



Hon. Troy Grant MP
Minister for Hospitality, Gaming and Racing
Minister for the Arts

16 September 2014

The Hon. Sarah Mitchell
Chair
General Purpose Standing Committee No. 4
Parliament House
Macquarie St
SYDNEY NSW 2000

Dear Chair,

Please find attached a corrected transcript of evidence provided during the inquiry into Budget Estimates 2014-15 hearing on Friday 22 August 2014 for my portfolios of Hospitality, Gaming and Racing and The Arts.

Also attached is a copy of the answers provided to Budget Estimates questions taken on notice and supplementary questions on notice during the same hearing.

Yours sincerely

Troy Grant MP



Trade &
Investment

Transcript Questions

Budget Estimates 2014-2015

Hospitality
Gaming and Racing
Arts

22 August 2014

QUESTION

The Hon. STEVE WHAN: The next question involves a level of detail that the Office of Liquor, Gaming and Racing might assist with. The Fontainebleau Motor Inn at Casula is proposing to change to a 24-hour licence with poker machines. This motel is in a residential area near a refuge and a school. The local community fears that their objections to this change are not being heard and Liverpool council seems to feel that it can only comment on the planning criteria and not on the extended liquor licence hours and poker machines. Can you give the local residents some reassurance that this proposal will not be approved?

...

The Hon. STEVE WHAN: Are you able to tell us the time frame for that or take that on notice for the consideration of this application? Also, can you give some guidance to the view that council, according to the reports I have seen, seems to feel it is unable to comment on some of the broader community concerns?

The Hon. TREVOR KHAN: How does he comment on what the council may or may not do?

The Hon. STEVE WHAN: No. I am saying, for the benefit of the Hon. Trevor Khan, to give some guidance to the council about what it can comment on.

Mr TROY GRANT: I have absolute confidence with any of the applications that come before the Office of Liquor, Gaming and Racing and also the Independent Liquor and Gaming Authority that every due consideration is given to all the impacts community-wise that you may refer to. I have not received any information on this application at this point but I have every confidence in both the department and agency to consider all those factors.

The Hon. STEVE WHAN: Are you able to take on notice the time frame for the consideration of this one, if it is available?

Mr NEWSON: I can certainly take that question on notice but there are no set time frames for an application per se. Each matter must be considered on its merit. So even if I took the matter on notice I am doubtful as to what value I may be able to add.

Mr TROY GRANT: Just in relation to that, Madam Chair, you indicated that questions taken on notice from this forum have to be responded to within 21 days. The reality is that that process might not even be completed by the department or agency within the 21 days.

The Hon. STEVE WHAN: That is fine. An indication either way is fine.

ANSWER

There is no prescribed timeframe by which a liquor licence application must be determined by the Independent Liquor and Gaming Authority under the *Liquor Act 2007*.

The Fontainebleau Motor Inn, Casula, is the site of a development application lodged with Liverpool City Council in October 2013 by De Angelis Hotels & Investments Pty Ltd.

It is understood that the development application contemplates the construction of a hotel as part of a proposed removal of the hotel licence for the Commercial Hotel, Liverpool.

In considering a removal of a hotel licence, the Authority is required under section 48(5) of the *Liquor Act 2007* to be satisfied that the overall social impact will not be detrimental to the well-being of the local or broader community. This test also applies in relation to an application to extend a hotel's trading hours to allow liquor to be sold after midnight on Mondays to Saturdays or between 10pm and midnight on a Sunday. The Authority's consideration of these matters is informed by the community impact statement provided by the applicant, as well as any submissions made by local stakeholders, including police, the local council and residents.

As at 10 September 2014, an application had not been made to the Authority for the grant or removal of a hotel licence to the Fontainebleau Motor Inn site at Casula. In the absence of an application and

any details of associated gaming machine proposals, it is not possible to comment on the specific gaming machine requirements that may apply.

The consideration by the local council of the broader community concerns associated with this proposal is a matter for the council within the context of its planning powers.

QUESTION

The Hon. STEVE WHAN: That is fine. An indication either way is fine. Has the Government implemented the recommendations from the Auditor-General on the ClubGRANTS Scheme? In particular, is the independent committee for the category 3 grants in place and who is on it?

