

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2023–24 Budget Estimates

Melbourne – Wednesday 7 June 2023

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Paul Hamer

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Ellen Sandell

WITNESSES

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

Mr Tim Ada, Secretary,

Mr Peter Betson, Deputy Secretary, Sport, Tourism and Events, and

Ms Natalie Phillips, Executive Director, Tourism and Events Strategy and Reform, Department of Jobs, Skills, Industry and Regions.

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

I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2023–24 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.

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

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.

I welcome the Minister for Tourism, Sport and Major Events the Honourable Steve Dimopoulos and officers from the Department of Jobs, Skills, Industry and Regions. Minister, I am going to invite you to make an opening statement or presentation of no more than 5 minutes. This will be followed by questions from the committee. Your time starts now.

Steve DIMOPOULOS: Thank you, Chair, and thank you, committee. I know it has been a long day, so I thank you for your attention and your patience – in advance, that is. I want to also acknowledge the traditional owners of the land upon which we meet and pay my respects to their elders past and present and any elders that might be with us here.

Visual presentation.

Steve DIMOPOULOS: I am really fortunate that I have the opportunity to report on the status and the achievements of a portfolio that I love, a portfolio that really adds to the quality of life of Victorians and visitors who come here.

Next slide. The visitor economy is a major employer in Victoria and a strong contributor to the state's economy. Our visitor spend is almost back to prepandemic levels, with Melbourne extending its lead over Sydney with the highest level of interstate overnight spend. The return of Australia's leading events calendar has strongly supported this recovery from the pandemic, with multiple major events breaking attendance records. Our newest state sports facility is the State Football Centre, incorporating the home of the Matildas at La Trobe University sports park, and it will be delivered in time for next month's FIFA Women's World Cup.

Next slide. It is pleasing to see the recovery of the tourism, sport and major events industries is continuing to progress. The total visitor spend for the year ending December 2022 was \$31.5 billion, or 97 per cent of prepandemic levels. Over the same period there were 83.1 million visitors, or 83 per cent of prepandemic levels. The data is showing that we are getting there, with 171,100 jobs filled over the 2021–22 financial year, which is an uplift of 56.4 per cent year on year. Business events, often the quiet achievers of the visitor economy, contributed \$12.6 billion to the economy and supported more than 84,000 jobs over a seven-year period. Melbourne's major events calendar returned strongly in 2022. Up until August 2022 we had 4.5 million attendances at multiple major events. And of course there is more work in regional Victoria as well, building

and embellishing good stadiums like GMHBA in Geelong and Eureka Stadium in Wendouree. Sport generally is estimated to have a gross value of \$9.2 billion to the economy and support about 71,500 jobs across the state.

Next slide. Last month I had the pleasure of releasing *Experience Victoria 2033*, which is the government's plan for further growing the visitor economy over the next 10 years. It continues the successful delivery of the \$633 million *Visitor Economy Recovery and Reform Plan*, both stimulating private investment but also guiding future public investment. The latest rollout under that plan is the visitor-servicing program, which is investing \$3 million into new ways to get the right information to visitors when they need it. Regional tourism boards continue to receive support under our investments for dealing with a whole range of issues, including workforce challenges, and also transitioning them to what we are calling visitor economy partnerships. Visit Victoria is an outstanding agency that keeps doing good work. We are supporting 145 tourism infrastructure projects right through Victoria.

Next slide. The strong demand for events in 2022–23 I think was unprecedented. We would not have thought we would come out of the blocks the way we did – well, I certainly did not, and I am really, really chuffed to have seen that extraordinary success. The Formula One Grand Prix, the Australian Open, the Melbourne International Comedy Festival and the Melbourne Food and Wine Festival. The Rising Festival, the pre-eminent winter cultural festival, opens today. The Bledisloe Cup is later in July. There are a whole bunch of events that have received extraordinary success and attendances. Through the business events, as I said before, the Melbourne Convention Bureau has secured 23 international events over the 2022–23 calendar year, and we are supporting regional events as well through specific investments there. More on the regional component: since December 2018, 153 regional sporting events have been supported by our specific significant sport events program, covering 35 different sports and 21 regional local government authorities, including in patches represented by the committee here.

And the last bit, because I am running out of time, Chair, is key initiatives in this budget: pretty profound investments again to Visit Victoria destination marketing, \$32.5 million; a \$23 million boost to the Major Events Fund for 2024–25; the \$1.7 million to support the Stawell Gift, which is an iconic event, the oldest and richest foot race in Australia; and a whole bunch of other investments that I am happy to talk about. Thank you, Chair.

The CHAIR: Thank you, Minister. I am now going to hand over to Mr McGowan for the first 7-minute session of questions.

Nicholas McGOWAN: Thank you, and thank you, Minister, for that briefing. The 2023–24 Victorian budget includes the \$32.5 million I think you just spoke of in respect to the rollout also including the Victorian master brand framework to Destination Victoria in association with Visit Victoria. At the end of 2022 – October, I think – Visit Victoria entered into a \$15 million partnership with Netball Australia to run until June 2027 regarding the sponsorship of Netball Australia and the Australian Diamonds. Is this funding included within the \$32.5 million or separate from it?

Steve DIMOPOULOS: Sorry, Mr McGowan, the \$32.5 million Major Events Fund investment?

Nicholas McGOWAN: Yes.

Steve DIMOPOULOS: That is destination marketing as opposed to the Major Events Fund. My understanding – I will confirm with the Deputy Secretary – is that the investment into the Diamonds and Netball Australia, that partnership, comes from the Major Events Fund or a separate allocation. It is not part of the \$32.5 million it has just been confirmed.

Nicholas McGOWAN: Okay, thank you. Can you tell me, Minister, the projected economic return to Victoria from the Netball Australia sponsorship?

Steve DIMOPOULOS: We have a long practice of not effectively flagging to opponents – competitors I should call them rather than opponents – across the country and the region what we expect as an economic return because there is a mechanism and that can work out the investment we have made. Obviously, in this case it is an open investment as in there is \$15 million. There is a component of it, though, which is unallocated. I am not sure if I can talk about that unallocated part, but it is basically to procure more content. I will just get some further clarification.

