

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2017–18

Melbourne — 23 May 2017

Members

Mr Danny Pearson — Chair

Mr David Morris — Deputy Chair

Mr Steve Dimopoulos

Ms Fiona Patten

Ms Sue Pennicuik

Ms Harriet Shing

Mr Tim Smith

Ms Louise Staley

Ms Vicki Ward

Witnesses

Mr John Eren, Minister for Tourism and Major Events,

Mr Richard Bolt, Secretary, and

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

Mr PEARSON — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2017–18 budget estimates. All mobile telephones should now be turned to silent.

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

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

Witnesses will not be sworn but are requested to answer all questions succinctly, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty. All evidence given today is being recorded by Hansard, and you will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

All written communication to witnesses must be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way and cannot photograph, audiorecord or videorecord any part of these proceedings.

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

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

Visual presentation.

Mr EREN — I am pleased to report that the latest tourism survey results show that the visitor economy in Victoria is growing. The total visitor expenditure has increased by 2.9 per cent to \$23.8 billion for the year ending December 2016. This is up from 21.2 billion in 2014. The visitor economy generates 210 400 jobs for Victorians, up from 196 000 in 2013–14. There are 114 000 visitor economy jobs in regional areas, which accounts for 13.4 per cent of the total employment in regional Victoria. In the 2016–17 financial year the government approved 22 new hotel developments in Victoria, representing a total of 4761 rooms.

Our government recognises the importance of tourism as an economic driver for regional Victoria. We made a significant investment in the visitor economy in the 2016–17 state budget with the \$38 million in funding committed for Visit Victoria to undertake marketing initiatives to attract visitors to Victoria from across the globe. This was in addition to our investment of \$20 million for the Regional Events Fund and \$103 million for the Regional Tourism Infrastructure Fund. The Regional Events Fund has so far committed funding to more than 35 events across the state. We have invested heavily in the visitor economy in this year's budget, with 24.7 million to help Visit Victoria market the state. Additional funding is also provided to attract more business events to Victoria.

There is \$271.5 million to complete the third stage of the Melbourne Park redevelopment; \$90 million over two years for the investment attraction and assistance program, including air services attraction; \$28.7 million for the National Gallery of Victoria to continue its successful exhibition program, where around 20 per cent of all attendees are either from interstate or overseas; 27.5 million to support the identification, development and delivery of regional partnership priorities; \$10.7 million for film festivals across the state; \$6.6 million for ongoing maintenance at seven state-owned arts and cultural institutions; further funding of 54.6 million for Parks Victoria to make its assets more accessible; and the total budget for Visit Victoria in 2017–18 is just over 75 million. As is normal practice, the government will consider additional funding for major events throughout the year and consider funding for subsequent years as part of the budget cycle.

The establishment of Visit Victoria represents a major change in how Victoria goes about its business. Under the leadership of chief executive Peter Bingeman, interim chair Sir Rod Eddington and the new chair, Paul Little, Visit Victoria has articulated a new direction for the visitor economy. It is providing leadership on the visitor economy across government and industry and is already delivering significant wins for the sector. Visit

Victoria is working hard to maximise the benefits of tourism across the state, with a \$4.5 million Wander Victoria marketing campaign highlighting regional Victoria's treasures and showcasing its regions.

Victoria's major events calendar is one of the most prestigious and successful major events calendars in the world. Victoria is host to and has secured a range of major events this financial year, including Fast Five Netball; the *House of Dior* exhibition; the Festival of Sails; World's 50 Best Restaurants; Brazil versus Argentina; Socceroos versus Brazil; the opening game of this year's Rugby League World Cup, between Australia and England; the 2017 Melbourne Winter Masterpieces exhibition, including *Van Gogh and the Seasons*; and Nitro Athletics.

I released the visitor economy strategy in July 2016. The strategy provides a clear direction across the whole of government to increase visitor spending to \$36.5 billion by 2025 and generate 320 700 jobs. Already employment has increased, from 196 000 in 13–14 to 210 400 jobs now. The strategy identifies nine priorities to grow the visitor economy. The Visitor Economy Ministerial Advisory Committee is in place to help keep government and industry focused on achieving these targets. I am pleased to report that Victoria is on track to meet the ambitious targets set in the strategy.

