

Budget Estimates 2015-2016

Questions On Notice

Minister for Trade, Tourism and Major Events

Minister for Sports



Minister Stuart Ayres

BUDGET ESTIMATES 2016-2017

MINISTER FOR TRADE, TOURISM AND MAJOR EVENTS MINISTER FOR SPORT

QUESTIONS ON NOTICE – 31 AUGUST 2016

1. QUESTION

The Hon. LYNDA VOLTZ: Did you meet with John Chedid, the former mayor of Parramatta, regarding locating Parramatta PCYC on land currently owned by Venues NSW?

Mr STUART AYRES: I would have to check my diary. I cannot recall whether I met him specifically to deal with PCYC. I would have met representatives from the City of Parramatta Council about the development of the stadium. I would have to check to establish whether John Chedid was at any of those meetings.

ANSWER:

I have met Greg Dyer CEO, Cllr Paul Garrard Lord Mayor and Carolyn Harle (Policy Advisor) from the City of Parramatta to formally discuss the Western Sydney stadium project.

2. QUESTION

The Hon. LYNDA VOLTZ: When you invited stakeholders to lodge expressions of interest was it the only community organisation included?

Mr STUART AYRES: No, I do not think so.

The Hon. LYNDA VOLTZ: No. Can you tell me who else was included?

Mr STUART AYRES: I will take that question on notice.

The Hon. LYNDA VOLTZ: You have to take it on notice?

Mr STUART AYRES: Yes.

ANSWER:

There has been no formal process seeking expressions of interest from community groups wanting to use or be located within the new Western Sydney Stadium precinct.

The NSW PCYC asked if the redeveloped precinct could accommodate a new Parramatta PCYC and administration base. VNSW met with the PCYC to understand their needs. There has been no agreement that the PCYC or any other community group will be located within the precinct.

3. QUESTION

Mr JUSTIN FIELD: I was of the understanding that in the last financial year it was exceeded by agricultural exports. Are they considered merchandise exports?

Mr STUART AYRES: I am not sure what figures you are referring to.

Mr JUSTIN FIELD: It is the value of those exports. I believe agricultural exports have now just exceeded coal.

Mr STUART AYRES: I am happy to confirm the figures. You might well be pooling together some agricultural services to create a figure that is slightly larger. There is no doubt though that the growth opportunities around agricultural exports are very clear and it is an area that New South Wales should be continuing to pursue vigorously.

ANSWER:

Based on ABS preliminary data for 2015-16 for merchandise exports:

- Value of NSW total agricultural exports in 2015-16: \$7,385 million
- Value of NSW coal exports in 2015-16: \$11,458 million

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4. QUESTION

Mr STUART AYRES: That is correct. We have not completed the Western Sydney strategy.

The Hon. PENNY SHARPE: Are you going to complete one for Western Sydney?

Mr STUART AYRES: That is the intention, yes.

The Hon. PENNY SHARPE: Can you tell me how much you have spent so far in relation to the \$500,000 commitment?

Mr STUART AYRES: I can take that on notice.

The Hon. PENNY SHARPE: In June 2014 your Government announced that a company called MI Associates had been appointed to work with Destination NSW to produce a 10-year cruise development plan for

New South Wales. The announcement stated that MI Associates would partner with organisations ICK, GHK and Hill PDA in the plan's development. Did this occur?

Mr STUART AYRES: I would have to take on notice the individual companies you have referred to, but the cruise development strategy is well underway. We are nearing the final stages of that 10-year development plan. It has been an extensive piece of work. We have worked closely with cruise industry stakeholders, as well as with many other people across the tourism sector. I think it is an exciting piece of work. We see strong growth rates across the cruise sector. We do need to plan for future growth. It is a piece of work that is nearing its conclusion, but it is an incredibly detailed piece of work. When we are planning for the future of an industry over the next 10 years, I think it is important that we get it right.

ANSWER:

- a) How much has been spent so far in relation to the \$500,000 commitment Western Sydney Visitor Economy and Events Strategy.

