

TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2018–19

Melbourne — 30 May 2018

Members

Mr Danny Pearson — Chair

Ms Sue Pennicuik

Mr David Morris — Deputy Chair

Ms Harriet Shing

Mr Steve Dimopoulos

Mr Tim Smith

Mr Danny O'Brien

Ms Vicki Ward

Ms Fiona Patten

Witnesses

Mr John Eren, Minister for Tourism and Major Events,

Mr Richard Bolt, Secretary, and

Mr Justin Hanney, Head, Employment, Investment and Trade, Department of Economic Development, Jobs, Transport and Resources.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2018–19 budget estimates.

All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Tourism and Major Events, the Honourable John Eren, MP; Mr Richard Bolt, Secretary of the Department of Economic Development, Jobs, Transport and Resources; and Mr Justin Hanney, Head of Employment, Investment and Trade.

All evidence is taken by this committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the hearing, including on social media, are not afforded such privilege.

The committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard. You will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, any PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

Witness advisers may approach the table during the hearing to provide information to the witnesses if requested, by leave of myself. However, written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way.

Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

I invite the witness to make a very brief opening statement of no more than 5 minutes. This will be followed by questions from the committee. Minister.

Visual presentation.

Mr EREN — The Andrews Labor government and Visit Victoria have grown the visitor economy by attracting more events, more visitors and more jobs for all Victorians. Since 2014 the Andrews Labor government has grown the visitor economy. Total visitor expenditure reached over 26 billion, a 29 per cent growth since 2014, including a 22 per cent growth in domestic overnight expenditure, 53 per cent growth in international overnight expenditure and 19 per cent growth in domestic daytrip visitor expenditure. Total visitation in Victoria reached over 78 million, an over 19 per cent increase since 2014, including 23 per cent growth in domestic overnight visitors, 35 per cent growth in international overnight visitors and 17 per cent growth in domestic daytrip visitors. The Victorian tourism gross state product has grown 17 per cent by just under \$4 billion. The visitor economy now represents 214 500 jobs, a growth of over 11 per cent since 2014. Victoria's visitor economy is the envy of the nation.

The Victorian 2018 budget provides an extra \$51.1 million for Visit Victoria to attract more visitors to grow the visitor economy, \$21.8 million for business events to help fill the expanded Melbourne Convention and Exhibition Centre, \$4.5 million to increase the Major Events Fund, \$4 million for new authorised ticketing officers to crack down on scalpers and \$5.8 million for Station Pier to grow our cruise ship industry. In regional Victoria we are providing \$2 million for a new regional events and innovation fund, 153 million towards the Geelong city deal to help construct the Geelong convention centre and the Shipwreck Coast Master Plan, \$2 million for the Falls to Hotham iconic trail, 500 000 for the Grampians cycling plan, 500 000 towards the Murray River Adventure Trail and 300 000 towards the Silo Art Trail in the Mallee and Wimmera regions.

Other key investments we are making for our visitor economy include 225 million to redevelop the Etihad Stadium sports and entertainment precinct, securing the AFL Grand Final and more AFL content for Geelong and Ballarat; \$70 million to Parks Victoria to help grow nature-based tourism; 31 million for the ACMI redevelopment of Federation Square; reducing payroll tax and improving access to TAFE help tourism, businesses and workers; and investing in transport and road infrastructure to improve visitor experience.

Since 1 July 2016 Visit Victoria has unified the tourism sector. Visit Victoria has facilitated more than 60 major events, 330 business events and more than 160 regional events. Visit Victoria's dedicated regional events team has secured more events for regional Victoria. Visit Victoria has successfully delivered new marketing campaigns, including regional intrastate campaign Wander Victoria; New Zealand and national interstate campaign, A Twist at Every Turn; and a new international China campaign. Key sporting events secured by Visit Victoria include the USA basketball Dream Team in 19, T20 Cricket World Cup men's and women's final at the MCG, Brazil versus Argentina SuperClasico, World Cup of Golf and Australian Open golf in 2020 and 2022.

Key creative events that Visit Victoria has secured include *Harry Potter and the Cursed Child*, *Come From Away* and the Helpmann Awards to name a few. These and other creative events will continue to grow our cultural visitor base. Cultural visitors stayed a total of over 59 million nights in Victoria as of 2017, a growth of 42 per cent since 2014.

Key business events secured: Lions Club International Convention 2024, International Society for Stem Cell Research in 2018, and the 2021 Global Public Transport Summit.

Since 2014 the regional visitor economy has grown. Total expenditure is now over \$9 billion, a growth of 25 per cent. The total number of visitors to regional Victoria was recently 49.8 million, a growth of 20 per cent since 2014.

Visit Victoria has successfully secured and facilitated more regional events: World T20 Cricket in 2020 in Geelong; regional White Nights in Ballarat, Bendigo and Geelong; Western Bulldogs in Ballarat; and Riverboats Music Festival on the Murray. We have also invested to improve visitor and events infrastructure: the Shipwreck Coast Master Plan, Phillip Island Nature Parks, Budj Bim, stage 4 of Geelong's Kardinia Park development.

The VV event pipeline has given the aviation and accommodation sectors more confidence to invest. Victoria now has 34 international airlines flying from Melbourne airport, an increase from 25 international airlines in 2014. Melbourne will be adding a further 8500 hotel rooms for completion by 2025, offering an approximate total supply of 30 000 by 2025, a 40 per cent increase in supply by 2025.

In conclusion, Chair, I would like to congratulate Visit Victoria on their hard work since being established in helping secure more major events, business events and regional events, all of which are growing our visitor economy. I thank you for listening.

The CHAIR — Minister, I just refer to your presentation and the \$51.1 million which will be allocated to Visit Victoria as outlined in the 2018–19 budget. Can you just outline to the committee what you expect this investment will do in terms of securing events and marketing campaigns for Victoria, across the forward estimates?

