

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2024–25 Budget Estimates

Melbourne – Monday 27 May 2024

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Aiv Puglielli

Meng Heang Tak

WITNESSES

Steve Dimopoulos, Minister for Tourism, Sport and Major Events; and

Tim Ada, Secretary,

Peter Betson, Deputy Secretary, Sport and Experience Economy,

Penny Guadagnuolo, Acting Executive Director, Tourism and Events Strategy and Reform, and

Luke Mason, Executive Director, Strategic Infrastructure and Sport Economy, Department of Jobs, Skills, Industry and Regions; and

Brendan McClements, Chief Executive Officer, Visit Victoria.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee.

I ask that mobile telephones please be turned to silent.

I begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting. We pay our respects to them, their elders past, present and emerging as well as elders from other communities who may be with us today.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2024–25 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream today and other committee members.

I welcome the Minister for Tourism, Sport and Major Events the Honourable Steve Dimopoulos as well as officials from DJSIR. Minister, I invite you to make an opening statement or presentation of no more than 5 minutes, after which time committee members will ask you questions.

Steve DIMOPOULOS: Thank you, Chair. I also acknowledge the traditional owners of the land on which we are meeting, the Wurundjeri people, and pay my respects to their elders past and present and the elders of other communities who may be here today or streaming in.

Visual presentation.

Steve DIMOPOULOS: As Victorians, sport is fundamental to our way of life and contributes significantly to our economy. The sport and active recreation sector is estimated to have an annual gross value of \$9.2 billion and supports over 71,000 full-time equivalent jobs. We host 54 professional sports teams, the AFL Grand Final, F1 Grand Prix, the Australian Open grand slam as well as a packed sports calendar each year. We are one of the sporting and major events capitals of the world and the envy of the nation. Victoria's tourism sector hit a new high in visitor spend of \$37.8 billion in the year ending December 2023, proving its resilience in the face of broader economic challenges. All of Victoria's regions saw new highs in domestic overnight spend, with all spend metrics well above 2019 levels. International spend was back to \$6.4 billion. China was once again Victoria's most valuable source market, generating \$1.8 billion in spend. The major events sector continues to thrive. Research commissioned by Visit Victoria values Victoria's major events calendar at \$3.3 billion per annum.

Next slide, please. This year has seen the completion of important upgrades to venues, including transforming the Marvel Stadium precinct into a seven-day-a-week major events and sporting hub showcasing more than

70 annual events; delivering the Kardinia Park redevelopment, which increased the capacity to 40,000 for Australia's best regional sports and entertainment venue; and the \$132 million State Basketball Centre in Wantirna South, which is delivering benefits for professional and community sport with new high-performance training facilities and 12 new indoor community sport courts.

Next slide, please. We continue to deliver the *Visitor Economy Recovery and Reform Plan* and *Experience Victoria 2033*. Our goal of achieving \$35 billion in Victoria's annual visitor expenditure by June 2024 was achieved more than a year ahead of schedule. We have established seven visitor economy partnerships, a key deliverable of the reform of the regional tourism network. We have delivered a \$3 million Visitor Servicing Fund and conducted community engagement to inform the development of a First Peoples' self-determined tourism plan. We have supported infrastructure projects across the state through a \$310 million tourism infrastructure program. And Visit Victoria continues to promote the state and recently launched its new brand framework Every Bit Different.

Next slide, please. We continued to support the delivery of a world-class major events calendar. We also experienced record Australian Open, F1 Grand Prix and AFL season attendance over the last 12 months. More broadly, 31 major events were supported by the Major Events Fund in the 2023–24 financial year across sport, art and culture. Demand for the Regional Events Fund remains strong, with 50 events supported in 2023–24. The Melbourne Convention Bureau attracted 19 international events through the Business Events Fund. Business events are expected to deliver an estimated \$133 million economic benefit to Victoria. The Victorian government continues to protect fans from being ripped off by ticket scalpers. Since June 2018 we have supported the removal of more than 30,000 tickets from secondary ticket-selling websites and issued 156 penalty infringement notices for breaches of the Act.

Next slide, please. The 2024–25 state budget allocates funding to support our elite athletes through the additional funding provided to the VIS, Victorian Institute of Sport, and to our Olympians and Paralympians. The budget also allocates funding to support the State Sports Centres Trust and the Kardinia Park Stadium Trust over the next three years.

Next slide, please. The budget allocates to the tourism and major events portfolio \$32.5 million over four years for the delivery of destination marketing activities to support Victoria's visitor economy; \$9.4 million over four years to support Victoria's events, including support to attract bigger business events to our state through the Business Events Fund; and \$3.3 million in 2024–25 for Victoria's regional tourism boards and visitor economy partnerships. I have saved 30 seconds, Chair, and I will hand back to you.

Danny O'BRIEN: I will take it, Minister.

The CHAIR: Hold up, I have not started the clock yet, Mr O'Brien. Mr O'Brien.

Danny O'BRIEN: Thank you, Chair, and good morning. Good morning, Minister and team. I might ask the Secretary a question. The budget papers, BP3, page 58, show that the destination marketing budget for this year, 2023–24, is going from \$49.5 million with two lots – last year's budget and some in this year's budget – to \$6 million next year. Has the department done any analysis on whether Victoria will see a decrease in visitor numbers or expenditure as a result of the significant cut to destination marketing?

Tim ADA: Thanks for the question, Mr O'Brien. I do not know –

Steve DIMOPOULOS: Can I just check, because I do not think those figures – \$49 million, you said. How did you arrive at that?

Danny O'BRIEN: Because in this year's budget there is \$17 million for 2023–24 and in last year's budget there was \$32.5 million. So going from nearly \$50 million to \$6 million, has the department done any analysis on what that cut will impact?

Tim ADA: Mr O'Brien, there is \$17 million in 2023–24, and that does obviously reduce over the forward estimates, as you have said. The visitor economy is performing well, as the minister said in his presentation, particularly so in regional Victoria and domestic interstate travel. International travel is still recovering. Visit Victoria has released the new brand framework, as the minister said, but with a reduction in budget over the

forward estimates, obviously Visit Victoria are going to have to be even more strategic and tactical about how they work to attract visitation to Victoria.