Victoria continues to succeed in attracting international air services. As of 18 May 2017, Victoria has 29 international airlines flying directly in and out of Melbourne Airport. In the 2015–16 financial year 34 million passengers passed through Melbourne Airport's terminals. Of these, 9.2 million were international passengers, an increase of 9.5 per cent on the previous financial year. For the 2015–16 financial year Melbourne's direct international seat capacity increased by around 10 per cent to reach over a million seats. I now welcome questions.

The CHAIR — Thanks very much, Minister. I am interested in the major events portfolio, Minister. I do think, on reflection, as we sort of drift our way into the 21st century, that the Kirner government does get an unfair rap from time to time. It was a visionary administration in the sense that it did set up a Melbourne Major Events Company.

Members interjecting.

The CHAIR — Well, Mr Smith, you might learn something. I know you were probably still in primary school at that stage. It was quite an important time because clearly the Premier of the day, Ms Kirner, worked closely with Ron Walker in terms of the establishment of the Melbourne Major Events Company. I think the major events strategy has been a very successful strategy that has been pursued by both — —

Mr MORRIS — Which budget year are we talking about?

The CHAIR — This is just a preamble. The Deputy Chair makes a good point. I will try not to be self-indulgent.

Minister, in relation to budget paper 3, page 137, in light of the fact that the major events strategy has been a very successful strategy that has been pursued over a number of years by both sides of the aisle, could you outline to the committee please across the forward estimates what you anticipate the benefits from this strategy will be, both from an economic point of view but also from a branding perspective, and the value that it will provide the state?

Mr EREN — Sure. Look, this sector is growing day on day, which is fantastic to see. We are proud of our record of course of getting the best major events anywhere in the country if not the world. Clearly you need to be vigilant in terms of making sure that we get the best events going forward. That is why we pay a lot of consideration not only to making sure that we have the funds available to fund the major events that we have in this wonderful state but also in planning for the future. It is worth about \$2 billion now. When we got into government it was worth about \$1.8 billion to our economy; it has now increased to \$2 billion.

Increasingly it is not just Melbourne focused either. We are now attracting a lot of great events to regional Victoria as well. We know the importance of tourism and major events and the dollars that flow on from that very important sector to not only Melbourne but indeed the regions.

We pride ourselves on being the sporting capital, the major events capital, the most livable city in the world with the fastest growing population. All of these accolades and titles mean a lot. It is valuable to us as a state. So

organisations know that if they want a successful event, if they want an event that is profitable, if they want an event which has more people at it than anywhere else, then they will come right here to Victoria. That is why we pride ourselves. In fact when the Premier and I announced that we would further expand the war chest of major events by \$80 million, taking it to \$62 million in total per annum, of course that meant that it gave a lot of confidence to hoteliers, for example, to say, 'If we're going to fill the calendar full of events, that means there will be more occupation of our hotel rooms'. That is why now we have got record amounts of hotels being built.

The CHAIR — In terms of the economic impact in terms of jobs and employment, have you been able to look at any modelling around that or in terms of what the impact has shown?

Mr EREN — Sure. Overall the visitor economy is worth about 210 000 jobs to the state. Clearly the major events part of it is a big boost. It gives confidence to the state in terms of the exposure that we get interstate and internationally, the reputation that we get in terms of conducting these events in the best possible way and having record crowds.

I can give you one example of one year where we had four codes breaking their record in terms of attendance. That is at the wonderful ground at the MCG. We had 91 500 people at the State of Origin; that was a record amount, and no other state can actually have a State of Origin with those amounts of numbers. We had 94 500 at the international cricket competition that we had. We had 98 000 for the AFL Grand Final, and we had 100 000 attend for the soccer. That was all in a matter of months, weeks apart from each other, and we had record attendances.

The important part about all of that is that we have a lot of interstate and international visitations that occur. Over 40 per cent of those people that attended those events are from interstate or international, which means a big boost to our economy, because it is external moneys coming here, staying at our hotels, using our taxis and bars and clubs and restaurants. Every time they step into a restaurant not only does a restaurateur make a profit out of it but of course the regions also profit out of it because of the produce that is being used at those restaurants.