Mr EREN — Sure, that is a great question. As I have indicated, it means a lot to our economy. We have an ambitious plan, Chair, to increase the visitor economy to 36.5 billion and 320 000 jobs associated with that by 2025, and clearly we are on track. We are on track in the sense that in the consecutive years, year on year, we have had an increase in the number of visitations both interstate and international, and also intrastate, which is so important, so marketing will go a long way to making sure that we focus in on getting to that objective of 36.5 billion by 2025.

When you consider some of the events that we have had, it has been absolutely tremendous. Of course with Visit Victoria the total events facilitated over two years is over 550 total events. That is a massive amount of events. That is why we have seen such a growth in overnight stays, such a growth in visitation. It is because of the hard work of Visit Victoria.

Of course with major events, we acquired 33 major events in two years and facilitated 60 major events in two years. In regional events, 160 facilitated in two years and of course when you consider that all of the events that we are getting in regional Victoria, it is increasing the numbers of people going to these events in regional Victoria. It is fantastic to see. When you consider that the campaigns have been targeted, that is why total visitation — I just want to put this on the record — in Victoria reached 78.1 million, representing a growth of 19.5 per cent since 2014. The total number of visitors to regional Victoria was 49.8 million people, an increase

of 19.9 per cent since 2014. Total visitor expenditure reached \$26.4 billion, which is a 29.1 per cent increase since 2014. In 2016–17 tourism GSP reached \$24.8 billion, a 17.3 per cent increase since 2014. In 16–17 tourism generated 214 500 jobs, an increase of 11.6 per cent since 2014–15. An additional 22 400 jobs have been created in the time that we have been in government.

This means making sure that Visit Victoria, operating as an entity of course to ensure the growth of this very important sector, is adequately funded. To that end we are proud of the fact that we have got additional funding for major events — \$20 million. From \$42 million per annum we have gone to 62 million, and we have added another four and a half this year. That is a total of 66 million. When you consider that we have added the 20 million year on year, that is why we are able to get some of the best of the best events.

Additionally, one thing that the previous government did not have is a regional arm in terms of major events. I am proud to say that we have invested \$20 million in regional events, and that is why we are getting blockbusters going to Bendigo, Ballarat, Gippsland and Geelong of course. Clearly we have focused in on making sure it is not just about Melbourne — it is not just about postcode 3000 — but is broadly about the broader visitor economy, which the regions depend very much on. For example, Phillip Island — 45 per cent of their economy is totally dependent upon tourism dollars. So if you do not have events like the MotoGP and other wonderful events that we are having out there, then Phillip Island diminishes in terms of its jobs prospects going forward. You cannot be just about Melbourne, Melbourne, Melbourne. You have got to have a broader plan of growing the regions in terms of tourism, and that is exactly what Visit Victoria are doing.

The CHAIR — Thanks, Minister. I will hand it over to —

Ms SHING — Me.

The CHAIR — Ms Shing.

Ms SHING — Thank you very much. Sorry to self-nominate there, but it is important to pick up on what you have just been discussing around regional events, Minister, and to go to one of the key objectives of increasing the visitor economy in regional areas. How has the investment that you have outlined and referred to in the course of your presentation and in earlier answers managed to draw attention to making destinations sticky. By reference to ‘sticky’ I am talking about the way in which people might go to one location, say Phillip Island for the MotoGP and might then stick around to see the penguins or might then head up to Wilson’s Prom or might then head to Golden Beach or to Bairnsdale for a bit of sports — biking, outdoor adventure. I say this as someone who suffers from an almost extreme lack of coordination.

Members interjecting.

Ms SHING — I did not walk until after I was two, so let the record show that I am trying my best. One of the things that I do want to touch on is how has the \$20 million allocation actually been designed to ensure that people are spending more time and more money to get a greater variety of experiences in regional Victoria?

Mr EREN — It is very much about the experience, and that is why we have had double-digit growth in regional Victoria. That has never happened before. Clearly the strategy that we have got in place — that Visit Victoria has in place — is working. We have invested heavily in the Latrobe Valley. You would know this, and you have been an advocate for it — the \$85 million for sport, recreation and events and so on and so forth is fantastic. For the first time ever we had a Formula One car in Moe.

Ms SHING — Yes, we did.

Mr EREN — That has never happened before. Of course it is about sharing the wonderful events that we have in Melbourne with country and regional Victoria. That is why we are designing the economy to grow in those areas strategically through these investments. Whether it is the Cadel Evans Great Ocean Road Race, whether it is the arts and cultural events that we have in Bendigo, Ballarat and Geelong, whether it is the White Night event like Ballarat, for example. We have had it now two times and twice it has broken the record of attendance. At the inaugural we did not expect many people but we got 40 000.

Ms SHING — How do we get people to stay then? I note that the visitor economy sector has led to a really significant number of international overnight visitors and domestic overnight visitors, but what is the difference between a daytrip and how much people will spend in a day when they go to visit, say, one event, one attraction

and multiple-day visits? How is the spend on regional events and also the tourism offering helping to make that a more attractive proposition than doing a daytrip to the side and then coming back, for example, to Melbourne?

Mr EREN — They are both important. Intrastate tourism is very important for us. Getting Melburnians jumping in their cars and taking off for a weekend away is so important. If everybody that visited Victoria, for example, stayed one more night, it would be worth over \$2 billion to the economy. We know that the high yield that comes through the visitor economy — the tourism sector — is in overnight stays. So we have RTBs right across the state who actually feed into government their preferences regarding what events they would like to see, how they strategise with the government to ensure that there is overnight stay and how do we get people to stay for one more night.

Ms SHING — That varies significantly from region to region, doesn't it?

Mr EREN — That varies from area to area and region to region. Clearly when it comes to events we know that, for example, if you have a weekend of events happening in a region, people are likely to stay for more than one night.

I have just got to say, this is not regional Victoria but *Harry Potter and the Cursed Child*, for example, is a two-night series. Those people who are coming from Asia or internationally who love Harry Potter have to stay at least one night to see the second part of the show. These sorts of events are designed to maximise on the investment in events, and that is what we want to do for regional Victoria. That is exactly what we are doing, and we can see the growth that is occurring in terms of visitation to regional Victoria.