Danny O'BRIEN: In fact, on that, I might call Mr McClements up to the witness stand, if I could, and in the meantime, while he is coming, ask the minister a question. That is a significant cut going forward in that line item on page 58, but even in 2026–27 it is a further reduction from \$6 million a year to \$3.5 million a year. Why are you slashing the destination marketing budget?

Steve DIMOPOULOS: The context is a bit different to how that question is phrased, Mr O'Brien. There is an entire \$170 million package for regional tourism and events; \$21 million of that is destination marketing.

Danny O'BRIEN: Just for regional Victoria.

Steve DIMOPOULOS: Yes. That is not represented here. A lot of the tourism occurs in – in fact the predominant tourism occurs in regional Victoria, but that is not represented in these figures. That was part of the \$170 million.

Danny O'BRIEN: Actually, Minister, in your presentation just about everything was in Melbourne – all the big major events and everything. It has been a criticism of mine for a number of years that we are actually too Melbourne-focused, but nonetheless.

Steve DIMOPOULOS: I acknowledge what you say, but the reality is a little bit different. As one example of that, the \$310 million tourism infrastructure fund, which is still rolling through the system, the 200 projects – most of them are in regional Victoria, from cellar doors being enhanced because of that funding to wetland boardwalks and a whole range of other assets right through regional Victoria. Melbourne is where people arrive, and they are dispersed through the Victorian tourism economy, but most of our investments in infrastructure have been absolutely in regional Victoria. This \$21 million destination marketing, which is not in the figures you have outlined here, is in regional Victoria.

Danny O'BRIEN: Can I get back to the question, Chair, which is to the Secretary. Has the department done any analysis on the impact of tourism numbers?

Tim ADA: Mr O'Brien, obviously we are working closely with Visit Victoria to understand what the budget allocation might mean, but as I have said, Visit Victoria is already working hard to identify a strategic and tactical response. I see you have called Mr McClements.

Danny O'BRIEN: Perhaps I might put the question to Mr McClements: has Visit Victoria done any analysis of what the budget cut will mean on actual tourism numbers coming to Victoria?

Brendan McCLEMENTS: The first thing I would say – through you, Chair – is that decisions on budgets are matters for the government. What Visit Victoria's –

Danny O'BRIEN: I understand that. You have now got the sandwich to deal with, so I am asking whether you have done some analysis on what it means.

Brendan McCLEMENTS: The work is being done at the moment. What I would welcome is the announcement last Monday at the Australian Tourism Exchange, Australia's largest tourism trade event, where the minister, as he has already said, allocated an additional \$21.8 million over four years to Visit Victoria to go with next year's budget allocation. So we find ourselves in a position of being able to work hard to try and take advantage of the \$16 billion opportunity that is on offer.

Danny O'BRIEN: I am still trying to get to what the impact is going to be. Do you have any projection numbers for tourism visitation to Victoria in the years going forward? Have you revised those in light of the budget decision?

Brendan McCLEMENTS: The budget decision has been made. We are working now on the implications of that. Next year's budget along with the \$21.8 million announced last week give us a strong basis on which we can pursue the growth, so we continue to do the work. Obviously we have already started on how that will be followed through.

Danny O'BRIEN: What is the state of our tourism sector looking like at the moment in terms of international and domestic tourism coming to Victoria?

Brendan McCLEMENTS: One of the really encouraging aspects of the tourism industry at the moment is the Victorian-held Australian Tourism Exchange last week – it is still going on this week. That is an exercise that brings 800 overseas buyers to Victoria to express what we have through our global immersion and lived-experience campaign –

Danny O'BRIEN: I appreciate individual events, Mr McClements, and the Secretary has also gone to that. What I am after is if you have got any hard data on projections for tourism visitation to Victoria, because we are, I think, from the minister's presentation, at 73 per cent of what we were pre COVID. Queensland and New South Wales are in the mid-90s, so they have basically recovered. We are still behind. That is what I am wanting to know. Have you got data on what our numbers actually are?

Brendan McCLEMENTS: I think Australia is recovering, not recovered. The best available projections are through Tourism Research Australia. They produce the visitor economy numbers on a quarterly basis. As the minister said, at December last year we were at \$37.8 billion, a record for the state. Tourism Research Australia indicates there is a \$16 billion potential for growth between now and 2028.

Danny O'BRIEN: How does that go to numbers of tourists?

Brendan McCLEMENTS: Well, that obviously indicates that numbers of tourists will continue to progress. To get to \$16.8 billion that will be driven primarily through the international visitation, so markets such as India, China – our traditional long-haul markets provide an opportunity. That is where we are focused on making sure we make the most of the funding that we have been provided.

Danny O'BRIEN: So Mr McClements, can you tell me whether there will be any job losses –

The CHAIR: Apologies, Mr O'Brien. We will come back to you. We are going straight to Mr Galea.

Michael GALEA: Thank you, Chair. Good morning, Minister, Secretary and officials. Thank you for joining us today. Minister, I would like to keep on the subject of major events, specifically with reference to the 'Department Performance Statement', page 90. I note that the state Labor government is going to exceed the 2023–24 target for major sporting and cultural events by a figure of eight. Can you please talk to us about how these events have been contributing to our state's visitor economy?

Steve DIMOPOULOS: Thanks, Mr Galea. I am very happy to. I understand Mr O'Brien was asking a specific question, but you have allowed me the opportunity to give a bit of context about it. Absolutely there is a changing profile in the spend on destination marketing. We have all had to adjust spending profiles across the budget. But I think what is important, and you have raised it with major events here, is that there is more than one way to drive the visitor economy in Victoria, and that is how we have driven it for years. There is the demand side, which is partly destination marketing, so incentivising people to come here. The other part of the demand side is putting on major events, again to incentivise people to come here. And then there is a supply side, so literally what they are going to see in infrastructure terms through the stuff I was talking about earlier – 200 projects, \$310 million in infrastructure, and that is not even accounting for the funding leveraged from the private sector or from other public agencies. When we invest \$310 million, they put in a quantum more. So when you take all those things, including the infrastructure development across AAMI Park, the tennis centre and a whole range of those facilities that are the drawcards that we can then build the platform of major events on, we are streets ahead of every other state.

