

GENERAL PURPOSE STANDING COMMITTEE NO. 4

Thursday, 6 October 2016

Examination of proposed expenditure for the portfolio area

RACING

CORRECTED PROOF

The Committee met at 10:00

MEMBERS

The Hon. R. Borsak (Chair)

The Hon. D. Clarke

Mr J. Field

The Hon. T. Khan

The Hon. S. Mallard

The Hon. S. Moselmane

The Hon. L. Voltz

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**

The CHAIR: Welcome to the public hearing for the inquiry into budget estimates 2016-2017. Before I commence I would like to acknowledge the Gadigal people, who are the traditional custodians of this land. I would also like to pay respect to the elders past and present of the Eora nation and extend that respect to other Aboriginal people present.

I welcome officers of the Department of Justice, including the Office of Racing, to this supplementary hearing. Today the Committee will examine the proposed expenditure for the portfolio of Racing. Today's hearing is open to the public and is being broadcast by the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography.

I also remind media representatives that you must take responsibility for what you publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside their evidence at the hearing, so I urge witnesses to be careful about any comments you may make to the media or to others after you complete your evidence as such comments would not be protected by parliamentary privilege if another person decided to take an action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances, witnesses are advised that they can take the question on notice and provide an answer within 21 days. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Committee's secretariat. Transcripts of this hearing will be available on the web from tomorrow morning. Could everyone please turn off their mobile phones for the duration of the hearing. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. I remind Mr Feargus O'Connor, Mr Wayne Evans and Mr Micheil Brodie that you do not need to be sworn as you have been sworn at an earlier budget estimates hearing of this Committee.

PETER SEVERIN, Acting Secretary, Department of Justice, sworn and examined

MICHEIL BRODIE, Executive Director, Office of Racing, Justice, on former oath

WAYNE EVANS, Acting Chief Financial Officer, Department of Justice, on former oath

FEARGUS O'CONNOR, Acting Deputy Secretary, Liquor, Gaming and Emergency Management, Department of Justice, on former oath

The CHAIR: I declare the proposed expenditure for the portfolio of Racing open for examination. The questioning of the portfolio of Racing will run from 10.00 a.m. to 11.00 a.m. As there is no provision under the budget estimates resolution to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

The Hon. LYNDIA VOLTZ: Mr Severin, you are the Acting Secretary. Mr Cappie-Wood is away, is he?

Mr SEVERIN: Mr Cappie-Wood is on holidays, yes.

The Hon. LYNDIA VOLTZ: Mr Brodie, has Dr Keniry raised any concerns regarding the greyhound racing ban with the department?

Mr BRODIE: Dr Keniry has received a number of comments from people in the consultation process that is being conducted. Some people have suggested to him that they think the ban is not a great idea. It is not really a process question that, as head of the task force, Dr Keniry would write to the department in a formal sense and say, "This is what I think." Dr Keniry's task is to lead the task force and provide advice to the Government about how he thinks transition should occur.

The Hon. LYNDIA VOLTZ: So you are saying he has not raised any concerns regarding the greyhound racing ban with the department?

Mr BRODIE: It is not the function of the task force to write to the department and say, "This is what I think." It is the function of the task force to provide advice to the Government about what a transition program should look like.

The Hon. LYNDIA VOLTZ: That is good, but I am asking you whether Dr Keniry has raised any concerns about a greyhound racing ban with the department.

Mr BRODIE: Dr Keniry has not, at this stage, done anything other than operate within the terms of reference of the task force.

The Hon. LYNDIA VOLTZ: So your answer is that he has not raised any concerns with the department?

Mr BRODIE: He has not written to the department separately and said, "This is my view"; he has only ever operated within the guidelines of the terms of reference of the task force.

The Hon. LYNDIA VOLTZ: But he did write to the Premier at one stage wanting to resign.

Mr BRODIE: I do not know anything about that.

The Hon. LYNDIA VOLTZ: Has he asked for any additional resources to complete his report?

Mr BRODIE: We have provided him with all the resources he needs. Any time that he has asked for additional capacity or work to be done, that has been delivered by the department.

The Hon. LYNDIA VOLTZ: What were those additional resources he requested?

Mr BRODIE: He has not specifically requested an additional resource per se. We have delivered the work that he has asked for us to do from the Office of Racing or in the provision of additional staff time and effort from the department as it has been needed.

The Hon. LYNDIA VOLTZ: Has he asked for any increase in the funds available for the compensation package over and above what the Minister announced in his second reading speech?

Mr BRODIE: At this stage there has been no advice given to the Government about what the program ought to look like, so it would be inappropriate for me to answer that question.