I cannot tell you the economic return at this point because we have still got a component that has not yet been spent. There is a component of that \$15 million – and I do not know if I can tell you what it is – which is unallocated, but it is for the purposes of procuring more content into Victoria, whether it be the Constellation Cup or other international content from South Africa or New Zealand or any other content. In the fullness of time, with that work done in terms of having procured that content, I might be able to give you a stat in a couple of years time about what you are asking. However –

Danny O'BRIEN: We do not know what we have paid for? Is that what you are saying? There are still things that we do not even know we are getting for our \$15 million?

Steve DIMOPOULOS: We know a lot. I can tell you, Mr O'Brien, just as an example, even without the unallocated amount, we are getting branding on the Diamonds team kit for home and away games, including, as you can imagine, when they are playing outside of Victoria, so whether it be in Cape Town or South Africa –

Danny O'BRIEN: You said there are things still to be confirmed. The Constellation Cup you mentioned.

Steve DIMOPOULOS: No, sorry, Mr O'Brien, just to be clear: there is a portion of the \$15 million which is there as a fund to buy more content through the deal with Netball Australia – because you do not know what content will come up in a couple of years time, so effectively it gives us more buying power. The rest of the money is already accounted for, which is effectively the team branding. I have talked about the Super Netball grand final being here at John Cain Arena this year, 2023; the pre Netball World Cup training camp in July at the state netball centre; the Constellation Cup in October this year at John Cain Arena; the Diamonds players being ambassadors, brand ambassadors effectively, for the Commonwealth Games right through regional Victorian towns; and work with disadvantaged communities, whether it be First Nations communities in regional Victoria or metro Melbourne and other communities, and running clinics with the Diamonds. Of course every single major investment through the Major Events Fund is evaluated. For the avoidance of doubt, Mr O'Brien, the unallocated portion of that is a good thing for us, because if you had signed a deal with Netball Australia which completely saw the full amount signed in ink today, you would have really no room to move over the next four years of this contract.

Danny O'BRIEN: They know they have got \$15 million, so they come to you and say, 'We'll give you the Constellation Cup. That will cost you \$4 million,' and walk away.

Steve DIMOPOULOS: No. There is a bunch of content that is already within the existing investment. This is just the extra oomph to buy more content and in fact also create content because part of the issue with these sports – we see it with rugby, we see it with the Magic Round in Adelaide – is there is a bunch of things with these codes and sports that keep coming up with new content to incentivise new audiences, and we have some buying power within that allocation. Sorry, I should be looking at you, Mr McGowan.

Nicholas McGOWAN: No, that is fine.

Danny O'BRIEN: I butted in, sorry.

Nicholas McGOWAN: We are both asking questions. For my understanding, the base funding year to year for Visit Victoria, what is that?

Steve DIMOPOULOS: The base funding for Visit Victoria is made up of a couple of components. Obviously there are operational costs. They have also got \$32.5 million for destination marketing – that is a big portion of it – and effectively they are the main movers on the Major Events Fund, which is seeing a boost in this budget. Their funding is about \$55 million roughly.

Nicholas McGOWAN: Mr Betson, if you want to answer, that is fine. I do not mind if you answer the question.

Peter BETSON: Around about \$20 million per annum is base.

Nicholas McGOWAN: Sorry?

Peter BETSON: Twenty million dollars.

Nicholas McGOWAN: Twenty million dollars year on year?

Peter BETSON: Is base.

Nicholas McGOWAN: And in the forecasts?

Peter BETSON: Over the forward estimates, yes.

Nicholas McGOWAN: And is there an equal breakdown? What does that breakdown look like year on year?

Steve DIMOPOULOS: No, it is 20 per annum.

Peter BETSON: Per annum.

Steve DIMOPOULOS: And then you add the 32.5, so it is about 50-odd, 55-odd for Visit Victoria. That is without even the Major Events Fund. What that is is operating costs and the destination marketing money, which is where they amplify good things to come to see in Victoria, where they try and convert ads into the buying of a hotel room or buying of a ticket to come here.

Nicholas McGOWAN: Got it. Thank you very much. Minister, the budget also includes a target of \$9 billion in international visitor expenditure, a target the government seemed confident of achieving.

Steve DIMOPOULOS: Where is that, Mr McGowan?

Nicholas McGOWAN: That is budget paper 3, page 256. This year's budget reveals the government had delivered only \$4.7 billion in international expenditure, missing the target somewhat by \$4.3 billion. What was the primary driver for such an enormous shortfall?

Steve DIMOPOULOS: Thank you, Mr McGowan. It is a good question. I think it is something that every state is dealing with effectively –

The CHAIR: Apologies, Minister. I hate to interrupt. I am going to hand to Mr Galea now for the next 7 minutes.

Michael GALEA: Thank you, Chair. Good afternoon, Minister, and good afternoon, officials. Mr Ada, it is good to see you again. You must really like us. Minister, if I may refer firstly to budget paper 3, pages 70 and 79, in specific reference to the Destination Victoria initiative. Minister, could you please outline for us how this funding supports the promotion of Victoria to national markets and the overall visitor economy.

Steve DIMOPOULOS: Thank you, Mr Galea, and it is a good segue from Mr McGowan's question. It is a very, very important component of the work that Visit Victoria do. Just to give a sense of the scope of that, what that means in terms of the economy, the visitor economy directly employs over 110,000 people, with two-thirds of those in regional Victoria. In fact the other interesting thing about the tourism economy workforce is it is largely characterised by women and largely characterised by small businesses with under 20 employees. That is a mainstay of a tourism business. Visit Victoria leads the destination marketing effort. While the visitor economy has recovered – as I was probably going to finish off telling Mr McGowan – the total visitor spend is at 97 per cent. That is total visitor spend, not total visitor numbers here, and pre pandemic it was one-third, one-third, one-third – one-third intrastate visitors, one-third interstate visitors and one-third international visitors.

Obviously, international visitors have been impacted globally. In fact when we met as tourism ministers earlier this year in Sydney, and last year in Adelaide in fact, every single state without question was impacted by the not-yet full recovery of the international market. While the 97 per cent spend is a positive, we are still working towards getting more of the international market, including through Minister Carroll's industry portfolio getting more carriers to come to Victoria – and we are doing quite well on that front.