Ms SHING — We have had Wander Victoria, the regional tourism marketing campaign. That relates to everything from trying to — what is it? — put your elbow in your mouth on the one hand versus taking an apple from an honesty box.

Mr EREN — Licking your elbow.

Ms SHING — Licking your elbow, there you go.

Mr EREN — I think everybody in Victoria after seeing that ad tried to lick their elbow.

Ms SHING — It is up there with 'Not happy, Jan' in the context of a viral marketing campaign. There has been some scrutiny in relation to Wander Victoria in previous PAEC hearings, as you would be aware. One of the issues has been quantifying what the return on that investment has been. Can you talk us through the output for the Wander Victoria campaign and how that is actually directly correlated to an increase of the visitor types and expenditures that you talked about earlier?

Mr EREN — Sure. It has actually been surprising the amount of Melburnians that did not know their own backyard up until that campaign. I have got to say that the grand final footy holiday that we have got on the Friday, there is a component of people who love coming to the grand final parade, and that is fantastic.

Ms SHING — Record numbers in fact.

Mr EREN — Record numbers — 150 000 people that love to come and watch the parade. But there are also 4 million Melburnians that want to do something else. So what they actually do on that long weekend — we have seen this happen — is every single hotel room, almost, in regional Victoria is occupied. So people jump in their cars and head off on the Friday morning knowing that they have got the long weekend away. I know from my region of Geelong, for example, they stayed the whole two or three nights and you could not find a hotel room.

Ms SHING — Have we got any data on the success of the grand final public holiday and the regional spend as far as tourism is concerned? I am happy to take that on notice if you do not have it to hand.

Mr EREN — Sure. I gave that as an example, but since the campaign's inception in 2016 there have been approximately 26.9 million views of the brand films and over 384 000 visits to campaign websites, so people were genuinely interested in discovering their own backyard. Rather than jumping on a plane they were jumping in their cars and heading off to regional Victoria because of that campaign.

The CHAIR — Order! The Deputy Chair until 3.34 p.m.

Ms SHING — And a link to the grand final public holiday spend would be great. Thanks.

Mr MORRIS — Minister, BP3, page 121, the major events output. Recently —

Mr EREN — Sorry, can you repeat that? What page?

Mr MORRIS — Page 121, the major events output. The major events legislation recently passed the Parliament, and during the committee stage in the Council the government was not able to furnish a list of the 70 individuals and organisations that were apparently consulted or contributed to the drafting of the bill. Are you able to provide us with that list today?

Mr EREN — Are you talking about the scalping bill?

Mr MORRIS — Yes.

Mr EREN — Look, that particular bill was so important. One of the reasons why we do have —

Mr MORRIS — No, sorry, I am not asking you about the bill. I think we understand what is in the bill. I am asking you about the list of 70 people or organisations that were apparently consulted.

Mr EREN — I said barely three words. Do you want to listen to what I say?

Mr MORRIS — It is pretty specific — I am asking for the list.

Mr EREN — So just in relation to the major events act that we have changed recently, that is about making sure that people —

Mr MORRIS — Minister, the list of the 70 organisations that were consulted and the government was unable to provide in the Council — that is what I am asking you about, not the contents of the bill.

Mr EREN — If it is appropriate to provide those names, they would have provided that to you in the upper house inquiry that you had. So I am not sure why you are double-dipping on this issue. You should be actually pleased that we have got such legislation to protect the fans that love going to these events.

Mr MORRIS — Minister, as much as I appreciate your advice, I will decide what questions I ask.

Mr EREN — Do not worry about a witch-hunt about who was consulted. The fact is it is a great piece of legislation that is bringing events here.

Mr MORRIS — Chair, I might just ask the secretary. Minister Dalidakis, who was at the table during the committee stage, said in response to a question without notice that, quote, ‘I understand DEDJTR is currently developing a process to seek this advice’, which is in the context of the stakeholders in question who were being consulted. Can you tell us what that process is?

Mr BOLT — I cannot. The advice I have here, Deputy Chair, is that at this stage the stakeholders in question have not been conferred with to establish whether they are prepared to have their details released.

Mr MORRIS — I am sorry, I did not catch that last bit.

Mr BOLT — They have not been conferred with is my advice.

Mr MORRIS — They have not yet been conferred with, even though on 8 May we were told they were going to be.

Mr EREN — No, for their names to be published.

Mr BOLT — Sorry, about the publication of their names.

Mr MORRIS — Yes. We were told on 8 May they were going to be conferred with but they have not yet been conferred with.

Mr BOLT — Pardon me, Deputy Chair. I am not aware of that particular undertaking, so I would have to take any response to that on notice.

Mr MORRIS — If you could, I would appreciate it. Minister, as I understand it, consultation on this bill was run over a period of 12 months prior to the first reading in the Assembly, so can you confirm that consultation took place between November 2016 and November 2017?

Mr EREN — What I can definitely say to you is we have consulted with sporting venues, we have consulted with cultural events venues, we have consulted with councils, we have consulted with sporting clubs and leagues, we have consulted with ticketing agencies, we have consulted with promoters, we have consulted with the tourism industry and we have consulted with government agencies.

Mr MORRIS — And that consultation is over a period of 12 months prior to the first reading of the bill?

Mr EREN — It was a stakeholder forum that was held on 9 May 2017 with approximately 60 stakeholders in attendance, and there were more than 30 submissions made that were received from various organisations in relation to this very important bill that came before the house.

Mr MORRIS — Okay, thank you. During that period Mr Michael Gudinski, who incidentally was appointed as patron of the Australian Music Vault at the Arts Centre Melbourne last year, made a donation of \$20 000 to the Victorian Labor Party. Did you or your office advise Mr Gudinski to make that donation?

Ms SHING — Oh come on. What does this have to do with anything? Anything? The forward estimates, the budget, the minister's portfolio.

Mr EREN — That is a ridiculous question.

Mr MORRIS — So you are declining to answer the question?

Mr EREN — That is a ridiculous question. Are you saying that Michael Gudinski is corrupt? Is that what you are saying?

Mr MORRIS — I asked you whether you advised him or your office advised him to make that donation.

