

TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Budget Estimates 2019–20 (Tourism, Sport and Major Events)

Melbourne—Tuesday, 11 June 2019

MEMBERS

Mr Philip Dalidakis—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr Gary Maas

Mr Danny O'Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Ingrid Stitt

Ms Bridget Vallenge

WITNESSES

Mr Martin Pakula, Minister for Tourism, Sport and Major Events,

Mr Simon Phemister, Secretary,

Mr Andrew Abbott, Deputy Secretary, Creative, Sport and Visitor Economy,

Mr Peter Betson, Head, Sport, Recreation and Racing, and

Ms Penelope McKay, Deputy Secretary, Corporate Services, Department of Jobs, Precincts and Regions.

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

On behalf of the Parliament, the committee is conducting this inquiry into the 2019–20 Budget Estimates. Its aim is to scrutinise public administration and finance to improve outcomes for the Victorian community. The committee will now begin consideration of the portfolio of tourism, sport and major events.

I welcome the Minister for Tourism, Sport and Major Events and officials from the department. I thank you all for appearing before the committee. You are the team of course that never let us down, but we are the only PAEC team in town.

All evidence given is protected by the Parliamentary Committees Act. This means that it attracts parliamentary privilege and is protected from judicial review. Witnesses found to be giving false or misleading evidence will be forced to watch the first 10 games of Carlton this season and may be in contempt of Parliament and subject to penalty.

Minister, I invite you to make a very brief opening statement or presentation of no more than 10 minutes, which will be followed by questions from the committee, which will no doubt have a football-related theme. Over to you, Minister.

Mr PAKULA: Thank you, Chair, because the Saints are really flying!

The CHAIR: Don't poke the bear.

Visual presentation.

Mr PAKULA: I will start by just looking at the state of the tourism sector. So we see the latest combined survey show that travellers to and within Victoria spent a total of \$28.7 billion in the calendar year ending December 2018. That was an increase of 9.3 per cent year on year. So the average annual growth over five years is 8.4 per cent, which is above the national average of key competitors, and it has added an additional \$9.6 billion in tourism expenditure across the state. Regional Victoria performed well against key measures in 2018. The total visitor spend in regional Victoria reached \$10.2 billion, which was up 7.1 per cent year on year. At the year ending December 2018 the total number of visitors was 82.6 million, an increase of 5.8 per cent year on year, so that is an extra 19.9 million visitors over the last five years, or growth of 5.7 per cent on average per annum, again above the national average and above key competitors. Total visitors to regional Victoria recorded solid growth of 5 per cent year on year.

The visitor economy is a huge contributor to the overall state economy. It is growing faster than the state economy overall. Tourism in 16–17 was estimated to be worth \$24.8 billion to GSP, or just over 6 per cent of the total economy. That is an increase of 8.7 per cent on the previous year. It is also an important economic driver in our regions, and it is an important contributor to jobs, with over 214 000 jobs in tourism in 16–17 and something like 85 000 of those being in regional Victoria, both direct and indirect.

In terms of key achievements, there have been some successful advertising campaigns effectively reaching and engaging target audiences—Your Happy Space, which was launched in August last year to encourage visitation to regional Victoria from an intrastate market, and A Twist at Every Turn, which was launched in 2017 to encourage visitation to Melbourne from the rest of Australia and indeed from New Zealand.

In regard to major events, Visit Victoria has facilitated more than 890 events, including 100 major events, 590 business events and 200 regional events. Some of the highlights that we have talked about recently: of course the exclusive rights to *Harry Potter and the Cursed Child*, which because it is a two-show event just has a multiplier effect in that regard; the recently announced Rotary convention of 2023, which will bring something like 20 000 delegates to Melbourne; and Rone's Empire, which was a Regional Events and Innovation Fund attraction at Burnham Beeches in the Dandenong Ranges which attracted something like 26 000 visitors.

In this budget there will again be \$32 million for Visit Victoria for marketing money to attract visitors to Victoria, \$3.9 million to complete the final stage of the Yarra Valley Railway and \$200 000 toward the creation of festivals and events in Daylesford and the Macedon Ranges, and they will help to continue meeting our targets set out in the *Victorian Visitor Economy Strategy* to increase visitor spending to \$36.5 billion and employment in the sector to 320 700 jobs by 2025.