One of those fine examples that I always give of course, with respect, Chair, is the Australian Open this year: 728 000 people attended that — record numbers of attendance. We have broken the record since we have been in government three times now — 728 000 people, a lot of them from interstate or international. There was 10 tonnes of beef, 10 tonnes of chicken, 10 tonnes of pork — countless numbers. There were over 150 000 coffees; wine, beer, produce — this is all economic value. It is a spin-off effect. It is the domino effect to the economy, not just with the event itself but right throughout regional Victoria. That is why major events constitute a huge part of our economy. We intend to keep those very important titles of being the major events capital and being the sporting capital, and no-one does it like we do. I am really proud to be a Victorian. I am really proud to be part of the Andrews Labor government, which pays a lot of attention to this very important sector.

Ms SHING — Minister, in relation to regional tourism, I would like to talk about the visitor economy, which employs around about 114 000 people. You referred to the produce that is used for visitor numbers that attend events, such as the Australian Open, and there was a Regional Events Fund, which I believe was part of the 16–17 budget. I take you to budget paper 3, page 137. There is expected visitor expenditure that has gone beyond what we thought it would, with international visitors spending significantly in our regions, but what are we doing to make sure that regional Victoria — when people come to Melbourne, for example — gets a better share of the visitor dollar?

Mr EREN — This is such an important part of our economy. Without our regions being strong, Victoria would be weak. We understand the importance of it. It accounts for roughly around 34 per cent of the economies in regional Victoria. We wanted to specifically send this message. The previous Kennett government used to call regional Victoria the toenails of Victoria. We are quite a contrast to that of course: we value our regions and we want to ensure that they grow along with Melbourne. To that end, we have announced a special fund to have events in Melbourne, but we have also announced \$20 million of regional events over four years. That has had a dramatic impact on some of the great events that we have been having right across our regions. When you think about all of the events that we have, it is just fantastic.

Ms SHING — I will come back to that.

Mr EREN — Sure. That would be great.

Mr MORRIS — I refer to budget paper 3, page 28, which is the output initiatives, and also page 137, which is the output itself, 'Major sporting and cultural events facilitated'. Minister, how much money has been provided in the state budget for the Malmsbury project?

Mr EREN — That is a question that I might refer off. The Malmsbury project is on the radar of the government — there is no question of that. Clearly what we need to do is make sure that we listen to the stakeholders, we listen to what is involved and as a government we act accordingly. What I would actually say to that is that we are looking very closely at that very important area, and we will have something further to say on that in coming months.

Mr MORRIS — Minister, the member for Macedon was on WIN TV earlier this week spruiking the project. Can you confirm that there is in fact no money for this project in this year's budget?

Ms SHING — As a line item or at all?

Mr MORRIS — At all.

Mr EREN — What I can say to you, Mr Morris, is that we are very cognisant of having major events and sporting events in regional Victoria — there is no question of that. What we do want to do is — —

Mr MORRIS — Can you outline the project for us?

Mr EREN — What we want to do is make sure that we have partners along the way, and local government — councils and shires — are very important in making sure that we have these events in a successful manner and we have input from other tiers of government. What I would suggest, for example, is that councils and shires have a package of events, whether it be sporting or cultural — —

Mr MORRIS — My understanding is this is a government project. It is not a local project.

Mr EREN — I am just trying to point out, Mr Morris, that it is about having stakeholders and partners in certain projects that we have.

Mr MORRIS — Okay. Can I ask you about the issue of major events more broadly? Since December 2014 we have lost a number of major events: the Australian Masters golf and the women's open golf. The Ironman Asia-Pacific went off to Queensland. New South Wales beat us to the punch as far as the American college football season opener goes. There is one initiative in the budget — the Putting Victoria on the Map project — but that is a tourism project, rather than a major events project. Why are there not any initiatives specific to major events anywhere in the budget?

Mr EREN — Sorry, Mr Morris. Can you just repeat the end of that question?

Mr MORRIS — Why are there no new initiatives specific to major events anywhere in the budget?

Mr EREN — The way the Major Events Fund works is it actually sits at Treasury. It is an accounting process, and it is a contingency fund.

Mr MORRIS — You have got tourism, Minister. You have none.

Mr EREN — No, we do. We actually have \$62 million allocated to major events.

Mr MORRIS — Yet you have no initiatives.

Mr EREN — No. You say no initiatives. Okay: 2016 World Cup of Golf, Australian International Airshow, Australian Motorcycle Grand Prix 2017, Australian Open 2017, Bendigo international collections, Boomers Farewell Series, Cadel Evans Great Ocean Road Race, Chevrolet Brasil Global Tour, Festival of Sails, FIM Superbike. I have got 27 different events that have happened — —

Mr MORRIS — None of which are initiatives this year — not one.

