

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

**Tuesday 13 August 2013**

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

### **TOURISM, MAJOR EVENTS, HOSPITALITY AND RACING, THE ARTS**

**The Committee met at 9.00 a.m.**

#### **MEMBERS**

The Hon. N. Maclaren-Jones (Chair)

The Hon. N. Blair (Deputy Chair)  
The Hon. J. Barham  
The Hon. P. Green  
Dr J. Kaye

Mr S. MacDonald  
The Hon. L. J. Voltz  
The Hon. S. J. R. Whan

---

#### **PRESENT**

**The Hon. George Souris**, *Minister for Tourism, Major Events, Hospitality and Racing, and Minister for the Arts*

---

**CHAIR:** I declare this hearing into the inquiry into the budget estimates 2013-2014 open to the public. Before I commence I would like to acknowledge the Gadigal clan of the Eora nation who are the traditional custodians of this land. I also pay respect to the elders past and present of the Eora nation and extend that respect to other Aboriginal persons present. I welcome Minister Souris and accompanying officials to this hearing. The Committee will examine the proposed expenditure for the portfolios of Tourism, Major Events, Hospitality and Racing, The Arts. In accordance with the Legislative Council's *Guidelines for the Broadcast of Proceedings*, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee, members of the media must take responsibility for what they publish or the interpretation they place on anything that is said before the Committee. The guidelines are available at the table by the door.

Today's hearing is open to the public and is being webcast live via the parliamentary website. Before we commence I will make some comments about procedural matters. Any messages from advisers or the members of staff seated in the public gallery should be delivered through the Chamber support staff or the Committee clerks. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. The transcript of this hearing will be available on the parliamentary website tomorrow morning. The House has resolved that answers to questions on notice must be provided within 21 days. I remind everyone to turn off their mobile phones. All witnesses from the department, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament.

**KYLIE HARGREAVES**, Acting Deputy Director General, Innovation, Investment, Hospitality and the Arts and

**SANDRA CHIPCHASE**, Chief Executive Officer, Destination NSW, sworn and examined:

**CHAIR:** The Committee has agreed that no Government questions will be taken. The Committee has resolved that questions for the portfolio of Tourism will run from 9.00 a.m. to 9.40 a.m., questions for the portfolio of Major Events will run from 9.40 a.m. to 10.20 a.m., questions for the portfolio of the Arts will run from 10.35 a.m. to 11.05 a.m. and questions for the portfolio of Hospitality and Racing will run from 11.05 a.m. to 11.45 a.m. I declare the proposed expenditure for the portfolio of Tourism, Major Events, Hospitality and Racing, The Arts open to examination. As there is no provision for a Minister to make an opening statement before the Committee commences questions we will begin with questions from the Opposition.

**The Hon. STEVE WHAN:** Ms Chipchase, I foreshadowed this question to you during the Committee that was held last Friday. Destination NSW is about to open an office in Chengdu in the Sichuan Province. What action is Destination NSW taking to get a direct flight from Chengdu to Sydney to build on that initiative?

**Ms CHIPCHASE:** Firstly, we are opening an office in Chengdu because of the importance of western China. To give you some background on that, in 2012 nearly 215,000 Chinese holiday visitors from secondary cities in China came to Australia—that represents 60 per cent of all Chinese holiday visitors. Visitors from those secondary cities stayed 1.5 million nights and it represented 51 per cent of all holiday visitor nights. As part of our China strategy, Destination NSW will increase its in-market resources as foreshadowed. We appointed a Regional Director, North Asia, in November 2012 and two business development managers have been recruited in Chengdu and Shanghai.

Currently there are no direct services to Sydney from central China; however, there is very good connectivity through the major cities of Guangzhou, Beijing and Shanghai. You might be aware that Tourism Australia and the Department of Foreign Affairs and Trade are opening a mission in Chengdu. We work very closely in cooperation with the Sydney Airport Corporation on the development of aviation strategies and that will prove the viability for new services in the western China region. In fact, we are having discussions with airlines about services but, again, those decisions will be aligned to Sydney airport's ability and capacity, also Tourism Australia's market assessment of more than 600 cities in China. Part of that assessment also identified cities that are most likely to be potential sources of market for Australia in 2020.

**The Hon. STEVE WHAN:** I understand that Sichuan Airlines has a direct flight from Chengdu to Melbourne. I understand that was based on a package of incentives coordinated by the Victorian Government and Melbourne airport, with Melbourne airport offering a package for the airline. Has Sydney airport indicated that it is able or willing to offer incentives for an airline to fly to Sydney from that destination?

**Ms CHIPCHASE:** As regards Sichuan Airlines, lots of airports in Australia offer incentives to encourage either an airline to fly direct to the airport or to increase services where they might be going three days a week to perhaps then being daily. It is also about airlines having viable services. So where there might be an incentive originally to encourage services to a particular airport, they have to be sustainable. One would have to ask what the load factors are for particular airlines and how long those services will commence. Also you might find that Sichuan Airlines, for example, could be interested in a triangular service—that is, they might come into Sydney two days a week and then on to Melbourne and out, as opposed to three days.

**The Hon. STEVE WHAN:** But it does seem that Sydney airport is not as active as Melbourne and other State airports, presumably due to its capacity constraints, in offering discounts or incentives.

**Ms CHIPCHASE:** Sydney airport—I cannot speak on its behalf; I can only speak as a partner with Sydney airport—has been very active. For example, we together with Sydney airport were able to secure the first services of Scoot Airlines, which is 100 per cent owned by Singapore Airlines, to Australia. We also worked with Sydney airport to ensure that we make the new services from AirAsia X from Malaysia to Sydney—first time to Sydney, although they had gone to Melbourne previously—a success. We have also worked very closely with our other partners. You would perhaps be aware that China Southern Airlines are now introducing A380 services direct from Guangzhou to Sydney in October this year. We have also been instrumental in getting Air India to fly, and they are arriving at the end of this month.

**The Hon. STEVE WHAN:** I agree that Chengdu in the Sichuan Province and western China is a very important market for us. I am aware of the flights and how you can get from there to Sydney having gone through the process. It does seem to me that the investment in Chengdu will be very limited if there is not a direct flight. I would have thought that is a fairly critical part of the package you are putting together.

**Ms CHIPCHASE:** I suggest you have a look at India as an example. Currently we have no direct flights from India. Yet we have been very successful working with the travel trade and the airlines which are going through a secondary port or a secondary hub on the way here. Just because you do not have direct service does not mean that you cannot generate demand and make an area successful.

As you would know, Chengdu's neighbouring city of Chong-qing has now been designated by the central Government in Beijing as a key economic zone. That means, clearly, that the Chinese Government is going to make major investments in that area. Being on the ground first, with Tourism Australia and the consular office that the Australian Government is opening, gives us a golden opportunity to use that city as a gateway to the whole western China region which, as I mentioned earlier, is responsible for more than 60 per cent of visitors.

**The Hon. STEVE WHAN:** The Opposition is fully supportive of initiatives to try to generate the business from there. I simply want to emphasise the importance of the air side of it. I am trying to find out what constraints Sydney airport is placing on that development.

**Ms CHIPCHASE:** I think you would have to look at the Visitor Economy Taskforce report, which talked about the fact that the airport is artificially constrained by the Federal Government.

**The Hon. STEVE WHAN:** I will come to that. We will move on. The Visitor Economy Taskforce did identify Sydney airport as a major constraint on New South Wales achieving its objectives for growth. Minister, have you, Destination NSW, or anyone in the Government, discussed with the Federal Government or the Federal Opposition changes to Sydney airport's operations to allow more flights, whether that is through changes to the hourly cap or to the operating hours?

**Mr GEORGE SOURIS:** I have not had any direct verbal discussions but following the Visitor Economy Taskforce, New South Wales wrote to the Federal Government promoting both the ideas you have just mentioned. Better use of Sydney airport should be undertaken—in particular, the use of the shoulder and peak periods.

**The Hon. STEVE WHAN:** By peak periods do you mean the movement cap per hour?

**Mr GEORGE SOURIS:** What I was about to say is that we have perhaps one of the world's best located airports. Sadly, we have an airport that is not operating at world's best practice even within the constraints that it has. Much of this is politically inspired at a Federal level. The Federal election campaign that is underway is, no doubt, influenced very strongly by the desire, particularly by the Deputy Prime Minister, to keep this issue well and truly under wraps.

But the fact is that aircraft are now becoming quieter and are using less of the runway. The airport is able to handle larger numbers of passengers because of the size of these aircraft. All these matters are not being taken into consideration by the Federal Government at this point. The denial of the advance in technology and the denial of the ability of Sydney to perform at world's best practice are constraining our economy.

Whether or not a second airport is ultimately needed really is the issue. The State Government does not support the immediate development of a second airport. We appreciate the need to identify the site and quarantine the land for a future decision. Until the Federal Government is genuine and serious about operating one of the world's best assets, nearest one of the world's greatest cities, it is the Federal Government that is restraining our economy by—

**The Hon. STEVE WHAN:** Has anybody in the State Government or any other Minister had discussions with the Federal Opposition about its policy on those same issues?

**Mr GEORGE SOURIS:** I have not. I do not know about anybody else. I can speak only for myself.

**The Hon. STEVE WHAN:** You would be interested to know, Minister, that in the Primary Industries estimates yesterday the Minister for Primary Industries told us that the Elizabeth Macarthur Agricultural Institute was well located near the airport. I asked, "Which airport?" She said, "Badgerys Creek." Is there something she is not telling you?

**Mr GEORGE SOURIS:** I did not particularly follow that sequence, I am sorry. It related to a third party.

**The Hon. STEVE WHAN:** That is all right; it was just an aside. Minister, what action is the New South Wales Government taking to improve the flows of traffic and passengers to and from the airport, particularly by addressing the price of the rail terminal—the facilities—at the airport?

**Mr GEORGE SOURIS:** If you are particularly focused on that, make sure that my colleague the Minister for Transport is asked such a question. I do not have any control over the ticketing of rail passage to and from Sydney airport.

**The Hon. STEVE WHAN:** One of the things the Visitor Economy Taskforce said very strongly was that tourism needed to have a whole-of-government approach. Surely, the engagement in the capacity of the airport rail link and the price of the trains must be something which is critically important to tourism in New South Wales. Therefore should it not be something in which your portfolio is directly engaged?

**Mr GEORGE SOURIS:** It is directly interested in that, of course, but we do have a Minister for Transport. Otherwise, we would just have a single Minister for the Government of New South Wales answering every question.

**The Hon. STEVE WHAN:** That is a bit facetious, Minister. It is something which I think is directly involved with your portfolio. As you may have seen, the patronage on those stations—on that line—where the price has dropped, has gone up significantly. There have been consistent complaints about the capacity of passengers to move away from the airport. Minister, have you had discussions with the airport about the capacity of the—

**Mr GEORGE SOURIS:** I was just turning up the answer and you have gone on to the next question.

**The Hon. STEVE WHAN:** You can answer that as well.

**Mr GEORGE SOURIS:** You go ahead.

**The Hon. STEVE WHAN:** While you are finding that answer to the question about charges on the rail line, you could tell us what action the New South Wales Government is taking to improve the direct road links in and out of the airport, particularly from the international terminal side, which is backed up—

**Mr SCOT MacDONALD:** Point of order: I think we have had two or three attempts to address issues which seem to be outside the portfolio. Can you give some sort of ruling about how far we can go outside the portfolio?

**CHAIR:** At this stage the questioning is generally relevant, but the Minister is entitled to answer the questions as he sees fit. There are two questions before the Minister. Could the member clarify which question he would like the Minister to answer?

**Mr GEORGE SOURIS:** I just offer the comment that Ms Chipchase has a lot of detail relating to the master plan that the airport released recently and the particular aspect that you have raised about transport.

**Ms CHIPCHASE:** The master plan talked about three specific areas. One was parking, one was the egress by public roads and the other pertained to train services. It is my understanding that that master plan is before the relevant authorities. We are not the planning or consent authority for that. Certainly, that plan has been designed to alleviate current issues, particularly around traffic.

**The Hon. STEVE WHAN:** I hope that there would be engagement from the tourism side of the Government in advocating those things. Let us move on. Minister, as the Minister for Tourism and as a Hunter

member of Parliament, are you concerned about the decision by the Department of Trade and Investment, Regional Infrastructure and Services to cut the wine equalisation tax rebate for vigneron in the Hunter Valley?

**Mr GEORGE SOURIS:** That topic has had more answers and questions than any other issue. The decision was taken, as a budgetary measure, that the State would no longer reimburse vigneron for a Federal tax. The wine equalisation tax is a Federal tax and the best way to eliminate it is to prevail upon your Federal colleagues to eliminate the tax. For a State to continue, forever, to rebate an industry for a Federal tax is really unsustainable.

**The Hon. STEVE WHAN:** But, Minister, the State Government was provided the funds from the Federal Government to rebate that tax.

**Mr GEORGE SOURIS:** That was the original GST deal, but since that time the Cellar Door Subsidy Scheme has moved on. That was in 1997, and the former Government was involved in the offset of the impact of increased Federal wine taxes through the High Court decision. The reforms that were made to the scheme in 2000 and 2004 take into account the introduction of the GST and the Wine Equalisation Tax [WET]. After 2006 subsidies were only available to winemakers who paid the Commonwealth Wine Equalisation Tax and had annual wholesale sales of more than \$1.74 million. So it was predominantly the larger winemakers who made claims, with only 23 winemakers participating in the scheme before it finally ended.