The former NSW Trade and Investment briefed and engaged Deloitte with some funds expended by that Department. Destination NSW has expended \$42,000 this financial year.

- b) The 10-year cruise development plan announcement stated that MI Associates would partner with organisations ICK, GHK and Hill PDA in the plan's development. Did this occur?

Yes, MI Associates partnered with ICK, GHK and Hill PDA.

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5. QUESTION

The Hon. PENNY SHARPE: Would you be able to provide the Committee with a breakdown of what has been spent in Destination NSW in relation to the development of this strategy, in particular on the contracts let to the organisations I mentioned in my first question? I am happy for you to take that on notice.

Mr STUART AYRES: Yes, I will take that on notice.

ANSWER:

\$1.5 million has been set aside for the implementation of the Visitor Economy Industry Action Plan of which the cruise strategy is a part.

6. QUESTION

The Hon. PENNY SHARPE: What you are saying is that the \$6 million to implement a plan is being implemented through the creation of more Sydney-based positions within Destination NSW?

Mr STUART AYRES: No, we are making the \$6 million available to regional communities to attract regional conferences to drive their local communities.

The Hon. PENNY SHARPE: How many people are in the regional strategy unit?

Mr STUART AYRES: It is not a strategy unit; it is a regional conferencing unit.

The Hon. PENNY SHARPE: How many staff are in that?

Mr STUART AYRES: I can take that on notice.

The Hon. PENNY SHARPE: Is Ms Chipchase able to tell me?

Mr STUART AYRES: I will take it on notice.

The Hon. PENNY SHARPE: Can you tell me where they are located?

ANSWER:

There will be three staff in the Destination NSW Regional Conferencing Unit, which will form part of a new Regional Division.

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7. QUESTION

The Hon. PENNY SHARPE: Minister, we have Western Sydney, the cruise strategy, the New South Wales regional conference strategy—all of them promised, none of them delivered. What other items under your commitments made to the Visitor Economy Industry Action Plan are outstanding?

Mr STUART AYRES: I understand that we have met a number of the reporting lines. I can give you, on notice, an exact figure. I understand that the Visitor Economy Industry Action Plan had quite a number of reporting lines. My latest advice is that we are well through three-quarters of those Visitor Economy Industry Action Plan requirements. The figure might be higher than that. I am happy to provide that on notice.

ANSWER:

In total 48 recommendations and 167 subsequent actions are to be delivered over the life of the Visitor Economy Industry Action Plan and Destination NSW is responsible to lead 88 actions.

Of the 88 actions that are being led by Destination NSW:

- 84 Actions (95%) of these actions are complete or ongoing.

8. QUESTION

Mr STUART AYRES: No, I actually do not agree with your figures. Domestic visitors—

The Hon. PENNY SHARPE: I am drawing on the figures that are reported by Destination NSW. I am taking figures from 2011 when your Government came to office to the latest figures, which are for

December 2015. The share of domestic visitors to New South Wales has declined from 34.1 per cent to 32.3 per cent over that time. Are you disputing those figures?

Mr STUART AYRES: I would have to take those figures on notice to check.

The Hon. PENNY SHARPE: I am happy to provide them for you if you like, Minister.

Mr STUART AYRES: I am happy to take them on notice.

The Hon. PENNY SHARPE: I am reading from this document. It is clearly one of yours. In that case, will you also take on notice, and do you agree, that the New South Wales share of domestic visitor nights has declined from 30.7 per cent to 28.3 per cent since your Government came to office?

Mr STUART AYRES: I would have to check those figures.

The Hon. PENNY SHARPE: Again, Minister, I direct you to figures from your own department. The average length of stay for domestic visitors has declined from 3.4 to 3.2. Do you also accept those figures?

Mr STUART AYRES: Once again, I would have to check those figures.

The Hon. PENNY SHARPE: Do you also accept that the share of expenditure in New South Wales has declined from 29.1 per cent to 27.8 per cent as a result, one would presume, from fewer visitors and fewer nights?