In regard to sport and rec, we all know that it is a major part of our state's culture. It provides not just sporting outcomes but health, social cohesion and economic outcomes. It contributes over \$9 billion of annual gross value-add to the economy. It creates over 70 000 full-time equivalent jobs. Every dollar spent on sport returns close to \$8 to the community. We have amazing, world-class sporting infrastructure—44 state facilities, 30 professional teams. We have got a precinct down at Melbourne and Olympic Parks Trust which is unparalleled anywhere in the world. The sporting community that we have is supported by something like 580 000 volunteers who ensure that community sport and recreation is viable and accessible. Honestly, it could not be done without them. We have something like 10 000 community sports facilities, leisure centres, rec centres and a network of over 2000 trails. We have got thousands of playgrounds, parks, sports reserves, and all of those things, apart from providing people—in particular young people—somewhere to play their sport, enhance the livability of our state for everybody.

In this budget we are investing almost \$364 million into the future of Victorian sport from grassroots clubs to our high performance venues. We are extending the Community Sports Infrastructure Fund loan scheme. We are providing \$220 million for community sport and recreation, so that will continue to deliver funding for 170 projects next year. That includes the \$175 million local sporting grant program that was announced during the election campaign and which is funded in this budget. Local sporting infrastructure funds will be the next generation of community sport infrastructure funds and they will help local sport clubs access inclusive and up-to-date facilities.

We have got stage 2 of the redevelopment of the Ballarat sports and events centre, which I visited just a couple of weeks ago. That is going to be an absolutely magnificent facility when it is completed, and that will accommodate a growth in basketball participation of up to 60 per cent in Ballarat from 6500 to about 10 000 by the end of next year.

We are investing \$96 million into both the redevelopment of the State Basketball Centre at Knox and also Melbourne Arena which is where—as you know—our professional team, Melbourne United, play. We want to support the new South East Melbourne Phoenix NBL team as well, who played their first two games in China last week.

We are investing \$2.3 million for the initial planning of the stage 5 redevelopment of Kardinia Park. We are investing \$11.8 million to ensure a bigger, better sports precinct for Ballarat. That includes the sports and events centre that I just mentioned but also additional funds for Mars Stadium.

We want to continue to support our calendar of sporting events through investment into the facilities and the programs that make them possible. That includes, as I say, the creation of the new NBL team, South East Melbourne Phoenix, Kardinia Park enhancement, Western Bulldogs matches at Ballarat, enhancing the Ballarat sport and events centre and stage 2 of the Australian golf centre to deliver training, participation and high performance programs including expanding the high performance driving range from 17 bays to 30 bays.

There is a massive investment in sport and recreation that has been undertaken by this government and which has continued in this budget. I will conclude my presentation there, Chair, and I am happy to take the committee's questions.

The CHAIR: Well, Minister, 3 minutes ahead of schedule.

Mr PAKULA: Nothing if not efficient, Chair.

The CHAIR: Again, leading the way. We will move to government questions with Mr Maas, and your time will go until 5.39 p.m.—25 minutes.

Mr MAAS: Thank you for that presentation, Minister. If I could take you to the topic of local sports grants and refer you to budget paper 3, pages 6 and 68, would you be able to outline what the local sports grants funding is being provided for?

Mr PAKULA: Yes, thank you, Mr Maas. Well, we made a commitment of \$175 million at the election, and the budget provides \$175 million to meet our local sports grants election commitments. So through that initiative there are dozens of projects that have been announced to date to build or upgrade community sports infrastructure across the state. I think you will find that, in my output, a number of those projects are outlined in the budget papers. You will see that on page 75 of budget paper 3. And indeed there are a range of other projects which are outlined on page 11 of budget paper 3. So there are a range of projects in both metropolitan and regional Victoria, and they are really all about ensuring that there are high quality, accessible community sport and active recreation infrastructure options available.

As I said in my presentation, there are something like 10 000 sport and active recreation facilities across the state. There are more being developed in growth and regional areas. So those projects that I outlined in regional Victoria, there has been something like \$58.5 million allocated for regional sporting infrastructure out of this local sporting grants initiative and then there are a number of others in metropolitan Melbourne. That funding will complement other sport and rec infrastructure initiatives which have been funded over the last four years, many of which are still rolling out from previous budgets.

I think one of the great things about local sporting grants is that in most cases you will find local designers, local builders, local tradespeople get jobs as part of the delivery of those local sports projects. A few weeks ago I visited Trentham rec reserve, as one example. We put in \$100 000 to that to develop female-friendly facilities. Before that project was completed you had netballers getting changed either in a small garden shed or in their car or they had to try and run to the footy change rooms to get changed. That project was co-contributed to by council, as most of these projects are, and some money that the club raised itself—I think some \$30 000 from fundraising and in-kind contribution. So now you have got a facility that everybody is incredibly proud of. The netballers who I met were ecstatic to have new, clean, purpose-built facilities so that they could get changed.