Mr EREN — Are you saying Michael Gudinski is corrupt? Is that what are implying?

Mr MORRIS — If the answer is no, then simply say so.

Mr EREN — I would think he would be very anxious about it. He would be very concerned that you actually think that Michael Gudinski is corrupt.

Mr MORRIS — I am asking about your actions, Minister. I am not asking about Mr Gudinski.

Mr EREN — It is a ridiculous question.

Mr MORRIS — Minister, since you are not going to answer that question, were you aware of that donation prior to this question today?

Mr EREN — I was not aware of any donations Michael Gudinski made to any political organisation, whether it is Liberal or Labor.

Mr MORRIS — You were not aware of that prior to today?

Mr EREN — I am not aware of any donations. I cannot be clearer than this, and if you want to say this outside, that is between you and Michael Gudinski.

Mr MORRIS — The records make it clear that the donation was made —

Mr EREN — The records are very clear —

Mr MORRIS — I am trying to establish when you knew about it.

Mr EREN — I have answered the question.

Mr MORRIS — So you were not aware of it before today?

Mr EREN — I am not aware of who and why and which political parties Michael Gudinski or any other promoter or any other promoter in relation to this bill are donating to, and I do not think that is relevant at all. The accusations that you are making are gutless.

Mr MORRIS — Minister, given that this legislation has gone through and Mr Gudinski is without argument one of the big winners from this legislation, are you concerned that the legislation is tainted by the \$20 000 donation made during the drafting of the bill?

Ms SHING — On a point of order, Chair, again you are asking for an opinion that has clearly been answered by the minister in a previous question. It has clearly been answered.

Mr MORRIS — You are not prepared to respond — is that —

Members interjecting.

Mr MORRIS — Let us just note that the minister is not prepared to respond.

Members interjecting.

The CHAIR — Order, Ms Ward!

Mr MORRIS — Thank you. I think the government questions were asked in absolute silence.

Members interjecting.

The CHAIR — Order!

Ms Shing interjected.

The CHAIR — Order, Ms Shing! Minister.

Mr EREN — Just through the Chair, can I just make it very clear that one of the main reasons that we wanted to introduce this was basically that the success of the AFL finals last year was a huge problem in terms of people could not get in. I do not know if that was because of Richmond or whatever, but certainly the finals were a pressure point to make sure that scalping was contained —

Mr MORRIS — Minister, you may wish to make an explanation in government time.

Mr EREN — Hang on, you asked a question, so the reason —

Mr MORRIS — No. Minister, you are here to respond to questions. If you do not want to respond, you do not get to talk about whatever you like. You wait for the next question.

Mr EREN — Harry Potter was the main reason, because Harry Potter was the main event —

Mr MORRIS — The Victorian visitor economy — BP3, pages 11 and 19. How much of the \$51.1 million from the line item ‘Visitor Economy — Victoria’s future jobs solution’, in that budget paper reference, is spent on actual job creation or skills-based training in the tourism sector as the line item suggests?

Mr EREN — Sorry, what line item?

Mr MORRIS — BP3, pages 11 and 19. If you look at page 11, ‘Visitor Economy — Victoria’s future jobs solution’.

Mr EREN — I can get back to you on that. That is fine.

Mr MORRIS — Let us just be clear: the question on notice is, ‘How much is being spent on actual job creation or skills-based training in the tourism sector?’. So can I then ask, with regard to the same line item, how

much of the 51.1 million is being spent on international, interstate and intrastate marketing campaigns? You may wish to take that on notice. If you do, I would appreciate and request a breakdown of those three figures. And can I ask you, Minister: when will the Visitor Economy Ministerial Advisory Committee publicly report —

Mr EREN — Can I just go back to that question of expenditure?

Mr MORRIS — Yes.

Mr EREN — So 17–18 — the expenditure on international marketing was 15.352; interstate marketing, 10.815 —

Mr MORRIS — Sorry, I am asking about the intention for the amounts in 2018–19 and 19–20, which is 40.2 and 10.9 respectively.

Mr EREN — Yes, but I am just trying to give you the context of the breakdown.

Mr MORRIS — But I am asking about the budget years, not the history.

Mr EREN — Sure.

Mr MORRIS — So if we could have that on notice, I would appreciate it. Can I ask you: when will the Visitor Economy Ministerial Advisory Committee publicly report on its progress to deliver the action plan, given that it has been 12 months since its creation and it has got one-year actions that need to be reviewed?

Mr EREN — Are you talking about the ministerial advisory committee?

Mr MORRIS — Yes.

Mr EREN — You realise that this is a voluntary body which basically gives advice in terms of policy settings going —

Mr MORRIS — So there will be no public reporting — is that what you are saying?

Mr EREN — It is designed to give policy advice to the minister of the day in relation to the importance of the sector, in consultation with obviously the industry. The people that are actually on the MAC are a broad section of the visitor economy. Some of the things that they have been working on are Indigenous cultural tourism; TAFE courses and how we can accommodate the growth in the sector — for example, in terms of the needs of jobs, both in —

Mr MORRIS — Minister, the *Victorian Visitor Economy Strategy* document indicates that this committee will —

Mr EREN — Well, you do not want the answer. Okay. Sorry, you did not want that answer?

Mr MORRIS — No, the strategy indicates that the committee will report publicly. That is why I am interrupting you — because you said they do not report publicly.

Mr EREN — I did not say that at all. I am telling you what —

Mr MORRIS — No, you said they are there to advise the minister. I said, ‘Will they be reporting publicly?’, and you said, ‘They are there to advise the minister’.

Mr EREN — You are putting words in my mouth, but anyway.

Mr MORRIS — Yet your document says they will be reporting publicly, so can you tell us which one it is?

Mr EREN — As the report indicates — there is nothing to hide here, Mr Morris. There is nothing to hide. You are a conspiracy theorist in all of this. This is for the good of the industry.