Mr STUART AYRES: I would have to check those figures as well.

The Hon. PENNY SHARPE: While you are checking those figures, can you check the figures relating to day trip travel for domestic visitors, which are also down? Domestic day trip visitors are down from 32.3 per cent to 30.9 per cent.

Mr STUART AYRES: I am more than happy to take that on notice as well.

The Hon. PENNY SHARPE: Expenditure, therefore, is also down from 32.4 per cent to 31.8 per cent.

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Mr STUART AYRES: I am happy to take that on notice too.

The Hon. PENNY SHARPE: Minister, are you concerned about these declines?

Mr STUART AYRES: I think it is worth saying let me check the figures to see where they sit currently.

ANSWER:

DOMESTIC OVERNIGHT MARKET

8a): Do you agree that the New South Wales share of domestic visitor nights has declined from 30.7 per cent to 28.3 per cent since your Government came to office?

Overall tourism numbers in Australia have grown. While there has been a variation in the state's share position, the visitor numbers and visitor expenditure in NSW has increased.

8b): The average length of stay for domestic visitors has declined from 3.4 to 3.2. Do you also accept those figures?

These figures relate to Year End December 2011 and Year End December 2015. In that same period of time however, NSW visitor nights have grown by 9.8 per cent and visitors by 14.5 per cent and the total Australian figures upon which these percentages are based has grown. Market shares relate to a period in time rather than across time periods.

8c) Do you also accept that the share of expenditure in New South Wales has declined from 29.1 per cent to 27.8 per cent as a result, one would presume, from fewer visitors and fewer nights?

Overall tourism numbers in Australia have grown. While there has been a variation in the state's share position, the visitor numbers and visitor expenditure in NSW has increased.

DOMESTIC DAY TRIP MARKET

8d): Can you check the figures relating to day trip travel for domestic visitors, which are also down? Domestic day trip visitors are down from 32.3 per cent to 30.9 per cent.

These market share figures relate to Year End December 2011 and Year End December 2015. In that same period of time however, NSW visitor number has grown by 6.6 per cent.

Qe): Expenditure, therefore, is also down from 32.4 per cent to 31.8 per cent.

Overall tourism numbers in Australia have grown. While there has been a variation in the state's share position, the visitor numbers and visitor expenditure in NSW has increased.

9. QUESTION

Mr STUART AYRES: No. You have only stated domestic figures.

The Hon. PENNY SHARPE: I am happy to talk about international figures as well. We can talk about visitors and nights. This is the share relating to New South Wales compared with the rest of Australia. I note that there are some reasonable figures relating to nights and average length of stay, but I would say they would not be massive growth in meeting your commitments. I note that the share of international overnight travel for New South Wales has also declined from 50.9 per cent in 2011 to 49.9 per cent ending in December last year. Is that correct?

Mr STUART AYRES: I have to check.

ANSWER:

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Q: The share of international overnight travel for New South Wales has also declined from 50.9 per cent in 2011 to 49.9 per cent ending in December last year. Is that correct?

These figures relate to Year End December 2011 and Year End December 2015. In that same period of time however, NSW visitor numbers have grown by 25.9 per cent. This is also complicated by the mix of repeat visitation where international travellers are more likely to return to further experience other States or destinations. International Visitors travel to more than one state – some up to 3 or 4 States during their visit to Australia. Additionally, the growth of flights and seat capacity into Australia and into other States is a major driver of international visitation. NSW may only capture part of this as it suffers an artificial cap – being movement restricted hours at Sydney International Airport.

While the statistics cited are correct, the assumption that smaller market share implies less visitation is not correct. Market share statistics should be seen in the context of NSW and Australia's performance.

Additional Information

It should be noted that in the three years prior to March 2011 under a Labor Government, overnight visitors to NSW declined by 3.1 per cent. In comparison, since the NSW Liberals and Nationals Government and the creation of Destination NSW, the State's tourism and major events agency, overnight visitor growth to NSW grew by 9.5 per cent in the period April 2011 to March 2014.