And that is just one example of how the whole community benefits from the type of infrastructure that we provide. Whether it was previously through the Community Sports Infrastructure Fund program or through these local sporting grants programs, the whole community benefits. There are jobs created locally, there is greater access to participation for those people who might have otherwise been deterred from participating and there are just better facilities for everybody.

Mr MAAS: Thank you, Minister. So what types of projects have been committed through the local sports grants?

Mr PAKULA: There are, as I indicated previously, a whole range of projects which have been committed to already through the local sporting grants initiative, which has been funded in this budget—new pavilions, indoor stadiums—or stadia—aquatic centres. To give you one example there is a new pavilion to be constructed at Geelong West Oval. There has been \$7.4 million allocated from the local sports grants to deliver a new pavilion, car parking, seating—not built by Carbon Revolution, Mr Riordan—improved facilities, better access.

Mr RIORDAN: What about a roof?

Mr PAKULA: There is \$10.5 million for the redevelopment of Pinks Reserve in Kilsyth. That will benefit a whole range of local sporting clubs in Kilsyth because it is a multi-user reserve. So there will be a major expansion of the Gary Tait Pavilion; resurfacing of the Roy Baldwin Oval; an additional competition-grade court to be constructed alongside other improvements within the Kilsyth Sports Centre; the covering of up to

six outdoor netball courts; improvements to badminton, table tennis and softball facilities; lighting; fencing; seating; paths; all kinds of upgrades to that facility. You are seeing \$3 million allocated to provide female-friendly changing rooms, broadcast-standard lighting and resurfacing of the oval at Toorak Park in Prahran, which I would assume Mr Hibbins will be looking forward to seeing very much.

Mr HIBBINS: I will.

Mr PAKULA: So the number of projects and the benefits really are almost incalculable. The benefits are, as I say, not just about providing better facilities for people to play sport in; it is about improving the health and fitness outcomes for the community. There are a whole range of other community benefits that flow from more people being involved in organised sport but also just having better places to play netball or have a kick of the footy with your friends.

Mr MAAS: Thanks, Minister. I will take you now to business events attendance and refer you to budget paper 3, page 229 and the mission to cement the state's position as Australia's leading event destination. In your presentation you specifically mentioned business events as a key achievement.

Mr PAKULA: Yes.

Mr MAAS: Can you provide us some more detail on that?

Mr PAKULA: Yes, sure, and I will do that in the context of a conversation I had recently with the accommodation association, which is the peak body that represents our hotels. We are building a whole range of new hotels in this city and this state, and it is really important for those hotels to maintain a high occupancy rate. We have a better occupancy rate here than in comparable cities around the country. One of the reasons we have that is our permanent major events. Another reason is those major events that we attract from time to time, whether it is *Harry Potter* or the Presidents Cup or those other things that we will have here this year. But the business events—they are often overlooked and unremarked upon but they are incredibly important in terms of maintaining that flow of visitation throughout the year. Business events—they are a key to the highest yielding part of the tourism industry. International delegates spend an average of about \$1020 a day, and that is 21 per cent more than other international visitors during the course of their trip. National delegates, those from other parts of Australia, they will spend something like \$960 a day. So it is a very high yielding cohort. And the figures that have been put out by the Melbourne Convention Bureau show that business events are delivering more money and more visitors to our state than ever before.

There are just a few weeks to go until the end of the financial year, but the convention bureau has already secured half a billion dollars in business events for Victoria this financial year. That is \$500 million of economic activity made up of 220 business events that have been won during 18–19, and they will be held from now through to 2026–27. They are providing huge opportunities for Victorians. We think about 6000 jobs will be created as a result of those business events.

We have got the Jehovah's Witnesses coming here in November this year, the International Congress of Genetics in July 2023, the World Congress of Basic & Clinical Pharmacology in 2026, the World Congress of Philosophy in July 2023—I do not know if there are any philosophers of note at the table. But the one that I want to spend some time on and I want to mention specifically is the Rotary conference in 2023. Now, I am not personally a Rotarian—I have been to Rotary events—but it is the most valuable conference that has ever been won for this state. We are expecting it to attract something like 20 000 Rotarians from over 200 countries and regions worldwide, and it will inject about \$110 million into the Victorian economy. I mean, think about a single event that brings 20 000 delegates to this city. That is an enormous boon for Melbourne and for Victoria, and I know that the accommodation sector, the restaurant sector and of course the convention bureau are all incredibly excited by that win.

Mr MAAS: You mentioned the Melbourne Convention Bureau. What contribution has the Victorian government made to the Melbourne Convention Bureau in acquiring these business events?