On top of that, coming to the major events question, if you look at just the three perhaps high-profile ones that are stuck in the calendar every year – the Australian Open, the Formula One race and the grand final – we have secured all those for decades to come. The grand final will be in Melbourne till 2059 at least. The Australian Open will be in Melbourne until 2046 at least, so somebody born today in Melbourne could go and play on centre court at Rod Laver when they are 21, because it will still be here. And then you have got the F1, which is here till 2037. So a changing profile of one part of the whole investment in the visitor economy is not going to change Victoria's standing. It just means, as the Secretary said, that Visit Victoria will adjust to a more tactical marketing aspect to its work.

In terms of the major events, they are hugely important, because as we saw just the other day with Tottenham Hotspur and Newcastle, 40 per cent of the people who bought tickets to that, who attended on Wednesday night, were from interstate. Of course, as I said previously, they will have to stay somewhere and they will have to spend some money for food and drink, and they will walk down into the city streets and find a retail shop. I reckon if I was coming to a beautiful state like Victoria from elsewhere, I would maybe take a couple of days either side and maybe go into regional Victoria. So the major events calendar is fundamentally important in leveraging that spend in the visitor economy, and I think that is why we have a target and we expect we will exceed that target, Mr Galea.

Michael GALEA: Thank you, Minister. Just on that, you have given some examples, obviously, of the perennials – the Australian Open, the grand final, the Formula One and of course the amazing football we have had in the state just in the past week. Minister, how do these events provide that boost to Victoria's visitor economy? And if I can ask as well, indeed if there are any other specific events: how do they relate to and support regional Victoria?

Steve DIMOPOULOS: To give the example of Wednesday night, for those of you who watched the match either on 10 Bold or any other streaming platform or were there, Visit Victoria's brand framework, 'Every Bit Different', and Melbourne were right through the stadium, right through the MCG. Equally, with Marvel and the A-League Women All Stars and Arsenal Women – I am prejudicing a whole bunch of stuff we may be considering – and all the advertising, this is now being broadcast. Imagine: Arsenal Women would have a following in the EPL in the UK. There would be a bunch of eyeballs on Melbourne on those matches, whether it be Tottenham and Newcastle on Wednesday or Arsenal and the A-League women on Friday, that are watching from overseas planning their next holiday. That absolutely is important.

The other thing that Visit Victoria does with its partners, and the CEO of Visit Victoria mentioned this a moment ago, is the Australian Tourism Exchange – the biggest attended ATE in its 45 year-history. More buyers and more sellers than ever attended. Why that is meaningful, to Mr O'Brien's question about the future of the visitor economy, is because the deal is done in Melbourne and Victoria – and it was Victoria; they went out to multiple places in Victoria. I might ask Mr McClements to say a bit more about that. They have done deals in the last couple of weeks here which actually will have an effect over the next two to three years in the visitor economy. Mr McClements, you might want to add to that.

Brendan McCLEMENTS: Thank you, Minister. Yes, I just support those comments. ATE is the culmination of two years work through us. We train 50,000 to 60,000 travel agents around the world each year. We get the opportunity to bring them to Melbourne, to bring them to Victoria. 450 of those trade and media have been travelling to all corners of the state, to 330 different products on 62 different itineraries. That is still continuing –

Steve DIMOPOULOS: In Victoria, yes.

Brendan McCLEMENTS: So to immerse them in Victoria has been the object of that exercise. It has been incredibly successful.

Michael GALEA: Thank you, Mr McClements. Thank you, Minister. Just with the very brief time we have remaining, if you can talk to any other particular events in the current financial year or the upcoming financial year as well –

Steve DIMOPOULOS: I think principally for us it is those anchored ones I talked about but also securing stuff that other states do not have to make that special wow factor – it is only here.

Michael GALEA: Thank you.

The CHAIR: Thank you, Mr Galea. We will go back to Mr O'Brien.

Danny O'BRIEN: Thank you, Chair. Mr McClements, can I ask: how many jobs will be lost at Visit Victoria as a result of the budget cut for destination marketing?

Brendan McCLEMENTS: None.

Danny O'BRIEN: None. What is the change in the marketing budget?

Brendan McCLEMENTS: Well, through the budget process –

Danny O'BRIEN: Is it literally what is in the budget papers, or is only a portion of that passed through to Visit Victoria?

Brendan McCLEMENTS: No, the budget papers articulate what is in the budget for Visit Victoria through destination marketing, but as the minister said, we have an additional \$21.8 million that has been passed through, announced Monday last week, which is very welcome. We are working through the implications of those changes. We do have other funding sources to assist with the marketing projects, so we are continuing with the –

Danny O'BRIEN: Is that federal funding or from industry?

Brendan McCLEMENTS: No. We have some industry funding that we work on. We have some self-generated funding – we publish an annual visitors guide, we have an online platform that 8000 industry participants support. So we have some other funding sources that we are pulling together.

Danny O'BRIEN: How much do you expect that to be for 2024–25?

Brendan McCLEMENTS: That is still being cleared. We have got a couple of sessions over the next few weeks to make sure that were in the right place, but we are encouraged about the trendline on our budgeting, so we are enthusiastic about the opportunity ahead of us.

Danny O'BRIEN: Righto. In the league table of international sources for visitors to Victoria, where does the US sit? Top three?

Brendan McCLEMENTS: It is certainly in the top five. It is an important market for us.

Danny O'BRIEN: Because the Americas Down Under summit that was scheduled for later this year has now got to be cancelled due to, your quote, 'budget constraints' – 'your' being Visit Victoria. What was the budget for that?

Brendan McCLEMENTS: That was primarily a supplement we provide to operators to travel to America. It would have been in the order of less than \$100,000.

Danny O'BRIEN: Okay. But it has been cut because of the budget cuts.

Brendan McCLEMENTS: That was the advice that was provided.

Steve DIMOPOULOS: Mr O'Brien, just on that though, the ATE did have US representation in it – just literally last week in Melbourne there were US buyers here.

Brendan McCLEMENTS: Yes, and through the additional funding has been made available we are able to implement our international business accelerator program, which is for Victorian operators as they go on the path of being international ready. It is quite a complicated task to be able to sell internationally, but the international business accelerator program, which was announced last week, allows us to do that work.

