

TRANSCRIPT

SELECT COMMITTEE ON THE 2026 COMMONWEALTH GAMES BID

Inquiry into the 2026 Commonwealth Games Bid

Ballarat – Wednesday 14 February 2024

MEMBERS

David Limbrick – Chair

Joe McCracken – Deputy Chair

Melina Bath

David Davis

Jacinta Ermacora

Michael Galea

Sarah Mansfield

Tom McIntosh

Rikkie-Lee Tyrrell

WITNESS

John Pandazopoulos, Chair, Tourism Midwest Victoria.

The CHAIR: I would like to welcome the Honourable John Pandazopoulos, who is a former member of the Legislative Assembly, representing Dandenong, and is also a former minister for racing, tourism, gaming and other portfolios. Welcome.

We will now resume the committee's public hearings for the Inquiry into the 2026 Commonwealth Games Bid.

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For the Hansard record, can you please state your full name and the organisation that you are appearing on behalf of.

John PANDAZOPOULOS: Thanks, Chair. John Pandazopoulos, Chair of Tourism Midwest Victoria.

The CHAIR: Thank you. I will just briefly introduce the committee. I am David Limbrick, the Chair.

Michael GALEA: Michael Galea, Member for South-Eastern Metropolitan.

Tom McINTOSH: Tom McIntosh, Eastern Victoria.

Sarah MANSFIELD: Sarah Mansfield, Western Victoria.

Joe McCRACKEN: Joe McCracken, Western Victoria.

Rikkie-Lee TYRRELL: Rikkie-Lee Tyrrell, Member for Northern Victoria Region.

The CHAIR: Thank you. We welcome you to make your opening comments and ask that they be kept to around about 10 minutes. Thank you very much.

John PANDAZOPOULOS: Thanks very much, and thanks for the invitation and opportunity to present as the newest tourism region in Victoria. Tourism Midwest started on 1 July. It is a new model that is evolving around the state. We are the first visitor economy partnership in the state, and it is part of the evolution, as tourism grows as an industry and becomes bigger in all communities, to devolve more to local government in partnership with industry and in partnership with the state rather than all the drivers being from the centre – from the Victorian government. So it is a partnership between the five LGAs that are all around the Ballarat region and the tourism industry and the state government. I am the independent Chair.

Our focus is to have a look at the broader supply and demand of the visitor economy in the region and set direction. We are working on a destination management plan – that should be available in the next few months – which sets the future direction of where our comparative strengths and opportunities are to grow the visitor economy sector. We have identified some deficiencies that we might be able to manage better and turn to positives – those sorts of things. So that sets the direction. At the moment the LGAs are Ballarat and plus, so we are just trying to get into the consumers' mind that there are a lot of opportunities to do things in the region. In the past people just saw Ballarat as a Ballarat tourism experience. In the consumer's mind that could mean a day trip rather than overnight, whereas if you think about Ballarat plus and the townships beyond the neighbouring municipalities, it becomes an opportunity for travelling and a few nights' stay.

Of course events are an important part of that. We are an events region – a lot of events. Obviously other comparative strengths that we have got are around gold heritage – Sovereign Hill – growing food and wine

experiences. We are now the microbrewery and distillery capital of regional Victoria, so none of you are allowed to own that in any of your regions – that is just the fact of the way things are in the region.

In terms of visitation, to September 2023 we had the region welcome 3.8 million visitors, contributing about \$900 million to the visitor economy. But whilst these figures are okay, they do fall behind other regions. The reason that we formed was there was a different evolution of tourism around the area. Whilst things have been improving, the numbers have not come back to where they were pre COVID. We have been on a rebuilding exercise as part of the new VEP but also as part of the recovery coming back post COVID. We are obviously in an environment where things are a bit tougher economically. We are seeing that in the data. That is often reflected in getting stable or declining overnight accommodation but getting big growth in daytrip visitors. It is a reflection not only of being close to Melbourne, which is our main tourism market, but it is also a reflection that things are a bit tighter. People still want to move out and about but maybe not to spend on accommodation. Of course our reason for being is about yield and trying to get that growth. We are lagging about 13 per cent on overnight visitors on 2019 figures, and daytrip visitors are down about 8 per cent on 2019 even though they have bounced back. Compared to the rest of regional Victoria, we are lagging by about 2 per cent on 2019 visitors, so we are on this building recovery.

The Commonwealth Games were important to the region for a big repositioning exercise. Often events are about the event but in the end they really about more than the event. It is the branding opportunity. It is the recognition that you get, the lift in profile that you get post the event. During the event obviously you are booming. You are maybe getting a different visitor market. You are certainly getting a lot more attention than you otherwise would in normal circumstances, so it will put you on the map. Especially the opportunities available through the Commonwealth Games particularly get you on the map in markets that you normally would not be able to afford to be in. It also gets you commented on, so what we call in the industry the free ink people, just magazines writing about you, people talking about you, broadcasters talking about you. It is money you are not spending, but they are all talking about positive things, experiences, event activities or venues. That adds to the opportunities for amplified growth in the future, and that is the opportunity that is missed.