Ms PATTEN — Minister, I have just got a couple of relatively quick questions. The first is in regard to your presentation, with the 51 million to secure major events and attract more visitors to Victoria, and also to some of

your responses earlier to the government questions around sharing events with regional areas. I was last week approached by the Melbourne Queer Film Festival, which is celebrating its 28th year here in Melbourne and is very successful and largely self-funded and self-sufficient. It has started to do some regional work but not in Victoria — it had a very successful event in Alice Springs and some very successful events in Queensland.

I am just wondering if you could provide me with some advice, because they are wanting to take a package of films out to regional Victoria to attract tourism into those regional areas but also to promote the event — to attract people from outside Victoria to Melbourne for the queer film festival, which is the largest queer film festival in Australia. I am looking at that \$51 million, and I have been looking through the budget. What would you recommend I tell them on how they could approach seeking some funding to expand their events?

Mr EREN — We have a dedicated Regional Events Fund, which is controlled by Visit Victoria, and we have the various RTBs in regional and rural areas that cover those areas. I think the first port of call would be the RTBs in terms of their interest in events like that. You can even talk to Visit Victoria. They would be more than happy to talk to you if you have got any suggestions in relation to any major event, particularly arts and culture, because we do sport really well and we are now trying to get into that space. On the previous question obviously of ticket scalping, the main reason why we are having ticket scalping legislation is to get Harry Potter here. That was the main reason basically — because if we did not have ticket scalping legislation, we would not have Harry Potter. Regional events are so important for us, and particularly arts and culture. Can I please, Fiona, direct you — we can even give you a contact number of Visit Victoria, and you can have a conversation with them.

Ms PATTEN — Thank you. So then I am just looking at the Aboriginal tourism industry, and Victoria is hosting the 2018 Indigenous tourism conference in October and November. The theme for the conference is ‘Entrepreneurship — From Little Things Big Things Grow’ — very nice title. Could you explain to me how large the industry is in Victoria in terms of employment numbers and maybe provide a breakdown of the value attracted to the state. Are these figures published anywhere?

Mr EREN — My notes indicate to me that in the year ending December 2017 a total of 575 000 visitors to and within Victoria engaged in at least one Aboriginal activity on their trip. This equates to less than 1 per cent of visitors to and within Victoria. While that is low, it has grown by 25.6 per cent since the year ending December 2014. So one of the things that the MAC is looking at are the opportunities that exist with Indigenous and cultural tourism and Budj Bim. The money that we have allocated to Budj Bim obviously is an indicator that we are really keen on making sure that we enhance our opportunities when it comes to Indigenous tourism. The Northern Territory do this really well, and one thing that I have learnt from those meetings of ministers of tourism is that the Northern Territory particularly, and New Zealand in fact —

Ms PATTEN — Do it well.

Mr EREN — do the Indigenous tourism really well. So I am keen to advance our opportunities, and we have got some wonderful history here that we can actually take advantage of and increase a lot more over the coming years.

Ms PATTEN — Less than 1 per cent is still small, but as you say it is growing. Did you say that there were some figures available around the value of this growing industry?

Mr EREN — Sure. I can certainly get some of those figures out to you.

Ms PATTEN — Great, thank you.

Ms WARD — Minister, I want to go to your presentation if I may, because I can no longer talk about female-friendly facilities. You have got \$21.8 million over two years to bring more of the world’s biggest conferences to the state. Can you please talk us through how the government is working to improve business events in Victoria and what this means for our economy?

Mr EREN — Sure. Business events are some of the highest yielding events that we have in our state. The sporting events that we have make the front page of the *Herald Sun* because sporting events are huge, but in terms of the yield the business events are the ones that are the highest yielding. It is roughly about \$1000 per person per night, and clearly to us it is so important to make sure that we continue the stream of events —

business events — coming through our state. With the expansion of the Melbourne Convention and Exhibition Centre now going from 50 000 square metres to 70 000 square metres, we will have the largest conference and exhibition area in all the nation. It will be the largest conference and exhibition centre, and we are known as the business capital. Clearly the amount of money that we make out of it is fantastic in relation to getting all of those events to come to not only Melbourne but indeed —

Ms WARD — So how many international visitors do you think that the renovated Melbourne Convention and Exhibition Centre would create?

Mr EREN — The events that we have in Victoria are valued at just under \$10 billion to the economy. So that is why, in this budget, we are giving record amounts of money to Visit Victoria for the MCB and \$8 million over two years for the operations and \$13 million in business events over two years and 800 000 for Business Events Victoria, who managed to get some regional business events, which are so important. For us it is about making sure that we have got the facility, and that is why one of the other proposals that we have is the \$153 million that we have allocated for the cities deal, which incorporates a convention centre in Geelong. Conventions are big for us, and we want to ensure that Geelong does not miss out on them. That is why it has been a huge success in Melbourne, and we want to continue.

I am just trying to find the list of events that we have had in terms of business events. Certainly there are a number of big events. I think through my presentation I mentioned some of them, like the Lions convention that is happening, the world ophthalmology conference in 2022, the International Society for Stem Cell Research in 2018 and the International Dragon Awards in 2017. The list goes on and on. These are valuable events and, as I have indicated, the highest yielding tourists that we get in our state.

Ms WARD — So how important is the growth of the business events sector?

Mr EREN — How important? It is massively important, and it is not just about the event itself. We have, for example, the Global Public Transport Summit that we will be hosting in 2021, where you will have all of the think tanks, the brains of that sector — of that industry — converging on Melbourne. So whether it is a health event or a business event, whether it is an infrastructure business event or whether it is public transport, that means that we maximise on the knowledge. Obviously if we have such conferences here, we will be leading the way in terms of our own needs in relation to all of those events that we have.

Ms WARD — What is the work you are putting in to secure the business events but also to encourage private sector investment in the additional facilities that are going to have to be provided with this growth in business tourism?

Mr EREN — There is a hotel being built in conjunction with the development that is going on at the MCEC. Because we have so many events in Melbourne, sometimes the hotel rooms get a bit expensive to attract some of these business events to come here. That is why I have indicated that we have 8500 rooms that will be done by 2025, and we are increasing the capacity of hotels now. That is why you are seeing hotels being built all over the place — because they understand that with the additional \$20 million for major events, which includes a budget for business events, we are now attracting business to build hotels. That is what they wanted from us. They wanted a dedicated fund so that they know that they can have occupancy. Currently it is over 90 per cent occupancy throughout the year, and hotels have never had that before.