We have provided in this budget \$32.5 million for Visit Victoria to entice intrastate and interstate tourism. There are 96,000 tourism businesses in Victoria which rely on that investment. In fact 15 per cent of all businesses in this state are tourism businesses. As I said earlier, they are mainly small businesses with less than

20 staff who cannot really do the same level of work – they do not have \$32.5 million in destination marketing. They rely on word of mouth. They rely on our funding pool but also our relationship with Tourism Australia.

Just as an example, Mr Galea, I was recently at the beautiful Bellarine Peninsula. I visited Steph and Jase, who run The Woods, Ocean Grove. Please mark it in your diary; if you want a special occasion with someone you love, platonic or otherwise, they are just a great organisation.

Members interjecting.

Steve DIMOPOULOS: What was that?

Danny O'BRIEN: You can take us tomorrow.

Steve DIMOPOULOS: Sure. I love you – of course. On face value what you see when you enter is a small self-contained accommodation offering, but what is effectively the back of this property, a family home, has been converted into two really exceptional luxurious accommodation offerings with a central courtyard, pizza-making facilities and all the rest of it. I tell you, though, specifically for a reason, because there are many that are equally as good – they are quite special, these ones – but I will give you an example of why I mentioned them. They won the national tourism awards in their category in Sydney a few months ago. They got profiled, and when I was speaking to Steph she told me that that really helps to just platform them – they get more bookings and more interest. But in the face of not winning a tourism award – there is only a handful you can win – how do people discover these great offerings? It is through the destination marketing of Visit Victoria, both bespoke and in situ. They can literally market – and they did – through the flood-affected communities, specifically visitation to flood-affected communities, but they also do general destination marketing for the whole of Victoria or by region. It is a really impactful agency. It is an impactful fund they have for destination marketing – hence we are providing that here. Campaigns like Stay Close, Go Further, Get Set and 'ready to Melbourne' have all been successful campaigns. I have got the numbers in terms of the amount of millions of people those campaigns have reached.

Michael GALEA: Please.

Steve DIMOPOULOS: Sorry?

Michael GALEA: Sorry, please.

Steve DIMOPOULOS: Apologies. For example, for the get set Visit Victoria campaign, 60 per cent of all people recalled the campaign – 60 per cent. As local members we would love 60 per cent of our electorates to recall us. Forty-three per cent stated they were more likely to consider a trip as a result of the campaign – 43 per cent. Twenty-two per cent – and this is the key – of people took an action as a result of seeing the campaign, and that action they call 'conversion', whether you book a hotel room or you book a flight or you book a train, if you are internal. Businesses who featured in the campaign have reported that they have been completely flat out with bookings and inquiries since being featured – and not just them, but if you are in a particular town you will pass another beautiful business or a brewery or something. The Stay Close, Go Further campaign has also been highly successful, with 72 per cent of people reporting they are more likely to consider a trip to regional Victoria and 26 per cent of people reporting an action as a result of that campaign. So it is fair to say that this has contributed enormously to the visitor economy spend, and it is supporting those small businesses. Because the tourism industry is characterised by small businesses, not a BHP or a Woolworths, that also makes it special and uniquely, in a sense, Victorian. They do not have the capacity to spend just on destination marketing the way that you would expect. That is why they find the investment by the government and Visit Victoria profoundly impactful and important. But then there is a bigger story to tell when you then market Victoria as a destination as a whole in working with Tourism Australia. There is a concept of multi-destination visiting, so if people are unlikely to come to Australia for one city or one state, they will come for two, and that is the premise upon which Tourism Australia works. Thank you.

Michael GALEA: Thank you, Minister, and thank you, Chair.

The CHAIR: I was just thinking, yes, it is a long way to come to Australia. I am going to hand to Mr O'Brien for the next 7 minutes.

Danny O'BRIEN: Thank you, Chair. Minister, what was the cost to bring Billy Joel to Victoria under Always Live?

Steve DIMOPOULOS: I am going to disappoint you, Mr O'Brien –

Danny O'BRIEN: I was fully expecting you would.

Steve DIMOPOULOS: No, but it is for a good reason, because while Netball Australia was a little bit different, except for the –

Danny O'BRIEN: Hang on, hang on. Tell me what you are disappointing me with first. You are not going to tell me.

Steve DIMOPOULOS: No. But what you are actually asking for is – we have some numbers on the amount of people that came from interstate.

Danny O'BRIEN: No, I do not want that.

Steve DIMOPOULOS: The answer is –

Danny O'BRIEN: This is a really crucial point. And as you probably know, because it sounds like you have been briefed, I went after the department on this last year and got consistently unhelpful responses on notice, including, 'We can't tell you what this is because we give funding to Always Live and Always Live is separate.' The point I am getting at and I really want an answer for is: what is the Victorian taxpayer doing subsidising some of the biggest acts in the world and some of the richest artists in the world?

Steve DIMOPOULOS: I understand the question, and can I say to you that Billy Joel is a good example for why the taxpayer would subsidise that, because without that subsidy, he would not come. And if you remember the visit to Australia, you could only see Billy Joel here in Melbourne – nowhere else – and at the iconic MCG.

Danny O'BRIEN: Yes, this is what your predecessor said too.

Steve DIMOPOULOS: I did not look at his transcript, but what I wanted to say to you – just hear my answer for a second. I will not go on. When 42 per cent of the tickets sold were to people who were not living in Victoria, by and large they have to book a hotel room, usually in the CBD; they are probably going to have to eat; and they are probably going to stay longer than a night.

Danny O'BRIEN: Yes, that is a really good point. So I went to Elton John in January. Apart from the fact that it was 42 degrees and it cost an absolute bomb, I like Elton John, so I paid for it, and I had dinner when I came down to Melbourne and everything as well. Ed Sheeran came to Melbourne, and hundreds of thousands of people went there. People will come to these anyway. I know what you are saying, but the Foo Fighters in Geelong last year – the Foo Fighters were coming back in November, December, until sadly their drummer died and they had to cancel. But they are now coming back this year. What does the taxpayer need to subsidise some of the richest people in the world to come to Victoria for when they are coming anyway? Ed Sheeran did, Elton John did.