The Hon. LYNDIA VOLTZ: Is he working within the \$30 million that was announced within the second reading speech? Is that the package they are working within?

Mr BRODIE: He is working within the guidelines that were given to him through the terms of reference, which is to construct a package and advise the Government of what that should look like.

The Hon. LYNDIA VOLTZ: Troy Grant said in his second reading speech that they are committed to \$30 million for transition.

The Hon. TREVOR KHAN: No, that is not what he said. You go and look at *Hansard*; that is not what he said.

The CHAIR: Order! Let Mr Brodie answer the question—

The Hon. TREVOR KHAN: A proposition is put that is wrong.

The CHAIR: —unless you want to take a point of order.

The Hon. TREVOR KHAN: Point of order: What the member is putting is not correct. If she is going to put part of *Hansard* she should put what the Minister said, not her spin upon it.

The CHAIR: That is not a point of order; that is a lecture point.

The Hon. LYNDIA VOLTZ: Are they working within the \$30 million that was outlined within Troy Grant's second reading speech?

Mr BRODIE: I do not have anything further to add than what was in the Deputy Premier's second reading speech. The objective of the task force, through its terms of reference, is to prepare a transition plan and provide that in the form of advice to the Government so that it can make a decision about what it intends to do in transitioning the greyhound racing industry to closure.

The Hon. LYNDIA VOLTZ: How many greyhounds are there in the greyhound racing industry?

Mr BRODIE: The special commission of inquiry report identified that there were 6,809 greyhounds of a racing age in New South Wales that were attached to a trainer. We have asked the Greyhound Racing NSW entity to provide an update of that figure and, from memory, that number is 7,045 as of 16 July 2016.

The Hon. LYNDIA VOLTZ: And what does that include? Does that include whelping dogs?

Mr BRODIE: That includes every dog that is registered in New South Wales and attached to a trainer and has had a start.

The Hon. LYNDIA VOLTZ: But what about dogs that are not registered and attached to trainers? There are a lot of dogs, particularly on breeding farms, that are part of old stock. The other dogs are part of the whole package of the racing industry.

Mr BRODIE: There are only registered dogs in New South Wales. If they are not registered as a greyhound racing dog then they are companion animals and would be on the Companion Animals Register and they are, therefore, not racers. There are some dogs that are whelped, a number that are what is called littered; so they have been registered in the sense that they have got a microchip—there are about 1,000 of those—and there are almost no dogs that have been whelped over the last nine to 12 months because of the impact of the special commission of inquiry and uncertainty in the industry about the future.

The Hon. LYNDIA VOLTZ: How many owners of greyhounds are there in New South Wales?

Mr BRODIE: There are, roughly speaking, about 7,000 people who are registered in one form or another with Greyhound Racing NSW.

The Hon. LYNDIA VOLTZ: How many trainers are there?

Mr BRODIE: To give you the exact number I would have to return to the data we have been provided by Greyhound Racing NSW; so it is probably better if I take that on notice.

The Hon. LYNDIA VOLTZ: How many attendants?

Mr BRODIE: If you are interested we can prepare a brace of information about the number of people, based on the advice we have received from Greyhound Racing NSW.

The Hon. LYNDIA VOLTZ: I would want to know how many registered greyhound owners, trainers and attendants there are.

Mr BRODIE: I think to give you accurate answers it would be better that I took those questions on notice.

The Hon. LYNDIA VOLTZ: Are they all being considered for compensation under the transition program?

Mr BRODIE: All of those people are considered as relevant in terms of preparing and providing a package, yes.

The Hon. LYNDIA VOLTZ: What about financial assistance for equipment, property and infrastructure purposes for greyhound owners and trainers who have invested large amounts over many years in setting up their operations?

Mr BRODIE: A number of people have identified during the course of the consultations that Dr Kinneary has conducted that questions around the assets they have invested in and the residual value of those assets are things that Government should think about in terms of the transition package. Dr Kinneary has identified in the past that those are matters that he is looking at in terms of the preparation of the transition plan.

The Hon. LYNDIA VOLTZ: What about staff that are employed at those facilities?

Mr BRODIE: Do you mean at clubs?

The Hon. LYNDIA VOLTZ: No, large greyhound racing facilities. It could be a greyhound owner or trainer, or it could be a club.

Mr BRODIE: It would depend on the nature of their role and their employment. Obviously someone who is employed by Greyhound Racing NSW, for example, would be provided with appropriate severance from that organisation.

The Hon. LYNDIA VOLTZ: If they are employed at a racetrack, they will not be compensated out of the package?