We do acknowledge that the state is putting in \$2 billion as part of their effort, and that will go a long way to being able to support communities' expectations. But we are saying that, as we have made representations to government, the promise was to regional cities, so the outcome should be about boosting regional cities, acknowledging that the rest of regional Victoria benefits from that. Because all the broadcasts have occurred globally, it was to be the first major sports event that was exclusively held in regional cities. I think the idea was good. The opportunities it provided meant that we would have been in those interstate markets and international markets that we would never be in. So we have asked the state in their consideration of their investments that, whilst they have got open application processes for tourism infrastructure funds et cetera, one of the key elements in the criteria should be 'Are you a Comm Games regional affected city?' as they weigh up, because the projects will come, especially the tourism-related infrastructure projects, from all over the state. There is the opportunity as one of the guidelines to say 'Are you a Comm Games affected city?' because of what we would have seen in this city, in this region, if the games had got up.

The Creswick mountain bike trail still has works to do. It would have been a fully funded thing. You would have had a big public realm in the centre of Ballarat. The City of Ballarat has had long-term plans, and I think you have probably heard from Evan King, around the night-time economy, around the two main eat streets, being Lydiard Street and Armstrong Street, and helping elevate those. One of the things we know in the consumer market, especially amongst younger people, is there is a perception that there is not much to do after hours or maybe food and wine is not as strong, but it is extremely strong. It would have allowed us to elevate, so one of the things that we think would have happened is a better streetscape, widened footpaths, outdoor dining, designed for event activation – those sorts of things. But we also think other attractions like Sovereign Hill would have probably got a bit of a better run in terms of meeting some of their additional objectives in their master plans, because we would be wanting to give new visitors the best experience of travelling into the region. You would have provided that opportunity to better elevate those sorts of discussions and arguments with government in competing for the resources.

The state has also allocated \$150 million for the regional tourism and events fund, and again we would be saying that a key criterion in that should be 'Are you a Comm Games affected regional city?' versus not being a Comm Games affected regional city. We have seen that there have been some big investments in other regions by state and federal governments, which has been great – in Geelong and in the Bendigo Art Gallery, for

example. We have not really seen that equivalent sort of investment in the region, and we think the Comm Games would have made it quite transparent that this is a city that needs that sort of uplift and support.

What else have we got? We think one of the other things that was a key thing with the Comm Games was that First Nations were going to be a pillar of that event, and in the same ways it would have helped elevate and boost regional cities it would have helped elevate First Peoples in Victoria in their involvement and motivated them in terms of some of their aspirations around experiences and sharing culture and knowledge. We think that that is something that still should be on the state's agenda from a visitor experience but also in support of those communities.

I might just broadly leave it at that. Of course as part of all this we would have seen a bigger workforce. We would have been working through issues that are still unresolved around how we get people to be involved in industry, how we train them up and what the training opportunities are locally. Obviously some of those things have disappeared off the agenda, but they are still issues in the community. We are seeing projections that the visitor economy, having been \$39 billion in the Vic economy, is now projected by Austrade to be \$53 billion by 2026. What does that actually still mean for us? We would have had these same discussions, but again, the Comm Games would have elevated the discussion opportunity around what resources we need to train up more people that would have worked in the Comm Games and post in a larger visitor economy sector. Thanks for the opportunity, and happy to take questions.

The CHAIR: Thank you very much. When we spoke yesterday in Geelong, one of the pieces of evidence was around them seeing the games as an opportunity to build international tourism because it was only a very small component of their total tourism; most of it was domestic. Do you think there is the same sort of feeling? Is most tourism in this region domestic also?

John PANDAZOPOULOS: Well, it is. About 90 per cent of the market is from Melbourne. International has been quite strong, predominantly through Sovereign Hill, but that market has not really fully come back. Obviously Asian markets are much stronger. They are still to come back to the level that they were, but overall the state is about 70 per cent back on international, even though it has got now technically more seats available on aircraft. So we have got the capacity – we need to make sure we are filling those planes. Again, it would have just put the regions more on the map. We probably have a larger share historically of international tourism to Geelong, but we would have all benefited from that because none of us can afford to directly market to overseas. So the broadcasts would have given us all those extra opportunities and just, as you see with the Australian Open, all those vignettes that get shown that Visit Victoria show in their broadcast. It would have meant that you would get a market reach that you could just never sustain at any other time.

The CHAIR: Thank you. Presumably the Commonwealth Games would have been primarily broadcast to Commonwealth countries, and you just mentioned before international tourism, primarily Asian driven. Do you think that if the government is going to use some of this funding for international marketing, maybe it would be better outside of the Commonwealth countries? They were going to get free broadcasting to them essentially.