Steve DIMOPOULOS: Mr O'Brien, I think you are missing a key part of this equation. The key part is that the two other examples you gave me went to every other part of Australia virtually as well, so how is that unique? Elton John went to Sydney. Elton John went to other places. Foo Fighters did – well, sorry, when they come back they will, they did not before. The point is –

Danny O'BRIEN: But that is the point. They will come back anyway.

Steve DIMOPOULOS: No. Hang on. The point is: could you imagine a situation where it is economically viable for the Foo Fighters to go to a regional city like Geelong? Geelong is an outstanding city, but how often is a band of that calibre going to go to Geelong and just boost that economy like nothing else?

Danny O'BRIEN: I am sure it was huge. The question is: why should the taxpayer be involved in that? Because –

Steve DIMOPOULOS: But the examples you gave me were not good examples, because you gave me examples where those artists who did it without government support went to other parts of Australia, and that is not the purpose. We want them just here, because that means if you are in another state, you will book a flight to come here, because you can only see it here. That is where the tourism value happens.

Danny O'BRIEN: Right. So to go back to the first question, why can't you tell us that? You actually said in your opening question about Netball Australia – and that is a perfect example; everyone knows – \$15 million for Netball Australia. So we can know that figure, but we cannot know the figure for Billy Joel or Dua Lipa or Foo Fighters anyone else. You actually said, 'We can't say the benefits of that to the state, because we do not want to tip off our competitors.' So which is it?

Steve DIMOPOULOS: No. Sorry. It is a fair point.

Danny O'BRIEN: Well, I just –

Steve DIMOPOULOS: No, I will tell you what is fair – not your whole point but just one part.

Danny O'BRIEN: If the taxpayers are going to give money to Billy Joel and the Foo Fighters and Dua Lipa, shouldn't they at least know how much they have done?

Steve DIMOPOULOS: I misspoke on the netball. You are right. There was a pretty open budgetary figure with that one. The context was a bit different. You may remember the context.

Danny O'BRIEN: I remember very well.

Steve DIMOPOULOS: Yes. And I think the government made a decision that we value sport. More than that, we value women's participation in sport.

Danny O'BRIEN: There is no question about the decision. The question is about the money being made public.

Steve DIMOPOULOS: That is a little bit different, whereas the stuff you are talking to me about is a pure tourism and cultural play, so I will give you an example of how it has worked in another state.

Danny O'BRIEN: No, no.

Steve DIMOPOULOS: No, Coldplay –

Danny O'BRIEN: I have gone back. I understand your answer. I do not agree with it. I am asking now, again, why we cannot know. The answer we got from the department last year was Always Live is not part of our department. The press release for Foo Fighters says:

... being delivered by the Andrews Labor Government ...

... as part of the Labor Government's ALWAYS LIVE program.

It is your portfolio. It is your decision. Why can't we know how much it is?

Steve DIMOPOULOS: Because it rests in my portfolio does not mean we have a right to expose Victoria's negotiating position with other states. Yes, I agree, it is in my portfolio. I agree that we are proud of Always Live. They do incredible work. But if we knew as a Victorian government and a community how much the WA government paid for Coldplay to only come to Perth, do you know what we would do? We would ring up and offer them a little bit more.

Danny O'BRIEN: And I reckon that would be a very bad use of taxpayers money, but that is another thing, because I would still go and see Coldplay.

Steve DIMOPOULOS: Do you know how many people were going to go to Perth?

Danny O'BRIEN: Can I ask how many tickets for each of these events were provided to the government, particularly government ministers?

Steve DIMOPOULOS: Look, I do not have that data, but as a matter of course –

Danny O'BRIEN: Would you take it on notice, Mr Betson, if you have got it?

Steve DIMOPOULOS: Just give me just a moment though. Just as a matter of course we deal with a bunch of stakeholders who make these things happen, but we also use those events, whether it be at that one or many other ones, as a context for business.

Danny O'BRIEN: Alright. That is great. So there is a good reason for you to have tickets. Can you tell me: did you go to any of the Always Live concerts this year?

Steve DIMOPOULOS: They have not been this year. Always Live is late this year.

Danny O'BRIEN: Well, Billy Joel, Foo Fighters?

Steve DIMOPOULOS: Last year I did not. I am pretty sure I did not go to any of them because I had other commitments. I wanted to go to Billy Joel, but I had the NGV Gala dinner, and I thought that it was appropriate that I go as the relevant minister.

Danny O'BRIEN: Could I have it on notice, because I am going to run out of time, Minister.

Steve DIMOPOULOS: Sure.

Danny O'BRIEN: Provide it to me on notice.

Steve DIMOPOULOS: I have not bit on everything you have given me to bite on, so –

The CHAIR: Apologies, Minister. I am going to, again, interrupt your time, Mr O'Brien. We are going to go to Ms Kathage.

Lauren KATHAGE: Thank you, Chair, Minister and officials. On page 70 of budget paper 3, looking at the support for the Stawell Gift over the next four years, can you outline, Minister, for the committee how this funding will support the heritage of the event?

Steve DIMOPOULOS: I am so glad you asked me about that, genuinely, Ms Kathage. I was there at the last one, and I had heard about the Stawell Gift for years but I had never had the opportunity or the chance to go. It is very, very special. I am not sure if any of the committee have been to the Stawell Gift, but it is a beautiful event for multiple reasons. One is history: it is the longest foot race in Australia – sorry, as in –

Danny O'BRIEN: Longest running, I think you mean.

Steve DIMOPOULOS: Longest running – thank you. Thank you, Mr O'Brien. It is the longest running foot race in Australia, but what is special about it in this portfolio is you have got a big – a major – event in the sports frame of the portfolio also adding enormously to the tourism frame with the amount of people who go there and actually stay overnight – it is a three-day race – and spend money there. We were amongst those people. So look, we are really proud of that investment, and we helped bolster the governance of that organisation. It is now the Stawell Gift company, and it has three shareholders effectively: the Stawell Athletic Club, the Victorian athletics club and the local council. So we have done it together with local council, and it is just an excellent event. It was their 141st year. Ms Kathage, you would be interested I think – the whole committee should be interested – that they have got equal prize money for the women's champion and the men's champion. So I met Bella Pasquali, who just beat Grace O'Dwyer. Can I just tell you something interesting about that. Grace O'Dwyer, who was beaten by Bella, won the gift in a previous year, 2015, over Bella's mum Anna. It is emblematic of the history of this event, where athletes at the top of their game, often family members, get incentivised to contest the Stawell Gift. Ryan Tarrant took out the men's gift.

