

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Inquiry into the 2026–27 Budget Estimates**

Melbourne – Monday 25 May 2026

### **MEMBERS**

Sarah Connolly – Chair

John Pesutto – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Richard Riordan

Meng Heang Tak



**WITNESSES**

Natalie Suleyman MP, Minister for Tourism; and

Matt Carrick, Secretary,

Georgina McCann, Deputy Secretary, Sport and Experience Economy,

Belinda Kleverlaan, Executive Director, Tourism, Events and Entities,

Luke Mason, Executive Director, Professional Sport and Tourism Infrastructure, and

Brendan McClements, Chief Executive Officer, Visit Victoria, Department of Jobs, Skills, Industry and Regions.

**The CHAIR:** I declare open this hearing of the Public Accounts and Estimates Committee. I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2026–27 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

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

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

I welcome the Minister for Tourism the Honourable Natalie Suleyman as well as officials from DJSIR. Minister, I invite you to make an opening statement or presentation of no more than 5 minutes, after which time committee members will ask you some questions. Your time starts now.

**Natalie SULEYMAN:** Thank you, Chair and committee, for the opportunity to present on the tourism portfolio. I would like to acknowledge the traditional owners of the lands we are meeting on, the Wurundjeri people of the Kulin nation, and pay my respects to their elders both past and present.

**Visual presentation.**

**Natalie SULEYMAN:** Victoria's visitor economy is growing and is bigger now than ever. Our visitor spend hit a record high of \$46.7 billion in the year ending December 2025. We have retained our position as the second-largest visitor economy in Australia, and growth in the visitor spend matched the national trend of 6.5 per cent, which is fantastic. Spending growth continued to outpace inflation, which means that this is growth in real terms and shows we have a strong demand for what Victoria has to offer for our visitors, whether they are international, interstate or intrastate. International tourism expenditure in Victoria grew by 7 per cent year on year to \$9.7 billion growth in our international markets. Melbourne is an international destination with a global appeal, and we are the best city in the world, winning *Time Out's* best cities 2026 ranking. Through Visit Victoria's industry partnerships program, we have been able to attract new major international airlines such as Finnair, Delta and Hong Kong Airlines, connecting Melbourne to even more global destinations.

These strong numbers are also supporting regional Victoria. Strong growth in international expenditure helped regional Victoria attract \$16 billion in total visitor spend in that period. Melbourne led the nation in city-based overnight spend trips and nights. Interstate overnight spend in Melbourne reached \$5.9 billion in 2025, giving it a huge \$1 billion lead over Sydney's \$4.9 billion. The Allan Labor government continues to strategically invest in the visitor economy, supporting jobs, economic growth and global competitiveness.

The facts speak for themselves: tourists are spending big and spending more time in Victoria now more than ever, boosting our visitor economy, supporting local businesses and supporting local jobs. In 2025 Greater Melbourne sold a record 12.1 million hotel rooms, an increase of approximately 680,000 rooms from the previous year, with 11 out of 12 months of the year setting records for monthly demand. Melbourne is a

destination where people are visiting, staying, spending and travelling out to unique regional experiences. We continue to invest in Visit Victoria to ensure it can market and promote the best that Victoria has to offer, attracting more visitors to stay longer and spend more across the state.

What is important to us is identifying the growth markets. The growth potential is huge. This includes \$43 million over two years announced by the Premier in China in September 2025 to boost Victoria's domestic and international marketing. The Visit Victoria industry partnership program was established last year through \$7 million allocated in the *Economic Growth Statement*. Visit Victoria secured 77 partnerships and supported 74 campaigns which delivered promotional and advertising activities to promote Melbourne and regional Victoria on a global scale. We supported 13 visitor economy partnerships to deliver industry-strengthening activities and 217 infrastructure projects across rural and regional Victoria through our tourism infrastructure programs, including the blowhole viewing platform project. This \$8 million investment delivered an iconic viewing platform at Loch Ard Gorge on the Great Ocean Road and created a world-class tourism attraction. We supported over 3000 regional tourism businesses with capability-building and workforce programs, including business mentoring, digital and helping them across the international market. The 2026–27 state budget continues to support tourism in Victoria.