John PANDAZOPOULOS: There are Asian markets. I mean, look at the last time the Comm Games was here back in 2006 – I was involved in that. There were Singapore, Malaysia – very strong markets. Sri Lanka has grown as an economy and is a major tourism destination in its own right. India – we have got all the flights we did not have back in the 2006 Comm Games. So they would have just been tailored to those markets whilst we continued to work in our traditional markets in the UK – and Canada has been growing. So I think whichever way you did it.

Now, there is \$32 million being spent by Visit Vic over the next 18 months, and we would expect to see in their marketing of that a stronger focus on regions. The way that marketing works now is that Victoria's brand value is consistent for the intrastate, interstate and international markets. I think the same thing that Melburnians are looking for, internationals generally are looking for as well. So it is getting that right but making it consistent, right? You would have hoped that it was not just one big bang – the event was on, people saw you and then there was nothing to be seen of you again for the next five years. The nature of visitor economy tourism marketing means you just have to be in the market for a much longer period of time because, like any product, you build demand and you have got to still be out there, otherwise others are out there. It is just the nature; you have just got to spend the money to get the visitation.

I am highly conscious that whilst we have been very successful at getting aircraft back in, we need to fill those seats, and that is what the expectation would be of the visitor economy in regional Vic: seeing that growth converted to visitation into regions.

The CHAIR: Thank you. Of course during the COVID pandemic when international tourism disappeared, many operators unfortunately went under. I imagine that there is still a fair bit of recovery going on for the ones that managed to pull through all that. How much is from what happened during the pandemic and the restrictions on international travel? Are operators still trying to recover from that, or is it picking up enough that it is –

John PANDAZOPOULOS: As I said with the data, we are not back to where we were pre 2019. We have still been in a rebuild. The good thing is I guess most operators survived. There was a lot of support around. But you have lost two years of things, and it is not just the loss of income, there is also the loss of workforce and loss of skills and trying to rebuild all that back. You are offering quality, and if you are not offering quality, then there are issues; you are not delivering to the market the expectations that you have been saying you are in your marketing. I think that is probably hurting a bit more. You know, we are still needing to bounce back. Other regions have grown faster than us, so there are some local issues, but there is also, you could argue, a lack of focus on the Ballarat region in the last number of years around that. You could probably say, you know, if at the local level they are not clicking in the right direction, then it is harder to connect with the central agencies as well. But I think there is an acknowledgement that there are much greater opportunities in the region over here. We have been working with Visit Victoria around that, and they have been doing some film shoots recently, so we hope that they are going to be showing a lot more of this connected product of Ballarat plus Ballarat and beyond.

The CHAIR: That is for international markets, is it?

John PANDAZOPOULOS: Well, that is something that is adaptive for all markets, yes.

The CHAIR: Okay. What would you want, if they are going to be doing this sort of thing, to try and get more international tourism opportunities? What do you think is the best thing for the government to do to enable those opportunities for Ballarat and other regions?

John PANDAZOPOULOS: Well, I think, as I said, all the markets expect similar things. Post COVID we have seen Victorians travel to so many different parts of Victoria that they may not have travelled through for a long period of time, and that is great. It seems that that has peaked. I think that the Comm Games would have provided more opportunity in regional markets because of Australians being in Australia. We know from consumer research that consumers in Australia – so if we just look at ourselves, we probably know more regional cities in other states than maybe consumers in other states know about regional cities in Victoria, and that is a reflection of historical marketing campaigns. So it would have been an opportunity to correct that and get ongoing increased visitation from the interstate market, which is quite strong in Melbourne, driven by events or self-drive from South Australia and New South Wales.

In any international market it just would have meant you were filling those seats and you had got airlines owning the destination. That is a key thing with international airlines: they have to own destinations, not just fill them with everyone leaving the country; it is actually filling them with people from overseas coming to the country.

The thing we would have seen is, I think, that public realm stuff that we need in our streetscapes. You know, people love the heritage features, but we cannot be shutting at 3 o'clock in the afternoon. It is not what visitors want. They would have had opportunities for discussions around public transport improvements. I think the last train back to Melbourne is just before 9:20 pm, so it is a bit hard to tell people that are coming for a day to use the cheaper V/Line tickets. They are fantastic; we are seeing that. But it means basically people have to come early and leave a bit earlier to get back into town. So better public transport would have been something considered for all of those regional cities, both for the domestic population as well as the visitation peak of the games and then post what that would have done for the visitor economy. So that public-realm outdoor dining, wider footpaths, event spaces – you know, the extra seating at Mars Stadium, the Creswick trail, those Sovereign Hill improvements: those sorts of things in that broader public realm would have helped boost the

city in terms of the consumers' eyes and making them feel that they are getting much better visitor satisfaction out of that.

When you look at tourism and visitation, there is so much of a repeat market. If you are getting younger people locked in because they are turning up to other events over here and they think that there is a great night-time economy and they can catch the train back to Melbourne at 11 o'clock at night, or it is worthwhile staying overnight because they have had a great time, that is what will grow the visitor economy and overnight stays.