We do other work through Change Our Game – a program you would know well from our government – where we work with different partners to provide more pathways for women in sport. While I was at the Stawell Gift earlier this year, I met Nana, who is an Australian sprinter and graduate of the Change Our Game women in sports broadcasting program, and she was telling me how genuinely impactful she found being mentored and supported by this program, which we are funding, to transition from a career as an athlete to a commentator.

She was actually guest-commentating at the Stawell Gift. She is an African Australian and a beautiful athlete. It was just a really special outcome. We do that work with the Stawell Gift and it benefits the wider Grampians region. In the Grampians region the data tells us that there were 2.3 million domestic visitors in 2022, who spent \$664 million across the region. Now, a significant portion of that would have to be the Stawell Gift. We support it, we are proud of it and we have secured the funding for the next four years. Part of their funding allows them to stabilise as an organisation and take on broadcast partners.

Lauren KATHAGE: Thank you, Minister. You did speak briefly about the pathways to sport for women program. I think we like to become what we can see, and for women and girls in Australia netball is the most popular sport. The Australian Diamonds are the best team in the whole world, and so we are very proud –

Steve DIMOPOULOS: They are.

Lauren KATHAGE: that they are role models for so many of us, including my daughter, so that is great.

Steve DIMOPOULOS: Amazing. Thank you for saying that. Their brand name is one of the most known brand names in sport in this country.

Lauren KATHAGE: Absolutely.

Steve DIMOPOULOS: The Matildas are also amongst that group.

Lauren KATHAGE: Yes. Hopefully more people will come to understand the importance of netball for Australians. But anyway, is there more being done to ensure that regional communities and regional areas can benefit from our sporting events calendar?

Steve DIMOPOULOS: Absolutely. I am proud of our government's work in regional Victoria on a whole bunch of fronts that you would be aware of but particularly in sport – the Stawell Gift being one of many. There are 300 regional sporting events we have supported since we came to office in 2014. There is a specific program. Not all of them have been funded from this one program; there are other funding streams. But the Significant Sporting Events program was established in 2010. Its purpose is to help sporting, community and events organisations to deliver significant sporting events in Victoria. It delivers many benefits – social, health, economic and livability – for Victorians. The events that are funded through that program help support athletes in their own backyard, give them an opportunity to compete on home soil and provide inspiration for fans to emulate their heroes. The events also provide an opportunity to showcase Victoria's world-class sports facilities. There are many, many of them. In 2022–23 we exceeded the BP3 targets by 24 per cent, with over 93 events delivered from a target of 75, and about half of them were consistently in regional Victoria.

Another historic and culturally significant one is the 128-year-old Melbourne-to-Warrnambool classic. That is a big boon for the region. There is the Sir Doug Nicholls round, a match between the Bulldogs and Adelaide Crows at Mars Stadium. I was there with a few of our colleagues a few weeks ago. It is an outstanding stadium. You have the feeling of being – I am not sure if you have been – in a community suburban stadium of the best kind but with the most elite football on it. It is just really special, and we are going to further embellish that stadium for the Commonwealth Games in 2026. There is the AusCycling masters and road national championships in Shepparton. There is a whole bunch.

Lauren KATHAGE: Fantastic. Thank you, Minister.

The CHAIR: Apologies. Minister, I am going to hand back to Mr McGowan for 7 minutes.

Nicholas McGOWAN: Thank you, Minister. Minister, I am curious – what is the funding envelope in this budget for the Experience 2033 strategy?

Steve DIMOPOULOS: So the strategy is one that comes off the back of – in fact not just off the back but is still within frame – the \$633 million investment we have made into the *Visitor Economy Recovery and Reform Plan*. A lot of that \$633 million, Mr McGowan, is still washing through the system. I was talking about I think earlier in my presentation 145 infrastructure projects in tourism we are supporting. I will give you some of those. I will grab some of those examples in a moment from the Deputy Secretary, but there are many. I will give you a couple that come to mind because I have visited them. So Helen & Joey winery in Yarra Valley, where in fact I launched the *Experience Victoria 2033* 10-year framework strategic plan, they are obviously a

private enterprise. We have assisted quite a few private enterprises to expand not just their cellar door offering but their restaurant. I think it is a 110-seat quality destination experience –

Nicholas McGOWAN: Correct me if I am wrong – sorry to interrupt, Minister – but that relates to funding that has already been provided. I was talking about future funding – funding moving forward.

Steve DIMOPOULOS: Sure. Thank you, Mr McGowan, but I suppose my point is within this current budget there is still a fair bit of that \$633 million washing into the system, and in fact we are literally only part way through – three years through – the *Visitor Economy Recovery and Reform Plan*, so it is still in play right now.

Nicholas McGOWAN: How much remains unspent, then? How much remains unspent of the \$633 million?

Steve DIMOPOULOS: It is all committed. It is just that it is currently being –

Nicholas McGOWAN: Right. Expended, then – how much remains?

Steve DIMOPOULOS: How much has –

Nicholas McGOWAN: How much has not been disbursed?

Steve DIMOPOULOS: No – well, so, of the \$633 million, about \$310 million, if memory serves me, was an infrastructure component. Other components were, for example, the travel vouchers. I will give you some others, for example: \$44 million of that was for the regional and Melbourne travel voucher schemes, there was \$9.7 million for business events and there was \$106 million for marketing industry skills and development.

But if your question is in relation to the unspent, the entire \$633 million is committed, but what I am saying to you is that the projects, because many of them are infrastructure, are still rolling through the system. So case in point, when I was at Helen & Joey, they were literally in the middle of building the quality 110-seat premium restaurant cellar door and the accommodation offering. We walked through the accommodation where they were about I think 60 per cent of the way through. So there are milestone payments that were made to them and others, and the Deputy Secretary might want to add further.