Mr PAKULA: Well, we have made a substantial contribution. I mean, part of the contribution which should not be overlooked is the fact that we are a 24-hour city; we are renowned for it. You know, there are no silly lockouts and curfews in Melbourne; we are a 24-hour city. We have one of the world's greatest offerings in

terms of food and beverages and night-life. We have funded a substantial expansion of the Melbourne Convention and Exhibition Centre. And I can tell you a range of those conferences that have been secured could not have been secured without the expansion of the convention centre. That expanded centre will attract something like 75 000-odd visitors annually, so we have been able to hold really important events.

But in terms of our investments to support the Melbourne Convention Bureau, in this budget alone there is \$13 million for the Business Events Fund, there is \$8 million for Melbourne Convention Bureau operations—sorry, let me go back. That was the 2018–19 budget, where there was \$21.8 million over two years, so including this budget, for as I say the Business Events Fund, the Melbourne Convention Bureau and \$800 000 for Business Events Victoria.

Mr MAAS: I will take you to some more questions around community facilities. I refer you to budget paper 3, page 249, and the reference to improving community sport and recreation facilities across the state. In your presentation earlier you mentioned a grants round for local sports infrastructure funds.

Mr PAKULA: Yes.

Mr MAAS: Can you provide more detail to the committee on that?

Mr PAKULA: Yes, well, one of the things that is pleasing out of these local sporting grants—the \$175 million that has been provided in the budget for local sporting grants—is that it will provide an opportunity for there to be another round of grants for local sporting infrastructure. So we will, in the next little while, devise a series of competitive grants rounds, the working title of which is ‘local sporting infrastructure funds’. I know how important those local sporting grant rounds are to MPs and to your local communities.

One of the things that I think all of us come across on an almost daily basis is local sporting clubs which, apart from the support they get from local government, often require some augmentation in funding from state government to support the building of new infrastructure. Whether that be pavilions or changing rooms or lights or fencing or upgrades to surfaces—you name it—the need of local communities is profound, and it is something that I think government is duty-bound to support. So there will be some substantial funding rounds throughout 2019–20. They are still being devised at this moment, but we will be making announcements about them in the not-too-distant future, and I have no doubt that those funds will continue to support all of the things that have been supported in the past: whether it is female-friendly changing rooms or lighting or courts or skate parks or pavilions—you name it—there will be a funding round that will support applications.

I think one of the things we can say with a high degree of confidence, because it has always been the case, is there will be more applications than there is capacity, because really every sporting club, every community, every local council wants support under those very attractive community sporting or local sporting infrastructure fund grant rounds, but we will try and make the dollars that we have got go as far as possible and support good projects in local communities over the next financial year.

Mr MAAS: You have spoken about the grants and support through the grants scheme. Can you confirm if the Community Sports Infrastructure Loans Scheme will be continued?

Mr PAKULA: Yes, I can, Mr Maas. The Community Sports Infrastructure Loans Scheme has been really, really popular. There are a range of sporting clubs that have just struggled, I think, without that scheme to get access to loan finance, and so that loans scheme allows a degree of leveraging to be done. The budget provides, again, another \$2 million a year over four years to extend the Community Sports Infrastructure Loans Scheme. That pilot scheme was announced in last year’s budget. It provided loans between half a million dollars and \$10 million to local councils, education institutions, facility managers, sporting clubs and associations. It is in addition to the local sporting infrastructure fund, the grants round that I have talked about. It is targeted at organisations with the capacity to deliver community sport and to have the capacity on top of that to service a loan. So it is not for everybody, but it is something that provides access to low-interest loans to councils and organisations through TCV. It reduces the amount of interest paid by recipients through subsidies, so it is something that has been very attractive. In the first round—for the committee’s benefit—in October last year, 19 projects were approved for government-guaranteed loans, and that brought forward a multiplier effect of almost three for sport and rec infrastructure. So we have supported aquatic facilities, indoor sporting stadiums,

pavilions—a whole lot of projects. It has already unlocked \$10 million worth of funding for the Rosebud aquatic centre, support for the Phillip Island Coastal Discovery Camp redevelopment and funds for the Traralgon Sports Stadium. So it is a good scheme, and I am pleased that it is going to be continued.

Mr MAAS: I would like to take you to major events, if I could.

Mr PAKULA: Sure.

Mr MAAS: I refer you to budget paper 3, page 251, and the reference to long-term economic benefits of major events to Victoria. Would you be able to update the committee on what you are doing to deliver that output?

Mr PAKULA: Well, major events are an absolute cornerstone not just of the tourism and major events portfolio but they are a cornerstone of the state's economy, particularly the visitor economy. There is ongoing funding for Visit Victoria and of course the \$62 million annual investment in the Major Events Fund, which is about attracting, securing and retaining significant events. It means that we can continue to have our very, very successful major events strategy. We have through that fund in the past supported a long list of events on an annual basis, those ones that make up the cornerstone of our annual major events calendar—the Australian Open tennis; the airshow, which is every second year but is a recurring event; the Virgin Australia Melbourne Fashion Festival; and the Melbourne Food and Wine Festival. They complement the iconic events that sit alongside them on the calendar, events like the Melbourne Cup Carnival and the AFL Grand Final.