In the same time period, visitor nights in NSW increased from 3.2 per cent to 9.8 per cent and visitor expenditure grew from 4.4 per cent to 14.9 per cent.

The facts and figures below are based on the latest results from the International Visitor Survey for year ended (YE) June 2016:

PERFORMANCE

- In the year ended June 2016, NSW received 3.6 million international visitors (+10.3 per cent) who stayed 86.9 million nights (+9.0 per cent). For the first time, NSW passed the \$9 billion mark with visitor expenditure of \$9.1 billion, (+18.4 per cent).
- NSW has again achieved its highest volumes of international visitors, nights and expenditure on record in the revised time series (since 2005).

MARKET SHARE

- NSW has held the highest market share of international visitors, nights and expenditure in the Australia since the start of the revised time series (since 2005).
- Since YE June 2011 and to date, NSW has experienced share loss in Visitors (from 51.6 to 50.3 per cent). NSW has however, increased its share of Nights (34.8 to 35.0 per cent) and Expenditure (35.2 to 35.8 per cent).
- Victoria's market share in YE June 2016 grew in comparison to YE June 2001 in all three metrics: Visitors (from 31.4 to 35.4 per cent), Nights (21.6 to 23.7 per cent) and Expenditure (23.3 to 26.5 per cent). Queensland's market shares in Visitors, Nights and Expenditure, however have all declined.
- In YE June 2016, NSW leads:
 - Victoria by 1.1 million visitors (142 per cent higher than VIC), 28.1 million nights (148 per cent higher) and \$2.4 billion in expenditure (135 per cent higher)
 - Queensland by 1.2 million visitors (147 per cent higher than QLD), 34.9 million nights (167 per cent higher) and \$4.0 billion in expenditure (179 per cent higher).

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- NSW's lead over Victoria in visitor nights and expenditure is increasing:
 - Visitors: 1.086 million in YE June 2011 to 1.083 million in YE June 2016.
 - Nights: 25.2 million in YE June 2011 to 28.1 million in YE June 2016
 - Expenditure: \$2.1 billion in YE June 2011 to \$2.4 billion in YE June 2016.
- Since YE June 2011, the volume of NSW international visitors has grown by 31.7 per cent; visitors nights by 31.2 per cent and visitor expenditure by 48.4 per cent.

NSW performed above its five-year average annual growth in all three metrics: international visitors, nights and expenditure from YE June 2011 to YE June 2016:

- Visitors: YE June 2016 growth of 10.3 per cent vs. five-year average annual growth of 5.7 per cent.
- Nights: YE June 2016 growth of 9.0 per cent vs. five-year average annual growth of 5.6 per cent.
- Expenditure: YE June 2016 growth of 18.4 per cent vs. five-year average annual growth of 8.2 per cent.

10. QUESTION

The Hon. LYNDIA VOLTZ: Minister, you sent out a media release on 20 June 2016 advising that new members had been appointed to Sydney Olympic Park Authority board. When were these members appointed?

Mr STUART AYRES: Let me check the date. I do not have the date in my head, but I can tell you that they have all started; I was at their first board meeting.

The Hon. LYNDIA VOLTZ: When were they appointed?

Mr STUART AYRES: I do not have a date here for you. I will take that question on notice and let my officers find the date. I am sure we can get it to you before we finish the proceedings.

The Hon. LYNDIA VOLTZ: Would 1 June be correct?

Mr STUART AYRES: I will let them check the date. I do not know the actual appointment date.

ANSWER:

Appointments started on 1 July 2016 as answered during the Budget Estimate hearings (page 16)

11. QUESTION

The Hon. LYNDIA VOLTZ: What was the return on investment on the beach volleyball at Manly Beach?

Mr STUART AYRES: I can provide that figure to you.

ANSWER:

The 2016 event delivered over \$319,000 in direct overnight visitor expenditure in return for our investment.