The Government identified a number of issues with the operation of the Cellar Door Subsidy Scheme. It had been operating for 15 years. It was introduced to assist winemakers in making a transition. The scheme did not provide a strategic focus for the industry, as some winemakers were eligible to claim while small makers were not. As I have said already, it is a Federal tax and the best way for you to pursue that matter would be to pursue the current Federal Government to abolish such a tax.

The electorate of the Federal Labor member for Hunter, who is now the Minister for Agriculture, Fisheries and Forestry, overlaps with my State electorate of the Upper Hunter and Cessnock. He got it right when on 28 June 1999 he said, and I quote from the Federal *Hansard*:

This is a Commonwealth wine equalisation tax. They should be funding the exemption

Just a day later, on 29 June 1999, when talking about the Commonwealth Government, he said:

It will reap all the rewards of the WET—it wants the states to pay for the cellar door exemption. How outrageous is that?

Of course the member said that when he was in opposition. He is now a member of the Government.

**The Hon. STEVE WHAN:** Minister, Victoria and South Australia are still providing the rebate.

**CHAIR:** Order! The time for Opposition questions has expired. I will now move to questions from the crossbench, starting with the Hon. Jan Barham.

**The Hon. JAN BARHAM:** I would like to follow up on the airport questions just to clarify your response. The Visitor Economy Industry Action Plan refers to the New South Wales Government supporting better utilisation of the existing infrastructure.

**Mr GEORGE SOURIS:** Are you talking about the visitor economy report?

**The Hon. JAN BARHAM:** Yes, I am talking about the Visitor Economy Industry Action Plan. The stated position in that action plan is to increase the movement cap from 80 to 85 movements per hour during peak periods. Have you actioned that and provided support for that position?

**Mr GEORGE SOURIS:** We cannot action that. We have written to them. We have a view but, of course, the implementation is not a matter for us.

**The Hon. JAN BARHAM:** No. But your position, as stated there, has been supported and you have made that known to the Federal Government?

**Mr GEORGE SOURIS:** Yes, we have—and that was quite some time ago. It was more than a year ago.

**The Hon. JAN BARHAM:** I turn now to the Aboriginal Tourism Action Plan. Can you provide me with an update on that? What programs are being funded? In particular, which employment programs are associated with that?

**Mr GEORGE SOURIS:** I will provide you some detail and Ms Chipchase may provide further information. Destination NSW has recently published its Aboriginal Tourism Action Plan, which was one of the key actions outlined in the Visitor Economy Industry Action Plan. The plan is available for downloading on the corporate website of Destination NSW. The proposed actions and time frames will be further developed in partnership with New South Wales Aboriginal tour operators to ensure actions are delivered in a culturally acceptable manner.

In developing the plan, Destination NSW consulted with more than 20 government bodies at the Federal, State and local level; Aboriginal business and peak organisations, including the New South Wales Aboriginal Land Council; and the tourism industry. The key priorities of the plan are building Aboriginal business capacity and facilitating mainstream tourism partnership opportunities. Destination NSW is coordinating a New South Wales Aboriginal tour operators workshop in September to facilitate opportunities for operators through the Aboriginal Tourism Action Plan.

Other priority issues identified in the Visitor Economy Industry Action Plan include the establishment of a major Indigenous festival in Sydney, which has been realised by Destination NSW three-year investment into the Corroboree festival. This will be held for the first time in November 2013. We are really looking forward to that and the success that we hope it will be.

Within Destination NSW Aboriginal tourism has its own sector specialist, specifically engaged to focus on developing this important tourism sector. One of the recent triumphs in this sector is the inclusion of 13 Aboriginal tourism products in the Indigenous Tourism Champions Program run by Tourism Australia. Given the importance of this sector to the New South Wales tourism industry, Destination NSW has enhanced its dedicated webpages to showcase Aboriginal tourism product on its consumer websites *visitNSW.com* and *Sydney.com*.

In April 2013 Destination NSW, in partnership with Tourism Australia, hosted a familiarisation session for buyers from key Western markets to experience New South Wales Aboriginal tourism products in Sydney post the Australian Tourism Exchange event. Destination NSW also invested in a cooperative marketing campaign in June-July 2013 in the United States to promote New South Wales Aboriginal tourism experiences in packages with two wholesale partners. I know I have not specifically referred to employment, but all of this leads to greater economic activity in Aboriginal tourism and, of course, that leads to greater employment.

There is one additional area to discuss, which has just been pointed out to me—that is, the Aboriginal Tour Guide Program. I remember launching that program. Destination NSW implemented the Aboriginal Tour Guide Program, which is one of the initiatives of the Aboriginal Tourism Action Plan, prior to the formal release of the plan. This was piloted in Sydney in association with TAFE NSW. The program aims to provide on-the-job work experience with both government and private sector tourism operators and to turn these training positions into permanent positions over time. The Aboriginal Tour Guide Program was led by Northern Sydney Institute of TAFE, which has advised that 34 people participated in the program. Several students who completed their certificate I in Tourism, Australian Indigenous Culture, have continued on to a certificate III in Tourism, Guiding. Employment opportunities are circulated to participants and 11 have achieved employment outcomes in the Sydney area.

**The Hon. JAN BARHAM:** Minister, sorry to interrupt, but you are taking up all of my time for questioning. Do you have a printed copy of what you are reading from that you might be able to table.

**Mr GEORGE SOURIS:** Yes, we will do that, sorry. There are a few more paragraphs.

**The Hon. JAN BARHAM:** Can you advise the Committee of whether or not you support, or have a stated position on holiday letting—that is, the unapproved use of dwellings for tourism. This issue is particularly important, given the recent court case which found that it was unlawful in residential zones and competes with lawful operators. Previously you have not stated a position opposing this.

**Mr GEORGE SOURIS:** I do have a response, and it is not as long as the previous one. Allowing a property to be let on a short-term basis has been occurring in New South Wales for over 100 years. While some properties may have had issues, the majority have not. This is why some councils have chosen to embrace holiday letting as an important economic—

**The Hon. JAN BARHAM:** Minister, I am asking for your position. I am aware of the issue and I am really keen to find out whether you support legitimate tourism operators against these people who are operating without approvals, without safety provisions for visitors and without paying their way to local government.

**Mr SCOT MacDONALD:** Point of order: I think the Minister had started to answer the question reasonably comprehensively and if he had a little more time then the questioner could probably get her answer.

**The Hon. JAN BARHAM:** A lot of my time was taken up with the previous answer.

**CHAIR:** Order! There does not need to be a discussion across the table. The Minister was asked a question and the Minister is able to answer the question as he sees fit.

**Mr GEORGE SOURIS:** Of course there are overlapping jurisdictions—

**The Hon. JAN BARHAM:** Minister, this is the third year I have asked this question. All I am trying to get is your opinion—

**CHAIR:** Order! There is a question before the Minister.

**Mr SCOT MacDONALD:** I think he was just about to answer it.

**Mr GEORGE SOURIS:** As I said, this is not a simple matter entirely in my hands; and, of course, there are local government issues in particular. I will eliminate the middle part of my answer and conclude by saying that in 2012 the Holiday Rental Code of Conduct was introduced by the industry to help address community concerns around the rental of private dwellings for short-term holiday rentals. NSW Trade and Investment and Destination NSW provided support to the industry to develop and promote the code. Holiday letting in New South Wales is essentially a local government issue. While the Government is mindful of community concerns around the short-term rental of private dwellings, these are best addressed in the first interest by the relevant local council. The New South Wales Government recognises the benefits of holiday letting to tourism and the local economy and will continue to monitor the issue.

**The Hon. JAN BARHAM:** Thank you, Minister. You referred to short-term letting. What about the long-term letting of residential houses where visitors are not protected with safety measures, including fire safety and the structural safety of premises, because they have not undergone the approvals process to ensure that they meet tourism safety standards. This is the point I have been trying to get to for three years—whether or not you as Minister acknowledge that fact.

**Mr GEORGE SOURIS:** Whether or not it satisfies you, the paragraph I omitted is that councils have at their disposal a range of regulatory mechanisms to deal with matters such as noise pollution issues. These can usually be addressed by existing regulation; for example, under the protection of the Environment Operations Act 1997, councils and communities are encouraged to utilise these mechanisms as appropriate.

**The Hon. PAUL GREEN:** Just in line with that, because I know it is a huge problem out there in some cases in high tourist areas, what will the Government do to enforce that local government is implementing that? What checks are in place to ensure that you are protecting those tourism businesses that are doing the right thing as opposed to those people who are trying to make a quick buck on the side without putting the proper safety things in place?

**Mr GEORGE SOURIS:** We do monitor, but Ms Chipchase probably has operational details on that.

**The Hon. PAUL GREEN:** I would love to know how you monitor it.

**Ms CHIPCHASE:** Within councils' ability is the ability to pass ordinances in that specific area. Clearly it is within councils' ability to pass an ordinance saying that they are not going to issue permits again to work with the industry councils, but it is a local government issue.



**The Hon. PAUL GREEN:** Local government is an arm of the State Government, as we well know, so obviously its master should be watching over it to ensure that it is able to enact or empower those regulations that the State makes.

**Ms CHIPCHASE:** All we can do is if people—

**The Hon. PAUL GREEN:** I understand it is not your department.

**Ms CHIPCHASE:** Correct, and if people raise an issue, if it is a planning issue and a legislative issue then it should be taken up with the Department of Planning and Infrastructure.

**The Hon. JAN BARHAM:** And it has been and it has been in the courts.

**Ms CHIPCHASE:** I cannot answer on behalf of the Department of Planning and Infrastructure.

**The Hon. PAUL GREEN:** We will fly away from that one into the next one, which is Sydney airport. We know that if you are going to double tourism numbers by 2020, which we really hope we can do, obviously Sydney airport is the gateway. We note the previous questions from the Hon. Steve Whan, that you would have to be short-sighted if you have not had any discussions with the Federal Government about what we are going to do to embrace the sort of growth that we are going to need. We know that the capacity around that area is going to be nearly gridlocked; if you look at the port, the increased container movements, the truck movements, it is setting up to be one busy precinct. The Minister mentioned best practice, that the airport is not best practice. I wonder if you could clarify exactly what points Sydney airport is not meeting in terms of best practice—world's best practice I think your comment was.

**Mr GEORGE SOURIS:** In particular, the number of movements during the peak and during the shoulder represents perhaps the most important aspect that I was referring to and both of those items, which have been specifically identified by other questions—increasing the movement cap from 80 to 85 movements per hour during peak periods and increasing movements in the curfew shoulder to the level allowed by the Sydney Airport Curfew Act 1995—would result in a further 11 morning landing slots and 14 take-off/landing slots in the evening peak hour. The current regulation regarding shoulder movements should be updated to match the Sydney Airport Demand Management Act 1997. So we are not advocating the removal of the curfew, if that was perhaps amongst your question, but we are advocating the better use within the curfew that is already in place—the better use of Sydney airport in those two ways. Those two ways were the subject of the correspondence the New South Wales Government undertook.

**The Hon. PAUL GREEN:** There was no undertone in there; I just needed some clarification on what you meant by that. If we were to double tourism by 2020 has modelling been done to show just exactly how many more flights we would need to absorb?

**Ms CHIPCHASE:** I do not have a specific number for you but the answer to that is yes. Clearly, the fact that the aircraft are getting bigger—you have got the Dreamliner series coming on board, A380s—just that incremental change in the size of the aircraft would automatically deliver more visitors into New South Wales. That is one aspect. The second aspect is that Sydney airport can handle 100 aircraft movements an hour; at the moment they are constrained to 80. So, just as the Minister said, even by just allowing another five aircraft movements around that shoulder and peak season by increasing the efficiency, you would automatically see an increase.

One of the issues, of course, is that because it is very rigid around peak periods, particularly aircraft that are coming from the northern hemisphere, just by virtue of how long it takes to get from the northern hemisphere to Sydney and the times people like to leave during the day means that a vast majority of flights like to arrive in the morning so that, obviously, visitors can make the most of their day—get to the hotel, shower, change and then get out and explore the city and the region. So just making one small change of an extra five per hour will have a monumental increase. The studies show, as everybody has seen, we are losing money by being artificially constrained.

**The Hon. PAUL GREEN:** I think that is everyone's concern obviously, the opportunities going by. I note that rail travel accounted for around 4 per cent of all visits to New South Wales. Do you think the North West Rail Link would be expected to have any impact on tourist numbers that we can expect?

**Mr GEORGE SOURIS:** The North West Rail Link in Sydney?

**The Hon. PAUL GREEN:** Yes. Sorry, I should have asked you this. As you would be aware, at around 40 per cent regional New South Wales was the largest source of visitors. Compared with last year, the regional New South Wales source market declined by 0.3 per cent and nights spent by the visitors from regional New South Wales declined by 5.4 per cent. Can you comment on why we have seen a decline in regional New South Wales visitors?

**Ms CHIPCHASE:** Certainly. You would only have to look, number one, to the Australian dollar and the fact that Australians are leaving our shores in record numbers for holidays due to the high Australian dollar. Clearly, some Asian destinations offer very cheap holiday options. Hopefully we will have an opportunity to turn that around and I think one of the other aspects around regional New South Wales has been the lack of destination management planning. You have had some areas within New South Wales promoting their region but not giving people compelling enough reasons to visit. So they have not identified what is unique about their area, they have not put enough time and effort around their festivals to be able to attract additional visitation and some have been constrained over airline service or lack of bus service. That integration was identified in the Visitor Economy Action Plan as being a key impediment.

One of the proactive ways that we are addressing that is through linking government funding to the regions having to have a destination management plan. They have done their homework. They have done, if you like, a swat analysis and that has helped; there have been a lot of ah hah light bulb moments for people in the regions to suddenly realise who their true target market is. We are working very closely with the regions on building capacity and capability and helping them to target their key markets around that very area.