But over the last year we have delivered a host of new events that are exclusive to Melbourne. *Harry Potter and the Cursed Child*, which is a remarkable event for Victoria in that we are the only place in the Southern Hemisphere where that show can be seen. The only other two places on the planet where it is being played are on Broadway in New York and London's West End. So that is an enormous boon, and I think it will run here for a very, very long time. We have got *Come from Away*, which again is a multi-award-winning play, which will be opening exclusively in Melbourne in July, and we will be the only city outside the USA, Toronto and London to play that.

The NRL All Stars game took place in February. We have got the Fast5 Netball World Series and we have got the golf world cup, White Night and regional White Night and the Cadel Evans Great Ocean Road Race. I had the pleasure recently of announcing a few new events: the Aus-X Open, the men's and women's T20 Cricket World Cup finals, which will both be played here in Victoria, and of course in August two matches of the Boomers versus the USA Dream Team. Of course later in the year we will have the Presidents Cup golf being played at the Royal Melbourne. So it is an extraordinary major events calendar, one that is the envy of the nation, and if I could be so bold, I would describe it as the envy of the world.

Mr MAAS: Be bold. What are the long-term economic benefits of major events to the state, and why does the government make such a significant investment in this?

Mr PAKULA: Well, I think apart from anything else the long-term benefits to the state are reputational. We want Melbourne and Victoria to be regarded as a vibrant, major global city with a major events calendar which is the envy of the world, and that is something that we have been trying to build. But major events generate economic benefits of something like \$1.8 billion to the state's economy, and most of that can be directly attributed to our major events strategy. We have visitors that come from all over Australia and all over the world for our major events, and while they are here they fill up our restaurants, they fill up our bars, they fill up our hotels and they make sure that we maintain, as I said earlier, a very high occupancy rate of beds in our hotels. I think they are a very big part of why we had last year the biggest year on record for our tourism sector. The Tourism Research Australia data showed that Victoria welcomed 3 million international visitors who stayed a combined 72.9 million nights in the state and spent \$8.5 billion. So that is why you have a major events strategy, because it makes a place buzz, and it brings people here. It is great for our local businesses, and it is great for our local economy.

Mr MAAS: If I could now take you to gender quota outcomes and refer you to budget paper 3, page 249, and the reference to supporting community participation and inclusion in the sport sector.

Mr PAKULA: Yes.

Mr MAAS: Would you be able to provide us with an update on the implementation of the 40 per cent quota for female representation on boards of state sporting bodies?

Mr PAKULA: Can I say, Mr Maas, this something that we are incredibly proud of. We made a commitment back in, I think, 2016 or 17 that funded sporting organisations should have 40 per cent women on boards. At the time that the implementation of that commenced in January 2017, only 44 per cent of the organisations that receive program funding for sport and rec had 40 per cent of women on their governing bodies, and by 1 July 2019 our expectation is that that number will rise to 90 per cent, or 101 of 111 funded organisations. So we have seen some outstanding examples of state sporting associations improving their governance arrangements to meet the 40 per cent target. At the start of 2017, for example, Diving Victoria had an interim CEO and a board of eight. That board of eight had two women, four men and two vacancies. Following on from the governance discussions and the conducting of a skills matrix with the office of women in sport, Diving Victoria appointed a female CEO, overhauled the board, brought on women's and men's skills in areas that the board was previously deficient in, and the board now has a 50 per cent gender balance. That is just one example. And of those remaining organisations that look like they might not reach the quota by the deadline, all of them have an action plan in place with the office of women in sport. It has been a collaborative exercise. They have been working together, and those action plans have agreed time lines to meet that 40 per cent quota as soon as possible.

So we would expect that within the not-too-distant future that number that was 44 per cent back in January 2017, which will be 90 per cent by 1 July, in just a couple of weeks time, will get to 100 per cent, and that I think is an outcome that not just those sports but I think all of us should be very proud of. I will forgo my last 4 seconds.

Ms VALLENCE: Thank you, Minister. Minister, we will move to budget paper 3, page 69 and talk about Visit Victoria. Since its inception in 2016 Visit Victoria has never had more than two years of future funding to rely on, and in the last two years it has only had a budget commitment for 12 months. So noting the \$32 million allocation in there—that that is for one year of funding only; no ongoing funding is included in the forward estimates—and given Visit Victoria is the lead marketing body, when will they have a long-term commitment of funding from this government?

