



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

6 September 2013

Budget Estimates  
Room 812  
Legislative Council  
Parliament House  
Macquarie Street  
Sydney 2000

To Whom It May Concern,

Please find attached my responses to both questions taken on notice during my Budget Estimates enquiry, and supplementary questions submitted at the conclusion of the enquiry.

A few minor corrections to the transcript are also attached.

Yours sincerely,

**George Souris MP**

**GENERAL PURPOSE STANDING COMMITTEE NO. 3**

**Tuesday 13 August 2013**

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

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

## QUESTION – Page 11

### Tourism and Major Events

**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.

### ANSWER

All photos and footage presented by Reportage were able to be seen by the general public at venues across the city including Customs House, Ten by Eight Gallery and the Cleland Bond Building in The Rocks.

Destination NSW had contractual editorial rights regarding what was shown on the outdoor LED screen and these rights were exercised. The committee that reviewed the materials shown comprised Destination NSW's Chief Executive Officer, A/Director Event Development and Event Development Manager – Business

Activation, along with Vivid Sydney's Producer, Creative Advisor, Project Manager and the Project Manager – Vivid Light Projections and Special Projects.

## QUESTION - Page 21

### Arts

**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 came** through the State Investment Attraction Scheme, which **is-in 2011/12 was** administered by the Department of Trade and Investment. **In 2012/13 it was directly allocated to Screen NSW.**

**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 \$4.8 million was allocated to production ~~support~~ support, New South Wales screen businesses and practitioners and to grow 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 \$4.8 million for production.

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

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

## **ANSWER**

The allocations for 2013-14 are published on the Screen NSW website. These allocations are subject to change, due to demand on funds or increased revenue from production returns for example, and changes will be reflected in the published amounts.

\$4,889,012 was allocated to production support for 2012-13.

## **QUESTION - Page 24**

### **Arts**

**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

### **ANSWER**

No allocations to Screen NSW funding programs were reduced as a result of the introduction of the Slate Loan Fund.

Under the terms of the Slate Loan Agreement, the four current slate loans are due to be repaid within five years from the next three productions produced by the applicant or any of its principals.

## QUESTION - Page 26

### Arts

**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.

### ANSWER

In 2013/14 \$44.3 million has been allocated towards the maintenance of the facilities of the State cultural institutions (including the Art Gallery of NSW, the Australian Museum, the State Library of NSW, the Museum of Applied Arts and Sciences and the Sydney Opera House).

The cultural institutions prioritise their maintenance expenditure in accordance with approved budgets and to best meet service delivery requirements. Development of an Asset Maintenance Strategic Plan across the cultural institution asset portfolio that will examine backlog, recurrent and capital maintenance is a project that is being considered as part of the NSW Trade & Investment Total Asset Management Plan for the next ten years.

In 2013/14 key initiatives of the Budget include \$65 million for infrastructure upgrades to cultural institutions, particularly the Sydney Opera House, Museum of Applied Arts and Sciences and State Library of New South Wales, to maintain the State's cultural assets and benefit the community and economy.

An increase of \$13.7 million to the Sydney Opera House to develop a building and precinct Master Plan and \$10.8 million to the Art Gallery of NSW for phase one of the building extension project has been included in the forward estimates for 2014/15.



## QUESTION – Page 31

### Hospitality, Gaming and Racing

**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.

### ANSWER

The process for establishing the committee is presently being considered and an announcement will be made by mid to late September in relation to the proposed membership and process for appointment.

## QUESTION – Page 32

### Hospitality, Gaming and Racing

**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.

### ANSWER

#### List of studies:

I am advised that research has been undertaken that has examined the issue of pre-drinking and its link with the price of alcohol sold by takeaway liquor stores.