**Mr GEORGE SOURIS:** And we have very much increased our investment in regional tourism. We recently announced a record investment in budgetary terms in 2013-14 of \$20 million, which is a substantial increase over a three-year period compared to the previous, of course. We are not taking anything for granted, of course, and we do appreciate the regional aspects that you have raised, but please appreciate that we are putting in additional efforts in regional tourism.

**The Hon. PAUL GREEN:** I will come back to rail travel accounting for 4 per cent of all visitors to New South Wales. I guess what we are talking about is connectivity and an aging population. Do you expect the North West Rail Link to have an impact on tourist numbers and their ability to get around?

**Ms CHIPCHASE:** You may recall that a parliamentary committee was looking at transport throughout New South Wales. We put in a submission around working with CountryLink on better linkages between train travel and major events. We see some huge opportunities there. For example, if it is an event such as CMC Rocks the Hunter we might be able to do other packaging. You have seen how CountryLink works with the Elvis Festival in Parkes around making that train trip part of that experience.

**The Hon. PAUL GREEN:** It is full of Elvises. It is a great trip.

**Ms CHIPCHASE:** Correct, and Priscilla Presley impersonators, and they sing and dance and gyrate all the way out there. It is being able to work in partnership with CountryLink on that connectivity to some of our great regional events. We see that as a big opportunity.

**CHAIR:** The time for questions on Tourism has expired.

**(The witnesses withdrew)**

**SANDRA CHIPCHASE**, Chief Executive Officer, Destination NSW, on former oath:

**MARK PATERSON**, Director General, Department of Trade and Investment, Regional Infrastructure and Services, affirmed and examined:

**CHAIR:** The Committee will now deal with the portfolio of Major Events. We will commence with questions from the Opposition.

**The Hon. STEVE WHAN:** My first question is about the convention centre rebuilding. In the media recently we have seen that the first proposal for the temporary convention facilities fell over and that it has been picked up by a consortium involving Lend Lease. Minister, can you indicate the timing for the completion of the temporary facilities and how that relates to the timing of the closure of the existing facilities?

**Mr GEORGE SOURIS:** I will just give the whole answer, because both parts are covered in this. The New South Wales Government is investing in creating Australia's largest and first fully integrated convention, exhibition and entertainment precinct at Darling Harbour, which will be known as the International Convention Centre Sydney. The existing convention and exhibition facilities at Darling Harbour will close in December 2013 to make way for the new development, which is scheduled for completion in late 2016. The Entertainment Centre remains open until the end of 2015.

During the construction period Sydney has diverse options that can be used as standalone venues or as part of a combined solution for large events. For example, Sydney Olympic Park, Royal Randwick Racecourse, the Event Centre at The Star, Hordern Pavilion, the Royal Hall of Industries, Australian Technology Park, Carriageworks, Sydney's hotels and the Allphones Arena. In addition, the New South Wales Government is creating interim facilities at the Sydney Exhibition Centre at Glebe Island, which will offer pavilion-style fully serviced exhibition space of 20,000 square metres with options for an additional 5,000 square metres for temporary expansion for larger public exhibitions and trade shows. The interim exhibition space will open for the industry's 2014 season, which starts in February 2014.

Infrastructure NSW has been working closely with industry representatives as part of a shared commitment to get the facility up and running. Contracts have been secured with leading events company GL Events for supply of the 20,000 square metre high-quality hard-walled exhibition structure, with international operator AEG Ogden to operate the interim facilities. AEG Ogden will also operate the new facilities at Darling Harbour when they open in 2016, with Lend Lease as managing contractor to deliver the entire site works, including pouring a 26,000 square metre slab as the first step for building the pavilion-style structure and with Pacific Pontoons to build a temporary ferry wharf at Glebe Island. Ferry and shuttle bus services will operate to provide access to the site on event days only. Infrastructure NSW has advised that there are currently more than 120 events holding space at the interim facility and that AEG Ogden will continue discussions with exhibition organisers to finalise arrangements.

**The Hon. STEVE WHAN:** Are those 120 events expressions of interest or indicative bookings for the facility?

**Ms CHIPCHASE:** They are holding space.

**The Hon. STEVE WHAN:** How confident are you that the timing of February 2014 will be met for the opening of the temporary facilities?

**Mr GEORGE SOURIS:** Confident. I cannot really give you a better answer. We are all confident, are we not?

**The Hon. STEVE WHAN:** I am asking you.

**Mr GEORGE SOURIS:** But are we not all confident? Our hopes should be in alignment here. We want to, as best we possibly can, continue the presentation of conferences and conventions.

**The Hon. STEVE WHAN:** Ms Chipchase, has Destination NSW seen any change to the number of events being booked in Sydney over this period? Have you got a specific strategy for promoting exhibitions and events during the interim period of the rebuild?

**Ms CHIPCHASE:** The worldwide trend for international conventions is for events under 1,000 attendees. They are smaller events. In fact, 70 per cent of all international meetings that rotate around the world are under a thousand people. They are actually from 300 to about 900. That is the bulk of the meetings. As the Minister outlined, we have several outstanding venues in Sydney that have the capacity to handle events for under 1,000 people. Business Events Sydney has been working very closely with industry including professional conference organisers, corporate event planners and corporate end users around conferencing, major conventions and exhibitions and finding alternative space during that period. In fact, during Vivid next year we have the International Rotary Conference. That will be 18,000 people coming here. That is after the current convention centre space has closed. Clearly, there is a case for the fact that Sydney can handle events of all major sizes during the period of the rebuild.

**The Hon. STEVE WHAN:** You have not got a specific strategy for that period, but you continue to do the marketing as previously?

**Ms CHIPCHASE:** No, we have a specific strategy and it is around targeting events of that size.

**The Hon. STEVE WHAN:** Of the size that can be accommodated?

**Ms CHIPCHASE:** Correct. But, as I mentioned before, next year the Rotary conference will have 18,000 people in attendance.

**The Hon. STEVE WHAN:** Where is the Rotary conference being held?

**Ms CHIPCHASE:** At Homebush.

**The Hon. STEVE WHAN:** Minister, you mentioned a ferry service during the period that events are on. There has been some criticism of the Glebe Island site concerning lack of access for pedestrians. Has there been any further work to increase pedestrian access to the island during event periods?

**Mr GEORGE SOURIS:** I cannot answer that.

**Ms CHIPCHASE:** My understanding is that Infrastructure NSW is looking at that issue. They are looking at a ferry service, which will be a fantastic way for people to get from the city and a very beautiful way to get from the city to this new facility. Bus services and taxi ranks are all in the planning.

**The Hon. STEVE WHAN:** During this year's Vivid Sydney there were claims by some artists of censorship of material for the festival. Minister, did you have any involvement in whether any artworks were able or not able to be shown?

**Mr GEORGE SOURIS:** No, I did not.

**The Hon. STEVE WHAN:** Do you have a view on that?

**Mr GEORGE SOURIS:** No, I do not have a view. I have never had a view of being involved at a ministerial level in any aspect of artistic direction or censorship. That is applied throughout. I do not know what you are particularly referring to. Perhaps Ms Chipchase does.

**The Hon. STEVE WHAN:** Ms Chipchase, do you want to add anything?

**Ms CHIPCHASE:** Just that we had a contractual arrangement with the organisers of Reportage that gave us editorial approval rights, and we exercised them.

**The Hon. STEVE WHAN:** Did you exercise the ability to decide what was allowed?

**Ms CHIPCHASE:** In the public domain but not in the other venues. The organisers of Reportage could show anything—

**The Hon. STEVE WHAN:** What was the basis for the decision to exercise those rights?

**Ms CHIPCHASE:** Because some of the material was deemed to be not in keeping with the values of Vivid but the actual exhibition could be seen in entirety at several other venues across the city. Indeed, during the Vivid ideas exchange eight individual exhibitors at Reportage were able to present any material they liked. Also, on the light-emitting diode [LED] screen, which was the area, people were directed to the other venues to see the entire exhibition if they wanted to do so.

**The Hon. STEVE WHAN:** What specifically was deemed to be inappropriate?

**Ms CHIPCHASE:** Photographs of dead people, for example.

**The Hon. STEVE WHAN:** Who was consulted when making that decision? Did you consult any other groups?

**Ms CHIPCHASE:** Yes. We had a team that reviewed the materials we were given. Some were quite horrific. For example, one in particular that I can recall was a man on a hospital gurney with his femur hanging outside his leg. He had obviously been a victim of a bomb attack or something like that, screaming in agony. We felt that that was not appropriate material to be shown on an outdoor LED screen.

**The Hon. STEVE WHAN:** Who was on your committee? Can you provide us with that? You can take the question on notice.

**Ms CHIPCHASE:** We can take it on notice but we had our creative advisor as well.

**The Hon. STEVE WHAN:** One thing the Visitor Economy Taskforce [VET] report said about Sydney was that it needed to do more to build its destination status in a number of areas. Almost the only area where we seem to be ahead of the other States was night-life in many of those categories. What is the Government doing to ensure that the attraction in that area is maintained?

**Ms CHIPCHASE:** Around night-life?

**The Hon. STEVE WHAN:** Yes.

**Ms CHIPCHASE:** We have worked with the city of Sydney on its new policy, which is around trying to encourage more events into the city in the evening, whether they are exhibitions, festivals, music. That night-time economy is important to the city. Clearly, we are a global city; if you look at any other cities around the world—London, New York, Los Angeles, Berlin, Paris—there is a thriving night economy. I think events like Vivid, certainly as we saw this year, you can have a very family friendly, safe, beautiful event that achieves the economic objectives which are filling restaurants and cafes. Shops that were open can take advantage of that. Hotels—

**The Hon. STEVE WHAN:** Is that night-life destination status damaged by the fairly consistent reports of violence and assaults in Sydney on the streets at night?

**Ms CHIPCHASE:** If you look at any global city, when you have alcohol and young people it can create issues. The Government has made a response to that. I might hand over to the Minister.

**Mr GEORGE SOURIS:** You are actually moving completely to the next—

**The Hon. STEVE WHAN:** Yes. I am happy to pursue that in the next session as well, but I am asking whether, in terms of tourism promotion and marketing for Sydney, that has damaged our ability to market that aspect.

**Ms CHIPCHASE:** I would say no, purely because it has been isolated incidents.

**Mr GEORGE SOURIS:** The number of incidents, assaults, in any measure, any way you want to look at it, has fallen dramatically.

**The Hon. STEVE WHAN:** We will come to that in the next part of the session.

**Mr GEORGE SOURIS:** Yes, but you are pumping up a story that does not exist.

**The Hon. STEVE WHAN:** One other area in which Sydney has had a strong attraction is the Mardi Gras and a destination for gay and lesbian people. Were you consulted on the Government's decision to remove the rainbow crossing in Oxford Street? Was any consideration given to the negative impression that might have given to that market?

**Mr GEORGE SOURIS:** I was not consulted in any way.

**Ms CHIPCHASE:** No. We were not consulted.

**The Hon. STEVE WHAN:** Do you think that it would have been reasonable, given that the VET report talks about whole-of-government approaches to tourism? Do you think it would be reasonable for the Minister for Roads and Ports to consider that in the decision—

**The Hon. NIALL BLAIR:** Point of order: The Hon. Steve Whan should not be asking the Minister whether the Minister for Roads and Ports thought something was reasonable. He cannot speak for the Minister for Roads and Ports. If the member has a question for the Minister for Roads and Ports, he should put that question to the Minister for Roads and Ports.

**CHAIR:** I uphold the point of order. I note that the Hon. Steve Whan cannot ask the Minister for his opinion.

**The Hon. STEVE WHAN:** It seems to me that one key point out of the recent VET report was whole-of-government approaches to tourism. I would have thought that some of those things need to be taken into account when you are looking at the whole—

**Ms CHIPCHASE:** That was a public safety issue, as I recall.

**Mr GEORGE SOURIS:** It was a matter of road safety. There was a timed contract that the Minister for Roads and Ports entered with the city of Sydney. So that decision was taken prior to the commencement of it.

**The Hon. STEVE WHAN:** So it was safe for the period of the Mardi Gras but not afterwards?

**CHAIR:** Again, this is a matter for Roads. The Hon. Steve Whan should move on to another question.

**The Hon. STEVE WHAN:** In your representations on Sydney airport, earlier you mentioned morning curfews. Have there been specific representations to the Federal Government about changing the morning curfew to cope with the peak that you talked about earlier?

**Mr GEORGE SOURIS:** This is tourism or major events?

**The Hon. STEVE WHAN:** I think there is a crossover in both if you look at it.

**Mr GEORGE SOURIS:** Will you redirect your question so that there is a major events aspect to your question?

**The Hon. STEVE WHAN:** Obviously when we are promoting ourselves as an international destination and bringing major conventions and so on and people from the Northern Hemisphere, Ms Chipchase talked earlier about the capacity of Sydney airport in that peak morning period. We have heard about the hourly movements. I am asking you whether specific representations have been made to the Federal Government about changing the morning curfew period.

**Mr GEORGE SOURIS:** Your question refers more to the domestic peak that occurs at Sydney airport. The connection to major events is not very great in terms of that one hour twice a day. It is our aim to attract a visitor for a much longer period than that in relation to that major event and associated and supporting major events. So it is not particularly critical for those coming to Sydney for a three- or four-day visit, particularly for a major event that is included in there. It is not particularly for them about the question of the peak hours to which you are referring.

**The Hon. STEVE WHAN:** I would have thought the capacity of Sydney airport is directly relevant to major events, as well as to tourism overall.