Mr BRODIE: If they are employed at a racetrack, they would be dealt with through the normal process of working out what the club will do in its future.

The Hon. LYNDIA VOLTZ: Will the Government be required to compensate Tabcorp?

Mr BRODIE: I do not know that Tabcorp believes that there is any compensation required of it, but those are matters that are almost impossible to tell unless someone were to take action at some time.

The Hon. LYNDIA VOLTZ: The New South Wales Government signed the New South Wales Exclusivity Deed with Tabcorp on 19 June 2013. The banning of greyhound racing will have an impact on that deed, will it not?

Mr BRODIE: I do not know that I am qualified to interpret that deed.

The Hon. LYNDIA VOLTZ: It would have fallen within your department, would it not?

Mr BRODIE: That does not mean I am qualified to interpret the deed.

Mr SEVERIN: That is a question we can take on notice.

The CHAIR: Instead of not answering the question, take it on notice and give us an answer. Do not tell us you cannot answer; take it on notice like Mr Severin suggested and give us a written answer later on. That would be nice.

Mr BRODIE: I am happy to provide it.

The Hon. LYNDIA VOLTZ: Will any compensation be paid to any betting companies as a result of the greyhound racing ban?

Mr BRODIE: There are no plans to.

The Hon. LYNDIA VOLTZ: Will there be more horseracing events as a result of the greyhound racing ban in New South Wales?

Mr BRODIE: That is not something that the Government has any control over. That would be a matter for the individual codes to make decisions about.

The Hon. LYNDIA VOLTZ: Have you had discussions about changes to the Intercode Deed and the Racing Distribution Agreement?

Mr BRODIE: Those are matters that the racing industry would raise with Tabcorp as part of the processes around the deed. The Government is not a party to the Racing Distribution Agreement.

The CHAIR: Has the department or the Government been approached by Tabcorp for recompense?

Mr BRODIE: No.

The CHAIR: Not at all?

Mr BRODIE: There has been no—

The CHAIR: So it dropped \$350 million in revenue and no-one blinked an eyelid.

Mr BRODIE: I cannot reference that figure, I am sorry. Where did that come from?

The CHAIR: The market share in betting revenue for greyhounds.

Mr BRODIE: I have not seen that figure, I am sorry. I cannot comment on it.

The Hon. LYNDIA VOLTZ: What are the impacts going to be? The Government does get revenue from this industry.

Mr BRODIE: Yes. The estimate from Tabcorp was that it would see a variation of about \$5 million in its turnover as a consequence of the change in the regulatory environment for greyhound racing.

The Hon. LYNDIA VOLTZ: Will trainers that are based in other States and who race in New South Wales also be eligible for compensation?

Mr BRODIE: The terms of reference of the task force do not include those people.

The Hon. LYNDIA VOLTZ: Has your department undertaken or paid for any market research or perception research with regard to the ban on greyhound racing?

Mr BRODIE: As I understand it, there was some dealt with not long after the ban had been announced and that is all we have done so far. That was dealt with at the last estimates.

The Hon. LYNDIA VOLTZ: Was that market research, an opinion poll or a focus group? What was it?

Mr BRODIE: It was a sample of people in the community.

The Hon. LYNDIA VOLTZ: An opinion poll.

Mr BRODIE: No, it was a random sample with an intent to understand the kinds of questions that needed to be dealt with in terms of communicating to the community about the transition program that needed to be developed by government.

The Hon. LYNDIA VOLTZ: You say a random sample. Did you just walk out on the street, grab a couple of people and say, "What did you think?"

Mr BRODIE: No, it was a CATI-based survey.

The Hon. LYNDIA VOLTZ: A computer-assisted telephone interviewing survey. How much did that cost?

Mr BRODIE: To give you an accurate number, I would have to take that on notice.

The Hon. LYNDIA VOLTZ: Will you provide a copy of that research to the Committee?

Mr BRODIE: I would have to take on notice whether or not that is appropriate. I do not see any necessary reason why it would not be provided.

The Hon. LYNDIA VOLTZ: What is the total cost of the greyhound advertising campaign?

Mr BRODIE: The total budget provided for was \$1.6 million.

The Hon. LYNDIA VOLTZ: Has that all been spent?

Mr BRODIE: No.

The Hon. LYNDIA VOLTZ: Is there a second round of advertising still to come?

Mr BRODIE: There have been two rounds of advertising so far. There is some further work that we are planning to do in relation to stimulating demand for adoptive greyhounds.

The Hon. LYNDIA VOLTZ: Where are the funds for this campaign coming from? Where is the global budget that this \$1.6 million is being paid from?