Mr TROY GRANT: Obviously category 3 of the ClubGRANTS Scheme was rolled out in my time as the Minister and I am blown away by the quality of the work of the independent committee that arrived at funding for a total of 10 projects. The committee made an overwhelming demand on that fund and there were criteria in relation to what the Government would like to see for disadvantaged Aboriginal communities.

The Hon. STEVE WHAN: So the independent committee is in place?

Mr TROY GRANT: Yes.

The Hon. STEVE WHAN: Who is on that committee?

Mr TROY GRANT: The membership of the committee?

The Hon. STEVE WHAN: You can take that question on notice if you like.

The Hon. STEVE WHAN: Minister, I am happy for you to take that on notice.

Mr TROY GRANT: I can. There has just been a changeover of a couple of committee members. Does your question relate to the ones who made—

The Hon. STEVE WHAN: No, the current ones.

Mr TROY GRANT: I will take that on notice and provide you with a list.

ANSWER

The Fund Committee is chaired by Mr Mike Colreavy, who has extensive experience in NSW local government, with the following representatives from key stakeholders:

Mr Anthony Ball, representing ClubsNSW

Dr Elizabeth Develin, representing the NSW Ministry of Health

Mr Paul Doorn, representing Sport & Recreation

Mr Paul Newson, representing the Office of Liquor, Gaming & Racing

Two new appointments are awaiting Cabinet approval and will be in place by the time of the next meeting of the ClubGRANTS Fund Committee. They are Mr Chris Hanger, representing the Office of Regional Development, and Ms Kim Spinks, representing Arts NSW.

QUESTION

Dr JOHN KAYE: You would be aware that the ban on people involved in the alcohol and gambling industries making donations to political parties is before the High Court in a challenge launched by the former Lord Mayor of Newcastle, Jeff McCloy. Are you part of a whole-of-government approach to formulating the Government's defence in response to that challenge?

Mr TROY GRANT: I will take that question on notice.

Dr JOHN KAYE: I totally understand. I want to give you parameters. The alcohol industry in particular has been very vocal in its opposition to the ban and it has some voice within the Government. Is there

a commitment across Government to defending this important anti-corruption measure?

Mr TROY GRANT: As I said, I will take that question on notice.

ANSWER

I am advised the Premier has indicated the Government will defend the validity of the provisions.

QUESTION

Dr JOHN KAYE: Is that a review of poker machine transfers?

Mr TROY GRANT: It is a review of the memorandum of understanding, of which poker machines are a component. Our preliminary analysis of the implementation of the memorandum of understanding indicates that there has been an increase in the social and economic contribution to New South Wales of \$66 million per annum. No decision has been made about any future memorandums of understanding and I do not expect a decision to be made until after the review has been completed, which is the correct approach. Ultimately, that will be a matter for Cabinet to decide.

Dr JOHN KAYE: Will that review be publicly available?

Mr TROY GRANT: Being a Cabinet document, I imagine it would be under the terms of Cabinet in confidence.

Dr JOHN KAYE: We will leave that aside. Is that a review between the Government and clubs, not between the political parties?

Mr TROY GRANT: I will take the publishing question on notice.

ANSWER

The memorandum of understanding (MOU), which expires at the end of the current term of the NSW Government, requires a review to be jointly undertaken by the government and ClubsNSW.

The MOU does not specify that the review of the MOU's terms of agreement is to be publicly released. A decision on whether the review of the MOU's terms of agreement is publicly released has not yet been made.

QUESTION

Dr JOHN KAYE: Mr Newson, how many staff do you have on the ground to police the responsible service of alcohol and other aspects of the licensing laws?

Mr TROY GRANT: I can answer that: 77.

Dr JOHN KAYE: Across New South Wales?

Mr TROY GRANT: That is the full-time equivalent [FTE] number of staff.

Dr JOHN KAYE: How many of those are in the Sydney central business district and how many of those are, for example, on the North Coast? I do not expect you to know these numbers, but can you get a breakdown of where those staff activities are.

Mr NEWSON: It is probably much simpler than that. We do not maintain a fixed presence across New South Wales as do other contemporary regulators. Our partner regulator in Victoria last year adopted a more efficient and effective approach by pulling its satellite offices into a central office. We have a Sydney presence and we also have a Newcastle presence. Consistent with the New South Wales Government's position on implementing an outcomes and risk-based approach, we identify where the risks are across New South Wales and we deploy the resources we have accordingly. That may ultimately see, as it has in some regions, a significant presence of OLGR inspectors working with police for periods of time when it is appropriate. When the risk abates and the need is not there, our presence will be less frequent.