The CHAIR: Thank you. Mr Galea.

Michael GALEA: Thank you, Chair. Thanks, Mr Pandazopoulos, for joining us today. Just to start with, you discussed the new regional tourism model that Tourism Midwest Victoria – I think it is the first under this new system. Is that right?

John PANDAZOPOULOS: Correct, yes – the first visitor economy partnership.

Michael GALEA: Thank you. Can you just briefly outline the benefits to this model as opposed to the previous one and why that has changed?

John PANDAZOPOULOS: Yes. There was the Ballarat Regional Tourism board. It was really focused on, around and in the city of Ballarat. There has been an evolution of regional tourism bodies, and they all are a bit different. When I was minister they were campaign committees. They just focused on marketing. As the tourism industry grew, we realised there were issues around how you manage supply and demand, how you take community with you, how you prioritise what the biggest return on investments from limited resources are. Supply and demand came in, so when the state did its first 10-year strategy back in the early 2000s, it created regional tourism boards as part of an attempt to devolve from Tourism Victoria's central decision-making to regions taking on more ownership, and this is the next stage of that. So it is a much bigger industry than it was back in the early 2000s when the first 10-year tourism plan was done. In effect now we have got the third plan in Experience Vic, which is setting the scene.

Now the bottle is: give more ownership to the local communities to help guide where the sector goes in prioritisation of local resources, in prioritisation of effort, in taking the community with you, in showcasing the things that the community loves about itself – those sorts of things. For us in the region it is really important. The market, which is called the visiting friends and relatives market, is nearly 50 per cent of the value of our visitor economy. That is people in the region wanting to share with their friends and relatives or when they have got people coming from overseas or international students that are in the region – all that stuff all adds to the economy and you are not just dependent on the leisure market or the business events or the other events market. So that ownership of local community pride and attaching it to the visitor economy is a real strength and opportunity to grow the broader visitor economy, because in the past basically what happened was we had relatives from overseas – you know, 'Let's go somewhere else out of the state. Let's go to the Gold Coast or somewhere else.' Whereas when you build that community pride, you are getting much more of that retention in market and that spend being retained here.

Michael GALEA: Interesting. The general trends – as you said, there has been a fair bit of growth in that visitor economy in the local region, but I think you said not quite as much as in some other parts of regional Victoria.

John PANDAZOPOULOS: Yes. We are behind where we were pre COVID.

Michael GALEA: What is the general direction of those trends at the moment, and what are the biggest opportunities to, I guess, catch up with or overtake those other regions?

John PANDAZOPOULOS: Since obviously reopening there has been a fast growth back. I think we have gone back to \$12 billion industry and we have moved up to 39. So overall for the state it is a bigger industry, but for our region it is not yet, okay?

Michael GALEA: Yes.

John PANDAZOPOULOS: So there are some things that we all need to do, and we think that some state support in that space would be beneficial, predominantly from Visit Vic and their events. There are

opportunities in the funding streams that are there, and that is why I say one of those bits of criteria should be there. If it is not a criterion, then you would probably get some projects, the way they get evaluated – just the nature is you always have more requests than resources available and often they are marginal decisions. So having that as a key criterion could benefit some additional projects in regional cities.

Michael GALEA: Thank you. You mentioned the eateries and the night-time economy as well as a big part of that improvement work. I was in Ballarat two weeks ago, in Armstrong Street, and some of the eateries there were really quite impressive on a national scale.

John PANDAZOPOULOS: Well, there are. There has been this amazing change in the food and beverage scene in the last 10 years in the area. I know Mr McCracken's office is just up the road over there, so he gets to see it regularly. Whilst the locals all know that, there is some growing awareness amongst visitors, and if you look at all of our marketing campaigns, food and beverage is a key bit of that. But the reason we are really pushing it so hard is not only the community pride thing; it is that young people predominantly are not good travellers into regional Victoria for overnight stays. So we need to change that perception. To be blunt about it, they are looking for things to do at night. There are a lot of things to do during the day. Food and beverage, as we know, with Melbourne is just so important, and there has been great growth in regional Vic in those, including over here. We have just got to make sure that market knows that it is a happening place – so turn up and experience it and stay.

Michael GALEA: Yes, preferably stay. But as you say, those public transport improvements as well – night-time trains would be a big part of that too.

John PANDAZOPOULOS: Yes.

Michael GALEA: Great. Thank you.

The CHAIR: Thank you, Mr Galea. Ms Tyrrell.

Rikkie-Lee TYRRELL: Thank you, Chair. During your opening statement did you state that Tourism Midwest Victoria started up in September last year?

John PANDAZOPOULOS: No, on 1 July this year.

Rikkie-Lee TYRRELL: 1 July this year?

John PANDAZOPOULOS: Sorry, last year – 2023. I have forgotten. It is already 2024.

Joe McCracken: Who can remember?

John PANDAZOPOULOS: Time flies when you are having fun.