**Mr GEORGE SOURIS:** Of course it is.

**The Hon. STEVE WHAN:** What you mentioned earlier and what Ms Chipchase mentioned is that when the airport opens in the morning is the period when most international flights from the Northern Hemisphere want to land. I am specifically asking you whether your representations to the Federal Government included a proposal to change the morning curfew.

**Mr GEORGE SOURIS:** No.

**The Hon. STEVE WHAN:** No?

**Mr GEORGE SOURIS:** You mean the commencement time of the curfew?

**The Hon. STEVE WHAN:** Yes.

**Mr GEORGE SOURIS:** No.

**The Hon. STEVE WHAN:** Have they included any proposal to change the shoulder period in the morning?

**Mr GEORGE SOURIS:** Not the periods—the number of movements within, which I have already answered.

**The Hon. STEVE WHAN:** With the convention centre rebuild there was an indication in the media either this week or last week that there has been a change to the design of the towers with the convention centre. I understood the media reports to say that there would be one less tower or the height had changed. Has that changed the time frame for delivery of the convention centre at all? Can you explain what changes that means to the capacity of the hotels being built for the centre?

**Mr GEORGE SOURIS:** I do not have that timetable.

**Ms CHIPCHASE:** No, it will not change the delivery time. My understanding is that there are two hotly contested bidders in the expression of interest process for the development of the hotel. There was consultation with the community about the size of the towers, the style of the towers, and the decision was made to consolidate into one. The planning or the size and the configuration would be a matter for Infrastructure NSW to address.

**The Hon. STEVE WHAN:** Is the capacity of the hotel the same? [*Time expired.*]

**The Hon. PAUL GREEN:** Sydney is well known for many of its major events obviously and the New Year's Eve celebration in Sydney Festival. What specific action is the Government taking to increase major events in regional New South Wales given that you have just mentioned the Convention Centre rebuild and that some of your conference sizes are quite manageable in regional areas? Is this not an opportunity to potentially shift away from the Convention Centre while the rebuild happens and send those opportunities out to regional New South Wales?

**Mr GEORGE SOURIS:** Yes. I mean every effort is made to ensure that we attract and retain these conferences and suggest regional locations near and far. Of course, it is not a controlled market and we are in competition with many, but we do make efforts as best we can to attract these events to regional areas. I have some specific information. The trouble is it goes for several pages, which will not be great for you. I think we have a more condensed version.

**The Hon. PAUL GREEN:** I am quite happy to have it tabled.

**Mr GEORGE SOURIS:** We will certainly table the long answer.

**The Hon. PAUL GREEN:** Just give me the headlines of what you do to delegate these things to regional New South Wales. I assume you would have a database of the different capacities across New South Wales and who could absorb some of those conferences.

**Ms CHIPCHASE:** Correct. Regional New South Wales communities can apply for regional flagship funding and that comes in two different tranches. They can apply for a \$10,000 one-off grant or they can apply for event development over three years—\$20,000 a year for three years, totalling \$60,000. That is one aspect. Another aspect is that regional New South Wales can again apply for major event funding for events of significant size. That could be, for example, Surfest in Newcastle; Port Macquarie, Ironman; Rally Australia championships in Coffs Harbour—those events that are deemed to be of significant size. Normally what would happen for any major event that is being held in regional New South Wales is that sometimes event proponents will come to us and say that they are looking for somewhere outside Sydney to be able to stage the event.

Again, we look at what are the requirements—and it could be around accommodation, it could be around a road for a rally championship or it could be for cycling, so we look at what are the infrastructure needs of that particular event. It might also be that they need to be near major transport hubs or whether it is an airport within a three-hour drive from Sydney. We look at what are the requirements of that specific event and then what areas have the physical capacity to stage that event. There is a range of different ways that those events are brought into regional New South Wales but I think the evidence speaks for itself around the number of regional events that Destination NSW has secured for the regions and/or supported because they have gone out specifically and bid for a particular event and then asked, "Can we help?"

**The Hon. PAUL GREEN:** Talking about particular events, does Destination NSW have anything to do with the Hillsong Conference and its impact on the economy?

**Ms CHIPCHASE:** No, we do not.

**The Hon. PAUL GREEN:** How much revenue was raised from the recent New Year's Eve celebrations and how does this compare to the total cost of running the event including the cost of fireworks, security, hospitalisations and road closures?

**Mr GEORGE SOURIS:** Revenue?

**The Hon. PAUL GREEN:** Yes.

**Mr GEORGE SOURIS:** You mean economic impact?

**The Hon. PAUL GREEN:** Yes.

**Ms CHIPCHASE:** We are not the lead agency for New Year's Eve so you would have to speak with the City of Sydney.

**Mr GEORGE SOURIS:** The fireworks are not paid for by the State of New South Wales; it is paid for by the City of Sydney. That question is asked on New Year's Day every year.

**The Hon. PAUL GREEN:** You probably hand that bill over, I imagine. It is always an excellent display, if I may say so; the best investment in my personal view.

**Mr GEORGE SOURIS:** Indeed.

**The Hon. PAUL GREEN:** Others would see that money going up in smoke. Could you enlighten us as to your involvement in the Hobie Cat 16 World Championships on Jervis Bay?

**Ms CHIPCHASE:** Yes, we are an investor in that event.

**The Hon. PAUL GREEN:** I am aware of that and I am aware that there is some commercial in confidence on different things. What is the Government's involvement in the event and how is the Government taking advantage of access to the global audience for this event for New South Wales?



**Ms CHIPCHASE:** It follows a range of specific marketing activities. For example, for any major event or an event of that scale we would work with the event owner on advertising programs. We would work with them on utilising our media assets, for example, our visitnsw.com.au website or if it was closer to Sydney our sydney.com website. We work through trying to amplify the events through Tourism Australia's website. We might work on partnerships with local accommodation providers, so that might be, for example, a campaign on wotif.com. It might also be, if it is an area that has an airport, that we perhaps would work with QantasLink. If it is an area serviced by CountryLink we might be doing a campaign with CountryLink. Again, if there is an international association we would be looking to embed some sort of New South Wales widget on their website so that when they clicked on to the international association of Hobie Cat enthusiasts, we could then start to promote our event in New South Wales on their website. We really would be trying to drive as many numbers from overseas and interstate because that is really a great market for us to be able to do that.

**The Hon. PAUL GREEN:** I guess on this occasion as it is a water sport one would think that New South Wales would be ready to go with its calendar on water sports so that it can get its calendar in front of the cameras during that contest.

**Ms CHIPCHASE:** Correct.

**The Hon. PAUL GREEN:** Is that what we are trying to achieve?

**Ms CHIPCHASE:** Yes, and we also look at what other advertising opportunities might be available on-site. For example, it could be banner advertising to direct people to our websites. We ensure that our events are on our major events calendar online but clearly any investment is around trying to drive overnight visitor expenditure to New South Wales.

**The Hon. PAUL GREEN:** We have seen some major events for New South Wales in the media and some gloating about how successful they have been. Could you elucidate the impact on the State's economy from securing these major events?

**Ms CHIPCHASE:** Sure.

**The Hon. PAUL GREEN:** And perhaps you can let out of the bag what major events the department has up its sleeve?

**Mr GEORGE SOURIS:** We have grand launches for those.

**Dr JOHN KAYE:** What grander place than here, Minister?

**Mr GEORGE SOURIS:** First of all, I think we will be able to table these five pages of events. I will just make a couple of remarks and then offer to table literally five pages of events that have been secured. Attracting the right mix of new events is a key part of the New South Wales Government strategy to continue building the New South Wales economy by driving tourism, trade and investment to Sydney and New South Wales. Destination NSW has been successful in securing 111 new events for Sydney and regional New South Wales between March 2011 and July 2013. This means that on average nearly three new events were secured each month.

Events include the successful Sydney International Art Series, which featured Francis Bacon: Five Decades, and Anish Kapoor; the Alexander the Great: 2000 Years of Treasures exhibition and the Paris Opera Ballet performance of *Giselle*. Musical theatre has featured strongly and included *Annie; An Officer and a Gentleman; Legally Blonde The Musical;* and *The Adams Family*. In December 2013, *The Lion King* will return and the upcoming world premiere of Baz Luhrmann's *Strictly Ballroom-The Musical* will take place in March 2014. *The Handa Opera on Sydney Harbour* has also been a highlight and will occur again in March 2014.

New sporting events include the start of the 10-year Bledisloe Cup Festival deal; the two State of Origin games; the 2014 International Football Association [FIFA] World Cup Asian qualifiers; the British and Irish Lions tour, which included a match in Newcastle and two matches in Sydney, and the Manchester United match; and the opening series of the Major League Baseball, which will occur in March 2014.

Once the Bledisloe Cup and the NRL Grand Final have been held, on the sporting side alone, some 550,000 seats will have been sold to major sporting events in New South Wales in approximately a six-week

period. The economic impact is estimated at well over \$100 million. That figure may be higher, because we do not know how many people choose to come to Sydney on business and specifically pick a particular period of time to enable them to attend a major event, perhaps in a box of the business in question. Those business people are not registered in any official way, so the economic value is extremely conservative. It has been the best winter for tourism on record in New South Wales for hotel occupancy, the turnover of shops and other entertainment venues and for regional tourism. Hoteliers tell us they had full houses for the entire winter period.

**The Hon. PAUL GREEN:** Congratulations to you and your staff on that effort.

**Mr GEORGE SOURIS:** Thank you.

**Dr JOHN KAYE:** Minister, to some extent your predecessor in this portfolio was Ian Macdonald when he was the Minister for State and Regional Development. He has been found corrupt by the Independent Commission Against Corruption [ICAC] in respect of activities not related to this portfolio. But in a June 2010 report from the Auditor-General, there were severe irregularities associated with the awarding of the contract and the funding for the V8 Supercars Race at Homebush in the Sydney Olympic Park. How long will this charade continue? How long will we continue to have a race in connection with which the Auditor-General has said that there are severe irregularities brought about by a Minister who was dealing behind closed doors, without Cabinet authority? You have continued that for three years. When will you bring this charade to an end?

**Mr GEORGE SOURIS:** Firstly, the Government chose not to renew the contract that you are referring to. It has expired. There is still one event under obligation and that will be 2013.

**Dr JOHN KAYE:** Four years of the Ian Macdonald contract under your Government.

**Mr GEORGE SOURIS:** I am sorry, we cannot cancel that. That is a Crown obligation.

**Dr JOHN KAYE:** Did you attempt to renegotiate it at any time?

**Mr GEORGE SOURIS:** No, not to renegotiate it.

**Dr JOHN KAYE:** You did not try to change it in any way?

**Mr GEORGE SOURIS:** No, that would have been a new contract. What we chose to do instead was to not exercise the option to extend the contract you are referring to. We are quite open to commence negotiations with the V8 Supercars people. There has been quite a change in terms of the corporate structure, the board, the chief executive and so on. But there is nothing to report, as yet, and that is probably because there is still one more event in November of this year.

**Dr JOHN KAYE:** Is it your intention to offer them Sydney Olympic Park again, for the V8 Supercars racing?

**Mr GEORGE SOURIS:** Let me put it this way: The word "intention"—I would hope to see that we have a V8 Supercars race, preferably at Homebush, Eastern Creek Raceway and Bathurst—therefore, three events per annum. The Queensland Government has just negotiated that same number of events. I hope that will also be the outcome of our negotiations but there is no new contract. The old contract has expired. There is no new contract and there is certainly, therefore, no finalisation—

**Dr JOHN KAYE:** So what has changed in the New South Wales Coalition? Your leader, when he was Opposition Leader, expressed grave concerns about holding the race at Homebush. Now you say it is your hope, as I understand it, that at least one of the three races—

**Mr GEORGE SOURIS:** No, my hope is that we have three races.

**Dr JOHN KAYE:** But you said you wanted three races—your words were "three races-at Homebush, at Eastern Creek and at Bathurst".

**Mr GEORGE SOURIS:** Yes, that makes three.

**Dr JOHN KAYE:** I presume that does not mean you want nine races?

**Mr GEORGE SOURIS:** No.

**Dr JOHN KAYE:** You want one at Homebush, one at Eastern Creek and one at Bathurst. So you still want one at Homebush, whereas Barry O'Farrell, when he was Opposition Leader, said clearly that he was uncomfortable with the Homebush venue. He saw it as an inappropriate venue.

**Mr GEORGE SOURIS:** I would suggest that there may have been discomfort at Ian Macdonald's involvement, rather than the broader aspects.

**Dr JOHN KAYE:** With respect, Minister, he was expressing both.

**Mr GEORGE SOURIS:** The fact is that the event has generated significant numbers of visitors and it is an important part of the economy. My obligation is to ensure that we pursue and invest in major events that benefit the people of New South Wales and help lead us to the conclusion of our visitor economy goals. I have expressed to you what I hope would be an outcome, that there would be three events on the New South Wales calendar, just as Queensland has secured three events. The patronage numbers at Homebush would certainly indicate that, in terms of numbers, it has been a successful event.

**Dr JOHN KAYE:** Whose numbers are those, Minister? Are they your numbers or numbers that are given to you by V8 Supercars Australia?

**Ms CHIPCHASE:** The V8 Supercars provide a report, as they have done each year for the last three years. In the last two years, since Destination NSW was formed, we have also undertaken our own independent research, through a third party research company, looking at where visitors are from, where they spend, their travel patterns and that sort of thing.

**Dr JOHN KAYE:** And, Ms Chipchase, numbers or not numbers?

**Ms CHIPCHASE:** Clearly, we have not interviewed every single person through the door.

**Dr JOHN KAYE:** No, that is not what I asked, Ms Chipchase. I asked, did your independent research show up numbers or are we relying on V8 Supercars Australia's estimation of numbers?