Danny O'BRIEN: Okay. Minister, can you guarantee the Boxing Day test will be held in Melbourne from 2025–26?

Steve DIMOPOULOS: Mr O'Brien, what I can guarantee is we will have the best calendar, the envy of Australia. If I guarantee one thing or another, I am effectively hamstringing the taxpayer and Visit Victoria in their relationships and negotiations with licence-holders. I think I would rather be prudent with the taxpayer spend by not flagging publicly any negotiations we may be having with anybody, whether it be Tottenham Hotspur or Cricket Australia, other than to say if you look at this coming Boxing Day test, it is going to be massive. India and –

Danny O'BRIEN: Sure. I note a comment from 'unnamed ministers', who may or may not have been you, in the *Age* last week that Cricket Australia was potentially using timeliness in negotiations as leverage. Given everything that you have said about how wonderful the MCG is and our major events reputation, surely we

could also be using leverage to say to them, ‘Well, you’re not going to take the Boxing Day test anywhere else, are you?’ That is why I am asking you for a guarantee that the Boxing Day test will stay in Melbourne.

Steve DIMOPOULOS: Thank you for your advice on what leverage we should use –

Danny O’BRIEN: Well, I mean, seriously –

Steve DIMOPOULOS: I mean that sincerely. I think –

Danny O’BRIEN: Are they going to play it in Hobart?

Steve DIMOPOULOS: I appreciate that. I suppose anything I would say though – I am not an ‘unnamed minister’, okay – I do not background. I am being very open about this. If I say something here, what do you think it does to the licence-holder, whether it be Cricket Australia or someone? It gives them a sense of the operating environment and their negotiation position is strengthened or otherwise. What I would say to you is –

Danny O’BRIEN: You may want to talk to your –

Steve DIMOPOULOS: It has been here for 40 years. It is the best test this country sees, and this year will be even better because it is India–Australia. I reckon it will be absolutely chockers full, and I look forward to many more.

Danny O’BRIEN: Secretary, can I just ask, or maybe Mr McClements: Victoria’s tourism industry employs about 21,000 workers. Do you expect the number to increase or decrease in coming years and by how much?

Brendan McCLEMENTS: I am enthusiastic about the advice that Tourism Research Australia has given us for Victoria –

Danny O’BRIEN: Is that advice public, Mr McClements?

Brendan McCLEMENTS: Yes, it is. It is a forecast on the size of the Victorian visitor economy that will take place over the next four years. It suggests there is a \$16 billion opportunity for Victoria. Obviously that focuses in on industry and jobs. If we are able to pursue that, I would expect it to grow.

Danny O’BRIEN: The question is about the jobs. Does it give a number of jobs?

Brendan McCLEMENTS: The jobs number in the tourism industry is an extrapolation of overall size of the visitor economy. It follows that if the visitor economy gets bigger, the jobs will grow in size. I have not got the details; I could provide those to you.

Danny O’BRIEN: If you could provide that to us, that would be great. Minister, going back to major events, why didn’t the government bid to host the Matildas and the 2026 Women’s Asian Cup? Was it a budget constraint issue again?

Steve DIMOPOULOS: No. It is about fit, so calendar fit but also venue availability.

Danny O’BRIEN: But we made Melbourne the home of the Matildas, and now we are not getting them here for their biggest tournament coming up in the next few years.

Steve DIMOPOULOS: That is right, but they are here. I am really proud of the investment we have made into La Trobe Uni, Home of the Matildas. But that is not a venue to have a match, like we saw at Marvel and the MCG; that is a venue for high-performance training purposes. It is an incredible venue.

Danny O’BRIEN: Yes, I get all that.

Steve DIMOPOULOS: Sorry, just to get to your point, it is venue availability and calendar fit.

Danny O’BRIEN: Righto, and not budget?

Steve DIMOPOULOS: No. It was scheduled to be around summer. We have the Boxing Day test and the Australian Open in summer, so it is very difficult to fit in. We have extraordinary content with the Matildas.

They qualified for the Olympics from Melbourne right here because we got that game here. They had their farewell match to FIFA's Women's World Cup right here at Marvel against France because we procured that. We are consistently trying to get more content through women's football because we know it is incredible.

Danny O'BRIEN: We could be playing at AAMI Park. The tennis and the Boxing Day test are not taking up every venue in Melbourne.

The CHAIR: Mr O'Brien, your time is up. We will come back to you in a moment. We are going to Mr Tak.

Meng Heang TAK: Thank you, Chair, Minister, Secretary and officials. Minister, I would like to take you to sport infrastructure. Budget paper 3, on page 58, highlights further investment into sporting and events centres. Minister, can you explain to the committee how investing in our sporting and events centres benefits Victorians?

Steve DIMOPOULOS: Thank you, Mr Tak. That is an important budget line item, because apart from the big stadia we have, which I am happy to talk about – we just talked about Marvel, Kardinia Park and the MCG – there are also the other trusts that we have that are fundamental for two things, both community sport access but also pathways to high performance and pathways to professional sport. Looking at the State Sport Centres Trust, that trust runs MSAC and that facility around MSAC, it runs the State Basketball Centre in Wantirna South and it runs the Parkville hockey and netball centre. What is unique about those three facilities – and that is what this budget line item covers – is they are facilities where professional sport and community sport run concurrently, together, whereas you do not get that at the MCG or those other venues. That is what is very special. You literally have young people or any other people in the community sporting sector training next to their heroes, effectively, because these facilities are geared towards both outcomes, and that is important. Being the sporting capital, we want to see Victorians like Steph Catley, the current captain of the Matildas because Sam Kerr is on leave. Steph Catley started in East Bentleigh – near your patch, Mr Tak – at East Bentleigh football club as the only girl in the football team, and she was allowed to play. Right now she is not only playing for Arsenal in the EPL but is actually effectively vice-captain and captain of the Matildas. I am not saying we are responsible for Steph Catley's success, but the point is you are a sports capital when you get the opportunity to see your own Victorian young people compete in professional sport on home turf, whether it be at Marvel or the MCG. That is why these investments are important. But of course then, moving to the major stadia, that is important also for the reasons we discussed about procuring major events. And we do not just do it in Melbourne, contrary to a comment made earlier. We have the best regional sports stadium in Australia at Kardinia Park by a country mile – 40,000 capacity.