Peter BETSON: So there is an element, \$188.978 million, that remains to be spent for a number of initiatives, in particular related to the infrastructure components of the program and a number of other elements to the program. But that is the largest chunk of money that remains to be spent under the program.

Nicholas McGOWAN: Would it be possible to provide us with a copy of that document? Is there anything there that we cannot see from your perspective, Minister?

Peter BETSON: I can provide you with a list on notice of the amounts remaining to be spent.

Nicholas McGOWAN: That would be appreciated. Thank you.

Minister, if I can pick up from the question I asked in the previous segment – but you did not get a chance to answer – that was in regard to the shortfall: obviously the \$9 billion in international visitor expenditure that was expected or hoped for – anticipated – but obviously what was delivered was \$4.7 billion.

Steve DIMOPOULOS: I missed the last bit, sorry.

Nicholas McGOWAN: That is okay. In my previous question in the previous segment I talked about the \$9 billion international visitor expenditure that was the government's target, but in fact it was some \$4.3 billion short of that target. So the question was: what was the primary driver for such an enormous shortfall?

Steve DIMOPOULOS: Yes. I think it is back to what I said about the international visitations, Mr McGowan. So the two measures we often use are spend and visitation. So spend is at 97 per cent of prepandemic levels. The visitations are about 80-odd per cent – 83 I think from memory – and that is largely because of the international market being slower than the domestic market, for obvious reasons, to come back. But it is still a very good news story in many respects because we have got many more flights coming into

Victoria, principally Tullamarine but also into other airports. So I would expect, as do other ministers in governments around Australia, that that will continue to rebound.

If you look at China, for example, China was as big as the next nine markets combined as the largest cohort source country for tourism into Victoria. Imagine that: you lose China, and then you have got to make up nine more markets just to be equivalent to China. The fact that we are at 97 per cent of prepandemic spend is pretty incredible, given that. The context for that is China's visitors being allowed to travel to Australia since the international restrictions were lifted, but that has only been since January this year, Mr McGowan, so we expect that to continue to improve. Airline seat capacity from China remains below 2019 levels, and that is obviously hard for any government to contend with because carriers have their own kind of mechanism of when they free up new aircraft. But in May 2023 Chinese seat capacity was at 54 per cent of May 2019, or 50 per cent in terms of number of flights. I think if you go back to the thing I said earlier about the tourism economy, it has principally worked on one-third Victorians visiting Victoria, one-third Australians outside Victoria and one-third international, so we have really been handsomely supported by our intrastate and interstate visitations. Just to give you some more clarity –

Nicholas McGOWAN: You raise a good point. Obviously the budget target for 2022–23 was 3.2 million international visitors coming into Victoria, but in actual fact what was delivered was 1.4 million international visitors, so it is significantly down, as you say.

Steve DIMOPOULOS: I think it is not unexpected, though, Mr McGowan, and I think –

Nicholas McGOWAN: What do you attribute that to, though?

Steve DIMOPOULOS: Just the things I was talking about in terms of international borders being slow to return. It is not unique to us, though, Mr McGowan. It is actually a common story around the country. But we have got here in terms of the expected outcome for 2022 –

The CHAIR: Apologies, Minister. I am going to interrupt you there. Your time is up, Mr McGowan. We are going to go to Mr Hilakari for the next 7 minutes.

Mathew HILAKARI: Thank you, Minister, and thank you, officials, for your attendance this afternoon. Minister, I would like to take you to the Major Events Fund, if that is okay, and I reference budget paper 3, pages 70 and 79. Could you advise the committee how this funding – and I actually might pick up some of Mr McGowan's thoughts here around the *Experience Victoria 2033* master plan – is going to strengthen Victoria really being the destination of choice for visitors? Of course a large part of that is driven by our major events calendar, but I would like you to delve into that a little bit more than what we have seen in the initial presentation.

Steve DIMOPOULOS: Thank you, Mr Hilakari. Can I just correct the record. Mr McGowan and Mr O'Brien, I did go to Dua Lipa.

Members interjecting.

Steve DIMOPOULOS: I thought it was appropriate as the Minister for Creative Industries and minister for major events –

Nicholas McGOWAN: Which one was it? Creative industries or major events?

Steve DIMOPOULOS: Well, it contributes to both output measures.

Nicholas McGowan interjected.

Steve DIMOPOULOS: Sorry, what was that? It was actually a bespoke kind of Palais experience, so it was more of a creative than a major event, but I did go to that one.

Danny O'BRIEN: And what did it cost Victorian taxpayers?

Nicholas McGOWAN: Priceless.

Members interjecting.

Steve DIMOPOULOS: Sorry, I am actually responding to Mr Hilakari. I am not going to give the opposition more time. Mr Hilakari.

Mathew HILAKARI: No, no, that is okay. This is an interesting –

Members interjecting.

Steve DIMOPOULOS: Just for the record, there is nothing secret about Always Live's budget. It is clear and transparent for the entire community to see, as it was last year, as it will be this year and as it will be in the next budget. Mr Hilakari.

Mathew HILAKARI: The Major Events Fund –

Steve DIMOPOULOS: The Major Events Fund.

Mathew HILAKARI: Thank you so much. And just touching on the *Experience Victoria 2033* master plan, it is really just about Victoria being the destination of choice for visitors. I was really pleased that you were able to say that we are getting 97 per cent of the spend off the back of – and you can correct me if I am wrong – 86 per cent of visitors, which is more spend per visitor, which is even better.

Steve DIMOPOULOS: Yes, that is right. The *Experience Victoria 2033* strategy, the 10-year framework, has five pillars, and they were not just developed by us in isolation. We engaged very much with the industry over a period of time, and it was a good engagement because it came from a position of effectively a traumatic experience during COVID but also an experience where this government – our government – went into bat for the industry in a way like no others have. We had the bushfires, we had the floods and we had the pandemic, and we invested \$633 million into the tourism industry. It is a profound investment, and that is why we are still seeing that investment roll through the system. But through all that work, both that investment and the engagement with the industry, including the Victorian Tourism Industry Council, we have settled on five pillars that underpin the offering in Victoria, food and drink being one of them – something many of us love. Art and culture is the terminology in the document, but it really hinges on the Major Events Fund and a range of other things through the creative industries portfolio, which we will get onto. There are nature-based experiences; First Peoples led experiences; wellness – because we are one of the few places to have the natural mineral springs, and so not just the peninsula but Metung and –

A member interjected.