This research includes:

Miller, P., Pennay, A., Droste, N., Jenkinson, R., Quinn, B., Chikritzhs, T., Tomsen, S., Wadds, P., Jones, S. C., Palmer, D., Barrie, L., Lam, T., Gilmore, W. & Lubman, D. (2013). *Patron Offending and Intoxication in Night-Time Entertainment Districts (POINTED)*. [http://www.ndlrf.gov.au/pub/Monograph\\_46.pdf](http://www.ndlrf.gov.au/pub/Monograph_46.pdf)

Miller, P., Tindall, J., Sønderlund, A., Groombridge, D., Lecathelinis, C., Gillham, K., McFarlane, E., de Groot, F., Droste, N., Sawyer, A., Palmer, D., Warren, I. & Wiggers, J. (2012). *Dealing with alcohol-related harm and the night-time economy (DANTE)*. [www.ndlrf.gov.au/pub/Monograph\\_43.pdf](http://www.ndlrf.gov.au/pub/Monograph_43.pdf)

I am also advised that research has been undertaken that has examined the issue of sales from takeaway liquor stores and the density of takeaway liquor stores and assault rates.

This research includes.

Liang, W. & Chikritzh, T. (2011) Revealing the link between licensed outlets and violence: Counting venues versus measuring alcohol availability. *Drug and Alcohol Review*, 30, 524-535. <http://onlinelibrary.wiley.com/doi/10.1111/j.1465-3362.2010.00281.x/pdf>

Livingston, M. (2002) Alcohol outlet density and harm: Comparing the impacts on violence and chronic harms. *Drug and Alcohol Review*, 30, 515-523. <http://onlinelibrary.wiley.com/doi/10.1111/j.1465-3362.2010.00251.x/pdf>

### *ILGA statement – liquor licences and alcohol pricing*

The Independent Liquor and Gaming Authority is an independent licensing body. Its many functions under New South Wales liquor and gaming legislation include the power to determine applications for new packaged liquor licences and applications to remove existing packaged liquor licences from one premises to another.

When considering these applications, the Authority must apply the law enacted by the New South Wales Parliament. It must determine each application on its merits - having due regard to any submissions made in response to the application before it. When determining an application for a packaged liquor licence, the Authority must consider whether the grant of the licence will have an overall detrimental impact upon the local community (the suburb or town in which the proposed business will be situated) or the broader community (the local government area).

The Authority's Guideline No.6 on Social Impact, published on the Authority's website, provides further information about this social impact test. The Guideline also lists a body of research with which the Authority is aware, including overseas studies on the impact of price upon alcohol abuse.

The Authority very occasionally receives submissions to the effect that a proposed new business will introduce discounted liquor into a community, or that its pricing policies will adversely impact a vulnerable section of the relevant community. More often than not, such allegations are made by a commercial competitor and without supporting evidence or expert analysis.

The Authority does refuse packaged liquor applications when the Authority is not satisfied that an application meets the overall social impact test. A decision to refuse an application will usually be the product of high licence density in an area, poor socio-demographic data, troubling alcohol related crime rates in an area, or submissions from Police or residents identifying localised problems with the abuse of packaged liquor - such as public drinking, underage drinking and pre-fuelling in locations proximate to the proposed new business.

The Authority does not develop liquor policy, nor does it have broader powers to regulate the number or type of licensed premises in New South Wales. The Authority is not a law enforcement body either - those functions are shared by NSW Police and the Office of Liquor Gaming and Racing. The Authority does not regulate

consumer protection or competition law matters, such as predatory pricing - that is a function of the Australian Competition and Consumer Commission.

The Office of Liquor Gaming and Racing administers Liquor Promotion Guidelines and the Director General of the Department of Trade and Investment, Regional Infrastructure and Services has the power to prohibit certain undesirable liquor promotions under section 102 of the Liquor Act 2007 which may include "extreme" discounts. The Director General also has the power to prohibit activities that encourage misuse or abuse of liquor under section 102A of the Act.

## QUESTION – Page 33

### Hospitality, Gaming and Racing

**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.

## **ANSWER**

14,274.

**QUESTION – Page 38**

**Hospitality, Gaming and Racing**

**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.

**ANSWER**

A request for information regarding gambling taxation should be directed to the Treasurer.