Danny O'BRIEN: It has got a pretty ordinary scoreboard, though, Minister. Are you doing anything about that?

Steve DIMOPOULOS: It has a big capacity – 40,000 – with a great new scoreboard and everything else it needs to be the stadium that is required to be, not just for AFL matches but for big content like Foo Fighters and other content that we have got coming up.

Danny O'BRIEN: You still will not tell us how much you paid for Foo Fighters.

Steve DIMOPOULOS: I think you asked that last time.

Danny O'BRIEN: I ask it every year, Minister. No-one ever answers.

Mathew HILAKARI: He is just such a fan of Foo Fighters. He just loves them.

Danny O'BRIEN: I would have gone without a taxpayer subsidy. That is the question.

Steve DIMOPOULOS: Mr Tak, the other part of it is Eureka Stadium in Ballarat, so it is not just Melbourne. And when you look at the facilities that this government has put into women's sport at the professional level, every single one of the 10 AFL teams, as one example, that is based in Victoria has seen investment from our government over the last 10 years, particularly geared towards women's participation in AFLW, so training and performance facilities, literally function spaces, turf, a whole range of investments we

have made for that. That all matters as part of the sports capital title. You cannot just be a sports capital for international sporting content; you have got to do it from the grassroots.

Meng Heang TAK: Thank you, Minister. You also, in your presentation, talked about our world-class sporting and events infrastructure. It was such a good feeling accompanying you to the Kennedy centre in Dingley Village not long ago –

Steve DIMOPOULOS: Exactly right.

Meng Heang TAK: and hopefully soon we will accompany you again to cut the ribbon for that.

Steve DIMOPOULOS: Again that was an AFLW investment –

Meng Heang TAK: Yes. Thank you.

Steve DIMOPOULOS: with Hawthorn.

Meng Heang TAK: Thank you, Minister. On that note, can you give an example of investment into infrastructure and how it has benefited Victorians and the Victorian economy.

Steve DIMOPOULOS: Yes. One economic report that has come out recently is the economic contribution of the Melbourne and Olympic Park precinct, so that whole precinct down Olympic Boulevard run by the Melbourne & Olympic Parks Trust. There was a recent report that it generated \$740 million in visitor spend over the past 12 months – \$740 million for one precinct. The study also showed that I think it was contributing 6 per cent of the sports economy for the whole of Australia. The Deputy Secretary will find it in a moment, but I think it is a 6 per cent contribution to the sports economy of the whole of Australia just at that one precinct in Victoria. We have invested \$1 billion over the last 10 years in that precinct. It was no accident we then secured the Australian Open for an additional amount of years because of that investment. It was no accident we secured the farewell match that I was describing earlier with the Matildas versus France farewell before they went to FIFA because of the investments into AAMI Park. These things matter because you attract content, you attract economic activity. That is one example of that.

Kardinia Park is another example. There are 40,000 seats. There is the whole beautiful entry point, the Djilang Plaza, to recognise the Wadawurrung, the traditional owners of the land. It is open for more content to come. And with this new regional tourism and events fund that we announced two weeks ago – \$38 million over four years for regional events – I am confident some of those will be in the Kardinia Park stadium. So it is not just for AFL or AFLW.

Danny O'BRIEN: \$4.1 million for a scoreboard, Minister.

The CHAIR: Apologies, Mr Tak. We are out of time.

Meng Heang TAK: Thank you.

The CHAIR: Do not worry, Mr O'Brien, we are coming back your way. Oh, no we are not, we are going to Mrs McArthur.

Bev McARTHUR: Thank you, Chair, and thank you, Minister. I want to go to your 'Gender responsive budgeting in action'. You have identified that girls are not participating at the rate of boys – I wonder why – and you have suggested that there should be girls-only sessions. How do you define a girl?

Steve DIMOPOULOS: Where was that in the budget?

Bev McARTHUR: It is in the 'Gender responsive budgeting in action' statement on page 9.

The CHAIR: Mrs McArthur, we have previously talked about this line of questioning.

Steve DIMOPOULOS: Page 9 of budget paper 3?

Danny O'BRIEN: Of the 'Gender responsive budgeting' –

Bev McARTHUR: Yes, my mistake.

Steve DIMOPOULOS: Sorry. Mrs McArthur, this is particularly through Minister Spence's portfolio, because it is community sport. Out of the professional sport portfolio, which is the portfolio that I hold, the codes decide who participates and under what circumstances they participate. We do not have a contribution to make.

Bev McARTHUR: Well, do you think it is right that boys or men participate in women's sport?

Steve DIMOPOULOS: I am just being 100 per cent factual with you. The Minister for Community Sport is the one that holds the policy on participation at that level, together with Athletics Victoria, for example. I do not. In professional sport, the AFL decides who plays and under what circumstances, Tennis Australia does and Basketball Australia does. So I do not have a comment on that. If you and I were having a coffee outside this room, I would have a personal opinion, but that is not relevant to my portfolio.

Bev McARTHUR: Okay.

The CHAIR: And it is irrelevant to this hearing, Mrs McArthur.

Bev McARTHUR: It is actually not irrelevant, Chair.

The CHAIR: As I have said, hypotheticals and opinions have been ruled out of order previously, Mrs McArthur.

Bev McARTHUR: It is not irrelevant. Women participating in sport with men is a critical issue –

The CHAIR: Mrs McArthur, I suggest you move on.

Bev McARTHUR: and it should be addressed by the government. It should be addressed by the government.

The CHAIR: Thank you, Mrs McArthur.

Bev McARTHUR: It is a very critical issue. It is about safety for women.

The CHAIR: Would you please move on, Mrs McArthur.

Steve DIMOPOULOS: Chair, can I just say what is material to all of us in this portfolio is seeing who is not participating in sport, for whatever reason, and trying to remove those obstacles, whether it be LGBTIQ people not feeling safe, either as spectators or –

Bev McARTHUR: Or women not feeling safe.

Steve DIMOPOULOS: Everybody, absolutely everybody. And that is where particularly Minister Spence's portfolio has a role. Both of us have put an action statement out on what we can do to try and encourage more Victorians to participate, because you cannot truly be the sports capital if you do not. You have got a particular question about that matter, but the overall policy of the Victorian government is more participation for those underrepresented groups.