Mr BRODIE: The program is being funded by the Department of Justice in a global sense. There are funds within the Office of Racing that are being used in the short term, and Cabinet will consider other questions about the funding package in total, as Government has indicated it would.

The Hon. LYNDIA VOLTZ: For the \$1.6 million?

Mr BRODIE: For the whole of the transition funding.

The Hon. LYNDIA VOLTZ: No, I am talking about the \$1.6 million.

Mr BRODIE: The \$1.6 million is funded out of the Department of Justice in aggregate.

The Hon. LYNDIA VOLTZ: So it is out of the global funds of the Department of Justice.

Mr BRODIE: There are funds available in the Office of Racing, and that sits in—

The Hon. LYNDIA VOLTZ: It is specifically coming out of the Office of Racing funding.

Mr BRODIE: There are funds available in the Office of Racing budget, yes.

The Hon. LYNDIA VOLTZ: Did you have \$1.6 million spare, or have you diverted it from somewhere else?

Mr BRODIE: No, it has not been diverted from elsewhere.

Mr O'CONNOR: I think it is more accurate just to say that the Department of Justice is funding that expenditure.

The Hon. LYNDIA VOLTZ: So it is not coming from the Office of Racing.

Mr O'CONNOR: The Office of Racing is part of Justice—

The Hon. LYNDIA VOLTZ: Yes, I understand that, but it is not coming from the Office of Racing specifically.

Mr O'CONNOR: No, it is not. It is coming from—

Mr SEVERIN: It is not coming from provided funds to the Office of Racing; it comes out of the global Department of Justice budget.

The Hon. LYNDIA VOLTZ: On which radio stations were advertisements run for the greyhound campaign?

Mr O'CONNOR: We would have to take that on notice.

Mr BRODIE: I would have to take the exact detail of that on notice for you.

The Hon. LYNDIA VOLTZ: Can you confirm whether any ads were run on Sky Racing?

Mr BRODIE: I would have to take that on notice, I am sorry. I do not have in my mind the exact schedule.

The Hon. LYNDIA VOLTZ: Sky Racing would be an important one.

Mr BRODIE: Like I said, I will take that on notice and we can provide you that detail.

The Hon. LYNDIA VOLTZ: Can you also take on notice which radio stations attracted the greatest spend of greyhound advertising expenditure and the key demographics of those stations?

Mr BRODIE: Sure. No problem.

The Hon. LYNDIA VOLTZ: Were you advised that an administrator was being appointed at Wentworth Park?

Mr BRODIE: When? There have been two administrators appointed to Wentworth Park.

The Hon. LYNDIA VOLTZ: It is the same administrator that has been appointed twice.

Mr BRODIE: No, it was different people.

The Hon. LYNDIA VOLTZ: When were you first informed that an administrator was being appointed to Wentworth Park?

Mr BRODIE: After the appointment had been made by the Minister for Lands and Water.

The Hon. LYNDIA VOLTZ: How long after the decision had been made?

Mr BRODIE: We were aware of it when it got made and it was announced in the public domain.

The Hon. LYNDIA VOLTZ: But that was before the McHugh report was released?

Mr BRODIE: There has been an administrator in place since before that McHugh report, correct, yes.

The Hon. LYNDIA VOLTZ: Did you ask any questions at the time as to why an administrator was being put into Wentworth Park?

Mr BRODIE: I am sorry, but I was not involved in the Office of Racing at that time, so I did not have any role in that process.

The Hon. LYNDIA VOLTZ: Are funds from Greyhound Racing being used to pay the salary of the administrator at Wentworth Park?

Mr BRODIE: I do not know.

The Hon. LYNDIA VOLTZ: Will you find out and take the question on notice?

Mr BRODIE: Yes, I am happy to take that on notice.

The Hon. LYNDIA VOLTZ: And also what is the salary of the administrator?

Mr BRODIE: Sure. I will have to take all that information on notice.

The Hon. LYNDIA VOLTZ: Greyhound racing was banned in New South Wales because, according to the Minister, animal welfare standards were not appropriate. Is that the genesis of its ban on greyhound racing? Will you outline where the transfer of greyhounds overseas and to interstate jurisdictions is appropriate and meets animal welfare standards in New South Wales?

Mr BRODIE: It is probably easier to do that in the negative. Quite clearly places like Macau have been identified as being inappropriate and at the moment it has been established that for a greyhound to be removed from Australia it needs a clearance from Greyhounds Australasia in a thing called the greyhound passport. That passport will not be issued by Greyhounds Australasia—

The Hon. LYNDIA VOLTZ: That is alright, that is Macau. What about Queensland?