**The CHAIR:** Thank you, Minister. The first 8 minutes is going to Ms Benham.

**Jade BENHAM:** Thank you, Chair. Morning, Minister. Minister, obviously tourism has been separated out and away from major projects. What consultation was done with industry before the portfolio was split up, if any?

**Natalie SULEYMAN:** Thank you very much for that question. Can I say before I began in this portfolio I came from the hospitality industry and have a deep connection and understanding of –

**Jade BENHAM:** So the hospo industry was consulted?

**Natalie SULEYMAN:** I speak regularly to industry, and can I say, just in relation to the portfolio, now we have a portfolio that really is focused on tourism and –

**Jade BENHAM:** I am just after really who was consulted, Minister, in the interest of time.

**Natalie SULEYMAN:** I think it is important to note that we now have a portfolio that works in hand with my other portfolios, like small and family business.

**Jade BENHAM:** No doubt, and I am happy for you to highlight that in a ministers statement during Parliament sitting. But I am just after who was consulted on the split-up of the portfolios.

**Natalie SULEYMAN:** I think what is important is that the government receives feedback and there is not change when it comes to the portfolio of tourism. I am still in charge of the tourism policy, visitor data, tourism strategies –

**Jade BENHAM:** Just on that – I want to pick up on that point – a lot of the figures that were illustrated in the slide in your presentation at the beginning could be directly related to major events that we have seen in Victoria and Melbourne over the last 12 months or 18 months, but given that Victoria's visitor economy is losing many of the large-scale tourism events that bring \$46 billion a year and it seems that your government has fragmented this vital portfolio, how is it –

*Members interjecting.*

**Jade BENHAM:** We have lost the Moto GP. We are losing the Open after this year. We are losing all sorts of events to South Australia. They are coming for superbikes. They are coming for anything they can get. We lost LIV golf to them. Anyway, do you have an answer, Minister?

**Natalie SULEYMAN:** Thank you for that question. Let me be very clear: the Victorian government continues to support our visitor economy through investments in marketing and our experiences, infrastructure and attractions and industry partnerships.

**Jade BENHAM:** Can you name an industry group that was consulted about splitting up the portfolios, Minister? I would just like one.

**Natalie SULEYMAN:** As I said, the Victorian government continues to invest. We have \$383 million as part of our tourism infrastructure program. It is supported through three programs, one being the visitor economy –

**Jade BENHAM:** Okay. Thank you, Minister. Can I ask how much additional bureaucracy it will cost for two ministers across these two portfolios now?

**Matt CARRICK:** I am happy to take that question, Ms Benham. There is no additional cost in terms of the establishment of the new portfolio, including from a staffing point of view.

**Jade BENHAM:** Terrific. Thank you, Mr Carrick. I want to move on to regional tourism boards now, Minister. In the last budget there was \$5.5 million provided in funding for the regional tourism boards for visitor economy partnerships. In this budget that funding has now apparently gone. Is there any direct unconditional funding for regional tourism boards? And I am happy to hear from officials.

**Georgina McCANN:** The visitor economy partnerships were funded in last year's budget for \$11 million over two years, so that funding continues this year.

**Jade BENHAM:** Until August this year?

**Georgina McCANN:** It continues 2026–27, the funding, and then it lapses.

**Jade BENHAM:** Okay.

**Natalie SULEYMAN:** Can I also add that I have had the opportunity to actually meet with the visitor economy partnerships, the 13, just recently and hear from them their priorities and feedback. It was a wonderful meeting where we had the opportunity to talk about our initiatives and also the highlights for the year.

**Jade BENHAM:** Terrific. I have got a few more. I have got the answer. Thank you, Minister. What about the regional tourism and events fund, which was the support package after the cancellation of the Commonwealth Games? Is there anything left in that fund?

**Georgina McCANN:** Yes, I can confirm that the regional package initiatives in the tourism portfolio are continuing in 2026–27. That includes the Regional Events Fund, which does have funding –

**Jade BENHAM:** So that is all rolled in together?

**Georgina McCANN:** That is exactly right. That does continue this upcoming financial year.

**Jade BENHAM:** Fantastic. Great. Thank you for that. How much is left in that fund, by the way, really quickly?

**Georgina McCANN:** In terms of the Regional Events Fund, I think there is \$7 million that was allocated in 2026–27.

**Jade BENHAM:** And that is stream 3 of that?

**Georgina McCANN:** That is all streams. That is the Regional Events Fund in total.

**Jade BENHAM:** Excellent. Thank you. Secretary, how much has been allocated to Visit Victoria for 2026? It was not noted in the presentation in the beginning. There were some stats there about the 77 partnerships but no allocation of funding, and we cannot find that in the budget papers.