Bev McARTHUR: Great. We will go to the allocation of funding for the pit upgrades at Albert Park for the grand prix, given these facilities need to be upgraded as part of the F1 contract extension. Why has there been no allocation of funding to these pit upgrades?

Steve DIMOPOULOS: We have a bunch of commitments under that contract and other contracts we have, whether it be with the Australian Open or the grand final being here – the ones that I mentioned earlier, the ones that have been here for decades – and they are, Mrs McArthur, commercial in confidence. There is budget capacity to meet our contractual obligations across all those major events, including the F1.

Bev McARTHUR: Okay, thank you. I have a question for CEO McClements to do with the performance statement, page 90. Can you provide a breakdown of costs for each of the taxpayer-funded offices you are responsible for? I am happy to take it on notice if you have not got it at hand.

Brendan McCLEMENTS: Do you mean the overseas –

Bev McARTHUR: Well, Visit Victoria maintains eight international offices in major cities around the world. It is unclear how much each of these offices costs and what the return on investment is for each office, so could we have the details?

Brendan McCLEMENTS: Visit Victoria provides an annual report to the state Parliament, which breaks down its operating costs. Those numbers are included in those operating costs. I think that is the provision, as I understand it, that we are asked to provide to Parliament. We are happy to continue to deliver that way.

Danny O'BRIEN: Is that broken down by the cost of each office individually?

Brendan McCLEMENTS: I think that is aggregated in the overall operating costs of Visit Victoria that are funded through the state.

Danny O'BRIEN: I guess that is what Mrs McArthur was asking. Do you have it for each office?

Brendan McCLEMENTS: We have not previously been required to provide that. We fulfil our obligations under our funding agreement with the state. If that becomes part of our obligations, we would be more than happy to do that.

Bev McARTHUR: Can you provide it?

Brendan McCLEMENTS: All of our reporting is subject to our arrangements with the state. If that is an obligation to provide to the state, we would be happy to do that.

Bev McARTHUR: Okay. Also, Mr McClements, can you outline how Visit Victoria determines if each office provides value for money for the taxpayer? Can you provide a copy of any ROI analysis for the offices to the committee?

Brendan McCLEMENTS: Again, our reporting requirements are through our agreements with the state. Whatever reporting requirements we are required to provide we provide.

Bev McARTHUR: Well, can you detail how the cut to destination marketing funding will impact these offices?

Brendan McCLEMENTS: We are working through all those issues as we speak. That is obviously one of the considerations we are taking into account. What I can say about our offices is they train between 50,000 and 60,000 individual travel agents each year with our partnership with Tourism Australia. Each of the markets that we operate in is critical to providing the size of the visitor economy, the growth opportunities and international markets for the ones that will drive our approach to the \$16 billion opportunity identified by Tourism Research Australia. The work that we do in our international offices, working with our distribution agents, with our travel agents, day in, day out representing the state –

Bev McARTHUR: Okay. Thank you. Minister, is the government using negotiations between Rugby Australia and the Melbourne Rebels to hide behind not bidding for the Rugby World Cup final?

Steve DIMOPOULOS: Whether we are bidding or not is a matter of commercial in confidence, Mrs McArthur, so I am not going to comment on that. But I have met multiple times with Rugby Australia. I have met with Rugby Victoria multiple times and I have met with a consortium that is looking to secure the Rebels' future, and I have said to both of them they need to work together for the best of Victorian rugby, because we want Super Rugby here. That is a separate matter to bidding for the Rugby World Cup.

Bev McARTHUR: Thank you, Minister.

The CHAIR: Thank you, Minister. We will go to Ms Kathage.

Lauren KATHAGE: Thank you, Chair, Minister, Secretary, officials. Can I take you, Minister, please, to page 90 of the performance statement. I can see for the measure around domestic visitor expenditure that we have exceeded the target by \$8 billion, which is a pretty unreal result. What do you put that down to?

Steve DIMOPOULOS: The good work of – but thank you for the question. It is interesting. I might get Mr McClements to reflect a little bit on the pulse of the visitor economy, but it is a pretty significant achievement. I remember people saying, you know, with the pandemic, ‘No-one’s ever going to – we’re ruined forever.’ Nothing could be further from the truth. I am not saying there is not more room for growth – absolutely. I am not saying every tourism business is doing extraordinarily well, but as an aggregate figure it is really heartening. Every region has gone way above the pre-2019 levels, as has Melbourne.

Before I throw to Mr McClements on the why, part of it would be, I imagine – and this is what I have learnt from the portfolio and the experts in it – there is an appetite to travel. People have discovered Victoria for the first time that they been able to for a while because they could not travel internationally. Now the trick is maintaining their interest in this beautiful state. There is also so much to see out there in terms of regional Victoria. It is easy to get to. We are 3 per cent of Australia’s land mass, so the furthest you have to travel to get anywhere is –

Lauren KATHAGE: Four hours by road.

Steve DIMOPOULOS: 4 or 5 hours, that is right. And most things are within even less distance than that. But from 800 wineries, 600 cellar doors, 21 wine regions to some of the best natural beauty, there is so much to see. But I am underselling two things: one is the work of those tourism businesses – the mum-and-dad businesses, the small businesses who just do the heavy lifting – and the work of Mr McClements, Visit Victoria and the team. So I might throw over to Mr McClements.

Brendan McCLEMENTS: Thank you, Minister. I think you have summed it up very well.

Steve DIMOPOULOS: Sorry, I have not left you much.

Brendan McCLEMENTS: I think the first thing to say there is that the approach we adopted several years ago was to ensure that we believe that people will continue to want to travel. Travel is a need, not a want is how we would describe it. Australians have shown that absolutely over the last two years. The size of the domestic visitor economy in Australia is significant. It has gone up. The opportunity is to continue to attract people from international markets. Similarly, travel is a need, not a want. Travel is a middle-class and above activity in our part of the world with China, India, Malaysia, Singapore, Korea, Japan and others. We find ourselves in the lucky position of being very close to where the engine room of global travel will be taking place over the next four years.