12. QUESTION

Mr JUSTIN FIELD: Minister, I turn now to Aboriginal tourism. We have reached the end of the implementation period for the Aboriginal Tourism Action Plan 2013-2016. Is the evaluation of that plan's implementation complete? On the website you can see the last two years of reporting. Will

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a final report be done, or how is that proceeding?

Mr STUART AYRES: Yes, we will do a final report. My latest update was that 23 of the 26 recommendations were either ongoing or had been completed. It is an important role for us to continue to integrate Aboriginal tourism into many of the things that we do, not just in a regional setting. I think it is worth recognising the fantastic role that Aboriginal artists play, particularly in this year's Vivid Sydney. They were front and centre, particularly with the Songlines development on the Sydney Opera House. I think that Aboriginal tourism is an area that we need to continue to explore and work more closely with tourism operators. There will be many smaller operators that will want to seek support from Destination NSW. We want to support them in a way that allows them to grow their business, particularly in marketing offerings. We think there are opportunities, particularly through our international networks and interstate advertising, to showcase our tourism operators that have a strong focus on Aboriginal tourism. In my conversations with people internationally, there is definitely an appetite for wanting to understand more about Aboriginal culture. That should be reflected in the way that we promote New South Wales.

Mr JUSTIN FIELD: When is the final evaluation on the 2013-2016 plan likely to be available?

Mr STUART AYRES: I do not have a date for you, but I can provide a more appropriate date on notice.

ANSWER:

Final evaluation of the 2013-2016 Aboriginal Tourism Action Plan is expected in early 2017.

13. QUESTION

The Hon. LYNDIA VOLTZ: What Matildas matches have you secured for this year?

Mr STUART AYRES: I can take that on notice. I might get someone to grab the partnership details, and I can give you the details for each of the years that we have secured games.

ANSWER:

No Matildas matches have been confirmed at this stage. However, the NSW Government through Destination NSW has an agreement with the Football Federation Australia (FFA) which has secured a minimum of five Matildas matches to be played in NSW between now and the end of 2020.

14. QUESTION

The Hon. PENNY SHARPE: Is the figure for foreign direct investment as a result of facilitation through those officers publicly available?

Mr STUART AYRES: I am not sure whether it is public. I can provide a figure.

The Hon. PENNY SHARPE: I would like a breakdown for each of the officers. I am happy for that question to be taken on notice.

Mr STUART AYRES: I can provide the figure for what we generate through direct engagement by international officers.

The Hon. PENNY SHARPE: I would also like the breakdown, not only the global figure.

Mr STUART AYRES: If that is possible, yes.

ANSWER:

Table 1 provides an overview of the Australian dollar value of investment attraction deals the six standalone offices supported. The six standalone offices are located in; Abu Dhabi, Guangzhou, Mumbai, San Francisco, Shanghai, and Tokyo.

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Table 1: Costs, Outcomes for International Network in 2015-16

Location	Number of Staff	FDI Outcomes \$ (AUD)
Guangzhou	3	\$848,500,000
Shanghai	3	
Abu Dhabi	1.5	\$120,000,000
Mumbai	3	\$34,930,000
San Francisco	2	\$244,900,000
Tokyo	1.5	*
Total	14	<u>\$1,248,330,000</u>

NSW trade and investment representation in five locations; Jakarta, Kuala Lumpur, London, Singapore and Seoul, is through the Austrade embedded officer model. The five NSW Directors of Trade & Investment are directly engaged by Austrade and subject to Austrade's performance measures. The NSW Government has a Service Level Agreement with Austrade for the management of the offshore trade and investment activities of the NSW Directors of Trade & Investment. These locations are not locations where the NSW Government has offices.

* Japan is an established market for NSW trade and investment. Japanese trading firms have a long history of investment into Australia dating back decades. The objective of the Japan office is different to other locations. The operations are focussed on maintaining existing investor relationships to grow re-investment and maximise the potential from existing investors. This approach aligns with the increased value and rank of Japan as a source of Foreign Direct Investment into Australia. The value of FDI investment stock from Japan into Australia increased 20.6 per cent to \$85.9 billion at the end of 2015.