Rikkie-Lee TYRRELL: Thank you. No, that is good. On the cancellation, what were your personal thoughts? Were you surprised?

John PANDAZOPOULOS: Do we have in our official titles 'personal thoughts'?

Rikkie-Lee TYRRELL: How did you feel?

John PANDAZOPOULOS: When governments announce things, people do get surprised when things do change. Having been involved in the previous Comm Games bid, I can understand that costs can go through. They did go up on the previous one, in 2006. The hard thing is the last-minute demands. What as a community we want out here is to have the benefits, even though the games are not on. That is what I think the focus really needs to be on with government. Okay, the games are not here. We have games for legacy reasons, not just for a few days, for the 12 days of events activity. For us the focus is: they are not on, so let us just focus on whether we can still have the legacy without the games. I think the opportunities are really there, available, if the government focuses on those.

Rikkie-Lee TYRRELL: Do you have faith that that legacy will be delivered?

John PANDAZOPOULOS: Well, that is what we are here to discuss at the moment, aren't we? We are making our representation. Expectations have been set. There is a lot of money there. Does it do everything? Our concern is that unless you put criteria in the funding categories for the Regional Events Fund and the tourism infrastructure fund, you will be funding some really good projects in non-Comm Games affected cities, whereas the focus on delivery was about the games cities. That is what our remit is: what would we have seen here if the games were on? And the expectation is that that would still be delivered.

Rikkie-Lee TYRRELL: Okay. You said that you had involvement in a prior Comm Games.

John PANDAZOPOULOS: That was wearing a different hat, yes. That was back when it was on in 2006.

Rikkie-Lee TYRRELL: Did you offer advice this time around to the government, or did they seek advice from you because of your past experience?

John PANDAZOPOULOS: I am sure they sought advice from everyone else that was involved in the games.

Rikkie-Lee TYRRELL: But with you?

John PANDAZOPOULOS: With me? No, it was not necessary.

Rikkie-Lee TYRRELL: Did you receive feedback from other tourism committees across the state about the cancellation?

John PANDAZOPOULOS: Yes, we have all spoken. I think all the regional cities are wanting similar things – to deliver the things that were expected to be delivered if the games were on.

Rikkie-Lee TYRRELL: Okay. Did they share a similar sentiment to your personal views as well about the cancellation?

John PANDAZOPOULOS: Look, I think everyone was surprised by the cancellation. Of course they were. It was a big announcement.

Rikkie-Lee TYRRELL: Okay. Thank you. At the time of the cancellation you stated – now, I am going to quote this, so I am just going to read from here:

The injection of \$3 billion into Victoria's economy and the spotlight from the worldwide broadcast delivered tangible benefits to our industry partners and local businesses. These benefits extended far beyond the 12-day event, amplifying the value and impact of the games in our community.

What have you estimated the cost of the cancellation has been to your industry partners and local businesses?

John PANDAZOPOULOS: That is in our submission to you. We have not done an estimate of what that is, and it would be hard to estimate it. We are bouncing back on recovery. If the games were on, we might have seen some extra activity, but the focus would have started really this year and next year – just the way and the nature of the delivery. We think that there is still time to optimise all of that. That is why I say there is a lot of money being spent by Visit Victoria for the marketing campaigns, there is a lot of money for events. If we lock in knowing what we have got, including the tourism infrastructure funds, which I think close on 28 February, it allows us to go and plan for those things and build that local commitment in order to optimise the opportunity by 2026, when these things should have been in place, because that is what I think we should still aim at, so that we have got that direction, that we know we are being supported in that funding support or that extra event or marketing activity.

Rikkie-Lee TYRRELL: Thank you.

The CHAIR: Thank you. Mr McIntosh.

Tom McINTOSH: Thanks for being here. Now, apologies, I do need to get this right: it has the most microbreweries in the mid-west. Growing up, there was a blue between Ballarat and Bendigo about who had the most pubs per capita. So, anyway, we will get that right.

Just on those figures around the \$12 billion – I think you mentioned \$12 billion and \$39 billion – could you just touch on those again, about the economic –

John PANDAZOPOULOS: The visitor economy, when COVID hit, fell to a \$12 billion industry from a \$36 billion industry in 2019, and now it is back up to \$39 billion. So it is significant growth in those two and a bit years.

Tom McINTOSH: Yes, got you. Okay.

John PANDAZOPOULOS: Significant rebound, let us say, rather than growth, but there has been growth.

Tom McINTOSH: Yes.

John PANDAZOPOULOS: Partly driven by inflation too, may I say.