**Ms CHIPCHASE:** At the moment we are relying on V8 Supercars numbers and also ticket bookings through third party ticketing agencies.

**Dr JOHN KAYE:** With regard to the fundamental driver of the economic benefit or disbenefit of the V8 Supercars event at Homebush, we still believe what V8 Supercars Australia tells us?

**Ms CHIPCHASE:** No, we have undertaken our own—

**Dr JOHN KAYE:** No, you said not on numbers.

**Ms CHIPCHASE:** No, you asked two questions: You asked about the numbers and we told you what numbers we have been supplied with; you asked about economic impact—

**Dr JOHN KAYE:** No, I did not ask about economic impact, Ms Chipchase, at all. What I said was, for the fundamental driver of economic impact—the number of people attending the event—you are still relying on the information provided to this Government by V8 Supercars Australia.

**Ms CHIPCHASE:** Because that was the original contract that was agreed and I think you will find that, should we enter into any new contract arrangements it will be in a far more specific contract, in terms of deliverables, than the one we inherited.

**Dr JOHN KAYE:** Minister, when will those contract negotiations begin? Will they be exclusively with V8 Supercars Australia and will they involve consultation with the local community at Homebush?

**Mr GEORGE SOURIS:** I have not got a program or a plan for negotiations to commence in a formal way in order to declare that a certain day would be the day. The event that remains—I was incorrect—is 6 to

8 December, not November. This is a little away from the question, but in terms of numbers—if we are not rained out and if the stars are aligned—we are expecting in the order of 150,000 patrons to attend over that three-day period.

**Dr JOHN KAYE:** And quite so, Minister, but we will not know whether they have or not—we will be reliant on V8 Supercars.

**The Hon. STEVE WHAN:** You can stand out there and count them, John.

**Dr JOHN KAYE:** You are better at numbers than I.

**CHAIR:** Order! We are here to ask questions of the Minister and not to have chitchat across the table.

**Dr JOHN KAYE:** While we are talking about counting and numbers, the Deputy Premier on the Destination NSW website refers to "record attendance of more than 800,000 people across the 18-day event". How is that number—

**Mr GEORGE SOURIS:** Which 18-day event?

**Ms CHIPCHASE:** That is Vivid.

**Dr JOHN KAYE:** That is Vivid. I am talking about Vivid.

**Mr GEORGE SOURIS:** Okay.

**Dr JOHN KAYE:** On the Destination NSW website, under "Vivid Sydney draws record crowds", it states:

... Deputy Premier [says] ... with preliminary estimates showing record attendance of more than 800,000 people across the 18-day event.

**Mr GEORGE SOURIS:** Did you go to any of it?

**Dr JOHN KAYE:** Minister, I ask the questions in this portfolio.

**Mr GEORGE SOURIS:** Yes, I know. It is all right. You do not have to answer the question.

**Dr JOHN KAYE:** Minister, how do you know there were 800,000 people at that 18-day event?

**Ms CHIPCHASE:** The way we know that is, number one, there are electronic people counters that the Sydney Harbour Foreshore Authority manages at several areas around the Rocks and Circular Quay and also at Darling Harbour. So it measures physically how many people go through those electronic beams. That is number one. Number two, we also know about ticket sales at the Sydney Opera House and we do have postcode data for that. For the Vivid Live program, we know exact numbers. For the Vivid Ideas Exchange, there is a seminar program. Also this year with Vivid, part of our strategy to grow the event, and of course to feature Sydney as the creative services hub, is to build or bring other events in under that portfolio.

For example, the International Symposium of Electronic Arts Conference was held. We have the numbers of delegates that booked. We have postcode data. Similarly, the International Design Conference is another event where we can measure the numbers. We also had over in North Sydney people lined up to operate the Sydney Harbour Bridge lighting effect. With our partners Intel, there were people counts again for the numbers of general public that lined up for that. We also had people on the ferry systems. Again and again, we had the same sort of—

**Dr JOHN KAYE:** So the short answer is—

**CHAIR:** Time for questions has expired.

**Dr JOHN KAYE:** I point out that I have not had 10 minutes.

**The Hon. LYNDIA VOLTZ:** You only get seven and a half.

**Dr JOHN KAYE:** Okay. I thought I had 10 minutes.

**The Hon. STEVE WHAN:** You did say you were not very good with counting.

**CHAIR:** Time for questions has expired. We will break and resume at 10.35 a.m.

**(The witness withdrew)**

**(Short adjournment)**

**MARK PATERSON**, Director General, Department of Trade and Investment, Regional Infrastructure and Services, on former oath.

**MARY DARWELL**, Executive Director, Arts NSW, Department of Trade and Investment, affirmed and examined.

**CHAIR:** We will begin with questions from the Opposition.

**The Hon. LYNDA VOLTZ:** Minister, grants and contributions to the New South Wales Film and Television Office in Screen NSW have been reduced from \$11.69 million to \$9.87 million, a reduction of \$1.82 million. The grants and subsidies available for distribution by the New South Wales Film and Television Office are now reduced from \$8.77 million in 2012-13 to \$6.9 million in 2013-14, a reduction of \$1.844 million. Can you tell me which grant areas will be reduced in 2013-14 as a result of these reductions?

**Ms DARWELL:** Screen NSW, like all government agencies, is faced with budgetary restraint. It will continue to support the screen sector across-the-board and we expect there to be strong investment in the coming year.

**The Hon. LYNDA VOLTZ:** Which grant areas have been reduced? Are all grant areas reduced?

**Ms DARWELL:** What has ceased has been the interactive media fund. That was always due to cease at the end of June 2013. Otherwise investment continues across-the-board as the priorities of the agencies determine.

**The Hon. LYNDA VOLTZ:** Can I follow up on the information you have just provided? You are saying that those \$1.82 million and \$1.84 million reductions are the \$1.5 million that was allocated to the interactive media fund.

**Ms DARWELL:** The New South Wales Government committed \$3 million over two years to the interactive media fund and for the creation of new digital content, and that ceased in June 2013.

**The Hon. LYNDA VOLTZ:** Yes, but is that amount included in reductions from \$11.69 million to \$9.87 million?

**Ms DARWELL:** That amount comes through the State Investment Attraction Scheme, which is administered by the Department of Trade and Investment.

**The Hon. LYNDA VOLTZ:** It is separate from that reduction of \$1.84 million, so in fact you have a reduction of the digital fund on top of that. That means that all grant funds will be reduced?

**Mr GEORGE SOURIS:** Well, no. Just let me point out that the component that is attributable to Trade and Investment depends very much on a big production. That may be negotiated and finalised at any time during the year. There is not one that is finalised at this very moment. *Wolverine* was the last one and *The Great Gatsby* before that. I cannot remember them all now, but *Happy Feet Two* and *Happy Feet* and the earlier *Wolverine* were major productions that are included in those past years' statistics. I am hopeful that there will be an additional big production that will be added as we go along, but right at this moment there is not one that is finalised.

**The Hon. LYNDA VOLTZ:** How much has been allocated to production finance in 2013-14?

**Ms DARWELL:** I do not have the forward budget for 2013-14. I can take that on notice.

**The Hon. LYNDA VOLTZ:** It was \$6.5 million last year. Do you expect it to be \$6.5 million this year?

**Ms DARWELL:** Last year \$4.2 million was allocated to production sport, New South Wales screen businesses and practitioners and to gross production levels, including production in regional New South Wales.

**The Hon. LYNDA VOLTZ:** That is under production finance grants, is it?

**Ms DARWELL:** That was \$4.2 million for production.

**The Hon. LYNDIA VOLTZ:** Do you expect that to be the same amount this year?

**Ms DARWELL:** It depends on the applications from the industry as to what is the appropriate amount.

**The Hon. LYNDIA VOLTZ:** What was it the year before?

**Ms DARWELL:** I will have to take that on notice.

**The Hon. LYNDIA VOLTZ:** Minister, the New South Wales Government contributes only 15 per cent of the Sydney Opera House operational funding. The remaining 85 per cent of revenue for the Opera House, which is a public trading enterprise, is generated through commercial and other ventures, 77 per cent of which is directly through commercial activities. Opera House staff are the most highly skilled and experienced in the global arts industry. Under your wage caps, which include Opera House staff for which the Government does not pay the running, Opera House staff wages will shrink. Would you consider exempting Opera House staff from that wage cap, given their part in the global arts community?

**Mr GEORGE SOURIS:** I do not think that is possible. It is a government policy across the board and it includes members of Parliament. So the answer is no.

**The Hon. LYNDIA VOLTZ:** Members of Parliament wages are paid completely from the public purse. The reality is that 85 per cent of Opera House staff income is not paid from the public purse yet they are being captured within this wage cap.

**Mr GEORGE SOURIS:** Nonetheless—

**The Hon. LYNDIA VOLTZ:** When you ask staff of organisations such as the Opera House to raise 85 per cent of their own funds, surely they should be able to negotiate their staff pay increases accordingly?

**Mr GEORGE SOURIS:** Whilst it remains a wholly owned institution of the State Government it will be subjected to State Government policy.

**The Hon. LYNDIA VOLTZ:** Let me ask you another question.

**Mr GEORGE SOURIS:** You cannot have exceptions like that. You could start saying, therefore, that some other organisation, which has a commercial component to it or has a revenue-raising component to it, is able to pay wages outside the Government's policy.

**The Hon. LYNDIA VOLTZ:** I am sure Centennial Park staff will be happy to rate how much they raise as opposed to how much the State Government contributes.

**Mr GEORGE SOURIS:** There you go. There is a second example. There is probably a third and a fourth.

**The Hon. LYNDIA VOLTZ:** I am happy to talk about the amount of money the State Government gives to Centennial Park and how inadequate it is. The other question I have about the arts industry—

**Mr GEORGE SOURIS:** It may be argued that some of Centennial Park's revenue is raised from sporting events.

**The Hon. LYNDIA VOLTZ:** —is that currently—

**CHAIR:** I remind all members to ask a question and allow the Minister to respond so that Hansard can report the proceedings accurately.

**The Hon. LYNDIA VOLTZ:** Currently, the long service leave scheme includes cleaning staff and members of the construction industry. The arts industry in particular is another similar industry that has a

casualised base with members switching employers. Would the Minister consider including the arts industry in the long service leave scheme?

**Mr GEORGE SOURIS:** I think you should ask the Minister for Industrial Relations.

**The Hon. LYNDA VOLTZ:** I am happy to do that. How much new funding was allocated for the implementation of the New South Wales Government's response to the Creative Industries Action Plan?

**Mr PATERSON:** That industry action plan is a matter for which the Deputy Premier has leadership responsibility. He is on next week and I am sure would be happy to respond. There were no specific budget allocations provided in relation to any of the industry action agendas.

**The Hon. LYNDA VOLTZ:** Indeed, the Government had six points on which it was concentrating its industry action plan, one of which was the growing of the digital economy. Can you explain how the removal of the \$1.5 million for the digital interactive media area actually grows that economy or are those industries now going to Melbourne?

**Mr PATERSON:** As I said, that is an area of responsibility of the Deputy Premier. He is listed to appear at the estimates hearing next Monday. I am sure he will be happy to respond.

**The Hon. LYNDA VOLTZ:** I do not believe the \$1.5 million is a matter for the Deputy Premier. I am pretty sure it came out of the arts community?

**Mr PATERSON:** Your question was explicitly in relation to the recommendations of the cultural industry or the industry action plan.

**The Hon. LYNDA VOLTZ:** Let me put it this way. Given the Government's concern about the digital industry, how much has been allocated specifically to the digital interactive media area following the abolition from 30 June 2013 of the annual \$1.5 million for the Interactive Media Fund?

**Ms DARWELL:** The support of the gaming and interactive media area generally is the responsibility of Minister Stoner. There is some interaction in relation to screen, but the predominant responsibility rests in Minister Stoner's area.

**The Hon. LYNDA VOLTZ:** But the funding came from Screen NSW, did it not?

**Ms DARWELL:** Minister Stoner would be—

**Mr GEORGE SOURIS:** There are two components to Screen NSW.

**The Hon. LYNDA VOLTZ:** Let us move on to Regional Conservatoriums. Can you ensure no reduction in the Regional Conservatoriums competitive funding through the Arts Funding Program [AFP]?

**Ms DARWELL:** The Arts Funding Program has experienced some reduction this financial year. So across the board all project categories are being reviewed down. That includes Regional Conservatoriums and other project categories.

**The Hon. STEVE WHAN:** Is its base annual funding included in that as well?

**Ms DARWELL:** The base annual funding comes predominantly from the Department of Education and Communities [DEC]. There is a transfer payment of approximately \$1.4 million that is made from Arts NSW to the Department of Education and Communities.

**The Hon. STEVE WHAN:** I have here "facilitating the shifting of core funding of \$1.47 million currently provided to Arts NSW for direct transfer to DEC towards core funding for Regional Conservatoriums". Is that core funding affected by the cuts you were talking about?

**Ms DARWELL:** All annual funding. So annual program funding, which we would categorise that as, is not subject to escalation. It has not been cut, it has not been subject to escalation.



**The Hon. STEVE WHAN:** So it will be the same \$1.47 million?

**Ms DARWELL:** The transfer payment to the Department of Education and Communities, which is for operations, the project category, which is on a competitive basis, will be subject to reduction, as are all project categories.