To that effect, the MCB, the Melbourne Convention Bureau, are doing a tremendous job under Visit Victoria in looking at events — every possible event that they can get. Certainly now they have been funded by our government to hunt down these events. They have never been funded this amount of money ever before in history of the state. So this is important — making sure that the business events are well catered for — because you cannot build infrastructure if you are not going to have business events there. So what we are doing is now anticipating the future capacity of the Melbourne Convention and Exhibition Centre and making bids for those big, big conferences like the Lions conference, which I think will attract about 15 000 people.

Mr DIMOPOULOS — Minister, just to quickly add something before you go back to Ms Ward, you were talking about investment in hotels, and I recently represented you at the opening of the Hyatt Place in Springvale, on the cusp of my electorate at the corner of Dandenong and Springvale roads. The executive director of Asia-Pacific Hyatt was there and some others who absolutely referenced — and I mean this very sincerely — in glowing terms the government's commitment to a consistent events agenda, a calendar, in

Victoria for their investment in business, more so business for them out there rather than in the CBD, because this is not just important for the CBD; this is important for outer suburbs and the middle ring as well. Hyatt Place is in Essendon Fields and now in Springvale. So I just wanted to endorse what you were saying about that element.

Mr EREN — Just further on that, Visit Victoria has facilitated over 550 events, including more than 60 major events, more than 330 business events and more than 160 regional events, so 330 business events is worth a lot of money to our state, and that is where the \$10 billion economic value comes into it.

Ms WARD — It is when you are saying it is \$1000 a night on average per person.

Mr EREN — Yes. That is why we are getting so much construction happening in our state, whether it is in Melbourne or regional Victoria or the outer suburbs. People are wanting to build accommodation because they can see, A, population growth and they can see, B, that we are attracting a lot more events not only just to Melbourne but indeed to regional Victoria.

Ms WARD — With the keynote major events that we are securing and the hotel development that you were talking about, and you also referred in your presentation to growth in aviation in the state as well, how is business being encouraged to invest more and create more jobs in Melbourne through this?

Mr EREN — Again, it is strategic. To get to that 36.5 billion and 320 000 jobs we need a few things. We need hotels to be built, and that is happening right now. There is record investment into hotels and hotel rooms at the moment. What we also need is an efficient airport which is curfew free. Melbourne has two of those. Of course we have got Melbourne Airport and we have Avalon Airport, to which Jetstar flies domestically, and now AirAsia is going to fly at the end of the year in and out of Avalon. So we have grown the aviation sector in terms of direct flights. Every direct flight that we actually get for our state is worth \$100 million of economic activity in terms of jobs. We started off with 25 when we attained government. We are now up to 34, so we have added —

Ms WARD — International flights?

Mr EREN — Additional international flights. Melbourne airport is home to 34 international airlines and has 35 million passengers, of which 10 million are international passengers. So we are always on the hunt to make sure that we have airline services that are direct flights. It will be 35 very soon with Malindo airlines commencing a new schedule of service in early 2018. China is a big market for us. They are the largest market in terms of tourism. We had 600 000 Chinese visitors last year, and we intend to grow that to 1.5 million by 2025. To do that you need direct flights in and out of China, and that is exactly what we are doing in terms of making sure that we have aviation abilities in terms of the airport. The airport will be investing in a third runway, and that is why it is important also that a recent commitment has been made not only by our government but by the federal government in terms of a rail link to that airport as well.

It is very important to make sure that we keep aviation, the airports, healthy and efficient and make sure that we can accommodate this growth and this appetite from Asia particularly in wanting to come to our wonderful state. Do not forget that when they come directly to Melbourne it is not like it is a transit to somewhere — well, further from Melbourne is Tasmania — so they come here specifically because of the offerings that we have, whether it is nature-based tourism, whether it is the major events that we have or whether it is just the wonderful state that Victoria is, so we have got to keep that momentum going. If we want to reach 36.5 billion by 2025, we need an efficient airport, more airlines, more hotel rooms and investment into international advertising, particularly as Visit Victoria is doing.

Ms WARD — Each day what is the international service contribution, then, to the economy as well as to jobs?

Mr EREN — Look, I would say, as I have indicated, every direct flight that we have is worth —

The CHAIR — Order! We might take that on notice.

Mr T. SMITH — Minister, budget paper 3, page 121. Can you please provide us with the exact amount of money spent for each specialised area within your major events department — for example, sport, cultural, creative, visual art, business, culinary, fashion and retail? I am happy for it to be taken on notice.

Mr EREN — Can I take that on notice?

Mr T. SMITH — Exactly as I suggested, I am very happy to for you to take it on notice. How much did the Victorian state government pay to bring *Harry Potter and the Cursed Child* to Melbourne?

Mr EREN — This is the problem we have when we are asked questions by either the media or the opposition about the value of events, because we do not want to give advantage to every other state. If we gave that information publicly, then what would happen is basically that I am sure that New South Wales would love this event. I do not know who you want to advocate for — Victoria or New South Wales — but certainly I can tell you —

Mr T. SMITH — I am advocating for the Victorian taxpayer, Minister.

Members interjecting.

The CHAIR — Order!

Mr EREN — I am pretty sure even your government did not divulge that sort of information, because that would give an unfair advantage to another state to pinch events off of us, so I think you should reverse the question.

Mr T. SMITH — All right. Okay. We will move on. How much money has been spent on regional events out of the Regional Events Fund?

The CHAIR — Is this for 17–18, Mr Smith, just for clarification?

Mr T. SMITH — Yes, sorry, 17–18.

Mr EREN — Just so that I do not give you an inaccurate number in terms of the expenditure, can I get back to you with the accurate number?

Mr T. SMITH — Absolutely, yes.