**Matt CARRICK:** I might hand in a second over to the Deputy Secretary, but what I would say is that there was a significant announcement in October of last year around new funding for destination marketing. I think that was in the vicinity of \$43 million for destination marketing, but the minister might have some more to say about that.

**Natalie SULEYMAN:** Yes, thank you –

**Jade BENHAM:** Is that the total budget, though, for destination marketing?

**Matt CARRICK:** Correct. That was multiyear. That is money for Visit Victoria.

**Georgina McCANN:** That was additional. There was \$43 million that was allocated last year, and in addition to that there was –

**Natalie SULEYMAN:** \$32.5 million.

**Jade BENHAM:** Okay. Is that in addition to the regional tourism boards?

**Georgina McCANN:** Yes.

**Jade BENHAM:** And that helps sustain that as well?

**Georgina McCANN:** Correct.

**Matt CARRICK:** Separate to that.

**Jade BENHAM:** Yes. Okay. So it does not include that, it is in addition.

**Georgina McCANN:** No, that is right.

**Matt CARRICK:** Correct.

**Jade BENHAM:** Okay. Terrific. What ratio of that spending for Visit Victoria and destination marketing is regional versus metro?

**Georgina McCANN:** That is a good question. It is one I have asked myself. Actually, the way that Visit Victoria allocate their funding is by their market segment as opposed to regional versus metro. They allocate their funding based on intrastate marketing and activity, interstate marketing and activity and international marketing and activity. So it is actually not possible to split the funding out by regional–metro, because the way that they operate operates across those three segments as opposed to metro–regional. I can, however, talk about the really significant investment in regional Victoria, and there have been a range of initiatives that have been funded specifically in regional Victoria. That includes things like the visitor economy partnerships as well as \$21.8 million over four years in the 2023–24 state budget for the regional tourism and events fund. There was the –

**Jade BENHAM:** Sorry to cut you off. Do we know what the spend is for regional tourism advertising?

**Georgina McCANN:** I am sorry, could you repeat the question?

**Jade BENHAM:** Regional tourism advertising – do you have the figures on how much Visit Vic spend on that particular segment?

**Matt CARRICK:** We do have the CEO of Visit Victoria Mr Brendan McClements. He is actually with us. If you would like, we can call him up to –

**Jade BENHAM:** Terrific. Bring him to the table in the short time I have got left.

**Matt CARRICK:** Now, I am aware he has got a sore leg, so he should have probably sat at the table.

**Jade BENHAM:** Oh, we have run out of time. Sit down, Mr McClements. Don't injure your sore leg. We are out of time.

**The CHAIR:** Thank you. Mr Tak.

**Meng Heang TAK:** Thank you, Chair, Minister and officials. Minister, I would like to take you back to your presentation. You mentioned some pretty large numbers there in terms of the size of Victoria's visitor economy, both in metro and regional areas, and you also mentioned a figure there about overnight spend in

Melbourne. Minister, can you tell us a bit more about what these figures are tracking in terms of the impact on the economy?

**Natalie SULEYMAN:** Thank you, Mr Tak, for that question, and I thank you for taking an interest in the visitor economy. This is a really important question, and it also is important for regional tourism and the bigger picture of Victoria's overall visitor economy. As I stated earlier on, the visitor economy is worth \$46.7 billion, and it is continuing to grow with a clear target of \$57.2 billion by 2030. It supports close to 300,000 jobs across the state, from our hotel workers to the local cafes, the security guards, the hospitality industry and small and family businesses as well. Also of course regional Victoria continues to be a major contributor to the overall figure, and it has generated \$16 billion of visitor spending. We know that more and more visitors – whether it is interstate, intrastate or internationally – are choosing to travel through to regional Victoria to experience whether it is our wineries or whether it is our natural beauties, and they are spending as well, which is really important to those local economies. As I have said, it has generated \$16 billion in visitor spending and attracts more than 50 million visitor trips a year. This is huge. This is huge for our state, and it is huge for regional tourism and of course for Melbourne. As I said, in simple terms, when we do get an increase in our visitor economy that provides a boost and of course supports regional Victoria. Importantly, that is a significant share of our tourism visitor economy and one key driver of growth. The trends we are seeing in regional Victoria, consistent with the broader picture, are strong growth in visitor numbers, strong growth in spending and a strong recovery in our international visitation. That is really important.