Mr PAKULA: Thank you, Ms Vallence. It is a reasonable question, and I am quite sure that any organisation, whether it is Visit Victoria or any other, would like longer rather than shorter funding certainty. But the fact is that we are going through a range of reviews at the moment, including the regional tourism review which is occurring, and one of the things that is within the remit of Visit Victoria is that they fund those regional tourism boards. So in that context and in the context of the budget that I have commented on in previous answers during the jobs and innovation questions, what we achieved was a maintenance of Visit Victoria's marketing funding for the upcoming financial year. We will continue to work with Visit Victoria and indeed other tourism stakeholders to ensure that by the time we get to next year's budget there is a long-term strategy where we seek funding certainty for Visit Vic and the sector moving forward.

Ms VALLENCE: Thank you. I mean obviously you talk about that review for regional Victoria there, but I think the sector really is seeking an understanding as to why the government will not give a reason to commit to Visit Victoria for longer than one year. They are asking: is it your intention to continue to drip-feed Victoria?

Mr PAKULA: I will have to take your word for it that that is what the sector is asking; they have not said that to me. In fact the response from the sector, and indeed the response from Visit Victoria when the budget revealed that Visit Victoria would again receive \$32 million for marketing budget—that is, no reduction in an environment where the budget environment is very tight—was that they were very happy about that. But having said that, I would agree that any organisation, whether it is Visit Victoria or any other, would prefer longer rather than shorter funding certainty, and as I have indicated, once the regional tourism review is concluded and once some of those other matters that I have referred to have been fully considered, it would be my hope to go to the next budget and seek a longer term arrangement.

Ms VALLENCE: Okay. So moving on to the Regional Events Fund, which as you said is an important avenue to attract and retain events in regional areas relating to tourism, many events are simply not getting the

support that they need. So with the current funding finishing in 2020 what plans does the government have to grow regional events, particularly in the areas outside regional cities?

Mr PAKULA: Thanks, Ms Vallence. As I think you indicated, the Regional Events Fund is an ongoing fund. That was funded in the 2016-17 budget at \$20 million over four years, so that will continue to run over the next financial year. It has been successful in securing and developing a strong calendar of regional events. It has supported more than 200 regional events to date. To give you some examples of those things that have been supported in 18-19—

Ms VALLENCE: Specifically are they examples that are outside regional cities? Because that is the nub of this question.

Mr PAKULA: It depends on what you describe as a regional city. The Lost Trades Fair in Kyneton was supported and the ChillOut Festival in Daylesford, GoFish Nagambie and the Grampians Grape Escape wine and food festival. There has been a range of event support outside of regional cities, and no doubt there will continue to be.

Ms VALLENCE: Some of those are considered more major cities. The question is around those outside of that area—more like townships—that do not receive funding like that of White Night.

Looking at your website 53 per cent of Victorians appear to have not visited regional Victoria. So what is planned in this budget to promote regional Victoria to Victorians?

Mr PAKULA: There is Visit Victoria's marketing budget and indeed the work that is done by the regional tourism boards, which is funded by the Visit Victoria marketing budget. So Visit Victoria provides support to the RTBs. Visit Victoria runs its own campaigns and the regional tourism boards run their own campaigns. To give you an example, after the fires in Gippsland a few months ago Destination Gippsland launched a new marketing campaign with support from Visit Victoria, which I went down and launched. It was incredibly well received because it was about demonstrating to Melburnians in particular, who might have otherwise believed that there was no point heading down to Gippsland because of the fires, that in fact Gippsland was open for business. I pay tribute to Sue Smethurst and the rest of the Destination Gippsland board and the work that they did with Visit Victoria to come up with a really innovative marketing campaign for Gippsland.

Recently I met with the tourism board up around the Murray region. I think there are 13 councils involved in that—some on our side of the border, some on the New South Wales side of the border—and they work very well together. Some of the marketing campaigns that they have run in terms of getting people up around whether it is Sunraysia or further down towards Swan Hill have been really strong and have grown tourism outcomes in that part of Victoria as well. We work with those regional tourism boards, and we provide them with funding support through that Visit Victoria marketing fund output.

Ms VALLENCE: As of today if there is a region particularly wanting support for an existing festival, is there a way that they can attract funding and would it come from the \$32 million allocated in the budget?

Mr PAKULA: No, that money is marketing money. The Regional Events Fund has typically been, like most of these funds, competitive grant rounds. One of the frustrations of government is that you see dozens, if not hundreds, of great ideas that would be worthy of support, but there is generally the capacity to support some and not the capacity to support others. The analysis tends to support for funding the best bids with the best bang for the buck. I have no doubt that there will be worthy bids for events outside what you might describe as the large regional cities, and it will certainly be a focus of ours to ensure that those that are worthy are supported.