Mr EREN — No. You do not understand how these things work, Mr Morris. What you fail to understand is that we have a number of major events on our calendar that is second to none, and I do not know why you would make any assumptions that we have got nothing on our agenda of major events. I am actually trying to read out to you the number of events that we have, and — —

Mr MORRIS — The question is not about the number of events you are running. The question is about initiatives, which is a different part of the budget. It is page 28. It is about initiatives. That is what we are asking about. There is not one initiative on page 28 — not one.

Mr EREN — Twenty million dollars additional each year ongoing for the major events fund — additional \$20 million — \$271.5 million to complete the third-stage Melbourne Park redevelopment, \$90 million over two years — —

Mr MORRIS — No, no. We are talking about major events initiatives. That is the subject under discussion, not the construction of sporting facilities.

Mr EREN — And I am pointing out to you that we have boosted the moneys of both major events and regional events, and so going forward we have secured the \$20 million every year additional major events funding. And so from under your government only having \$42 million we have gone to \$62 million, and we have actually increased — —

Mr MORRIS — A government that brought you the Australian Masters golf, the women's open golf, the Ironman Asia-Pacific — all of those things that you have lost.

Mr EREN — Well, I can read you the events that we have got. There is a quite comprehensive list before me, Mr Morris, and I am happy to take you through it. You should not run the state down in relation to — —

Members interjecting.

Mr EREN — Just through you, Chair, just to supplement — —

Mr MORRIS — Minister, it is your government's budget, and on page 28 of that budget there is not one new initiative — not one.

Mr EREN — I am not sure you are interested in the answer, Mr Morris.

Mr MORRIS — I am asking about initiatives. If you would talk to me about initiatives, that would be fine, but you are talking about anything but.

Mr EREN — Mr Morris, I said to you that we have actually increased the budget for major events. We have increased it by 20 million — —

Mr T. SMITH — But it is blank. There is nothing here.

Mr MORRIS — There is nothing in it. Look at page 28.

Mr EREN — I have said to you these funds already exist.

Mr T. SMITH — Minister, it says tourism and major events. There is nothing there for major events.

Ms WARD — I think it is quite clear, Mr Smith, that the minister has heard what you are saying and is now responding to you.

Mr MORRIS — There is one initiative, and that is a tourism initiative — nothing to do with major events whatsoever.

Mr EREN — If you look, Mr Morris and Mr Smith, going forward 16–17 to 17–18, \$63.6 million, so an additional \$17.5 million has been added.

Mr MORRIS — Minister, it is not in your budget. It is not under the department's output initiatives. It is not there.

Mr EREN — This is new money. You are not used to new money under your administration when you were in government — —

Mr MORRIS — Are you familiar with the concept of initiatives? They go in the front of the budget. They go in chapter 1. There is not one mention of that in chapter 1.

Mr EREN — Unfortunately your government neglected this area very much. You are not used to it. So what I can say to you is the key stakeholders in the industry, whether it be VTIC or TTF, have both come out — both federal and state lobby groups for tourism have come out — and praised this budget in terms of our initiatives going forward for the tourism sector. And so you can complain and whinge all you like about it, but you did not do any of these things when you were in government. What I am saying to you — —

Mr MORRIS — There are no initiatives, and there is no strategy.

Mr EREN — I am saying to you we have increased the — —

There is a strategy. Have you been on another planet?

Mr MORRIS — Would you like to provide the committee with a copy of your government's major events strategy?

Mr EREN — I can tell you the major events strategy.

Mr MORRIS — No, would you like to provide us with a copy of that strategy?

Mr EREN — Absolutely. I can provide you with a copy of — —

Mr MORRIS — Thank you. We will have it on notice.

Mr EREN — I can provide you with a copy of our initiatives in terms of what we have done for major events and all of those events that we have — —

Mr MORRIS — Just to make certain, you will provide the major events strategy on notice. Is that correct?

Mr EREN — What I will provide you with is our tourism strategy, which is — —

Mr MORRIS — No, we are not asking about tourism; we are asking about major events. Apparently you do not know the difference.