Mr BRODIE: Queensland has a very similar legislative framework to New South Wales for the prevention of cruelty to animals. At this point of time there is no prohibition on the movement of a greyhound to any Australian jurisdiction.

The Hon. LYNDIA VOLTZ: The animal welfare standards in Queensland are acceptable to New South Wales?

Mr BRODIE: I think the correct view of that is that there is a set of rules for Greyhound Australasia and a set of local rules in New South Wales that do not prevent the movement of a greyhound to any Australian jurisdiction.

The Hon. LYNDIA VOLTZ: It says "transferred interstate or overseas to jurisdictions that have appropriate animal welfare standards". Given that greyhound racing has been banned in New South Wales because, according to the Minister, the animal welfare standards were not appropriate which standards are appropriate?

Mr BRODIE: Animal welfare standards are about things required under the Prevention of Cruelty to Animals Act. The legislation in all Australian States and Territories is very similar to the New South Wales legislation from that point of view.

The Hon. LYNDIA VOLTZ: In New South Wales it is banned, so it is not similar, is it?

Mr BRODIE: I do not know that—

The Hon. SHAYNE MALLARD: Our laws were, the industry was not.

Mr BRODIE: I do not know that the ban on greyhound racing in New South Wales, as articulated by the Premier and the Deputy Premier, is necessarily a comment on the animal welfare standards in other jurisdictions.

The Hon. LYNDIA VOLTZ: How will you apply the standards that you are going to meet when you do the transfers? How will you allow the transfers to overseas and interstate jurisdictions? What is the standard that will be laid down for animal welfare standards to be met?

Mr BRODIE: The standards are quite clearly that there is a legislative framework like the Prevention of Cruelty to Animals Act in that jurisdiction.

Mr JUSTIN FIELD: The genesis of the ban, and the whole discussion around it, really was the identified live baiting issue. The television program that blew the whistle highlighted live baiting incidents in Queensland primarily. Is it currently the case that breeders and trainers can operate out of New South Wales and export dogs to Queensland to race in that State despite the fact that we know that there are concerns? Do the rules currently allow that?

Mr O'CONNOR: They do. If I might add, I do not think you should assume that Queensland, just because it has not banned greyhound racing, is doing nothing about ramping up pressure on the industry there. I know from comments from its Minister that they are looking very seriously at that. I am not in a position to say it definitively but I would not make any kind of assumption that they are not ramping up their enforcement and oversight of the industry.

Mr JUSTIN FIELD: The ban on racing in New South Wales does not prevent a breeder or trainer from operating in New South Wales with the expressed purpose of racing dogs in other jurisdictions, Queensland included?

Mr O'CONNOR: That is correct.

Mr JUSTIN FIELD: There is no limitation on transferring animals across State boundaries for racing purposes?

Mr O'CONNOR: It has to go through the mechanism of Greyhound Racing NSW but, no, not fundamentally.

Mr BRODIE: Just to add to that though, the bill that was passed by the Parliament, the Greyhound Racing Prohibition Act sets out a requirement that subject to a transition regulation the keeping of a greyhound in New South Wales for racing purposes will be illegal. So once that transition regulation has expired it would be illegal to keep a greyhound in New South Wales that was for the purposes of racing even in another jurisdiction.

Mr JUSTIN FIELD: I think we went through this in the original hearings around exporting overseas as well. You may not know what the purpose of the dog is but if they are raising a greyhound you could assume it is for racing purposes. So even if it might not expressly go to a trainer, it might be bred and raised in New South Wales, you could assume that the purpose for that would be for racing down the track. At the moment, even after the transition program could you still conceivably do that?

Mr O'CONNOR: No. I would say that greyhounds can certainly be raised for the purpose of providing pets and then they would be registered under the companion animals legislation. So once the transition period to which Mr Brodie referred comes into effect you would still be able to raise greyhounds for the purpose of providing them to the pet industry under that regulatory scheme but not for racing under the racing scheme in another jurisdiction.

Mr JUSTIN FIELD: Mr Chair, I have questions relating to gaming. Is it appropriate to ask them now?

The CHAIR: Yes, you can ask them now.

Mr JUSTIN FIELD: Mr O'Connor, in the initial hearing I asked questions of the Minister and since then I have found it a little difficult to get information on local government area breakdowns of gaming machines and revenue and things like that. I believe that information can be purchased from the department but it is not available publicly and I want to ask questions in relation to that matter. There seems to be more information available publicly about the breakdown of gaming machines, licences, revenue, taxi take in other States than in New South Wales. What is the rationale for that?