Lauren KATHAGE: Fantastic. Thank you. On another measure there on the same page, for regional Victoria it was about \$5 billion over. My family certainly contributed to that, Minister, I think over the last year with all the regional towns we have been to. The Biennale in Ballarat was amazing – my children loved the golden monkey; we visited it many times. Working then with the tourism offerings for regional Victoria, how does the government work with them to sort of promote that regional outcome?

Steve DIMOPOULOS: I loved the Biennale, it was amazing, and you and I have talked about your regional trips with your family, including I think camping, is that right?

Lauren KATHAGE: Mallacoota, Shepparton, Bright –

Steve DIMOPOULOS: Mallacoota, that is right.

Lauren KATHAGE: Mount Beauty – everywhere.

Steve DIMOPOULOS: Regional Victoria is not a sideshow for us – it is the main gig. It is on the same footing as everything we do for Melbourne, but when you are overseas you have to first and foremost market the capital city, because that is where you get the wins in regional Victoria, because they come through the capital city and they go into regional Victoria. A proof point of that is to the year ending September last year the Grampians region was up 63 per cent on 2019; Geelong and the Bellarine, 62 per cent; Phillip Island, 61 per cent; and the High Country, 59 per cent on 2019 levels. So the ‘dispersement’, as they call it in visitor economy talk, has been working really well, and we need to make sure we continue to do that, and you do that by offering amazing things for people to be able to experience.

That \$310 million tourism infrastructure fund that I talked about, there are 200 projects we have funded through that, most in regional Victoria, and we are still seeing that roll through the system. I had the pleasure of attending Helen and Joey's winery in Yarra Valley about two weeks ago. We assisted them in establishing a restaurant and hotel accommodation – I think there are 16 rooms, off memory – to add to their existing winery and small cellar door. Now you can go there and spend at least a night, so by virtue of being able to do that you are spending more in the local economy. They were profoundly thankful for that investment – and they put in much more than our contribution obviously – but there is now an extended reason to stay in the Yarra Valley. There are other reasons too, clearly, but it is investments like that or investments like at the Bendigo Planetarium – and I had the pleasure of going there with the Premier a couple of months ago – that are just adding even more compelling reasons to stay in regional Victoria longer. And across a diversity – it does not always have to be a private enterprise; there is a lot of work we have done to embellish the offering in the natural environment as well. There are five pillars to the Victorian tourism strategy. One of them is wellness, and we have invested in the Alba hot springs in Mornington Peninsula and Metung Hot Springs, so providing opportunities for Victorians and more so interstate and people from overseas to discover the beauty in regional Victoria. That tourism infrastructure fund has been really impactful, as has our destination marketing around a whole bunch of events including the Stawell Gift and other regional events in Victoria.

Lauren KATHAGE: Thank you, Minister.

The CHAIR: Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good morning.

Steve DIMOPOULOS: Good morning.

Aiv PUGLIELLI: St Kilda Festival, I understand, takes the claim of being Australia's largest community festival. It brings together the community and provides a platform for local artists, performers and businesses to showcase their talents. Could you just provide an assurance to this committee that they are going to receive ongoing state funding?

Steve DIMOPOULOS: Thanks, Mr Puglielli. Obviously there is a process by which they have to apply for funding, and depending on the funding source, it may be that part of it is the Minister for Creative Industries' portfolio. I will have to come back to you on exactly – can I just say I have been, I reckon, half a dozen times, and it is an amazing festival, first and foremost. It is incredible, but I do not know that I can make such a guarantee. It is subject to an application process.

Aiv PUGLIELLI: That is okay. Is there any aspect that you can maybe provide on notice for further clarity? Is that possible?

Steve DIMOPOULOS: I will have a think about what possible funding sources are available for the St Kilda Festival. If they relate to my portfolio, I will definitely come back to you on them.

Aiv PUGLIELLI: Sure. Thank you. Maybe just one for the department with regard to the grand prix: has there been a cost analysis comparison of, say, setting up a permanent track elsewhere to Albert Park as opposed to the cost of annually setting up in Albert Park – set-up, pack-down, impact on community and sporting groups and the impact that they experience for around five months of the year?

Steve DIMOPOULOS: Mr Puglielli, I might throw to the Deputy Secretary, but in the meantime, it is an interesting question, again, understanding there are limitations to what we can say because of commercial-in-confidence arrangements with F1. It definitely is something that has occupied my mind in terms of the cost every year of setting up and dismantling what is effectively half the MCG. It is 50,000 seats in a stadium we provide at the F1 and then all the other things we do there – the hospitality. But I might just throw to Peter.

Aiv PUGLIELLI: Thank you.

Peter BETSON: In terms of a like-for-like comparison, no. In terms of building a permanent facility elsewhere, not explicitly. Now, there are a number of investments and investigations we do for state facilities. But in respect of a like-for-like, no, not directly.

Aiv PUGLIELLI: Just to clarify that comment: is it being looked into, from what you are saying, into the future?

Peter BETSON: There are no plans to move the grand prix.

Aiv PUGLIELLI: Could I ask why?

Steve DIMOPOULOS: I suppose the analysis that I was talking about, what occupies my mind, is just in terms of more efficiency. It is not in terms of a cause to change it, because I know some people may not like it, Mr Puglielli, but it is actually extraordinarily successful: a \$268 million economic uplift to the state of Victoria. It is a 2.6 return – every dollar we put in, \$2.60 comes back to the Victorian economy. It brands us – 50 million people on average watch these races around the world – and it is all about promoting Melbourne and Victoria. Food and beverage workers, construction workers, a whole range of ordinary people get work out of this. There is 91 per cent hotel occupancy, which is extraordinary, on that weekend. This is, for us, absolutely about jobs in the visitor economy and jobs right through the economic supply chain for ordinary workers. So with that kind of benefit the mind is not about moving it. The mind is about how we can improve efficiencies, hence my own thoughts about: is there another way of doing the pack-up and the set-up rather than doing it every year?

Aiv PUGLIELLI: Okay, thank you. Perhaps to move forward on the comment you have just made, I understand the Albert Park sports management plan was recently put out for public comment. Now, there are some stakeholders that have approached, saying they believe it is an inference that people are being socialised for making the grand prix track permanent at Albert Park. Following on from the comment you have just made, is that what is going to happen?

Steve DIMOPOULOS: Permanent in terms of all year round?

Aiv PUGLIELLI: Yes.