Tom McINTOSH: Yes, no problem. We have heard from lots of submissions and hearings about the amount of conversations around the \$2 billion regional fund package. That seems to be the predominant conversation occurring at the moment. Are you hearing in other conversations you are having with the community much talk about the Commonwealth Games anymore? Are people –

John PANDAZOPOULOS: You know, what we have been asked by community to do is try to achieve what would have happened if the games were on in that regard, right? I am sure some people would have loved to still see that the games were on, but I think, to be honest, most people have moved on. We have not had anyone saying, ‘Go and do that.’ But, as I said, what the games would have done is elevated our profile, which would have meant that some of the market, whether it is event acquisition or whether it is new visitors, would have noticed us because of the games, which we would not have been able to reach ourselves. There is the opportunity to still reach that audience in other events, in other marketing, in uplifting our visitor economy infrastructure. So that is where our attention is.

Tom McINTOSH: So there is not a noticeable volume of people commenting to you about the games now?

John PANDAZOPOULOS: No, I am not getting any broader comments. It is a nice to have; it would have been fantastic to have, there is no doubt about that. But also I guess when decisions get made and you know it is not going to happen, you try to move on to what the next thing is that could happen.

Tom McINTOSH: Yes. And you started in July last year.

John PANDAZOPOULOS: Yes, we are on month number eight.

Tom McINTOSH: That is all for me, thanks, Chair.

The CHAIR: Thank you, Mr McIntosh. Mr McCracken.

Joe McCRACKEN: Thank you. I am glad you know where my office is too.

John PANDAZOPOULOS: I walk past it.

Joe McCRACKEN: That is good. I have got a few different questions that I will ask. I know that you put out a release in the week of the cancellation where you said:

The cancellation of the games is a massive blow, adding to the challenges our industry is already experiencing ... being the tourism industry. Do you still stand by those comments?

John PANDAZOPOULOS: Yes, well, it is a blow, and there is a bit of positioning in that as well. We think that there needs to be a strong focus on regional cities. It was a deliberative decision in having a regional games, and so I think the expectations would be to be able to clearly show where the benefits are in 2026, maybe 2027 and maybe beyond that and be able to go back to that period and say, ‘We got this extra attention, this extra boost.’ So it is that massive blow, because it is generally a given that we would have had certain things in the realm.

Joe McCRACKEN: If they had gone on, yes.

John PANDAZOPOULOS: Yes. And it is a loud noise, but it is also a positioning noise, because it was a shock decision by government and a shock for those that were working so hard. There were a lot of resources spent and a focus on what things should look like, including at the local level, and expectations were created. So it was a massive blow, but at the same time, we want to make sure that our voices are heard loud and clear. We have met with the minister about that and we have written to the minister, and we just hope that we are getting heard in that. I am pretty sure that he will be interested in your update report for 30 April, but whether it influences budget processes or not –

Joe McCracken: You are basically trying to make do with the situation you have. I know, and you would have probably heard it too, that Visit Victoria said that the cancellation of the games actually enhanced our state's reputation for holding major events. Would you share that view or not?

John PANDAZOPOULOS: Look, I think that with the Commonwealth Games itself we knew for a period of time that there were issues. It is very expensive to run for the ROI, and that is why I guess the government focused more on doing it as a community-type event and tried to capture different opportunities. We do have a strong events reputation. I know some of the early language, including from the Victorian Tourism Industry Council, was that the cancellation could affect our reputation. I think that again that is a positioning thing, because I think what we want to do is see that there are appropriate, and more, events. You know, we are a major events state. So I am not sure that it is as negative when you have got other events coming in and then you are running events way beyond expectation. If you look at the Australian Open, it was beyond expectation this year, with a record number of 1.1 million visitors. Having done the state's major events strategy in the past, it was really all about making sure that we deliver things extremely well and that they keep growing every time they are around, so no-one says you are slipping, and then attracting new events that you have got strong support for and making sure that they work well – but also having them out in the regions. The key thing is, if anything, it might have discouraged maybe some focus on major events in regions, because if you are saying you cannot make the economics work, then maybe something else does not work.

Joe McCracken: Yes.

John PANDAZOPOULOS: That is what my concern would be.

Joe McCracken: That is fair enough.

John PANDAZOPOULOS: But, you know, as an event city, or an events region for us, it is really important. I guess with some of the sports infrastructure that we still hope to get up, if that is supported by events funding for other attracted events, we can help reposition again and strengthen our brand in events rather than having the brand hurt.

Joe McCracken: Yes. I think that is one of the things that has been talked about quite a lot. As you would know, Steve Moneghetti, a well-known Ballarat name, gave an interview last year, and I will just quote you some of the things that he said. He said:

It's the people who have never been it and won't ever get that opportunity. That's the most disappointing thing for me, that opportunity has just been dragged away in one fell swoop.

He also said:

... everyone has been affected negatively by this decision. You can justify all you like, but the fallout of this is so depressing for a regional communities like Ballarat –

and so forth –

You cannot deny that.

This is one thing that I found interesting too. He said:

I don't think the decision makers really have an understanding of the emotion that the community is feeling. From this joy of suddenly being recognised and supported and feeling like we had a purpose in regional Victoria. Let's be honest, it's metro, metro ... its suburban Melbourne, it's never quite got to regional Victoria.

As a regional tourism body, what are your thoughts on his comments?