Dr JOHN KAYE: Can you get us on notice some geographic measure of where you have deployed those FTEs in the last financial year, if you have such a measure? How many person days did you deploy in Byron Bay, in Coffs Harbour and in various local government areas where there are substantial issues associated with irresponsible use of alcohol, for example?

Mr TROY GRANT: I will take that on notice.

Dr JOHN KAYE: I appreciate that is a difficult question to answer, but some measure of where those staff are deployed.

Mr PATERSON: I issue a caution: There may be some operational elements to that question that we do not want to foreshadow, because we could be part way through proceedings. If the Committee is prepared to accept the fact that we will provide the best information that we can—

Dr JOHN KAYE: Without compromising things.

Mr PATERSON: —subject to not compromising operations.

Dr JOHN KAYE: I think that is sensible. I appreciate what you are saying and I am sure you will deal with that appropriately.

ANSWER

Compliance Branch staff from the OLGR assessed licensed venue operations across NSW to address alcohol-related harms and associated concerns. In the FYE 2013, 568 venues within 27 LGAs across the greater Sydney were audited on 1373 occasions. Consequently, 1930 hours - or 275 FTE days – were invested into ensuring venues within the greater Sydney area operated in a manner consistent with RSA principles.

In regional NSW, Compliance Branch staff audited 338 venues in 53 LGAs on 585 occasions. This equates to 852 hours - or 121 FTE days – being invested into onsite inspections to ensure venues in regional NSW operated in accord with RSA principles.

In the Byron LGA 137 onsite inspections were conducted on 37 premises, equating to 21.5 FTE days.

In the Coffs Harbour LGA seven onsite inspections were carried out on 4 premises, equating to 8 FTE days.

QUESTION

The Hon. LYNDA VOLTZ: Minister, in 2013-14 the Advanced Development Fund received \$338,000 and the Early Stage Development Fund received \$508,000. What is the figure for those two funds for this financial year?

Mr TROY GRANT: I will ask the executive director to provide me with that exact figure. The total grants and subsidies funding for 2014-15 projected is \$7.453 million.

The Hon. LYNDA VOLTZ: What is that?

Mr TROY GRANT: Of the Project Script Development and early and advanced—

The Hon. LYNDA VOLTZ: No. The Advanced and Development Fund and the Early Stage Development Fund, what are the figures?

Ms DARWELL: It is \$844,000 for the Project Script Development, Early and Advanced Stage, the Producer Extension Placement and festival travel.

The Hon. LYNDA VOLTZ: I am just asking for the advanced development and the early stage development.

Ms DARWELL: I do not have the breakdown to advanced development; I just have it as part of a global figure.

The Hon. LYNDA VOLTZ: It is on your website as \$724,000 for the advanced and early. Is your website incorrect?

Ms DARWELL: I have been advised that the figures I have here reflect the figures on the website. If that is incorrect I will amend the website.

The Hon. LYNDA VOLTZ: You are saying your website figure of \$724,000 is incorrect?

Ms DARWELL: I do not have the website figures in front of me, but the breakdown that I have been provided by Screen NSW is that the—

Mr TROY GRANT: I can assist you there. For 2013-14 the budget for the Advanced Development and Marketing Fund is \$313,354. What was the second part of your question?

The Hon. LYNDA VOLTZ: The Early Stage Development Fund.

Mr TROY GRANT: The Early Stage Development Fund for 2013-14 is \$486,800.

The Hon. LYNDA VOLTZ: That is a significant decrease on the previous year's funding.

Mr TROY GRANT: The previous year's funding for the—

The Hon. LYNDA VOLTZ: It was \$508,000 for the Early Stage Development Fund and it was \$338,000 for the Advanced Development Fund in 2013-14.

Mr TROY GRANT: I will have to take that on notice because they are not the figures I have.

The Hon. LYNDA VOLTZ: They are the figures that your predecessor answered to a question on notice.

Mr TROY GRANT: I do not answer for my predecessor; I can only answer you on the information that is provided to me.