Mr EREN — Sure. But just in relation to the \$20 million, I think it is important to highlight that for the \$20 million the applications are coming in thick and fast in terms of the events that various regions would like to have. Can I just run through some of the events?

Mr T. SMITH — It's fine, Minister. If we could just get that on notice, that would be sufficient for us.

Mr EREN — Festival of Sails, Geelong After Dark —

Mr T. SMITH — Minister, I am sure you can table the document and provide it on notice. We just need to keep moving. We have limited time.

Mr EREN — Meeniyar Garlic Festival — I can go on and on.

Mr DIMOPOULOS — They get embarrassed about the amount of work that you are doing.

Mr T. SMITH — No. I am not going to even respond to that.

How much money has been spent from the major event pool on major sporting events in total, like for soccer events and fighting matches like MMA?

Mr EREN — You mean UFC?

Mr T. SMITH — I mean MMA.

Mr EREN — Mixed martial arts?

Mr T. SMITH — Yes.

Mr EREN — What do you mean? In terms of events?

Mr T. SMITH — Yes.

Mr EREN — Well, there were no MMA events in Melbourne in terms of the events organiser. You mean the UFC.

Mr T. SMITH — You are more of an expert on these sports than I am, Minister.

Ms SHING — He is not sure what he means.

Mr EREN — I am just trying to clarify what you mean and what you are asking.

Mr T. SMITH — I mean UFC, Minister.

Mr EREN — You mean UFC?

Mr T. SMITH — I mean UFC.

Mr EREN — We did not pay a cent for UFC, but can I just say by making the sport safer, by introducing an enclosure, which the industry wanted, meant that the UFC were able to have an event here with a record crowd; \$100 million dollars of economic activity —

Mr T. SMITH — Okay, I have heard this before. I am just trying to get an understanding of money.

Mr EREN — and we didn't pay a cent for it.

Mr T. SMITH — Oh, you didn't pay a cent for it, but what about the other major sporting events?

Mr EREN — Why do you want to work for your enemies interstate? I am not going to divulge that information of how much we pay for events so that Sydney can get those events off us. I am not sure why you want to do that.

Mr T. SMITH — Because, Minister, this is a committee to scrutinise the executive, so that is our job.

Mr EREN — No, it's confidential. We are not going to give you that information as much as we are going to give that to Sydney or Perth or any other state that wants our major events.

Mr MORRIS — It's taxpayers money, Minister. It's taxpayers money appropriated by the Parliament.

Mr T. SMITH — Can you give us a total, the total spend?

Mr EREN — Who are you working for?

Mr T. SMITH — The total spend to the Victorian taxpayer, the total spend, Minister. Not event by event, just the total.

Mr EREN — I can say your government did not invest anywhere near what we have invested.

Mr T. SMITH — I am not interested in that. I was not here.

Mr EREN — You had 42 million per annum. We have increased that to 62 million.

Mr T. SMITH — Is that for just sport?

Mr EREN — No, major events.

Mr T. SMITH — I am talking about sporting events.

Mr MORRIS — How much you spending on those events?

Mr T. SMITH — I just want to know on sporting events. What are you spending on sporting events?

Ms SHING — What are you asking this for?

Mr EREN — But you never disclosed that. Why should I —

Mr T. SMITH — Minister, I don't really —

Mr EREN — When you were in government, you never disclosed any of this, Tim.

Mr T. SMITH — Minister, here's an idea. I don't really care what happened previously. I want to know now.

Ms SHING — Oh, you don't care what happened previously? Okay.

Mr EREN — Who is giving you these questions? Is it Sydney major events? I am not sure.

Members interjecting.

Mr T. SMITH — Minister, your zingers aren't that great, mate, so can we just move on.

Mr EREN — Tim, this is a serious matter.

Mr T. SMITH — No, no, no, it's not, because you're actually laughing at my questions because they are —

Mr EREN — Because it is ridiculous that you would want that information publicly.

Mr T. SMITH — They are not ridiculous. Anyway, I will resist the temptation to follow up on this.

Mr EREN — Okay. Sure.

Mr T. SMITH — I have a couple of further questions. Can you define for the committee what constitutes a 'major event'?

Mr EREN — Well, there are certain, of course, measures for that major event, and clearly it is about international exposure, it is about the event attraction for people who will attend the event. It is about the economic — we have got ratios in relation to returns. And so that is a formula that is not only by Treasury but also by, broadly speaking, Visit Victoria —

Mr T. SMITH — Is it a dollar amount?

Mr EREN — Well, it is roughly. What is expected from a major event is roughly — this is rough — that, for every dollar that we invest, if we get 10 back, that is great. In regions it is a bit less. Obviously regional events are events that have a multiplier effect, as opposed to Melbourne, so we are not as stringent and strict in relation to some of those. It is flexible for regional Victoria. Treasury would say a return of —

Mr MORRIS — Some major events are major, others aren't.

Mr EREN — \$5 to every dollar would be appropriate. But you have got to put it into context in terms of, broadly speaking, the calendar. The calendar is what is important. This is what the hoteliers would want from us in terms of making sure that we fill the calendar full of events. We have traditionally been very strong, Tim, from November until about April, but the rest of the months we have been very weak on —

Mr T. SMITH — I am just interested in what constitutes the definition or the criteria, I suppose, for which an event comes under your portfolio and what constitutes the rationale behind government investment in these events.

Mr EREN — So that has not changed since your government. The acquisition of events has not changed, so I have just —

Mr T. SMITH — As you well know, I was not here, so you might want to enlighten me —

Mr EREN — Don't disown your past. I mean, they were your brand of government.

Mr T. SMITH — as to what the criteria are.

Mr EREN — Tim, I am trying to ask your question genuinely.

Mr T. SMITH — You are not answering my —

Mr D. O'BRIEN — 'Mr Smith' would be appreciated.

Mr T. SMITH — It is fine.

Mr EREN — Have a lolly in front of you.

Mr T. SMITH — Seriously I just want an answer to the question. Answer the question.

Mr EREN — Okay. As I have indicated, the return that is expected —

Mr MORRIS — Can we have that criteria on notice and just move on?