Mr EREN — I can assure you that I do. Major events is one of those very important areas for our tourism sector, as I have indicated before. We are very proud of the record. You will not let me put on the record all the events that we have had and will have going forward. You know, Brazil and Argentina, the two top teams in the world in terms of soccer, on 9 June will be gracing that wonderful ground at the MCG. Brazil versus Socceroos on 13 June. Nitro Athletics, a brand-new event that we have created as a state. No other state did that, and now that is going global. We are not only being innovative in terms of what we create in major events, we are also securing the valuable events, making sure that they do not go anywhere else other than here, where we want them.

Mr T. SMITH — Like all the other ones that got turfed overboard?

Mr EREN — Well, you may say what you like about the events, but the value-add that we have to the events that we have is second to none. Can I just, through you — you asked the question, Mr Morris — I think it is important to acknowledge that we have got a calendar second to none in terms of our major events, and we are filling it very quickly throughout the year because there was actually a lull. It was great between October and basically February or March, and then from April to October there was actually nothing much happening, and that \$80 million — —

Mr MORRIS — The AFL will be pleased to hear that.

Mr EREN — Under your government. And so apart from the local games, of course, the local codes, I am talking about major sporting events and getting interstate and international tourists to this very important state.

And so it is about making sure that we make the investments accordingly and have the best events going forward that are most valuable.

Mr MORRIS — Okay, so you will give us the initiatives that are not published in the budget and you will give us the major events strategy.

Mr EREN — And it is a 50 per cent increase in the Major Events Fund under our government compared to yours.

Ms SHING — Moving on from the Grumpy McGrumpyface approach to questioning that has typified an area of significant growth and investment in the questioning this afternoon, I would like to take you back to the way in which the visitor economy in regional Victoria is benefiting from these initiatives again to focus on the need to drive jobs and employment growth as well as improve opportunities for export market investment in products that come down to Melbourne, for example, to service large numbers of visitors. How are we making sure that we can continue to drive growth to areas of the state that can provide some of the very best produce, that can provide some of the very best hospitality and that again are a very significant opportunity for people to pad out a visit to Melbourne with events and participation more broadly across the state?

Mr EREN — Some of those wonderful events that we have across regional Victoria, whether it is the Bendigo international collection, the Marilyn Monroe exhibition, the international cricket we had at Simonds Stadium, the Cadel Evans Great Ocean Road Race, the Vic open golf, the Rip Curl Pro surfing contest or the international air show — I can go on and on about all of the regional events that we are having — they again showcase. Some of those events are broadcast not only interstate but internationally. What happens, as a ripple effect of affecting the economy, is that not only are they viewing those events in the various parts of our regions but also having a look at the landscape and we are hoping that one day they would put that on their bucket list to actually visit those regions. The economic spin-off for us in broadcast is exactly that.

That investment that we spoke about in the Gippsland area is some \$6 million for a range of sporting programs, to get a range of events going to that region. White Night in Ballarat: 40 000 people converged on Ballarat for that very special event. White Night Melbourne, always successful — 500 000 people. We thought we would do something different. This is the innovative way that we think in terms of major events: how do we incorporate regional Victoria in the major events that we have in Melbourne? That was a huge success, by the way, and we are so proud of that.

Ms SHING — What role do the regional tourism boards have in the work that is undertaken to attract new ideas and events to the regional calendar?

Mr EREN — Extremely valuable. Our RTBs right across the state are working extremely hard to get the best offerings — and their own niche markets. Each one of them has unique offerings. There was a review that was being conducted by the previous government in relation to whether we had too many RTBs. There was a view that potentially there were a few too many and potentially there may have been a decision to cut back on those RTBs. I had a look at the landscape. They were too valuable to let go of.

Ms SHING — You added another one.

Mr EREN — Geelong region had a case before us to say, 'Ford closing, Alcoa closing — we need a unique offering, a unique RTB that will actually attract visitors to Geelong because of the job losses that will occur'. They were under the Great Ocean Road RTB. We created as a government a new RTB.

Ms SHING — So how do we make sure that the RTBs can work together to minimise competition between the various areas in the key parts of the calendar year?

Mr EREN — Visit Victoria works very closely with the RTBs and they are in constant contact to actually encourage them to have unique offerings that will not be so much competing with each other but complementing each other, and that is what it is about. Look, I have gone right across the state. They are great offerings that we provide, each individually. The food and wine offerings are so different, the Great Ocean Road has a different offering, the Murray region has a different offering. When you combine all of those regions and the wonderful offerings that they have, including the nature-based tourism that for us is so important, the RTBs are an important part of how we operate as a government. We listen to them and we listen to Visit

Victoria. For what it is worth, if you do not listen to your stakeholders and if you do not take advice and guidance from your stakeholders, then that industry at the end of the day obviously will have issues going forward and we will have issues.