Mr O'CONNOR: I will take the question. I am not aware if that is factually the case. Nor am I aware of any policy reason why we would be taking a different position on that kind of material.

Mr JUSTIN FIELD: A form is available to be filled in to request information about local government level statistics around gaming machine numbers, revenue, tax and those sorts of things. Expressly on the form it says that that information is able to be purchased—I think it is about \$300 for a local government area—but it is not allowed to be made public once it is purchased. It is confidential to the person who purchases it. Who purchases such information normally?

Mr O'CONNOR: I could not tell you. I will have to take it on notice.

Mr JUSTIN FIELD: Is there any reason why that information could not be made public?

Mr O'CONNOR: It sounds to me from your question that it probably relates to business activities of commercial enterprises. That may be what is behind that restriction.

Mr JUSTIN FIELD: At the top line level, in the pre-amalgamation boundaries because that information would be available, is there any reason why the number of electronic gaming machines in each local government area could not be provided to the Committee?

Mr O'CONNOR: I will take it on notice. It may relate to more the detail questions around revenue and tax bases and things like that.

Mr JUSTIN FIELD: I would appreciate it if you could provide that level of information.

Mr O'CONNOR: Absolutely.

Mr JUSTIN FIELD: In 2014 after an inquiry into electronic gaming machines a number of recommendations were made. In particular it noted some research being undertaken by Gambling Research Australia at the time into the impact of the structural characteristics of gaming machines, so the technical aspects. In particular some of the concerns around technical features, near-wins or near-misses, and trying to disguise losses as wins and some of those technical characteristics. I believe you have a prohibited features list in New South Wales, a list of features that machines cannot have. There are a range of features, but the Government at the time mentioned that once that report had come out Liquor and Gaming NSW would look at any recommendations or findings and consider whether some of those features should be included on the prohibited features list. Do you know if there was ever a review of that report, whether there was research conducted internally, and whether there was consideration of elements of those features being included on the prohibited register?

Mr O'CONNOR: This predates my involvement. I might have to take that on notice.

Mr JUSTIN FIELD: Could you take on notice the question of whether or not the Department considered that report? I can provide the details of that report, but it was done by Gambling Research Australia and it was specifically highlighted as a recommendation in the 2014 inquiry.

Mr O'CONNOR: If you would not mind, I would like to take that on notice.

Mr JUSTIN FIELD: Do you know how Gambling Research Australia is funded at the moment and what contribution New South Wales makes?

Mr O'CONNOR: No; I am afraid I would have to take that on notice.

Mr JUSTIN FIELD: That would be wonderful. That same committee report recommended that the local impact assessment process be reviewed. Did that ever take place.?

Mr O'CONNOR: I believe there is a review on foot.

Mr JUSTIN FIELD: Do you have any idea when that is likely to report?

Mr O'CONNOR: I think it has been, to an extent, moved a little bit to the right by some of the council mergers, which have altered some of the risk assessment techniques that we use by changing the demographics inside some of the LGAs [local government areas]. I might have to come back to you about the detail, but I believe it is still ongoing.

Mr JUSTIN FIELD: I imagine that the mergers create a number of questions in relation to the movement of machines. Some of that was based on local government boundaries.

Mr O'CONNOR: Correct.

Mr JUSTIN FIELD: Has there been any preliminary assessment on whether or not there will need to be an effort to reduce machines in certain jurisdictions as a result of the amalgamations?

Mr O'CONNOR: I am not sure about necessarily moving towards a view about reducing the numbers. As I understand it, it is more about having to look at the risk assessment tool that we are using, which is based around balancing out populations and so on. When you apply the risk assessment to the pre-existing local government areas and then you merge them you may or may not get a different result.

Mr JUSTIN FIELD: There is a deeper level of assessment required if the risk is considered higher in certain places. If a jurisdiction that was not considered high risk before has merged with a high-risk jurisdiction, might that mean that the whole risk profile for that local government area has increased?

Mr O'CONNOR: There could be a change up or down, yes.

Mr JUSTIN FIELD: Could you give us, on notice, an idea of when that review is likely to conclude? I would really appreciate that.

Mr O'CONNOR: Yes.

Mr JUSTIN FIELD: Do you know how much is currently held in the New South Wales Responsible Gambling Fund?

Mr O'CONNOR: I might have to take that on notice, if you don't mind.

Mr JUSTIN FIELD: That would be great. Also, how much has been received by the fund in the last three years?

Mr O'CONNOR: I will take that on notice.