Steve DIMOPOULOS: But I suppose to your point, Mr Hilakari, about why Victoria is a destination of choice, we have figured out through the work we have done with industry that they are principally the five reasons why we are – although to be fair, and the document reflects this, with First Peoples led experiences there is opportunity for us to grow, as with wellness. The other three are almost pretty well accepted as places that you see and do best here in Victoria, whether it be art and culture, food and drink or nature-based. Some of the most impressive rock climbing experiences globally are right here, as one example.

There are many good things, but we have taken some of what are best in Victoria and profiled them for a purpose, and that purpose is to catalyse private investment but also to guide future Victorian government investment in partnerships with the feds as well. So the framework profiles those things. There is the access to destination marketing money. The Visit Victoria marketing markets principally those things – and others, but principally those things – and then the Major Events Fund is one other example of a financial instrument that tries to do things around those five pillars, particularly art and culture but also food. The food and wine festival runs both in Melbourne and regional Victoria – there are two editions of it. Again, that is supported by the Major Events Fund and Visit Victoria. I am not sure if I have got to your question.

Mathew HILAKARI: I am hoping you might go to some of the detail around visitation in particular. We have talked a bit about Billy Joel, but if we go to some of those five pillars – like, you know, across the road the *Cursed Child* and the theatre play there. I am just wondering if you have got some details.

Steve DIMOPOULOS: Yes. I do have those somewhere, some of those attendance figures. I might ask the department to –

Mathew HILAKARI: Because it is not just Billy Joel, this experience. And the grand prix –

Steve DIMOPOULOS: 100 per cent.

Mathew HILAKARI: There is some really great –

Steve DIMOPOULOS: It has been absolutely outstanding. Thank you. It has been outstanding. So the grand prix – thank you for reminding me – is the best attended grand prix, with 440,000 patrons, best of all the 23 on the circuit. The next best is Austin, and we will see how they go this year. The grand slam tennis – we are the only city in the world to have both a grand prix and a grand slam tennis event. The grand slam tennis event is the best numbers of any grand slam – any of the four around the world. That is not me saying it. That is the international federation saying it. Beyond that we have secured the grand final here until 2059, the grand prix until 2037 and the tennis until 2047, from memory – for decades. They underpin the anchors of the tourism economy, and on top of that you build all the festivals and the programming at the National Gallery of Victoria. But the attendance, as I said at the beginning, has blown us out of the water. People have really come back and engaged with the cultural economy.

Mathew HILAKARI: Thank you.

The CHAIR: Thank you, Minister. I will now go to Ms Sandell.

Ellen SANDELL: Thank you. And good afternoon, Minister. I also would like to ask about the grand prix. You have stated that it increases Victoria's GSP by \$171 million, but an increase to GSP does not actually take costs into account. It does not actually indicate the actual net benefit to the state or justify its operating losses. What is the actual net benefit of the grand prix, taking into account costs?

Steve DIMOPOULOS: I am sorry, can you repeat the first part of your –

Ellen SANDELL: You have stated that the grand prix increases our GSP by \$171 million, but that does not actually take into account the cost of it. What is the actual net benefit to Victoria?

Steve DIMOPOULOS: The cost is transparent. I think it is \$78 million odd. I will confirm the number with the department. The Australian Grand Prix Corporation, being a creature of a statute, has to report its annual report to Parliament. The figure is \$78 million.

Ellen SANDELL: But we have not done a full cost-benefit analysis, have we?

Steve DIMOPOULOS: I disagree. Can I say I do not think we are ever going to agree on the grand prix, on the merits of it, but it is profoundly impactful for so many reasons. You could think just of the concept of the tens of millions of people watching the beautiful vista and view of the Albert Park Lake and the city skyline behind it on screens everywhere around the world. We should not take that for granted. When you are planning your next trip somewhere and you consistently see the beautiful skyline and visuals of Melbourne, you are likely to be incentivised to come.

Ellen SANDELL: I guess at what cost to Melbourne and the people who live there?

Steve DIMOPOULOS: Okay, let me give you some of the benefits in my view. Yes, you have referenced the \$171 million in uplift and GSP and the \$92 million of direct economic benefit, but literally every hotel worker, every restaurant worker – this underpins a really big part of the cultural economy and the tourism economy. We see bed capacity at about 6 per cent – 94 per cent of hotels are full on the race day on the Saturday night. We see job creation – 734 annual full-time jobs. That is a big deal. This is not just jobs for already-wealthy people, this is jobs for fundamental workers, whether that be in hotels or restaurants, or they set up the infrastructure for the grand prix or they pack it down or they drive the trucks. This is a very, very important event for the workforce. But it also provides so much for the amplification of what we do well in Victorian and Melbourne world-class events.

Ellen SANDELL: Yes. Thank you. I will just move on to another topic. I want to talk about gambling sponsorship in sport. A significant portion of the increased gambling tax is being given to the racing industry. Was there ever a consideration in government of some portion of this going to, for example, AFL clubs to lessen their reliance on gambling sponsorship and work on a plan of divestment away from pokies?

Steve DIMOPOULOS: I understand the connection with professional sports like the AFL, but that is absolutely an area that is within the realm of the Treasurer and, I imagine, the minister for gaming. It is not mine, Ms Sandell.

Ellen SANDELL: I appreciate that. There must be conversations, though, with you. There are clubs who want to get out of pokies, right, and this is a Victorian government decision to announce that clubs can surrender some of their pokies. They want to do it, but often they need support to do it. This seems like a place of revenue that could be used for that.

Steve DIMOPOULOS: I can tell you – you are not going to be happy with my response – it is not a matter for me. If you are asking me – if I can rephrase your question in a different way for me – what the best outcome of Victorian government investment in sports is, at the state level it is to provide the best facilities for the best amount of participation. Where we have fallen down for years has been on women's participation. Since we came to office, women's participation, from community sport in Minister Spence's portfolio to professional sport – a large part of our investment in actual capital for AFL clubs has been around women's participation.