Ms SHING — So how do we make sure that we can continue to drive visitor numbers across a range of demographics and from a range of destinations? I am not just thinking about campaigns like Wander Victoria, but more broadly from a national perspective and internationally.

Mr EREN — We have given that responsibility to Visit Victoria and we have actually given them a large amount of money to do that and so we have a strategy in place. We want to grow this sector to 36.5 billion and 320 000 jobs associated with that. My ministerial advisory committee is working very hard to implement and coming up with strategies on how to implement that very important objective. Some say it is a very ambitious goal, but we believe we can do it. We are on track. We have grown in the last two and a half years. We intend to grow further over the next three years. And we will do that only by making sure that we advertise strategically, that we use every avenue, interstate, intrastate and international advertising, that we need to do to maximise our efforts to bring us up to that objective.

Ms SHING — How is the Victorian visitor economy strategy, which was I think launched in the second half of last year, enabling a more tailored approach to attracting visitors from a range of different areas and demographics?

Mr EREN — One of the works that we have done through Visit Victoria is obviously brought all of those entities into one. Whether it is major events, the Melbourne Convention Bureau or Tourism Victoria, all of those entities are now working as one.

Ms SHING — How does that differ from what happened previously?

Mr EREN — Previously they were obviously their own silos and working in their own capacity and with their own objectives. Of course this is streamlined and it is making sure that we have a cohesive objective and goal going forward.

Ms SHING — And is that working?

Mr EREN — And it is working tremendously at the moment. It is going so well in terms of our major events' abilities, our Wander Victoria campaign — getting Victorians out to discover their own backyard — and having major events in regional Victoria that attract so many people to the regions. Having population growth, for example, is another indication of the growth of regions as well, how they are coping with and handling that growth. It gives more opportunity and that is what it is all about, making sure that we grow our economy and reach that target of 36.5 billion by 2025. To do that, we need a strategy that is exactly being implemented, as I announced earlier this year, about how to achieve some of those objectives. So it is going quite well.

Ms WARD — Minister, I want to talk to you about something that drives me nuts and I know drives many other people in this state nuts — ticket scalping. If I can get you to go to budget paper 3, page 137, and the line item 'Major sporting and cultural events facilitated', what is the government doing to address ticket scalping?

Mr EREN — Look, this is an important matter, obviously. It is one that goes to the integrity of our abilities to have successful major events. We have seen it happen. We have an act to prevent, obviously, certain events that we declare and there are very hefty fines in relation to people that are trying to take advantage economically of people's love for sport or culture. Clearly it got out of control. We have brought in some legislation particularly for certain sporting events that would stop that scalping from going on. By and large, for what it is worth, it has actually reduced a fair bit in terms of stopping those unscrupulous people trying to make money out of these events in that way.

Ms WARD — So why does the Major Sporting Events Act only cover sporting events?

Mr EREN — Yes. As a government we are looking to expand that. The recent cultural events that we have had have been actually tremendous. Whether it is the Adele concerts and other concerts that we have been having, they have proven to be such hugely successful events that now they have shifted onto those events that are not strictly guided by legislation to prevent scalping. So we are looking at that at the moment as a

government to ensure that people can enjoy these events in a way where there is no bulk buying of tickets and then holding people to ransom. If you want go to the person you love to watch them sing, then you are going to have to pay 10 times the amount. That is an absolutely terrible thing that happens to our community.

Ms WARD — It drives people nuts when they get online to buy tickets and within 15 seconds everything is sold out. How do you sell out a 12 000-seat stadium so quickly?

Mr EREN — We understand that now. Because our major events capacity is growing and we are having so many more different events, we are now looking as a government to incorporate that exact act on cultural and other events as well.

Mr T. SMITH — Minister, referring to Visit Victoria, budget paper 3, page 36, ‘Putting Victoria on the Map’ projects — and frankly it probably needs to be put back on the map after what you have done to the tourism — —

Ms SHING — What, make it the best destination in Australia?

Mr T. SMITH — I would not speak too soon, Ms Shing. Why after leading the national tourism growth figures under the previous government is Victoria falling so far behind the national averages for tourism?

Mr EREN — Sorry, say that again?