Ms VALLENCE: It was good to see in your presentation and indeed in the budget funding allocation for the Yarra Valley Railway. It is good to see that five years after the federal Liberal government committed to that project we are getting that after the advocacy of the member for Eildon and myself. That is great for our region, but a similar attraction that has been around for a very long time is Puffing Billy. I have a question there around Puffing Billy, which I recall going on as a child. In recent times there was a safety review completed for Puffing Billy and travelling on that. Has this been completed?

Mr PAKULA: Yes, I understand that it has been completed, and that report is with the Emerald Tourist Railway Board for its consideration as we speak.

Ms VALLENCE: Minister can we get a copy of that report for the committee? We can take it on notice after it is to be—

Mr PAKULA: I will take that on notice because I would not want to interfere with the board's consideration of that report. I will take that on notice, and if it is appropriate to release the report, then it will be.

Ms VALLENCE: In that case then, subject to the conclusion of their review of the report, will you be making that public?

Mr PAKULA: As I said, I have agreed to take the question on notice and I would need to take some advice about whether or not the release of that report would be appropriate. I will take that advice, and if it is, it will be, and if it is not, it will not.

Ms VALLENCE: Do we know yet if the ban on the legs out of the windows will be lifted?

Mr PAKULA: That, as I understand it, is one of the things that the board is considering as part of its consideration of that safety report.

Ms VALLENCE: What is the time frame for the consideration of this report?

Mr PAKULA: I would not want to place on the board an artificial deadline on how quickly they should consider the report. I would imagine the report would have some significant and serious issues within it, and I think the board should take the time it needs to give it proper consideration and to take whatever advice they need to take.

Ms VALLENCE: Notwithstanding that, do you have an expectation of an approximate time frame?

Mr PAKULA: When you have a collision between a tour bus and Puffing Billy, I think it is appropriate to treat that seriously. There are safety implications involved in that. Having said that, I think a report of that nature and the board's response to that report should be dealt with with all of the expedition possible, but I am not going to place an artificial deadline on the board. I have confidence in them that they will deal with it as quickly as they can.

Ms VALLENCE: Okay. Understood. We will move on. Again back to tourism generally in Victoria, it would seem that while some numbers are looking good from international markets, really it is our regions that are not experiencing the same level of overnight stays that they would really like to.

The review into regional tourism will likely identify many issues regarding infrastructure. What initiatives are there to mitigate or perhaps address inadequate planning policies and funding to support the growth of regional tourism in Victoria in relation to infrastructure, and, not to pass it off to the planning portfolio, but perhaps are there any department-to-department conversations on that matter?

Mr PAKULA: Let me say that I do not accept the characterisation of inadequacy, just for the record. But, having said that, I think you certainly touch on what is a real issue amongst regional tourism operators and those that would seek to be potentially regional tourism operators. It is not a simple issue, though, because for every regional tourism operator that says that they would like there to be an easier or a more beneficial process for generating investment in regional tourism infrastructure, you might find a local community which is less enamoured of the idea of more tourists and more tourism infrastructure, more hotels. And we have seen that play out in some pretty well ventilated examples in recent times. It is one of the things that the regional tourism review will be looking into. I have got no doubt that when that review is conducted, whether it is through conversations with regional tourism boards—

Ms VALLENCE: Sorry. I am just conscious of time.

Mr PAKULA: Sorry.

Ms VALLENCE: No, I appreciate that that review will look into that. I am wanting to know also: how much is the government allocating out of the \$32 million to that activity of looking at the infrastructure in regional Victoria?

The CHAIR: Minister, if you can take that on notice.

Mr PAKULA: I will take that on notice.

Mr HIBBINS: Thank you, Minister and team. Can I ask about the grand prix and whether you will be conducting an actual count of the attendance this year as opposed to an estimate?

Mr PAKULA: Unless Mr Hibbins knows something about the process for assessing the numbers of people through the grand prix that I do not, there was an attendance count done at the 2019 Formula One Grand Prix, and there was a significant increase in the number of people who attended. I think the overall number was 324 100, give or take a few.

Mr HIBBINS: How did they count the attendance?

Mr PAKULA: I beg your pardon?

Mr HIBBINS: How was the count conducted?

Mr PAKULA: I have to confess to you, Mr Hibbins, I have not asked that question, but I would presume that, like most events, it would be based on people who scan their tickets through the gate.

Mr HIBBINS: So that is a change from what has happened previously.

Mr PAKULA: No, not as far as I am aware.

Mr HIBBINS: So you are saying the attendance count for the grand prix has always been a scan of tickets going through the gate?