Mr JUSTIN FIELD: My understanding is that The Star casino is the only source of revenue for the fund. Does that remain the case, even with Barangaroo coming on line?

Mr O'CONNOR: It is not on line yet.

Mr JUSTIN FIELD: Is the intention for the new casino to contribute to the fund?

Mr O'CONNOR: I think so, yes.

Mr JUSTIN FIELD: Could you confirm whether that is the case.

Mr O'CONNOR: Yes, sure.

Mr JUSTIN FIELD: That would be great. Do you have any idea how often officers from the Independent Liquor and Gaming Authority inspect venues with electronic gaming machines regarding compliance with signage? Is there a routine inspection program?

Mr O'CONNOR: Just to clarify your question, the merger of the Independent Liquor and Gaming Authority [ILGA] entity and the Office of Liquor, Gambling and Racing [OLGAR] entity into Liquor and Gaming NSW means that ILGA does not exist anymore except to the extent that there is an independent board. The compliance staff from the old ILGA staff agency are now merged with the compliance staff from the old OLGAR staff agency into one unit. Compliance has been one of the key priority areas and policy objectives for Government in that reform. We are moving very much to a risk-based approach to the compliance operations. It is not based on quotas or anything like that.

Mr JUSTIN FIELD: Would that mean that you focus compliance activities in those jurisdictions that are deemed higher risk generally? Do you look at how much money is going through the machines and say, "Something has changed out there; let's go and have a look at it"?

Mr O'CONNOR: Obviously, we have access to statistics around reports from the police of violence and so on and other sources of information. It all goes into a mix. It is not specifically around revenue take or anything like that.

Mr JUSTIN FIELD: Would you be able to come back to the Committee and give us an idea of how many staff are currently involved in compliance activities with the merged entity?

Mr O'CONNOR: Yes.

Mr JUSTIN FIELD: In particular, how many compliance activities—whether they are inspections or going to speak to the particular venue or whatever—have been undertaken in the last 12 months? I am particularly interested in activities in relation to signage.

Mr O'CONNOR: Signage; yes.

The Hon. LYNDIA VOLTZ: I would like to ask a couple of follow-up questions. Could you confirm the statements in the advertising campaign that greyhound racing is legal in only eight countries. Is that a correct statement in the advertising campaign?

Mr BRODIE: All of the material that was in the campaign was drawn directly from the special commission of inquiry report.

The Hon. LYNDIA VOLTZ: Right. But is greyhound racing only legal in eight countries?

Mr BRODIE: There are only eight countries that have a regulatory scheme for greyhound racing.

The Hon. LYNDIA VOLTZ: But that is different to it only being legal. There are actually 21 countries where greyhound racing happens, isn't there?

Mr BRODIE: There are a number of countries where greyhound racing occurs. In those places there are no betting arrangements associated with them. There are only eight countries where there is a scheme like the New South Wales scheme in place.

The Hon. LYNDIA VOLTZ: So there are 21 countries where it is legally occurring. There are only eight countries where it is regulated. Isn't that the correct statement?

Mr BRODIE: The way you put it is correct.

The Hon. LYNDIA VOLTZ: The ad actually says that greyhound racing is legal in only eight countries. That is an incorrect statement, isn't it?

Mr BRODIE: No. I think you will find that there is a direct statement in the special commission of inquiry report that says that greyhound racing is legal in only eight countries.

The Hon. LYNDIA VOLTZ: But the report goes on to say:

The Commission is also aware that greyhound racing takes place in several countries not listed above.

That is from the Special Commission of Inquiry into the Greyhound Racing Industry in New South Wales.

Mr BRODIE: I do not have a copy of the report here. I assume that you are quoting it directly. I have no reason to doubt—

The Hon. LYNDIA VOLTZ: For example, Argentina and Chile, Finland, Germany and Sweden.

Mr BRODIE: I have no reason to doubt that you are quoting correctly.

The Hon. LYNDIA VOLTZ: So the statement in the advertisement that says that it is legal in only eight countries would be incorrect, wouldn't it?

Mr BRODIE: Like I said, the advertising reports what is in the Special Commission of Inquiry into the Greyhound Racing Industry in New South Wales.

The Hon. LYNDIA VOLTZ: But it does not, because I have just read to you what is in the report of the special commission of inquiry. So that would be incorrect, wouldn't it?

Mr BRODIE: With respect, I think that the ad was built with evidence from the special commission of inquiry report and uses that only and in a very disciplined way.

The Hon. LYNDIA VOLTZ: Here is what the report says:

So far as the Commission is aware, only the following countries host a commercial greyhound racing industry ...