**The Hon. STEVE WHAN:** In real terms, funding for Regional Conservatoriums will decline slightly?

**Ms DARWELL:** By a small amount.

**Mr GEORGE SOURIS:** In real terms.

**The Hon. STEVE WHAN:** That is what I said, in real terms.

**Mr GEORGE SOURIS:** Yes. I am just emphasising. There was a substantial boost the year before that they are now using as a base figure, of course, of \$2.1 million.

**The Hon. STEVE WHAN:** Regional Conservatoriums representatives said they asked for an opportunity to meet with your Arts Funding Program review panel and were informed that they could not have an individual meeting; they just had to meet with other stakeholders. Why is that the case?

**Ms DARWELL:** We conducted a range of consultations around the State in which Regional Conservatoriums took part and we provided an opportunity for organisations to make written submissions through that process.

**The Hon. STEVE WHAN:** Did you not think it reasonable that such an organisation with specialist needs could have a one-on-one meeting?

**Ms DARWELL:** I have discussed the issue with the Department of Education and Communities. I am meeting with Department of Education and Communities officials, but I suppose there are a number of specialist needs within the arts sector and we wanted to provide an equal opportunity for all organisations and interests to speak to us.

**The Hon. LYNDA VOLTZ:** When you introduced the Slate Loan Fund, was Early Stage Development funding reduced?

**Ms DARWELL:** I will have to take that on notice.

**The Hon. LYNDA VOLTZ:** Could you inform me by how much it was reduced? You have had four loans under the Slate Loan Fund, none of which has been completed. Do you have any idea when any will be completed?

**Ms DARWELL:** Again I will have to take that information on notice and get advice from the Chief Executive, Screen NSW.

**The Hon. JAN BARHAM:** Minister, will funding for libraries be increased due to the fact that in 1980 the State Government contributed 23.6 per cent of public library funding to local government, which is now down to 7.5 per cent, and there has been no review of funding criteria for that time?

**Mr GEORGE SOURIS:** The New South Wales Government is committed to public libraries and recognises that libraries play an important role in communities and provide a range of vital community services. In the lead up to the 2011 State election the Government announced the revitalising regional libraries policy and the 2013-14 budget continues to deliver on this promise. First, the policy includes a \$2 million increase in funding for regional libraries over four years to support library services and programs in rural and regional libraries through a small grants program. Second, there is an additional \$2 million over four years to fast-track the roll out of wireless hotspots in rural and regional locations and 97 libraries have been connected to date.

The Government has otherwise maintained a level of public library funding to the 2013-14 budget with the total funding for public libraries at \$26.5 million. The Government also committed to a review of public

library funding needs. The State Library worked with local government stakeholders on this review during 2012-13. At the moment the advice remains under consideration and we will no doubt be finalising that shortly.

**The Hon. JAN BARHAM:** Does that mean there is recognition that there has not been the prescribed review of that funding level for local government? I am talking about the management of councils?

**Mr GEORGE SOURIS:** I think that is fair enough, no, there has not.

**The Hon. JAN BARHAM:** If we looked at the inflation calculator of the Reserve Bank that \$1.85 from 1998 should now be \$2.77 per capita? Is there agreement on that?

**Mr GEORGE SOURIS:** If you apply the inflation calculator of the Reserve Bank to any figure, yes, indeed. Your arithmetic is good.

**The Hon. JAN BARHAM:** It is good.

**Mr GEORGE SOURIS:** I did not check it, mind you; I am just taking your word.

**The Hon. JAN BARHAM:** No, I will give you the figures.

**Mr GEORGE SOURIS:** It is all right.

**The Hon. JAN BARHAM:** One of the key issues of the Creative Industries Action Plan was the recognition of the importance of education and training in the arts sector, particularly in regional areas, which contradicts your Government's reduction in support for the TAFE sector. Will you explain whether you are an advocate for the arts and recognition of the long-term capabilities of creative industries?

**The Hon. LYNDA VOLTZ:** We asked that last year.

**The Hon. JAN BARHAM:** Yes, we all asked it last year. Since then, the action plan has come out that supports the reinstatement. They have looked at the work that has been done by the creative industries sector that identifies that it is the major area for their long-term sustainability, particularly in regional areas. For instance, the North Coast Creative Industries Sustainability Action Plan cites training as a priority but your Government has rejected that.

**Mr GEORGE SOURIS:** I think you would easily know that this is in the portfolio of my colleague, the Minister for Education. Am I a supporter of the arts? Absolutely, of course I am. I adore the arts.

**The Hon. JAN BARHAM:** Do you advocate for the arts in this regard?

**Mr GEORGE SOURIS:** I advocate for the arts in every possible corner I can find, including in the Federal jurisdiction.

**The Hon. JAN BARHAM:** But TAFE is State jurisdiction.

**Mr GEORGE SOURIS:** Okay, do not get yourself too revved up on trying to get the Arts Minister to say that he supports everything that sounds like something good. It is not in my portfolio.

**The Hon. JAN BARHAM:** Sorry, that is what I am trying to clarify. Are you an advocate?

**The Hon. NIALL BLAIR:** Point of order—

**The Hon. JAN BARHAM:** I just do not get it.

**Mr GEORGE SOURIS:** No, that is a problem, isn't it?

**The Hon. JAN BARHAM:** Yes, it is.

**Mr GEORGE SOURIS:** A big problem.

**The Hon. JAN BARHAM:** It is a big problem for me, yes.

**CHAIR:** Order! The Hon. Jan Barham will come to order.

**The Hon. NIALL BLAIR:** My point of order is that the Minister had only just begun to answer the question before he was interrupted. The Minister should be extended the courtesy to answer the question before being interrupted. It is clear that if the member asks a question she should wait to hear the answer before she interrupts the Minister.

**The Hon. JAN BARHAM:** My apologies for being discourteous today. I do not feel very well and it is frustrating.

**CHAIR:** I uphold the point of order and remind members to ask the question and the Minister will answer it.

**Mr GEORGE SOURIS:** I have already answered. The fact is it is not in my portfolio and the Hon. Jan Barham will undoubtedly have the opportunity to ask the Minister for Education. It is a TAFE matter and the appropriate Minister can be asked this question.

**The Hon. JAN BARHAM:** Will you clarify the Interactive Media Fund? I believe you may have responded to a similar question earlier but I am interested to know whether that funding is available as per last year. Is there recognition that one of the recipients of the funding last year was honoured at the International Digital Emmy Awards last year? Is it recognised that without that funding that would not have been possible and the creation of a number of jobs would not have resulted? Is it right that the industry will probably move interstate if that funding is not maintained?

**Mr GEORGE SOURIS:** I have some answers. The director can answer more efficiently than I.

**Ms DARWELL:** The Interactive Media Fund provided support through various stages from early stage development up to the completion of a functioning prototype or to take a market-ready project into production. The Interactive Media Fund has always been due to complete on 30 June. It served its purpose well, which was to consolidate this exciting industry for New South Wales. I am advised by Screen NSW that it hopes to accommodate support for interactive media and assist practitioners where possible within its current development funding programs.

The recent Australian Bureau of Statistics report on film, television and digital games 2011-12 which was released on 18 June shows that while the industry nationally has contracted significantly due to international publishers vacating Australia, the New South Wales share of the industry has grown with 20.9 per cent of the remaining people involved in this sector based in New South Wales, up from 0.71 per cent in the previous Australian Bureau of Statistics figures from 2006.

**The Hon. PAUL GREEN:** What funding has been allocated towards the maintenance of Sydney central business district art galleries and museums and the Sydney Opera House? Are you keeping up with the maintenance needs of those facilities?

**Ms DARWELL:** Those facilities are significant assets of the State. There are nineteenth century buildings and so many of their maintenance needs are significant. Obviously there is a balance between the development of those facilities and the maintenance. This Government has invested in the master planning work for the Art Gallery and similarly for the Opera House to determine their needs for the future, and it continues to invest in maintenance for the other institutions, and also provides some capital for redevelopment.

**The Hon. PAUL GREEN:** What proportion of capital is being looked at?

**Ms DARWELL:** It varies between the institutions. I will have to provide that on notice.

**The Hon. PAUL GREEN:** What grants are available to assist in the maintenance of rural and regional art galleries and museums? If so, how much has been allocated?

**Ms DARWELL:** In general, regional galleries and museums are facilities of local government and local government is generally responsible for their maintenance. There is a regional capital fund that is available

competitively through the Arts Funding Program that focuses on supporting new initiatives rather than the ongoing maintenance of the facility.

**The Hon. PAUL GREEN:** What is the Government doing to increase the arts and cultural policy in New South Wales? Are you developing such a policy? Are you building on it?

**Mr GEORGE SOURIS:** There is a review under way. I have a long answer here.

**Ms DARWELL:** The Government has engaged a reference group, chaired by Chris Freeland who is the chair of the Sydney Writers Festival, to help develop an arts and cultural policy. We expect a discussion paper will be released shortly for consultation with the community. We expect a discussion paper will be released shortly for consultation with the community.

**The Hon. JAN BARHAM:** Minister, can you advise what plans there might be for a fifth cultural accord in terms of the New South Wales Government and local government and whether funds will be allocated to implement that?

**Mr GEORGE SOURIS:** We have signed up with the Federal Government for a national accord and that ultimately will be the basis for exactly what you have asked between this sphere and the lower sphere.

**The Hon. JAN BARHAM:** The lower sphere is local government?

**Mr GEORGE SOURIS:** The third tier, local government.

**The Hon. STEVE WHAN:** Just so you know your place.

**Mr GEORGE SOURIS:** So we know our place too—we are the middle sphere.

**Dr JOHN KAYE:** He is trying to endear himself to you.

**The Hon. JAN BARHAM:** No, I do not think he is.

**Mr GEORGE SOURIS:** We are the middle sphere.

**The Hon. JAN BARHAM:** Does that mean there will be a review of the fourth accord that has been in place and what level of support is ongoing for that lower sphere, which some people think is a much higher sphere in terms of accountability?

**Mr GEORGE SOURIS:** I will probably regret calling it the third sphere.

**The Hon. JAN BARHAM:** The one that is closest to the people.

**Ms DARWELL:** The national accord represents an understanding that all three levels of government play an important part in supporting arts and cultural development across Australia, and in New South Wales in our instance. It is appropriate then to look at the relationship with local government in light of that accord and we will be working through it with the Local Government and Shires Associations.

**The Hon. JAN BARHAM:** I am interested in the review of previous accords that have been in place between State Government and local government.

**Ms DARWELL:** As is the normal course, we will review the outcomes of any funding arrangement and any relationship we have at the end.

**The Hon. JAN BARHAM:** Is there funding to support local government in its pursuit of localised cultural policies and plans?

**Ms DARWELL:** Again, contemporaneously with the development of the Arts and Cultural Policy we are undertaking a review of the Arts Funding Program, which is the area under which funding is provided to local government. The question as to the appropriateness of continuing that funding or what the right relationship is will be looked at in that review.

**The Hon. JAN BARHAM:** When are you releasing the discussion paper?

**Ms DARWELL:** We are releasing the discussion paper on the Arts and Cultural Policy—we hope—shortly. The discussion paper on the Arts Funding Program has been released and there has been consultation with the arts and cultural community.

**The Hon. JAN BARHAM:** "Shortly" means a week, a month or a year?

**Ms DARWELL:** Before the end of the year.

**The Hon. JAN BARHAM:** Will that rely on the coordination of those two processes in terms of the policy and funding? We have one discussion paper now and we will get another one sometime before the end of the year.

**Ms DARWELL:** They will relate to each other.

**The Hon. JAN BARHAM:** Will they relate to each other and inform next year's budget in terms of an alignment of the policy and a new funding stream?

**Ms DARWELL:** The Arts Funding Program is administered on a calendar year, so there is a timing issue. Any change settings will be implemented for 2015.

**The Hon. PAUL GREEN:** We heard some concerns expressed about Opera House staff. I received that representation too. What is the New South Wales Government doing to support jobs growth in the State across the arts, culture and screen sectors?

**Mr GEORGE SOURIS:** We support the various performing companies and institutions, and through Destination NSW invest in productions. The fact is that a very high proportion of these companies are located in New South Wales. With 39.6 per cent of national employment in the sector found in New South Wales—virtually 40 per cent—the sector directly employs 147,600 people, which is equivalent to almost 5 per cent of total New South Wales employment. It is one of the growth sectors. We have identified that and we are encouraging that sector to continue to grow, employ and lead the nation in various pursuits concerning the performing or visual arts.

**(The witness withdrew)**

**ELIZABETH TYDD**, Executive Director, Office of Liquor, Gaming and Racing, Department of Trade and Investment, sworn and examined:

**CHAIR:** We will now move to the portfolio of Hospitality and Racing.

**The Hon. STEVE WHAN:** Minister, why is it not reasonable for health groups, police and the Police Association to be consulted on the development of the consultation documents on alcohol promotion guidelines?

**Ms TYDD:** I will take that question. The liquor promotion guidelines are developed pursuant to the requirements under the Liquor Act. The Liquor Act has two provisions that are relevant, sections 102 and 102A. They provide the framework in which the director general's statutory power is exercised. The guidelines are developed pursuant to those provisions and those guidelines assist industry in understanding the regulator's approach to the director general's powers. The guidelines have recently been updated. They were updated from the previous guidelines, which were far more prescriptive, in 2009. The consultative process that was undertaken reflected an awareness that the provision itself would be subject to review under the Liquor Act and parties who made representations were alerted to the Liquor Act review.

Further, in the Liquor Act review, as part of that process, an explanatory paper was produced which specifically highlighted the notion of sections 102 and 102A, and invited submissions around that issue. During the consultation, which was undertaken with co-regulators including police and the Independent Liquor and Gaming Authority [ILGA], industry was consulted in terms of their understanding of how the regulator would look to minimise harm associated with promotions.