I did speak a little bit about our new airlines. We are seeing more and more airlines choosing to fly to Melbourne, which increases the seat capacity to bring visitors into Melbourne and then through our programs and our supports to then travel to the regions and experience the fantastic parts of regional Victoria. I do want to note that we are performing well. We have exceeded the expected targets of our visitor expenditure. This has clearly benefited an increase in demand for regional travel and is attracting both domestic and international visitors. This really is fantastic news for Victoria, for Melbourne and regional Victoria.

**Meng Heang TAK:** Thank you, Minister. Talking about international overseas visitors, can you talk about programs that are complementary – for example, bringing people to Melbourne from overseas and then encouraging them out into the regions once they are here?

**Natalie SULEYMAN:** I think what is really important, Mr Tak, is as we can see, we are we are investing and supporting programs, whether it is through our marketing for Visit Victoria or through our partnerships. That really does encourage visitors – whether it is international, interstate or intrastate – when they are travelling to Melbourne to then explore regional Victoria. As I said, this does not happen by chance; this is done by strategic planning and marketing and ensuring that we are targeting markets to be able to travel to Melbourne and then experience regional Victoria. We know that visitors are choosing Melbourne, whether it is for our major events or localised events. There is a connection through our visitor economy, and there is no doubt Melbourne is attracting more visitors into Victoria. Regional areas provide additional experiences, and together we are providing additional experiences that drive higher overall spending. Importantly, there are targeted programs – next month will be the winter marketing for Melbourne to be able to travel to regional Victoria. We have a number of campaigns, events and targeted promotions to ensure that international, interstate and intrastate visitors are able to experience and have highlights across regional Victoria.

**Meng Heang TAK:** Thank you, Minister. You also mentioned that Melbourne was number one in *Time Out* magazine's best cities in the world for 2026. How important is it for the government to get the Victorian brand out there?

**Natalie SULEYMAN:** It is absolutely integral, and that is why we have strategic programs that support the work that Visit Victoria does and the work of our visitor economy partnerships and the targeted marketing to encourage more visitors. That is why we have seen that \$1 billion extra spend by tourists in Victoria compared to Sydney. We are the foodie capital and we are the events capital. Nowhere else can you get major events and the tourist experience, whether it is in Melbourne or whether it is in regional Victoria. Victoria is no doubt the envy of every other state. I had the opportunity just recently at the national ministerial council to talk about the great work of Visit Victoria. This does not happen overnight. It has been consistent investment over a period of time. As I said, we have had a targeted marketing campaign, promoting and working with our partners, encouraging more airlines to actually fly to Melbourne and sporting events.

In September we will have the NFL here for the first time. That is a huge market, and we expect that there will be many international visits from that event. Also just recently we announced the Opals versus China games, and they are going to be huge too, because we know that the fan base in China is absolutely huge. Millions follow basketball. We will have this hosted here in July, which again has that chain reaction of benefits, not only to the local economy but also out to the regions as well. Through our marketing and the great work that Visit Victoria does, we will be hoping once we do have tourists from China here for the game that they do not just stay in Melbourne but experience the fantastic corners of regional Victoria. I think that is really important. Again, that is going back to supporting small and family businesses, supporting the local economy and, more importantly, creating good local jobs. The tourism industry really is an integral part of our economy. It is an integral part of ensuring that Victoria remains on the global stage, because once we bring in visitors, it also drives the spend, and of course that visitor economy continues to grow for us.

**Meng Heang TAK:** Thank you, Minister. I would like to ask a few more questions about regional Victoria, which you already mentioned. Minister, in the 'Department Performance Statement' on page 93 there are a number of figures tracking international visitors and domestic visitors, as well as how much money they are spending whilst they are in Victoria. I am particularly interested in the figures for regional Victoria. Minister, can you outline for us what these numbers are showing us in terms of regional tourism?