Mr PAKULA: I cannot speak for what has occurred in the past. It is my understanding that it was an actual count. If you have reason to suggest otherwise, perhaps you should do that. My understanding is that those numbers that were provided by the Australian Grand Prix Corporation were an accurate reflection of—

Mr HIBBINS: Tickets scanned through the turnstile?

Mr PAKULA: the number of people who attend the event.

Mr HIBBINS: All right. Thank you. What is the total time spent on construction activities at Albert Park for the grand prix?

Mr PAKULA: Well, again, that would be a matter that the Australian Grand Prix Corporation could provide you with greater detail on than I can, but as someone who goes past the Albert Park circuit or in its vicinity on most days on the way to work when it is happening—

Mr HIBBINS: I am probably looking for a more accurate date. I run around it all the time as well. I am looking for something a bit more accurate.

Mr PAKULA: I think it goes for a few weeks.

Mr HIBBINS: A few weeks? Okay. Perhaps you could take on notice: start date, construction, finished pack-up.

Mr PAKULA: Sorry, you would like me to take that on notice? I am more than happy to take that on notice.

Mr HIBBINS: Thank you. The funding for the grand prix, does that come from the major event pool of \$123.5 million?

Mr PAKULA: No, I am advised it is separate.

Mr HIBBINS: It is separate. Okay. Where does that funding come from?

Mr PAKULA: Well, it would come presumably from consolidated revenue.

Mr HIBBINS: From consolidated revenue. And what is the return on investment from that \$60 million or so, which I understand it is?

Mr PAKULA: Well, it depends again, Mr Hibbins, on how you quantify that. I think that that specific number may well be provided in the AGPC annual report, but if it is not, again, I can seek to obtain further information for you. But I think if you go back to something I said earlier, I think with Melbourne's, or Victoria's, major events calendar, it is vital that we maintain within it all of the different columns that hold up the superstructure. The Australian Open tennis is one, in my estimation the Australian grand prix is one—

Mr HIBBINS: It is a reputational issue.

Mr PAKULA: I think it is an extraordinarily important event for our overall major events calendar, and I make to this committee the point that I have made at various press conferences in the last six months: we are the only city on earth that has a grand slam tennis open and a Formula One Grand Prix, and that is something that I think we should be proud of.

Mr HIBBINS: Exceptionally expensive event as well.

Mr PAKULA: I will take that as a comment.

Mr HIBBINS: You are indicating that it is reputational issue that we keep it—fair enough.

Mr PAKULA: I will take that as a comment too.

Mr HIBBINS: I would like to ask about Federation Square.

Mr PAKULA: Yes.

Mr HIBBINS: Can I ask if there were any costs incurred by the government regarding the Apple superstore proposal?

Mr PAKULA: Again it depends on what you are referring to. There was no money paid to Apple either at the time when they were going to be in the square or indeed after the decision of Heritage Victoria. The government did announce, as I think you would be aware, a review into elements of Federation Square, both a built form and a base funding review, and that review will not happen for free. There will be some costs associated with that, but I think it is arguable that that review may have been required in any case. Beyond that, I am not aware of any costs having been incurred.

Mr HIBBINS: Okay. You have indicated no cost directly to Apple, but were there any costs just incurred by government in general because of the proposal?

Mr PAKULA: No, no. No payments to Apple, a cost to government for the review, and beyond that I am not aware of any cost that you could attribute to the decision either way in regard to Apple. I am not aware of any, but I am happy to take that on notice.

Mr HIBBINS: Okay, thanks. What is the timeline for the review?

Mr PAKULA: The review is proposed to report to government in the second half of this year. As I say, we have got Tim Eddy and Jill Garner conducting that review, both into the base funding of the square and into the built form of the square. I think it is an important bit of work to inform our thinking about the design and the usage of Federation Square going forward.

Mr HIBBINS: Okay, thank you. Can I just go now to community sport infrastructure and refer specifically to Infrastructure Victoria's 30-year plan and their recommendation that the government develop a stronger evidence base and more transparent decision-making processes to support future state government investment in community sport and recreation infrastructure within five years. Can I ask how the government is progressing on that particular recommendation?

Mr PAKULA: Oh, well, as I say, those community sporting infrastructure grants that are made are done through competitive grant rounds and I think they weigh up the relative merits of different applications very well.

Mr HIBBINS: That is not a change—

The CHAIR: Mr Hibbins, unfortunately the remainder of your question will need to be put on notice as we draw to a close at the end of the portfolio. Minister Pakula, your time is up. Thank you very much for appearing before the committee today. The committee will follow up on any questions taken on notice in writing. Responses will be required within 10 working days of the committee's request.

Witnesses withdrew.