John PANDAZOPOULOS: Well, they are pretty strong comments. Since that time of course we have got the Ballarat Marathon. There are nearly 2500 registrations at the moment. I think that is a new event that we can certainly grow. But of course, you know, having the event, wherever it is held, if it is in your own state, it is highly accessible. We saw back with the Comm Games of 2006 that regional Victorians travelled en masse. There were more regular public transport services et cetera and they were able to appear. But for the regions it would have meant that they were obviously more accessible to regional communities and townships, and people from Melbourne could have experienced something a bit different, to do to that in reverse. That is what I think would have been really exciting with it all, to show that we can actually go and do that. You know, it is an area of global major events that has not necessarily been tested as well, and if there is anyone that could do it, maybe we could do it. I think that was what hope and aspiration were. But it is not happening, so if we get behind all those other events – I mean, there are massive opportunities with the new Ballarat Marathon. It is exciting at the moment, and that is something that can grow and something that can get built in the international profile. But there are other events as well, both sport and cultural events, that we can position the region much better in if there is resource support.

Joe McCracken: My time is up, I am afraid, as well.

The CHAIR: Thank you, Mr McCracken.

John PANDAZOPOULOS: We will catch up another time, Joe.

The CHAIR: Dr Mansfield.

Sarah MANSFIELD: Thank you. Thank you for appearing today. I think we have heard from you that you and Tourism Midwest Victoria have significant expertise in understanding the tourism economy locally and events. Were you consulted at any point in the preparation of the business case or the bid for the Commonwealth Games?

John PANDAZOPOULOS: No. We were only formed on 1 July last year, so no formal consultation. I am not sure if the City of Ballarat was before that, or Ballarat Regional Tourism; that used to exist at the time.

Sarah MANSFIELD: All right. And upon your formation, or following your formation, when were you first briefed about the Commonwealth Games, or how were you involved by different state government entities?

John PANDAZOPOULOS: I think it was not long after the announcement was made. It was sort of a baptism of fire, I think I called it, when I was being interviewed. Obviously the city had been consulted before in their extensive work and preparation, and they would have involved the Ballarat Regional Tourism board at the time. For us, you know, it was not the first thing you would want to deal with when you are a new organisation, but we have to be pragmatic about these things, and that is what our position has been – being pragmatic about what we can get out of the investment that is made and position better.

Sarah MANSFIELD: And from your perspective, from what you observed since that time following the cancellation, were there any lessons that you think could be learned by state government? Given your experience, I guess, in the tourism sector, what lessons do you think could be learned?

John PANDAZOPOULOS: I think the lessons – if you make a commitment, what are the things that are achievable if you change that commitment and what is it reasonable to expect? There has been a little bit of time of government trying to get around how it wants to prioritise that \$2 billion. You could argue in hindsight that if it was a few months earlier – but things tend to happen. The whole idea of this extra funding is that it is spent by the end of 2026. As we know, time passes really quick, so to get an effective spend by 2026 is potentially an issue. We have got \$8 million of the tourism infrastructure fund around feasibility studies and business cases et cetera. That closes on 28 Feb. If that was on a little bit earlier – but I understand it takes some time and government wants to get some advice around what the spend should be, what the sub-spend should be of the overall spend and what the criteria should be, and that is sometimes just a little bit slower than we all like. But really conscious that the decision is to spend all of that by the end of 2026, and that is not very far away.

Sarah MANSFIELD: You used the term ‘effective spend’. From your perspective, what does an effective spend look like with that sort of money?

John PANDAZOPOULOS: Well, everyone is at their budget cycles at the moment, including municipalities. The earlier they know about it, the earlier they can plan for their budget. If they miss the cycle, it is next year, and that is just the way it is. So that is what I mean by 'effective'. If it has got to be spent by 2026, the earlier you know, the more effective you are in your ability to deliver that spend.

Sarah MANSFIELD: And in terms of the distribution of that funding, I guess we have heard from different witnesses who were keen to see that spending concentrated in the areas that were originally going to benefit from the games, whereas now it will be dispersed across regional Victoria, around the state. Do you have any views on that?

John PANDAZOPOULOS: That is what we have made representations to government about: that as minimum funding criteria for each of those programs government funds should have regional cities that were going to benefit from the Commonwealth Games being key criteria, versus not having that as criteria. As I said earlier on, if that criterion is not there, you will probably run the risk of less projects being funded, although you may say if they are measuring return on investment, maybe they are higher in regional cities than they are in some other parts of the state. I am pretty sure there are going to be a whole lot of great projects being put up as ideas that might get funded over time, but obviously if we are focusing on by 2026 delivering the things that would have otherwise happened, a boost to the priority needs to be given to those regional cities, in our view.

Sarah MANSFIELD: Yes. Housing is an issue that has been brought up by a few different witnesses in different ways. Do you have any views on how the housing spend that has been pledged for regional areas could support some of your objectives?