Mr T. SMITH — Why is Victoria now behind national averages when it comes to tourism on your watch, Minister?

Mr EREN — I do not know where you are getting your numbers from. I have just outlined to you that our tourism numbers have gone up 2.9 per cent. Our tourism numbers have gone up.

Mr T. SMITH — According to the Visit Victoria annual business plan 2016–17, page 4, for the year ending June 2016 international overnight expenditure in regional Victoria grew just 8.4 per cent against the national average of 14.2 per cent.

Ms SHING — So it grew by 8.4 per cent.

Mr T. SMITH — Behind the national average; I said behind the national average.

Mr EREN — Well, if it was not for your lazy government that did not do anything for the four years — —

Mr T. SMITH — You are calling — —

Mr EREN — Yes, absolutely. Under our watch — —

Mr T. SMITH — You are saying lazy? You?

Mr EREN — Your lazy government. Under our watch, Mr Smith — —

Mr T. SMITH — You have got to be kidding me. You have got a hide.

Mr EREN — We have actually taken the reins now, and we said, ‘Whoa, hang on, what is going on here with the tourism sector?’.

Mr T. SMITH — Yes, I know; that is what I am asking.

Mr EREN — It was a shambles. When we took over it was in a shambles position.

Mr T. SMITH — It is in a shambles under you, my friend.

Mr EREN — So now, as you have indicated, there is a growth of 8 per cent.

Mr T. SMITH — Yet the national average is 14 per cent. We are behind the national average, that goes to my question: why? Why are we behind the national average?

Ms WARD — Mr Smith, this is actually a conversation with the minister, so how about you let him actually answer your questions instead of continually talking over the top of people. It is getting extremely tiresome, Mr Smith; we would all like to hear what the minister has to say.

The CHAIR — Order! Ms Ward!

Mr EREN — I can tell you, Mr Smith, that we are tracking quite well compared to what it was under your government. It has grown by 2.9 per cent, and in fact on the international front, the latest international business survey results show international overnight visitations spent \$6.9 billion in Victoria in year ending December 16, representing a 6.1 per cent increase year on year.

Mr T. SMITH — Our interstate overnight market decreased for visitors by 1.7 per cent and decreased for nights by 4.5 per cent. Why is it going backwards?

Mr EREN — I am saying to you, Mr Smith, that our potential, our base of income through this very important sector is actually growing. We have gone to \$23.8 billion compared to when we took over. Under your lazy government it was just over 21 billion. We have grown it in the short — —

Mr T. SMITH — Lazy.

Mr EREN — Absolutely lazy, because you did nothing.

Mr T. SMITH — You are the laziest minister I have seen since Somyurek was here.

Mr EREN — You did not do anything when you were in government in relation to this portfolio. So it was a refreshing change, as the industry called it, when a government came in that actually paid attention to this very important sector. They actually said it that it is a refreshing change that this government is taking this sector seriously. Do not ask me; ask TTF, ask VTIC about what they think about our policies.

Mr T. SMITH — Spending from travellers to and within regional Victoria increased by 2.6 per cent, but down on the national average of 6.3 per cent. Why?

Mr EREN — You do not want to listen to the answer, Mr Smith. I think you think this is fun and games. There is no games about this. No, this is very serious.

Mr T. SMITH — No, Minister; I just do not think you are very good at your job.

Mr EREN — This is very serious, and what I am saying — —

Mr T. SMITH — It must be very galling for these people to have to sit here and listen to you, given that they would probably do a better job than you, frankly.

Mr EREN — What I am saying to you, Mr Smith, is that this sector has grown in the two and a half years that we have been in government. It has grown by 2.9 per cent, and we have gone to \$23.8 billion in the short time that we have been in government. We are on track, Mr Smith — if you are listening — we are on track, Mr Smith, in terms of growing this sector to \$36.5 billion. We are on track to grow this sector to 36.5 billion — 320 000 jobs associated with that — by 2025. That is an ambitious target; that is a target that you would never have dreamt of when you were in government, but we think we can do it. And I think we are on track, and I know that we will achieve our objectives. I know the sector has confidence in us, because we have continually provided the support to this sector year on year, and we will do so because we understand the importance of this very important sector, Mr Smith.

Mr T. SMITH — Minister, why is our interstate overnight market decreasing by 1.7 per cent for visitors and decreasing for nights by 4.5 per cent?