**The Hon. STEVE WHAN:** There are two processes you are talking about there: the Liquor Act review and the review of the alcohol guidelines, as I understand it.

**Mr GEORGE SOURIS:** Promotion guidelines.

**The Hon. STEVE WHAN:** You are saying that groups other than the industry groups have an opportunity to comment through the review of the Act overall but not directly on the alcohol promotion guidelines, is that correct?

**Ms TYDD:** There were more than industry groups included in the consultation on the guidelines. Those groups included the NSW Police Force and the Independent Liquor and Gaming Authority [ILGA] as a co-regulator.

**Dr JOHN KAYE:** Who else?

**The Hon. STEVE WHAN:** Are they the only two groups outside of industry that were able to comment on the guidelines?

**Ms TYDD:** In terms of the development of the guidelines, that is correct. However, during the Liquor Act review when the provisions are expressly examined the guidelines may also be further examined.

**The Hon. STEVE WHAN:** What is the time frame for the Liquor Act review?

**Ms TYDD:** The Liquor Act review is being conducted now. An eight-week period that is consistent with other statutory review periods is allowed for submissions to be made, and the Minister is required in accordance with the Act to table the review before Parliament on 13 December 2013. To assist in alerting anyone who seeks to make a submission to the Liquor Act review, an explanatory paper has been provided. That paper specifically highlights the director general's powers in relation to liquor promotions or activities.

**The Hon. STEVE WHAN:** Minister, would it be reasonable that as part of the review of the Act that the organisations that are able to comment on the development of alcohol promotion guidelines would be expanded?

**Mr GEORGE SOURIS:** Is not anybody allowed?

**The Hon. STEVE WHAN:** As part of the official process, no.

**Mr GEORGE SOURIS:** As part of the official process?

**The Hon. STEVE WHAN:** As part of the process of developing the alcohol promotion guidelines, there was only a limited number of groups that were actually engaged in the process, as we have just heard. Do you see it as being a reasonable outcome from the review of the Act that those organisations might be changed to include more bodies?

**Mr GEORGE SOURIS:** The review of the Act does include all of those other bodies.

**The Hon. STEVE WHAN:** No, I am not saying the review of the Act.

**Mr GEORGE SOURIS:** When is the review of the guidelines?

**The Hon. STEVE WHAN:** What I have just gleaned from the information we have been provided is that the review of the Act includes considering how the alcohol promotion guidelines are developed. So the future development of alcohol guidelines will be presumably influenced by whatever changes are made to the Act as a result of this.

**Mr GEORGE SOURIS:** And whatever contributions are made, feedback, comments, et cetera, in that process.

**The Hon. STEVE WHAN:** Is it reasonable to expect that, as part of the review Act, there will be positive consideration of more organisations being able to comment?

**Mr GEORGE SOURIS:** I do not know who is not being asked.

**Ms TYDD:** Submissions are public.

**Mr GEORGE SOURIS:** A public call for submissions has been made.

**The Hon. STEVE WHAN:** A public call for submissions has been made about the review of the Act, not the guidelines.

**Mr GEORGE SOURIS:** Oh, that is true.

**The Hon. STEVE WHAN:** Yes.

**Mr GEORGE SOURIS:** Well, yes.

**The Hon. STEVE WHAN:** Let me try to make myself clearer.

**Mr GEORGE SOURIS:** We are talking about the review of the Act, during which, if there are aspects that are commented on—

**The Hon. JAN BARHAM:** Do you not understand?

**Mr GEORGE SOURIS:** —or submitted in relation to promotional guidelines, they will of course be considered relevant.

**The Hon. STEVE WHAN:** What I am asking you, as Minister, is do you think it will be a reasonable outcome of the review of the Act that the process for reviewing the alcohol promotion guidelines is changed to involve consultation with more bodies outside of the industry?

**Mr GEORGE SOURIS:** If there are proposed changes to the Act that relate to matters that are contained in the promotional guidelines, then that would, of course, necessitate a reflection and review of the guidelines themselves, but it is a review of the Act that will start it off.

**The Hon. STEVE WHAN:** We will go on to the ClubGRANT scheme. The report by the Auditor-General about the ClubGRANT scheme, particularly made criticisms about the category 3 grants

program, which indicated that at that stage when the audit was undertaken, that the ClubGRANTS fund committee had not been established and, indeed, it indicated that the grants thus far had been essentially to pre-election commitments. Minister, has the fund committee now been established and who is on it?

**Mr GEORGE SOURIS:** It has not been established yet because the availability of funds occurs over the period of time. We are proposing to complete the establishment of the committee by the end of the year. The Auditor-General's report did refer to the approvals process, and in the current absence of the ClubGRANTS fund committee being established, governance and reporting arrangements are being in place and category 3 funding applications being invited to contain recommendations so that by December 2013 the ClubGRANTS fund committee would be established, and that is what our intention is. By that stage a level of funds will have been replenished that would enable the committee to have some work to undertake, but up until now there obviously has not been any work because it still had commitments prior to it.

**The Hon. STEVE WHAN:** What process are you putting in place to select the members of that committee? Will they be nominees from outside of Government, or will it be an internal committee?

**Mr GEORGE SOURIS:** They will be outside.

**Ms TYDD:** The department is currently finalising its advice to the Minister in that respect. However, I add that the director general has supported all of the Auditor-General's recommendations and a time frame for implementation of those recommendations has been developed and are currently being implemented so all of the recommendations are implemented. The Auditor-General's report also reflected and recognised that election commitments had been funded from this and that there was not criticism in respect of those allocations, rather, it is the forward allocations and therefore establishment of committees, so all of the reports' recommendations are being implemented by the department and advice will be provided to the Minister.

**The Hon. STEVE WHAN:** I notice that the recommendations include ClubsNSW being represented on the committee. What is the structure that you are suggesting to the Minister for the committee and the process for appointment?

**Ms TYDD:** The process for appointment that we are currently considering would necessitate involvement with ClubsNSW. The funding source has a reflection of clubs' needs and guidelines are being updated in relation to category 2, in particular, and they reflect clubs' core business.

**The Hon. STEVE WHAN:** But you are not able to tell me at this stage what proposals are being made for the make-up of the committee?

**Ms TYDD:** The final proposals, as I understand, have not been submitted to the Minister and are still under consideration, with a target date of December 2013 for implementation.

**The Hon. STEVE WHAN:** Obviously there is a bit of lead time before the target date of December 2013 for implementation, so what date would you expect the public to know what the selection process for the committee is going to be?

**Ms TYDD:** I would need to take that question on notice.

**The Hon. STEVE WHAN:** If you could, that would be great. Minister, will you give us an assurance—we virtually received that from your previous comments—that there will be no further grants from category 3 until the committee has been established and is able to make its own recommendations?

**Mr GEORGE SOURIS:** That is correct. The commitments that have been made prior have been fully funded. Therefore, the next funding round will be funding as per the committee.

**The Hon. STEVE WHAN:** Minister, in a recent report the Auditor-General highlighted the cost of alcohol abuse in New South Wales, estimating a significant cost per household in New South Wales and to society. There has been a lot of focus on licensed premises for on-premises consumption in many of the comments so far. What are you and your department doing about alcohol abuse in the home and alcohol sourced from take-away premises?



**Mr GEORGE SOURIS:** My jurisdiction, of course, relates to licensed premises—bottle shops, pubs, whatever they may be—but the question of alcoholism in the home or other issues are not on licensed premises. You will appreciate that. What is the Government doing about alcohol abuse—I need to find that.

**The Hon. STEVE WHAN:** I am aware that there are promotional campaigns on binge drinking and so on.

**Mr GEORGE SOURIS:** There is more than that; I just went to the wrong section. In relation to that, there are a number of measures that are under consideration, of course, but what the Government has done thus far is: it has appointed an additional 370 police officers since 2011; it has commenced the trial of sobering-up centres so that intoxicated people who refuse police requests to move on will have to sleep off their big night in a cell; it has given police stronger move-on powers and has introduced a new offence of intoxicated and disorderly so police can defuse volatile situations before they escalate; it has implemented a three-strike scheme targeting irresponsible venues; it has subjected violent venues to strict licence conditions, including restrictions on the use of glass, time-out periods, a ban on shots and lock-outs; it has implemented a crackdown on irresponsible liquor promotions by licensed venues with bans and show-cause notices already issued in Sydney, Kings Cross and Byron Bay; it has extended the freeze on high-risk liquor licence applications within the Kings Cross precinct, and "high risk" refers to trading after midnight and a capacity greater than 120.

It has also introduced new late-night transport options, tough new licensing conditions for licensed premises and drink restrictions and new security measures in Kings Cross, and passed legislation allowing drug detection dogs to be used in the Kings Cross area without police first obtaining a warrant. The statistics for violence and alcohol-fuelled violence indicate that in 2012 assaults on licensed premises across the State fell by 8 per cent on the previous year. In 2012 there was a 9 per cent reduction in alcohol-related assaults over the previous year and an 11.6 per cent reduction in liquor offences across the State.

**The Hon. STEVE WHAN:** I am aware that the industry acknowledges that the previous Government's initiatives with regard to violent venues have produced many of those results. Much of what you have referred to relates to initiatives in public places and licensed premises. However, a large portion of the cost of alcohol abuse undoubtedly flows from alcohol obtained from takeaway venues. Has your department been looking at the number of takeaway liquor outlets, have you or your department considered proposals relating to minimum pricing of alcohol and has any work been done to establish whether that would have any impact on alcohol abuse?

**Mr GEORGE SOURIS:** The Independent Liquor and Gaming Authority has the primary responsibility for considering the licences to which you are referring—that is, takeaway liquor licences. It is up to the authority to ascertain the impact of any application. The authority has been refusing a substantial number of licence applications. The authority and the Office of Liquor, Gaming and Racing have also been conducting some studies into those impacts. The office has also undertaken the recent density study. To the extent that regulation of licensed premises can be part of the solution, that is the case—

**The Hon. STEVE WHAN:** Can you provide on notice a list of the studies into takeaway sales that have been undertaken?

**Mr GEORGE SOURIS:** I was referring to the work of the Independent Liquor and Gaming Authority. I personally have not been engaged in those studies because they are independent.

**The Hon. STEVE WHAN:** I would like you to take that question on notice. The last part of my question, which I hope you will address, asked whether your agencies have considered or done any work on whether minimum pricing of alcohol would reduce alcohol-related abuse.

**Mr GEORGE SOURIS:** I cannot answer for myself, but the Independent Liquor and Gaming Authority has considered alcohol pricing. I cannot answer directly as to what extent or how it is applying that to the applications that come before it. I can certainly obtain a statement from the authority that I will table about how it deals with alcohol pricing.

**The Hon. STEVE WHAN:** I am sure that like me and others you have received representations about dissatisfaction in the greyhound racing industry with regard to revenue shares, probity and the recent transfer of the Gardens track in Newcastle. What have you personally done to investigate the issue and to satisfy yourself that greyhound racing administration in New South Wales meets public expectations?

**Mr GEORGE SOURIS:** First, the primary responsibility for regulation rests with NSW Greyhound Racing. You would be only too aware that the previous Government privatised the TAB. Binding private contracts were entered into between the three racing codes and the legislation introduced by the Government at the time enshrined the shares of racing revenue that would flow from totalisator activities. Since that time I appreciate that shares attributable to actual operations have moved—as one would expect. I am sure that the signatories—the three codes—would also have anticipated that their shares would operationally alter over time.

I have no power to alter that arrangement; these are private and binding contracts. It would be a new era if a Government Minister were to be involved in altering private contracts. That is the situation, but of course in the meantime funding in the racing industry has moved on and other funding sources have emerged, particularly in the interstate corporate bookmaking and betting exchange market. I commend the work led by Racing New South Wales in pursuing the race fields legislation through the High Court. That has enabled a revenue stream to flow to the industry based on 1.5 per cent of turnover generated outside the totalisator system. It is not a case of simply looking at the totalisator—

**The Hon. STEVE WHAN:** I am not focusing on revenue— [*Time expired.*]

**Dr JOHN KAYE:** I refer again to the liquor promotion guidelines. Who made the decision that the general public would be excluded from comment or consultation on the review of the guidelines? Was that a ministerial decision or an Office of Liquor, Gaming and Racing decision?

**Ms TYDD:** There was no specific decision to exclude general public consultation. Rather, the process adopted reflected that adopted in 2009 with express correspondence. In 2009, when the new provisions—

**Dr JOHN KAYE:** Are you saying that it simply did not occur to you that other groups or members of the public would be interested in the promotion guidelines?

**Ms TYDD:** We certainly knew that members of the public would be aware of the guidelines.

**Dr JOHN KAYE:** So you were aware that they would be interested, but you did not let them know it was happening.

**Ms TYDD:** The guidelines were specifically targeted at industry because they are industry-based guidelines. In 2009—

**Mr SCOT MacDONALD:** Point of order: Mr Kaye has interrupted an attempt to answer a question on three occasions.

**The Hon. LYNDA VOLTZ:** To the point of order: The member himself has interrupted the person from the department who was responding. It would be much quicker if he did not do so.

**CHAIR:** Any Committee member can take a point of order at any stage but I remind members to allow witnesses to answer the question asked of them.

**Ms TYDD:** In 2009 the approach adopted reflected the recent introduction of the Liquor Act and those provisions: sections 102 and 102A. All licensees were corresponded with at that time, on this occasion.