Ellen SANDELL: I appreciate that. I guess my question is more about sports clubs wanting to create less harm and maybe needing government support to create less harm in the work that they do and whether there is a role for government to support that.

Steve DIMOPOULOS: Yes, of course we should all aspire to do less harm. I am not going to link it directly to what you are saying, because it is not my portfolio, Ms Sandell, to be honest with you.

Ellen SANDELL: Fair enough.

Steve DIMOPOULOS: But the other side of the same equation is, though: how can they do more good to perhaps offset any harm, right, whatever the harm may be. They can do more good by actually changing the game, as our policy talks about. Through our government's work we have made sure that there are at least 40 per cent women on boards of sporting organisations that we have a relationship with because of the power of the purchase, because we support them. We have made sure that they have to accord with some basic –

Ellen SANDELL: I guess you can do that cultural work; therefore you can probably do, as a government, some of the cultural work around gambling harm in sport, because it is so intrinsically linked, you must admit – gambling and sport at the moment.

The CHAIR: Ms Sandell, the minister has just pointed out it belongs to a different portfolio. I think you know that, and Minister Horne will be appearing shortly.

Ellen SANDELL: I know, but the minister is talking about gender equality. It is not your portfolio either, but you have a role in it, right?

Steve DIMOPOULOS: Well, it actually is my portfolio, gender equality in sport, because my portfolio –

Ellen SANDELL: What about gambling harm in sport? Maybe that could be a portfolio you could add.

Steve DIMOPOULOS: Well, if you think about why a government would get involved in sport, in effectively a private organisation, it is to make sure that every Victorian citizen has an opportunity to participate at the highest level. That is our investment and that is what we try and do. I am not dismissing the issue. It is an important issue, absolutely it is an important issue; it is just not in my remit.

Ellen SANDELL: Fair enough. No further questions.

The CHAIR: Thank you for that time, Ms Sandell. For the next 7 minutes we will go to Mr Hamer.

Paul HAMER: Thank you, Minister. Thank you, officials. In your presentation you referred to \$1.6 million of funding to support the work of the Professional Boxing and Combat Sports Board. I was just wondering if you could outline to the committee why this funding is necessary.

Steve DIMOPOULOS: The last bit?

Paul HAMER: Why this funding is necessary, what this funding is going to do.

Steve DIMOPOULOS: Sure. Absolutely. And, Mr Hamer, just for a quick second to clarify my earlier answer about the Netball Australia deal: it came from consolidated revenue, but it is the same deal; it is managed by the same agency, Visit Victoria.

With the Professional Boxing and Combat Sports Board, it is a critical organisation, and we have invested in it for a couple of key purposes. One is to enhance its operational capacity, and that speaks to a couple of things, but one is digitising Victoria's licensing registration and permit system to enhance the ability for the board to do its work. That work is a lot of things, but underpinning that work is to ensure that there is integrity in the system and there is trust in the system, because if you look at the mantle we have as a sporting capital, it is really underpinned by trust and integrity in everything – thinking of other things like ball tampering or whatever else.

So this is really, really important work. It is a function review of the operations of the board. Through that, we do work to digitise the permit system and the registration system so it keeps the referees and the participants safe. There is also an accountability around concussion; the assessment of all applications for registration permits and licences; the review of all proposed bouts to ensure contestants are adequately matched; the appointment of licensed officials, including referees and judges, to ensure competitions occur in line with the rules; direct supervision of every single weigh-in in competition to ensure compliance; but also, where a participant has been affected by concussion, the ability to digitally monitor that so you can actually put the appropriate safety measures in place. So the digitisation is critical, as is bolstering the board's ability to do the rest of its work to ensure integrity in the system.

Paul HAMER: If you could just maybe expand on – you talked about the digitisation of the licensing and registration scheme, and obviously that is an approach that the government is looking at more broadly than just this system. But a digitised system and online system, how would that support the board going forward?

Steve DIMOPOULOS: An absolutely important question. I think first of all it reduces the admin burden of a system that is not digitised. For example, a fully online system would support the board with more robust data so you could actually contribute to the area of knowledge relating to sector activity and allow the board and the department to process contestants' registrations, including registration renewal. It would allow processing of and monitor trainer, promoter and officials' licences and permits, because it is not just a permit for one participant – it is a permit for all participants; monitor individual compliance with completion of mandatory education; track and report injuries – as I said before, that relates to concussion or other injuries in both training and competition settings; communicate directly with the system users; the development and implementation of fully online mandatory concussion training is part of this and will be tied to the registration of participants, so if you have not done this, you cannot access registration; permit and licensing activities to significantly increase awareness of the varied responsibilities for the prevention, identification and management of injuries; and tailored education modules for participants, trainers, promoters and other key industry stakeholders will be developed that will be required to be completed prior to the issuance of a registration, as I mentioned. These modules will align with industry best practice and current signs to identify the risks. This has been a hot topic around a bunch of different codes but particularly a hot topic here with boxing and combat sports.

Importantly, the investment will acquit key recommendations of the 2022 regulatory improvement program review, being to bring the permanent registration and licensing system in line with other jurisdictions, basically modern best practice, effectively by digitising the system. The review – and a considerable reduction in the potential margin for error relating to the appropriate processing of applications – identified that digitising the system would lead to significant admin efficiencies, and the introduction of mandatory concussion education modules and reporting capabilities will have a significant positive health impact. Participants, trainers, promoters and officials being required to undertake mandatory education will improve the sector's understanding and capability to respond to the impacts of concussion and other injuries.

We want to basically make this a safe sport, a sport that has integrity in the system and a sport where you can track participants and their way through the system. It is really fundamental to it being sustainable and it being something that we continue to invest in, and I am really proud of that investment. It is not necessarily the kind of investment you put on the front of a press release, but it is really important work for a board that does really important work.

Paul HAMER: Thanks very much, Minister. I might leave it there because there are only 15 seconds left.

Steve DIMOPOULOS: I could not quite see because of the glare. I could have filled up the last 14 seconds.

The CHAIR: Thank you, Mr Hamer. Minister and department officials, thank you very much for appearing before the committee this evening. The committee is going to 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 now going to take a very short break before beginning its consideration of the creative industries portfolio at 6 pm sharp. I declare this hearing adjourned.

Witnesses withdrew.