John PANDAZOPOULOS: Generally, workers housing was one of the things being considered, and the government has some of the funds; some of that \$2 billion, I think, is that workers' housing fund. This is just something that regional Victoria is suffering extremely with, and whilst we have these to-and-fro arguments about how many people are coming to Australia, we still need those jobs and we still need to accommodate them somewhere, and it is just so much harder to get those jobs that you need out in the regions. It is hard enough in Melbourne, let alone out in the regions. There are a couple of projects in the pipeline on that, and I hope that they get a good run in consideration under that fund.

For us, you know, the Airbnb short stays have been a really important part of our visitor economy. Some will say it detracts, but if it detracts from other affordable housing, it probably detracts more at your Mornington Peninsulas and your Surf Coasts than it does out here. Over here it is more about properties that otherwise would not be made available for rent by the owners because they are either more expensive or unique farm-stay or rural property type situations, which is a different type of visitor accommodation experience.

The CHAIR: Thank you, Dr Mansfield. Ms Ermacora.

Jacinta ERMACORA: Thank you very much for being here today. I was really interested in what you said about the regional tourism. What I mean by that is Victorians visiting each other, almost.

John PANDAZOPOULOS: A visiting friends and relatives market.

Jacinta ERMACORA: No, no – for events.

John PANDAZOPOULOS: Yes, proper events.

Jacinta ERMACORA: In Warrnambool I have noticed that things like volleyball carnivals, surf lifesaving carnivals, speedway events, obviously the May Racing Carnival, all sit under that sort of thing – there is basketball as well, and other sports. Often hotels and accommodation are full on those weekends. They are actually quite an economic stimulus for the city and the region. With the new marathon in Ballarat, are there other sorts of events like that that you are looking at promoting?

John PANDAZOPOULOS: Council have their events acquisition team, and so they have got quite a reasonable budget, but I know they want to boost that. Some of it will be some of the upgraded sports facility infrastructure that they can do, but we have got Her Majesty's Theatre being redeveloped; they have a whole program in there. The civic hall had been redeveloped. There is great programming being done there. All of that

focus on event acquisition is a balance between things that local community benefits from and things that visitors want to visit the region to come and see, and so I think there are more opportunities in that space.

But you did mention accommodation, and I do actually want to talk about that because one of the things that the games would have done is incentivise investment, and so that is another thing that potentially is lost. If you were looking at your motel and you wanted to upgrade it, the Comm Games could have been a good motivator and a good opportunity to go to your bank for financing to do that sort of stuff, because you would have had something to hang your hat on. So we, probably on balance, were more likely to have seen some additional private sector investment being motivated by the games. That is why I think it is also important to show that despite the games not being on, if we can still deliver the upward trajectory on brand and visitation, then you can support, again, that reinvestment, because assets need to be reinvested in. Accommodation in the region, new investors – all those sorts of things are really important, and they often are motivated by events. If you look at Melbourne's major events, we have had in the last five years a massive growth in 4- and 5-star accommodation driven predominantly by events and then a strong leisure market into Melbourne. You could have something similar in regional Vic, especially if you can renew existing assets to incentivise often family business motels versus corporate ones.

Jacinta ERMACORA: I am curious. There is sort of a broader trend in tourism accommodation that seems to have been happening under our noses with the growth in Airbnb and the perhaps proportionate decline in hotels and then businesses buying hotels for worker accommodation. Have you done any research in that space to understand what is going on in that space?

John PANDAZOPOULOS: Generally from research that is being done by others – I guess it would have been accentuated by the extra visitation of the Comm Games period, so it would have been having a think through some of these things and being challenged. There is no doubt that there is a lack of worker housing. It does not take much. Go to any accommodation, whether it is RACV at Creswick, which is a great quality resort-type hotel, or a 3-star motel, you will always see tradies in there and businesspeople travelling. They will do deals for one month, two months, three months because they cannot find housing. So some of the uplift would probably end up being in accommodation from those workers who will be at those sites for a longer period of time. But generally short stay – really it does not directly compete. It is a different type of experience. Maybe it directly competes with up to 10 per cent of your other standard accommodation market. It is essentially a new product, so when you look at the type of travellers that go, they want to be in family groups or they want an exclusive experience to be on a farm property or there will be friends travelling and they all want to be in the one house. They are not going to go and hire four or five motel rooms next to each other because it does not add to the experience. They all want to be in the same house, share the barbecue together, that sort of thing, so that is why we say they are not directly competing. We do know that apart from some municipalities, mostly they are only booked a few times of the year in holiday periods, so it is sort of supplementary income for those owners rather than longer term accommodation options for either the visitor economy or for worker housing.

Jacinta ERMACORA: Okay, thank you. There are 19 seconds left.

The CHAIR: Thank you, Ms Ermacora. Thank you, Mr Pandazopoulos, for appearing today. You will receive a copy of the transcript for review in about a week before it is published on the website. The committee will now adjourn until 2 pm.

Witness withdrew.