**Dr JOHN KAYE:** Minister, I understand from correspondence I have seen that the review went through your office. Why did you agree to a review of the guidelines on the very eve of reviewing the Act itself? What was the thinking there? Why would you review the guidelines, which Ms Tydd has said on three occasions now were subservient to sections 102 and 102A of the Act? Why did you approve the review of the guidelines when the whole Act was about to be reviewed?

**Mr GEORGE SOURIS:** First of all, the Act is a statutory review and it has a specific time. The work of the department in reviewing the guidelines had been underway for a considerable time. Since—

**Ms TYDD:** It commenced in 2012.

**Mr GEORGE SOURIS:** Which date?

**Ms TYDD:** I could not tell you.

**Mr GEORGE SOURIS:** It commenced sometime in 2012.

**Dr JOHN KAYE:** I can answer that. It commenced in January 2012. I have documents that show that.

**Mr GEORGE SOURIS:** That makes the point that it had been under development for a period of time and when they came to me, the timing of which I had no control over, they simply asked for approval or not. The finalisation of the guidelines was not a matter that would be specifically looked at during the five yearly statutory review of the Act. There may be submissions made that pertain to it; they will be taken on board. But the statutory review of the Act is not a statutory review of the guidelines because the guidelines themselves are not a statutory instrument.

**Dr JOHN KAYE:** But the review does include sections 102 and 102A of the Act, which empower the guidelines. But let us move on.

**Mr GEORGE SOURIS:** That is correct. That is why I said there may be submissions that are made that reflect upon those guidelines.

**Dr JOHN KAYE:** As I understand it there are just shy of 18,000 liquor licences in New South Wales. Can you tell me how many of those licences are currently dormant?

**Mr GEORGE SOURIS:** I cannot.

**Dr JOHN KAYE:** Ms Tydd, can you tell us how many of those licences are dormant?

**Mr GEORGE SOURIS:** You are quite right: 17,932 licences.

**Dr JOHN KAYE:** Yes, but how many of those are dormant?

**Ms TYDD:** Under the Liquor Act there is a requirement for licensees who cease to trade for greater than six weeks to notify the Independent Liquor and Gaming Authority of their cessation to trade. In relation to a measurement of dormancy or inactive licences there has been a recent introduction of a biennial return process which requires licensees to respond to the Office of Liquor, Gaming and Racing [OLGR] as the regulator in relation to the activities that they undertake.

**Dr JOHN KAYE:** That means you would have the data that would tell you how many of those licences are dormant. I really want a numerical answer.

**Ms TYDD:** The numerical answer is not readily provided and one of the reasons for that is because on occasion the email address or the contact for a licensee may have changed from the database. So whilst there is no specific provision requiring licensees to notify of dormancy of licences there are provisions for surrender of licences. The numerical answer is not able to be provided, Dr Kaye.

**Dr JOHN KAYE:** So you do not know how many licences are currently active and how many are dormant?

**Ms TYDD:** The active licences we are aware of respond to the biennial return.

**Dr JOHN KAYE:** Perhaps you could take that on notice and get back to me because we are running out of time. Can you get back to me and tell me how many of those almost 18,000 licences are active?

**Ms TYDD:** Yes, we can do that.

**Dr JOHN KAYE:** Minister, you are aware of the restrictions on entry to Mr Packer's Crown Casino or maybe you call it a gaming room or whatever it is—

**Mr GEORGE SOURIS:** I am not aware of any restrictions to his gaming room.

**The Hon. Steve Whan:** You mean his proposed casino.

**Dr JOHN KAYE:** Proposed casino—the one in Sydney at Barangaroo. Are you not aware that there is a casino being planned for Barangaroo? Are you aware of that?

**Mr GEORGE SOURIS:** What are you asking me?

**Dr JOHN KAYE:** You said you are not aware of any casino.

**Mr GEORGE SOURIS:** No, I said that he has not got a gaming room that I am aware therefore—

**Dr JOHN KAYE:** Let us start again.

**Mr GEORGE SOURIS:** —of any restrictions or entry requirements or whatever you are talking about.

**Dr JOHN KAYE:** You understand that there is a casino proposed for Barangaroo and you understand that there are proposed conditions of restriction on entry—that is a high roller room. In the documentation, which I am sure you have seen, there are certain restrictions. Would you be eligible to enter under those restrictions?

**Mr GEORGE SOURIS:** Good question. Would I? I do not think I am rich enough and I have no predisposition to the activity.

**Dr JOHN KAYE:** That is interesting because you told a previous budget estimates hearing that you and your friends went down and played casino games at multi-terminal gaming machines.

**Mr GEORGE SOURIS:** No, I could not have said we played them. I have never played a multi-terminal gaming machine. What are you talking about? I have certainly inspected the machines.

**Dr JOHN KAYE:** Fair enough.

**Mr GEORGE SOURIS:** Absolutely fair enough.

**The Hon. NIALL BLAIR:** Point of order: We are asking the Minister to clarify whether or not he would qualify for something that is actually proposed.

**Dr JOHN KAYE:** He said it was a good question.

**The Hon. NIALL BLAIR:** I am just curious. This is the very definition of a hypothetical question that really I do not know we are going to be able to judge the answer on when we do not know what the conditions are.

**Dr JOHN KAYE:** To the point of order: I am really interested to know whether the Minister understands these conditions, given that this is going—

**CHAIR:** Is this to the point of order or a new question?

**Dr JOHN KAYE:** No, I am just explaining why I think it is a relevant question and the Minister did say it was a good question.

**CHAIR:** I uphold the point of order. The Minister can answer the question as he wishes.

**Mr GEORGE SOURIS:** There will be legislation that will enshrine all of this. I have not seen any legislation yet; it will undoubtedly go under development. What is publicly known, and I think this is all out there somewhere, is that VIP gaming as proposed by Crown means no poker machines, no low-limit bets on table games and members only. The New South Wales Government has placed additional conditions around VIP gaming facilities that include a 24-hour cooling-off period for local applicants who reside in New South Wales and cannot demonstrate a track record of VIP gaming at other casinos, rules to ensure that guests are bona fide and regular reviews of members' gaming to ensure that they should remain as members. That is the

general position but in due course legislation will come before this Parliament and there will be ample opportunity for members to examine that legislation.

**Dr JOHN KAYE:** Will members be able to take their family members in with them?

**Mr GEORGE SOURIS:** I think you are just getting to that kind of detail, but if the word "family" members means young family members, children—is that what you are referring to?

**Dr JOHN KAYE:** Family members in the first instance.

**Mr GEORGE SOURIS:** I just do not know, and I do not think it does.

**Dr JOHN KAYE:** So you are not aware in general—

**Mr GEORGE SOURIS:** Just a minute. The word "family" member—a member may take a guest, whether they are a family member or not is another issue, that are bona fide guests; that is, therefore they too qualify in the preconditions required for membership of this particular type of casino.

**Dr JOHN KAYE:** So every guest will have to also qualify?

**Mr GEORGE SOURIS:** No, that they are bona fide guests of a member.

**Dr JOHN KAYE:** They do not have to qualify for the other conditions as to be a bona fide guest?

**Mr GEORGE SOURIS:** There is no way that an answer can be given to you yet because the legislation has not been determined. If you are asking what the specific aspects of it are, which you are quite entitled to, the only answer I can give you is that they have not yet been finalised in a form of legislation. When that does happen, of course, you will see them—everyone will see them.

**The Hon. PAUL GREEN:** I turn to the greyhound racing legislation that you mentioned where the fees were enshrined.

**Mr GEORGE SOURIS:** Yes.

**The Hon. PAUL GREEN:** Would you be in support of a review of that Act to address that issue?

**Mr GEORGE SOURIS:** I would not because, as I have said, it would entail the undoing by a government retrospectively of an enforceable private contract. Just let me add, if the codes themselves come to an agreement that is a different issue but there are reviews that they conduct and have conducted—I have not got the exact detail—but there have been a number of agreed variations, which are, of course, permitted within that agreement and there is no reason why there would not be future ones.

**Mr GEORGE SOURIS:** I do not think the industry wrote the guidelines. The department wrote the guidelines.

**The Hon. PAUL GREEN:** They certainly reflect the 2009 guidelines. From what I can gather the changes have not been implemented much, for the reason that it is the industry writing its own guidelines or code of conduct. Would that not be strange, given the public interest?

**Ms TYDD:** I am happy to take that question from Mr Green. The guidelines have been significantly strengthened in that they have a broader application. The 2009 guidelines did not capture, to the degree that the 2013 guidelines capture, all activities and provide a principle-based approach. The previous guidelines were item specific or activity specific. On that basis there were activities and promotions that may not have been caught by the net. This net is now based on principles and it captures a broader range of activities.

Further, the guidelines specifically highlight cautions that are applied in relation to packaged liquor. They also provide guidance as to the notion of community standards of indecency or offensive conduct. Rather than have specific listings of activities and types of activities or promotions they encourage licensees to be aware of the fundamental standards that the regulator would apply, and apply all of those standards. The

guidelines have also been strengthened in that there is a strong requirement to introduce a whole-of-venue alcohol management plan to address all of the issues rather than just a particular promotion. There is—

**The Hon. PAUL GREEN:** I do not want all my time taken up by an answer to that question. I understand; I am not trying to criticise the guidelines. It is great that there are some guidelines, as is the fact that they have been strengthened. But one would think that some views from the general public, who have great concern about what is happening, would have been helpful in weighing up how those guidelines are interpreted in terms of the public interest.

**Mr PATERSON:** It is worth making the point that the guidelines are there to guide the industry in terms of the operation of the Act. The guidelines have to be issued before I can issue a notice under section 102. We are obligated to issue the guidelines to the industry. It is not a matter of the industry writing its own guidelines. We are obligated under the Act to issue guidelines for the operation by the industry of those provisions under section 102.

**The Hon. STEVE WHAN:** Who determines when an activity is in breach?

**Mr PATERSON:** I do.

**CHAIR:** The questions are from the Hon. Paul Green.

**The Hon. PAUL GREEN:** I am short of time. I want to ask my questions, if I can. Can you give us an update on the three strikes disciplinary scheme? How many people have been held to account on this? Is the scheme being respected by the industry?

**Mr GEORGE SOURIS:** I have no doubt that the three strikes disciplinary scheme has been one of the most significant policy developments of any jurisdiction anywhere in the world. It is a very strong piece of government policy and legislation. Were you asking about numbers?

**The Hon. PAUL GREEN:** I want to know how effective the scheme is. I want some evaluation of the scheme one year later.

**Mr GEORGE SOURIS:** The scheme has dramatically altered behaviour. Through the independent Bureau of Crime Statistics and Research we have seen the results in terms of the numbers of assaults, alcohol-fuelled violence and so on. Those numbers have all come down very strongly. There have been a total of 50 strikes incurred since the commencement of the scheme. Forty-nine first strikes have been incurred under the scheme; 40 of these first strikes were incurred in the 2012-13 financial year. One second strike under the scheme has also been incurred.

The Director General of Trade Investment is also actively considering whether to impose a second strike on three other venues for offences of permitting intoxication at two venues, and trading outside of hours in another one example. Of the strikes incurred, 23 venues incurred strikes for the offence of permitting intoxication, and 22 venues for selling liquor outside authorised hours. Two venues have incurred a strike for selling liquor to a minor. One venue has incurred a strike for failing to comply with conditions imposed under the declared premises scheme. One venue incurred a strike for permitting violence on the licensed premises.

The Office of Liquor Gaming and Racing [OLGR] assesses the risk of each potential strike offence upon being notified by the NSW Police Force or OLGR compliance officers that enforcement action has been taken in respect of a potential strike. If aggravating circumstances exist, the OLGR will conduct a site inspection and recommend mitigating measures to reduce the risk of further strikes occurring. In all other instances the OLGR writes to the licensee requesting that they conduct a review of procedures to lessen the likelihood of further strikes occurring.

The anecdotal evidence is that venues have extensively altered their style of operation once a strike has been incurred. The point of the three strikes regime is that it is a major deterrent, not only to bad practices but to incurring a second and third fatal strike. Consequently, the impact of a strike has led to very strong reaction from the venues—in many cases the removal and departure of the manager and other measures. That has altered the particular venue's approach to the point where they believe they will be able to prevent a second or, potentially, a third strike. The fact that there are a large number of first strikes and very few second or third strikes really points to the alteration in behaviour.

**The Hon. PAUL GREEN:** That was the goal.

**Mr GEORGE SOURIS:** That was the goal.

**The Hon. PAUL GREEN:** Minister, how much gambling revenue is expected to be generated through racing events in New South Wales for the 2013-14 budget?

**Mr GEORGE SOURIS:** Are you talking about all codes?

**The Hon. PAUL GREEN:** All racing.

**Mr GEORGE SOURIS:** I do not think we will find it quickly enough for you.

**The Hon. PAUL GREEN:** That is fine. I need to get through my questions.

**Mr GEORGE SOURIS:** We will table the answers.

**The Hon. PAUL GREEN:** The next question is: What is the Government doing to address gambling? Are you concerned that the proposed casino licence may escalate problem gambling substantially?

**Mr GEORGE SOURIS:** We would be concerned about anything to do with gambling, but this proposal quarantines the membership to those who are neither minor nor problem gamblers. So the impact of the additional casino that you are referring to and its mode of operations would not fall generally into the category that we are all concerned about. That category contains members of the community who are problem gamblers as identified by the Productivity Commission.

**CHAIR:** Before we conclude, Minister, you stated that you would table three documents. We need to be provided those now. One was the Aboriginal tourism plan; the second was the delegation of conventions to regional New South Wales; and the third was the arts and cultural policy.

**Documents tabled.**

**(The witnesses withdrew)**

**The Committee proceeded to deliberate.**

---