**Natalie SULEYMAN:** Thank you, Mr Tak. Again, tourism for regional Victoria is absolutely integral. We know that in 2025 regional Victoria attracted \$16 billion in total visitation expenditure. That includes domestic and also international.

**Meng Heang TAK:** Thank you, Minister.

**The CHAIR:** Thank you, Mr Tak. We will go to Mr Puglielli.

**Aiv PUGLIELLI:** Thank you, Chair. Good morning, Minister and officials. I will start with the CEO of Visit Victoria. Thanks for being with us. Can you tell us why Victoria has not published annual reports for the last two financial years?

**Brendan McCLEMENTS:** Visit Victoria is a company under Corporations Law. Our obligation is to provide our regulator, ASIC, with our financials by the end of October each year. We have done that. That is our obligation under our reporting structure. That is consistent with what we have done.

**Aiv PUGLIELLI:** Annual reports, though, for your organisation – why aren't those publicly accessible?

**Brendan McCLEMENTS:** Our financial reports are publicly accessible through ASIC.

**Aiv PUGLIELLI:** Annual reports?

**Brendan McCLEMENTS:** Our obligation to ASIC, our regulator, is to submit to ASIC our financials at the end of October each year, which is what we do.

**Aiv PUGLIELLI:** Is it not a legislative requirement that you table annual reports every year?

**Brendan McCLEMENTS:** I would defer to those who are more expert in that space than I am.

**Aiv PUGLIELLI:** That is actually a rhetorical question – it is. Why haven't they been tabled?

**Georgina McCANN:** They are not subject to the same obligations as other entities under the *Financial Management Act*, so there is not actually a –

**Aiv PUGLIELLI:** Really?

**Georgina McCANN:** No, they are not, because it was established as a corporation.

**Aiv PUGLIELLI:** I suppose my first question stands: why haven't annual reports been tabled for those two financial years?

**Matt CARRICK:** The other thing I might point out in terms of the administrative arrangements around Visit Victoria is Minister Dimopoulos remains the minister responsible for those sorts of questions.

**Aiv PUGLIELLI:** Around Visit Victoria?

**Matt CARRICK:** Correct.

**Georgina McCANN:** Yes, he is the minister.

**Aiv PUGLIELLI:** This is the tourism portfolio. I am very confused by that answer.

**Georgina McCANN:** Visit Victoria is a major events and tourism company, and under the general orders, when the portfolio was split between sport and major events and tourism, Minister Dimopoulos was appointed as lead minister for Visit Victoria, including things like board appointments and governance.

**Aiv PUGLIELLI:** Just to jog my memory, though, was Visit Victoria represented in that portfolio hearing?

**Georgina McCANN:** Yes.

**Aiv PUGLIELLI:** Okay. I am just casting my mind back. Are we able to ask: will an annual report for 2025–26 be published later this year?

**Georgina McCANN:** That is a question you need to direct to Minister Dimopoulos.

**Aiv PUGLIELLI:** It is to the CEO with us today.

**Georgina McCANN:** That is a question for the minister, not for the CEO of Visit Victoria.

**Aiv PUGLIELLI:** Minister, have you seen these last two annual reports as tourism minister?

**Natalie SULEYMAN:** Can I just again clarify the portfolio responsibilities for tourism. In my portfolio it is tourism policy, visitor data, tourism strategies and development, including the *Experience Victoria 2033* strategy and the *Visit Victoria 2030* strategy; tourism infrastructure with the Regional Tourism Investment Fund; the *Visitor Economy Recovery and Reform Plan*; the Regional Events Fund; events that drive visitation to regional Victoria, including regional event acquisition; events growth and development and events that support industry capability; and also regional destination marketing, visitor economy partnerships, visitor servicing, the Visitor Servicing Fund, the visitor servicing guide and the responsible visitation campaign.

**Aiv PUGLIELLI:** Thank you.

**The CHAIR:** Thank you, Mr Puglielli. Minister and officials, thank you for appearing before the committee today. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee will take a short break before beginning its consideration of the portfolio for veterans at 10:25 am. I declare this hearing adjourned.

**Witnesses withdrew.**