Minister has indicated that they are prepared to do this, but obviously members on all sides have commitments.

Mr KNIGHT: Mr Chairman, I thought it important to make that offer before you closed the meeting.

Mr RICHARDSON: With regard to the list that you were given, you will note that the 520,000 to be put back in are not identified there, nor are the 400,000 which are to go back into Olympic opportunity. It will not be 1.5, because 100,000 seats had been made free of charge at the road cycling. So it will be 1.4 instead of 1.5. In round figures, 920,000 tickets have to be identified to go back in. They will come from sponsors, premium packages, contingency, Gold Pass Stadium and NOC returns. Therefore, they will not all be coming out right now; NOC returns and sponsors are not due until the middle of February, so it will be some time. Just so you do not think that they have gone missing, they are alive and well, and they will be identified from there.

CHAIR: You were asked about an IOC document, and you said you would provide it. Are you clear about the document that Dr Wong referred to?

Mr KNIGHT: Yes. Subject to conferring with my colleagues, I am happy to provide the document—that is, the part of the documents that went to the IOC generally about ticketing last June, which made reference to premiums. I think Paul and Sandy seem comfortable with that. I cannot imagine that there is any commercial confidentiality, but we just want to check it to make sure there is nothing else in there that deals with a tender or

something; I cannot imagine why it would.

Mr HOLLWAY: Could I add that I, for one, would want to describe to this independent inquiry which is also being set up in parallel with the work of this Committee, a number of other evidences of the IOC's knowledge at the very least of the concept of premium packaging and their acceptance of that, not just the document that is being mentioned. I shall do that as well.

The Hon. PATRICIA FORSYTHE: It is not so much about the premium tickets but the on-selling and the criteria for that. Are there guidelines about how an organisation on-sells, or what it cannot do?

Mr HOLLWAY: Specifically in relation to premiums, or tickets generally?

The Hon. PATRICIA FORSYTHE: In relation to premiums.

CHAIR: Would you take that question on notice? Thank you for your attendance at the Committee hearing. We appreciate your co-operation and your answers.

(The witnesses withdrew)

(The Committee adjourned at 6.38 p.m.)