The Hon. LYNDA VOLTZ: You are not concerned that those funds are less than they were the previous year?

Mr TROY GRANT: I will get you the correct figures on notice before I form any views on concern.

ANSWER

2013/14

The combined amount budgeted in 2013/14 for projected applications to the Early Stage Development Fund and Advanced Development Fund was \$847,000, including \$508,200 for the Early Stage Development Fund and \$45,000 for projects already contracted in 2012/13 as agreed by the then Screen NSW Board in June 2013.

Following competitive application processes through the year, a combined total of \$800,154 was actually committed to projects in 2013/14 as follows:

- successful projects through the Advanced Development Fund received \$313,354
- successful projects through the Early Stage Development Fund received \$486,800.

Commitments in all Screen NSW funding programs are dependent on applications to the funds and may change throughout the year. These changes are reflected on the Screen NSW website when allocations are changed.

2014/15

The combined amount budgeted in 2014/15 for projected applications to the Early Stage Development Fund and Advanced Development Fund (including market and festival travel) is \$774,000, as agreed by the Film and Television Industry Advisory Committee on 25 July 2014.

This amount includes \$50,000 for festival travel in addition to the amount of \$724,000 listed on the Screen NSW website. Further, the separately budgeted Aurora feature film script development workshop will be held in 2014/15, which has an additional budget of \$220,000.

Generally 40% of the total allocation to development is committed to the Advanced Development Fund (including market and festival travel) and 60% is committed to the Early Stage Development Fund. However, the commitments are dependent on applications to the funds and may change throughout the year.

QUESTION

The Hon. LYNDA VOLTZ: Let us look at it this way: What major films are in pre-production or are in production at the moment in New South Wales?

Mr TROY GRANT: *Strangerland*, part of which was filmed in my electorate at Canowindra, which I was very pleased about. The community were chuffed. That is one that comes straight to mind.

The Hon. LYNDA VOLTZ: Where is that production from?

Mr TROY GRANT: Can I take that on notice?

ANSWER

In 2013/14 NSW Government incentives were approved for the following major screen projects:

- ***Unbroken*** directed by Angelina Jolie – international feature film, financed by Universal Pictures, with estimated production expenditure in NSW of \$19 million and which will create 300 NSW jobs. This film is in the final stages of post-production and is scheduled for release in December 2014.
- ***Gods of Egypt*** directed by Alex Proyas – Australian feature film, financed by US studio Lionsgate Entertainment Corporation, with estimated production expenditure in NSW of \$75 million and which will create 400 NSW jobs. This project finished filming in Sydney in early August 2014, and is now in post-production.

The amount of the incentive in each case is commercial in confidence.

In August 2014, the following major films were in pre-production in NSW:

- ***2:22*** – Australian feature film directed and co-produced by Australian director, Paul Currie.
- ***The Daughter*** – Australian feature film, produced by Jan Chapman, starring Geoffrey Rush and Ewen Leslie.

In August 2014, the following major films were in production in NSW:

- ***Ruben Guthrie*** – Australian feature film written and directed by Brendan Cowell currently in production in Sydney
- ***Gods of Egypt*** – Australian feature film now in post-production
- ***The Water Diviner*** – Directed by Russell Crowe now in post-production
- ***Mad Max: Fury Road*** – Directed by George Miller now in post-production.

Strangerland is an Australian feature film, directed by Kim Farrant and starring Nicole Kidman, Hugo Weaving and Joseph Fiennes. It has Australian and Irish producers and, in addition to Australian support, the project has support from the Irish Film Board and substantial international funds. The film shot in regional NSW and is currently in post-production.

QUESTION

Ms JAN BARHAM: To follow up on the library issue, can you explain why New South Wales continues to sit as the lowest funding State for library services? Not infrastructure but the services provided. Historically, the State supported 23 per cent to 24.5 per cent of the funding of libraries and now we are down to 7.5 per cent. Is that just another cost-shifting exercise to local government or do you not value libraries?

Mr TROY GRANT: Libraries have no bigger fan than me. I have met with the New South Wales Public Libraries Association about its concerns for the challenges ahead and I have given my absolute commitment to continue to work with the association. As I said on the parliamentary record during debate on the petition a couple of weeks ago, I am happy to sit down and constantly look at opportunities for funding into the future within the Government's capacity.