Steve DIMOPOULOS: No.

Aiv PUGLIELLI: No intention of that happening?

Steve DIMOPOULOS: No.

Aiv PUGLIELLI: Okay, thank you. Thank you, Chair.

The CHAIR: Thank you very much, Mr Puglielli. We are going to go back to Mr Tak.

Mathew HILAKARI: I will take it if you want, Chair.

The CHAIR: Apologies, I am looking straight at him – Mr Hilakari.

Mathew HILAKARI: Minister, officials, thank you so much for your attendance – for some, many times over this PAEC. What a grand prix it would be if we ran it all year round. That would be extraordinary – how great for the visitor economy.

Minister, I might take you to excellence in sport, if I may, and high-performance sport. There is on budget paper 3, page 58, a line item which goes to excellence in sport. I am just hoping you can explain to the committee what sorts of benefits and sports benefits we are going to get from this.

Steve DIMOPOULOS: Yes, absolutely. Obviously we do not have the Olympics in Victoria, but we have them in Australia, and we are very minded – this is just one aspect of the answer to that question, Mr Hilakari. But if you look at the preparation time and the lead time for an athlete to compete in the Olympics in Brisbane, in Queensland, it is about now. So we need to invest now to make sure that we have Victorians not just in the podium finishes but literally on the contests right through the gamut of Olympic sports. I am very chuffed that in what was a constrained budget we were able to continue to support the Victorian Institute of Sport. It is one of those equalisers – it does not matter where you come from, who you are, what your background is, if you are good at your sport and you participate in a program those professions put you through, you will succeed. That is a real equaliser. It is a good story for governments, it is a good story for the party that you and I represent.

The other part of that is, obviously –

Bev McARTHUR: The party that lost \$600 million to us for not having the Commonwealth Games, Minister.

The CHAIR: Excuse me, Mrs McArthur.

Bev McARTHUR: That went well. What would you have done with that money?

The CHAIR: Excuse me. Please cease the interjections.

Bev McARTHUR: We could have women's only sport.

Mathew HILAKARI: Some people are professionals at interruptions, I believe.

Steve DIMOPOULOS: But I think the other part of it is our support for – like other states have done – the Olympics in Paris. So providing \$1.5 million for Paralympians and Olympians to go to Paris, because we are all proud of our team wherever they may be competing in the world.

The other part of the excellence in sport, which I think goes to values and character, and further to the point that my answer to the question of Mrs McArthur made is, we want everybody to feel comfortable in sport, and part of that is a whole range of other things you do: accessibility and pricing and a whole range of other things. But part of it is actually if you cannot see someone of Mr Tak's heritage or my sexuality or somebody else competing –

Bev McARTHUR: Somebody else – a woman. A biological woman, feeling safe in sport.

Steve DIMOPOULOS: professionally – yes. That is why we are very proud to have supported all 10 Victoria-based AFLW teams. We are very proud to have built the home of the Matildas right here – not in Sydney, not in Adelaide, right here in Melbourne, and a whole range of those investments. But the point about elite sport and the crossover with the inspiration that young and other people get is to see themselves represented.

Mathew HILAKARI: That is right.

Steve DIMOPOULOS: That is why we were all so, I think even if you were not Indigenous, just overawed by the performance of Ash Barty in winning the Australian Open. But those things do not just happen, as you know, Mr Hilakari. They need some investment, they need some support and permission, whether it be Josh Cavallo coming out, the Adelaide United player, or Isaac Humphreys in Melbourne United, the basketballer. Those kinds of things matter, and that is why we try and invest in not only the infrastructure and the pathways through VIS and other pathways –

Bev McARTHUR: How is CORA going?

Steve DIMOPOULOS: I will come back to you on that one. But also we actually provide policy frameworks, particularly through Minister Spence with the fair play code. Behaviours are important, language is important. We are very much first movers – now many other states are obviously doing the same, but where we required sports boards to have 40 per cent females on the board before we would actually be able to open up a whole –

Bev McARTHUR: Biological females, Minister?

The CHAIR: Oh, Mrs McArthur, sh!

Steve DIMOPOULOS: range of other government support to them. You cannot just expect to deal with the Victorian government if your whole board is male. All those things are part of the crossover between elite sport but also inspiring the community to be able to access those pathways and get to the point of elite.

Mathew HILAKARI: And sports I expect have stepped up to the plate in terms of making those changes to their boards and really being engaged with the Victorian government. But I might take you, just in the 2 minutes I have got left, to business events in Victoria, just a bit of a change of pace. Budget paper 3, page 63,

talks to the business events, but you did as well in your presentation. I am just hoping you can go through some of what we can expect for our visitor economy for this support for business events and what does it mean for Victoria.

Steve DIMOPOULOS: Thanks, Mr Hilakari. Business events are one of the most exciting but not talked about parts of the visitor economy. It is fundamentally important. It has an amount of economic contribution just under what the Australian Open does. If you look at it over a 10-year frame – 10 years of the AO, 10 years of business events – it is really, really powerful. It does things like brand, again. So if you have a big international conference on medical research, it brands Victoria as a hub of medical research, as a premier –

Mathew HILAKARI: Which we are – just huge.

Steve DIMOPOULOS: Huge opportunities, huge investment, with all the other stuff we have got going in the medical research space. But you have the best scientists come here, the best researchers and the best policymakers. Part of what the Melbourne Convention and Exhibition Centre Trust, led by John Brumby, and Melbourne Convention Bureau do is to try and get effectively what we call hotel beds full – basically get people here. It could be a conference about what they call an incentive scheme – so a company in India or China may be rewarding its top 200 best performers – or it could be one about medical research or clean energy. Those things are very, very powerful because they book up hotel rooms and restaurants but they create a knowledge base right here in Melbourne for policymakers and businesses.

Mathew HILAKARI: Thank you.

The CHAIR: Thank you, Mr Hilakari.

Steve DIMOPOULOS: I could talk for hours, Mr Hilakari, about that.

The CHAIR: I am sure you can, Minister, but I am going to stop you there.

Minister and officials, thank you very much for appearing before the committee this morning. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee is going to take a short break before beginning its consideration of the outdoor recreation portfolio at 9:35 am.

I declare this hearing adjourned.

Witnesses withdrew.