Mr EREN — I do not think you listened to my answer, but I will answer it again.

Mr T. SMITH — Why?

Mr EREN — Well, you know, I am just looking at under your government how you — the lazy previous Napthine government — neglected. I can go back to records as well, Mr Smith, and I can tell you that it was abysmal.

Mr T. SMITH — This is in the Visit Victoria annual business plan, Minister.

Mr EREN — Yes, and I am telling you from the time that we took government it has been a constant battle to regain control of this very important sector. So we have tried the best that we can as a government. Under the circumstances of the previous lazy government doing nothing for this sector, we have actually taken it head-on. We are now competitive. We are now more competitive than any other state in terms of growing our sector, and we intend to do a lot more in this area. In two and a half years — and I go back to that point — there has been an increase of 2.9 per cent, \$23.8 billion for the year ending 2016. That is of course one of those areas that we will continue to invest in, Mr Smith, because we understand the importance of it.

Mr T. SMITH — Spending from travellers to and within regional Victoria increased just 2.6 per cent, but down on the national average — it is a separate measure — of 6.3 per cent. Why are we falling behind other states?

Mr EREN — The key point of what you just said then is that there is growth in the sector.

Mr MORRIS — No. The key point is the growth is one-third of the national average.

Ms SHING — Let us compare it with the previous government, shall we? Let us just do that. Let us compare it with what you failed to do. Let us look at what you did not do in your one term of government.

Mr MORRIS — We are happy to, but of course that would be outside the scope of the budget estimates, so we are not allowed to do that, because we cannot go anywhere except for what is in the document.

Mr EREN — Have you finished?

Mr T. SMITH — You have not answered the question, Minister.

Mr EREN — I do not think you like the answer, Mr Smith. That is the issue. You do not like the answer.

Mr T. SMITH — You did not answer my question. We asked: why are we one-third of the national average?

Mr EREN — The answer is there was strong growth over the year ending December 2016 in international overnight visitations, and that numbers grew in regional Victoria by up to 8.6 per cent to 498 000 is the key point. My point to you is that —

Mr T. SMITH — Our growth is a third of the national average on this particular measure.

Mr EREN — Well, Mr Smith, in the two and a half years that we have been in government year on year we have grown this sector and we intend to grow this sector. We started from way back because your lazy government for the four years when you were in government did nothing for the sector. What we did straightaway when we came in is look at the landscape. We restructured the nature of how we do business in this state in terms of the visitor economy, and we refined it to make Visit Victoria. They are now set up to take head-on all of these issues that have been taken into consideration in relation to growing this sector.

Mr MORRIS — Chair, we are not getting anywhere, so can I go to a separate issue? If we can just go quickly to an issue the minister raised in his presentation at the start, the Wander Victoria campaign, and I believe he said the expenditure on that was proposed to be 4.5 million. Can you indicate to us what the KPIs are around that campaign?

Mr EREN — Sure. That is actually tracking quite well. We are very happy about the KPIs in relation to how that has worked. We will have something more to say in relation to how successful that campaign has been. We are seeing —

Mr MORRIS — Can you give us an idea of what success will look like — how you are going to measure success?

Mr EREN — Sure. It is about the visitations. It is about how the campaign is working. That campaign was designed to make sure that Melburnians particularly do not jump on a plane to go elsewhere for their long weekends and actually discover their own backyard, and it has worked quite well. Even the ads themselves are quite unique in the way that they have been described in the media. It is actually taking effect.

Mr MORRIS — So what are you measuring? Are you measuring overnight visitations, are you measuring day visitors?

Mr EREN — The campaign is effectively reaching and engaging our audiences with an overall awareness peaking at 59 per cent, so we are tracking with approximately 18.8 million views of the brand films over 150 visits to the campaign website. We have tracking mechanisms — —

Mr MORRIS — Are they actually going anywhere or just going to the website?

Mr EREN — Of course they are going. I have just indicated to you that — —

Mr MORRIS — Can we get those figures on notice?

The CHAIR — Order! I would like to thank the Minister for Tourism and Major Events, the Honourable John Eren, MP, Mr Bolt and Mr Hanney. The committee will follow up on any questions taken on notice in writing. I think Ms Pennicuik and Ms Patten may have some questions that will be provided by the secretariat. The response answering the questions in full should be provided in writing within 10 working days of the committee's request.

Witnesses withdrew.