Ms JAN BARHAM: But the point is that the \$1.85 per person—

Mr TROY GRANT: It is not \$1.85. As I pointed out, it is \$2.47. So that is incorrect.

Ms JAN BARHAM: Can you indicate what population number that figure is based on? If that figure, \$1.85, has not increased, how can it not be more with an increasing population?

Mr TROY GRANT: No, I am saying that the actual figures that have been bandied about are what the average—I am informed by the Secretary that seven million is the population number used.

Ms JAN BARHAM: A population of seven million?

Mr PATERSON: Yes.

Ms JAN BARHAM: Can you refer me to the section in the budget where it describes that figure? The only changed figure I could find was the one on page 8-78 where there is a modest increase.

Mr PATERSON: I think you will find that the full breakdown of it is on the State Library's website.

Ms JAN BARHAM: For this year?

Mr PATERSON: Yes.

Mr TROY GRANT: Just the quotients for the year past, the year gone?

Ms JAN BARHAM: The year gone, yes, 2013.

Mr TROY GRANT: Yes.

Ms JAN BARHAM: It will obviously be increased from this year against last year? If you are saying you have increased it, last year's figures—

Mr TROY GRANT: No. I am just saying that the figures you put to me in the question on library funding is that the subsidy is \$1.85 per head and that is incorrect. On average it is \$2.74.

Ms JAN BARHAM: And my point is that the regulation is meant to be reviewed every five years. It has not been reviewed and still sits at \$1.85. So the Government has gone beyond what it is required by regulation is what you are saying. Is that right?

Mr TROY GRANT: I will reflect on the question that you have put and I will respond to that on notice.

ANSWER

The Library Regulation is reviewed every 5 years, most recently in 2010.

The prescribed amount for subsidy ceased to be the sole component of annual payments to councils after 1991. Annual payments to councils comprise the amount prescribed in Clause 18 of the *Library Regulation 2010* (\$1.85 per head) plus the Disability and Geographic Adjustment (DGA) payment.

The subsidy formula was most recently revised in 2005/06.

All councils receive direct payments in excess of \$1.85 per capita. The average payment to NSW councils for 2014/15 is \$2.74 per head.

QUESTION

Ms JAN BARHAM: The Cultural Accord between the State Government and the Local Government Association finished on 31 December 2013. Do you intend to go for a fifth accord?

Ms DARWELL: At the ministerial council meeting—that is, the meeting of all State Ministers and the Federal Minister—there was an accord between that the Federal Government, State governments and local governments signed a year ago. The next meeting of the ministerial council is in October and I expect at that meeting there will be further discussions about that accord.

Ms JAN BARHAM: Has there been a budget allocation to facilitate implementation? Will we have a year's gap?

Ms DARWELL: There is no specific allocation to the Local Government and Shires Association. The process under which it would receive funding would be through the application process with the Arts and Cultural Development Program.

Ms JAN BARHAM: Were they previously funded to employ a cultural officer within the Local Government and Shires Association?

Ms DARWELL: They were funded, my recollection is, roughly \$100,000 to support the implementation of the accord and there was an officer that does work in Local Government and Shires Associations.

Ms JAN BARHAM: That money is no longer there?

Ms DARWELL: It is presently there. Funding ceases—

Ms JAN BARHAM: Last year? Is that right?

Ms DARWELL: I am not sure funding ceased last year. I will have to take that on notice.

Ms JAN BARHAM: I seek clarification: the calendar year or the financial year?

Mr TROY GRANT: To clarify, it was funding for the implementation.

Ms JAN BARHAM: The accord finished, which I think meant that the funding agreement finished. It is hard to tell.

Ms DARWELL: Let me clarify that. I have a feeling it was rolled over.

Mr TROY GRANT: Most of our agreements are on a calendar year basis rather than a financial year basis. That is where there could be that overlap to explain. That will be contained in the answer on notice.

ANSWER

LGNSW currently receives \$110,000 per annum under a multiyear program funding (2011/12 to 2013/14) towards the Local Government Cultural Development Program.

Following the Review of the Arts Funding Program in 2013, LGNSW's funding agreement was extended to the end of 2014. Arts NSW funds arts organisations on a calendar year basis.