Mr EREN — There are criteria. There is a formula: overnight expenditure, international broadcast, attendance. If, for example, you have 100 000 people attending the Real Madrid-Manchester City —

Mr T. SMITH — Okay. Can we just have the criteria on notice?

Mr MORRIS — Minister, can we have the criteria on notice so we can move on?

Mr EREN — Of course there are criteria.

Mr T. SMITH — Yes, can we have it on notice, please?

Mr MORRIS — Can we have it on notice?

Mr T. SMITH — The document.

Mr EREN — No, we cannot give you any documents which you are going to give to Sydney.

Mr T. SMITH — Minister, please, honestly.

Mr HANNEY — Is it worth me —

Mr EREN — Absolutely, Justin. Do you want to —

Mr HANNEY — So there is a return on investment required for events in Melbourne of a ratio of 10 to 15, and in regional it is 5 to 10. It depends on the location of that event in regional and the type of event in the city. So there is scope in terms of these have to go back before a cabinet committee. The event guidelines have not changed, and so they are all about a return-on-investment ratio — so 10 to 15 for city-based, Melbourne-based, and 5 to 10 for regional.

Mr T. SMITH — Okay. We will take the rest of the criteria on notice.

Mr EREN — I am not going to entertain the idea of how much we invest in sport so you can digest it. I am not going to do that.

Mr T. SMITH — Okay. How many new major events has your government secured?

The CHAIR — I hate to labour the point, Mr Smith, but this is the estimates process so perhaps if the minister can answer in relation to 17–18, which is the current financial year that we are in.

Mr EREN — Sure.

Mr T. SMITH — I do not think it is a particularly onerous question.

Ms WARD — Do not worry about it being onerous; it is about it being accurate.

The CHAIR — I am just trying to be consistent in my rulings, Mr Smith.

Mr MORRIS — Don't start now.

Mr EREN — I want to make sure that we get all the events in. I can certainly say —

Mr MORRIS — Thirty seconds before we have had a word out.

Mr EREN — I was on the record in the previous question, but I can certainly say that the big ticket items are obviously *Harry Potter* and of course the T20, the USA basketball Dream Team in 19, the T20 cricket world cup men's and women's finals at the MCG —

The CHAIR — Order! Ms Pennicuik until 4.05 p.m.

Mr EREN — Brazil versus Argentina, World Cup of Golf, Australian Open golf, *Harry Potter*, *Come from Away*, Helpmann Awards —

Ms WARD — Getting the rest of the list on notice might help.

Ms PENNICUIK — Welcome everyone, again. Can I just draw your attention to budget paper 4, 'State Capital Program', page 160 under 'Existing projects'. On that page it has got:

Regional Tourism Infrastructure Fund: Enhancing Victoria's world class nature based tourism destinations (statewide)

and it is \$66 million altogether, 11 million to be spent this year, another nearly 40 next year and then another remaining 15. The note to that said that that amount comprises \$7.8 million from Parks Victoria and 58-odd from Phillip Island Nature Parks. My question is: could you outline what the funding there is being used for over that current and future spending?

Mr EREN — Yes, sure.

Ms PENNICUIK — And is the note correct that some \$58 million is coming from Phillip Island Nature Parks or going to them?

Mr EREN — Initially we dedicated, as you would recall, \$103 million for the regional infrastructure fund, so that was taken out of that. So there is a \$48.2 million upgrade to the Penguin Parade at Phillip Island, 9.8 million to deliver the immediate priorities of the Shipwreck Coast master plan, \$4 million towards the implementation of stages 1 and 2 of the Budj Bim cultural landscape master plan, \$4.61 million from RTIF has also been allocated to support 28 planning studies for a range of regional tourism projects, including nature-based hikes, health and wellness retreats, Aboriginal cultural experiences and outdoor opera performances.

The following is a targeted funding round. The government has announced that more than 15.81 million for 12 infrastructure projects, which includes 1.5 million towards the Holgate Group historic hotel and brewery discovery centre expansion, 500 000 towards the Creswick Woollen Mills enhancement, 2.3 million towards the Lake Tyrell tourism infrastructure development and 2.5 million towards the completion of the Great Stupa phases 1 and 2 in Bendigo. Works have commenced on a number of these infrastructure projects. If you would like more information, I am more than happy to provide some further information.

Ms PENNICUIK — Yes, please, if there is more information, I would like to see that. Just going back to that note of the \$7.8 million from Parks Victoria — or is it to Parks Victoria — what is that for, and is that including some of the things that you just read out, or is it different things?

Mr EREN — It would be the improvement of public parks for amenity purposes.

Ms PENNICUIK — Yes, okay. This is a bit of an esoteric question. What types of infrastructure improvements are they? Are you improving the infrastructure that is already there in Parks Victoria —

Mr EREN — Accessibility is one of those.

Ms PENNICUIK — Accessibility, yes. Accessibility you are saying — existing infrastructure, but what does the department look at in terms of what are the most successful things to do in these nature-based tourism parks to increase visitation, apart from accessibility?

Mr EREN — It is to improve the amenity so it is an attractive place for people to come and visit: so they can locate it, they can access it and actually enhance their tourism offering in terms of —

Ms PENNICUIK — Thank you, Minister, because I am going to get cut off in about 30 seconds. If you have got any more information about that, it would be good if you could provide that.

Mr EREN — If I can provide that information, I will.

Ms PENNICUIK — Just following up on Mr Smith's questions about what is a major event and what is a major sporting event, I was just looking at the website and the Formula One Grand Prix does not appear to be there anymore.

Mr EREN — I knew you would go there.

Ms PENNICUIK — Is it no longer a major event?

Mr EREN — Absolutely it is a major event —

Ms PENNICUIK — You might have to take this on notice: where does the funding of about \$60 million per year come from?

The CHAIR — Order! I would like to thank the witnesses for their attendance: the Minister for Tourism and Major Events, the Honourable John Eren, MP; Mr Bolt; and Mr Hanney. The committee will follow up on any questions taken on notice in writing. A written response should be provided within 10 business days of that request.

Witnesses withdrew.