15. QUESTION

The Hon. LYNDIA VOLTZ: I know the office does not oversight it, but how do you know that the checks have been done? Do you get a report of how many Working With Children Checks have been issued for sporting organisations?

Mr STUART AYRES: I will take that on notice.

ANSWER:

The Office of Sport works closely with the Office of the Children's Guardian to educate the sport sector about legislative requirements and on building child safe environments.

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16. QUESTION

Mr JUSTIN FIELD: Thank you, Chair. Minister, I want to finish off the questions in regard to Aboriginal tourism. You mentioned the plan going forward is that it might be incorporated into other elements of tourism planning. One of the key issues of the parliamentary inquiry into tourism in local communities identified that the 2013-2016 plan should specifically address skills development for Indigenous tourism. I believe the Government supported that recommendation. What evidence do we have that the 2013-2016 plan helped build skills in this area?

Mr STUART AYRES: I will take on notice the reporting arrangements out of that individual plan to see whether there are any specifics that I can relay to you. I agree with you that skills requirements around tourism will continue to be an important challenge for us to meet. I am not sure whether Ms Chipchase wants to offer any comment.

ANSWER:

- There are currently 22 NSW Aboriginal tourism experiences that have achieved or are close to achieving export ready status that work closely with Destination NSW on marketing and/or development activities. This has increased from five in 2012 prior to the release of the Aboriginal Tourism Action Plan.
- Destination NSW assists these businesses and numerous emerging Aboriginal tourism products to build skills and develop their business through:
 - The Destination NSW Aboriginal Tourism Sector Specialist, specifically engaged to focus on this important sector and facilitate assistance for the development of emerging and existing Aboriginal tourism experiences.
 - As part of the Destination NSW facilitated bi-annual NSW Aboriginal Tourism Workshops which provide a valuable platform to support the ongoing development of Aboriginal tourism products and experiences.
 - The most recent workshop, held in Coffs Harbour over two days in November 2015, attracted approximately 80 participants from across the State and developed partnerships between Aboriginal operators and a range of tourism industry sectors.
 - Emerging and existing Aboriginal experiences are identified to participate in the Destination NSW run NSW First Workshop Program and industry development workshops.
- Co-ordinating support from other key Government agencies such as the NSW Department of Industry, Indigenous Business Australia and NSW National Parks and Wildlife Service.

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17. QUESTION

The Hon. PENNY SHARPE: Minister, is any funding provided to the roller derby leagues across New South Wales? It is sport, so maybe Mr Miller or Mr Doorn can tell us?

Mr STUART AYRES: I will take it on notice. One of the things that I will also look at is whether they have received funding through the Community Building Partnership program—which is where I suspect they may well have received funding from.

The Hon. PENNY SHARPE: I appreciate that. There are leagues on the Central Coast, in the Illawarra, Western Sydney, the inner west and the Blue Mountains. It is a growing sport and there are particular

considerations around finding appropriate flat tracks. Would you be able—I am happy for you to take it on notice—to provide any information on support you have provided or about discussions you have had with the roller derby leagues about supporting this growing sport?

Mr STUART AYRES: Yes, I will do that. I have spoken to representatives of my own constituency who participate in roller derby.

ANSWER:

Roller Derby is a discipline of Skate Sports and Skate NSW. It is a sport recognised by the Office of Sport. Skate NSW is provided with an annual grant of \$15,000 to support initiatives identified in its Business Plan.

Other financial support specifically for Roller Derby through Office of Sport grant programs in 2015/16:

- \$4,029 to Western Sydney Rollers Inc. for equipment through the Local Sport Grant Program.
- \$9,900 to Skate NSW for Roller Derby Level 1 Coaching Courses through the Sport Development Grant Program.

Under the Premier's Community Building Partnership Program there has been funding for several skate parks but not specifically for roller derby.