That is not what the ad says, is it?

Mr BRODIE: What I would say to you is that the ad reported a fact from the special commission of inquiry report.

The CHAIR: At best it was misleading; at worst it was a lie.

The Hon. LYNDIA VOLTZ: I have one more question, which you might need to take on notice. Could you provide for us the figures that Greyhound Racing NSW provided to Dr Keniry for the number of greyhounds, alongside what you have as the registered ones?

Mr BRODIE: They are all the same numbers, so I am happy to provide that.

The Hon. LYNDIA VOLTZ: Thank you.

The CHAIR: Turn your mind, Mr Brodie—if you are the appropriate person—to the tax adjustment that went through Parliament last year, when the New South Wales Government adjusted and, in theory, made New South Wales tax competitive with other jurisdictions such as Victoria and Queensland. At the time the Minister said that he would put aside in trust for Greyhound Racing NSW the 10 per cent—the pittance that they did get in the end—as opposed to what they should have got, which was the 22 per cent. How much of that money still sits in trust, do you know?

Mr BRODIE: I would have to provide that to you on notice.

The CHAIR: Can you find that out for me and come back to us? Do you know or are you aware of what will be done with that money?

Mr BRODIE: The Act is very specific about how that money can be used.

The CHAIR: And it is?

Mr BRODIE: There are three mechanisms for expenditure from that. There is a mechanism for expenditure that is related to the operation of the greyhound industry through Greyhound Racing NSW. There is a provision for expenditure to be made in relation to the transition to closure of the greyhound racing industry, and there is provision for a regulation to be made about other things that can be used for expenditure in relation to that. At the moment there is a regulation that provides for activity that might be related to the special commission of inquiry conduct.

The CHAIR: So the regulations, when they were put through, foresaw the closure of the industry and the using of tax adjustment money, which was meant to be provided for competitiveness, for the closure of the industry?

Mr BRODIE: No.

The CHAIR: Is that what you are saying?

Mr BRODIE: The provision that provides for expenditure in relation to the closure of the greyhound racing industry was an amendment to that Act that was carried in the Greyhound Racing Prohibition Bill, and the regulation providing for expenditure in relation to the special commission of inquiry was made after the special commission of inquiry was commenced by Government.

The CHAIR: You have cast your mind back to the questioning by Ms Voltz in relation to advertising. Did any of that advertising money come out of that pool?

Mr BRODIE: That pool is not being used for that money, no.

The CHAIR: It is not being used for that at all? So that money is sitting intact and accumulating still? If you do not know, you can take that on notice.

Mr BRODIE: I would have to take on notice the exact amount of that fund.

The CHAIR: All right. Can you shed some light on the reasoning around why, at the time that that bill went through Parliament last year, greyhound racing ended up with only 10 per cent when it should have got its 22 per cent market share?

Mr BRODIE: I am sorry, I was not actually involved in the Racing portfolio at that stage. It would be something that I would have to take on notice.

The CHAIR: Is there anyone in your department that can?

Mr BRODIE: I believe that there would be.

Mr SEVERIN: We would have to take that on notice.

The CHAIR: Can you take it on notice? I would like to know why there was some cock and bull about State significance as another reason why the greyhound racing industry should be robbed of fair market share revenue and that should be paid across to the thoroughbreds and/or harness racing. That then leads me to the question—again thinking back on the accumulation of funds in the greyhound trust account, as I think the Deputy Premier called it—of those allocated funds that were not received by greyhound racing, how much in the same period has been paid across to the thoroughbred and harness racing codes? I do not expect you to have that in your head.

Mr BRODIE: We will take it on notice, yes.

The CHAIR: Can you take that on notice and let me know too, please? Are there any more questions?

The Hon. LYNDIA VOLTZ: Just one, which is probably for you, Mr Severin. I have in front of me an advertising compliance certificate that is signed by Mr Andrew Cappie-Woods on 28 July 2016 in regards to the Dogs Deserve Better advertising campaign, which states that he certifies that they contain accurate information that is supported by analysis and research. Given what you have just heard from Mr Brodie and my statements, could you go back and reassure this Committee on notice that that advertisement actually complies with that certificate?

Mr SEVERIN: I certainly can.

The CHAIR: Are there any more questions? As there is none, the Committee's hearing has concluded. I thank the witnesses for appearing. I note you have taken a number of questions on notice. The secretariat will

be in contact to advise you of those questions and you will have 21 days in which to respond. Thank you very much for attending.

Mr SEVERIN: Thank you, Chair.

(The witnesses withdrew)

The Committee proceeded to deliberate.