

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2007–08

Melbourne — 15 May 2007

Members

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| Mr G. Barber | Mr G. Rich-Phillips |
| Mr R. Dalla-Riva | Mr R. Scott |
| Ms J. Graley | Mr B. Stensholt |
| Ms J. Munt | Dr W. Sykes |
| Mr M. Pakula | Mr K. Wells |

Chair: Mr B. Stensholt
Deputy Chair: Mr K. Wells

Staff

Business Support Officer: Ms J. Nathan

Witnesses

Mr J. Merlino, Minister for Sport, Recreation and Youth Affairs;
Mr S. Gregory, chief financial officer;
Mr T. Healy, acting deputy secretary, community strengthening; and
Mr P. Hertan, executive director, sport and recreation, Department for Victorian Communities.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the budget estimates for the portfolios of sport and recreation and youth affairs. On behalf of the committee I welcome Mr James Merlino, Minister for Sport, Recreation and Youth Affairs; Mr Terry Healy, acting deputy secretary, community strengthening; Mr Peter Hertan, executive director, sport and recreation; and Mr Stephen Gregory — back again — chief financial officer, Department for Victorian Communities; departmental officers, members of the public and media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff can approach the table during the hearing. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council Committee Room.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review; there is no need for evidence to be sworn. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. All evidence given today is being recorded. Witnesses who speak at the hearing will be provided with proof versions of the transcript. The committee requests that verifications be forwarded to the committee within three working days of receiving the proof version. In accordance with past practice, the transcripts and PowerPoint presentations will then be placed on the committee's website.

Following the presentation by the minister, committee members will ask questions relating to the budget estimates. Generally the procedure followed will be that relating to questions in the Legislative Assembly. I ask that all mobile telephones be turned off. I now call on the minister to give a presentation of not more than 5 minutes on the more complex financial and performance information relating to the budget estimates for the sport and recreation portfolio.

Overheads shown.

Mr MERLINO — Thanks, Chair and committee members. Thank you for the opportunity to present to you this morning. It is quite strange being on this side of the table, but I look forward to it.

The government has set four key strategic directions for the sport and recreation portfolio. These directions aim to establish a culture of inclusiveness and participation, access to sustainable activities and facilities in all Victorian communities, a cooperative approach to improved service delivery, a leading sport and recreation sector providing opportunity for all Victorians to achieve their goals. The implementation of these strategies will build an inclusive, collaborative and strong sport and recreation sector supporting a more active Victoria.

Sport and recreation touches every Victorian community and nearly every Victorian family has some engagement in sport and recreation. Sport and recreation brings communities together. Annually nearly 350 000 Victorians volunteer their time through sport and recreation. So, the question is, is there a better measure of community strengthening? Unfortunately the benefits of sport and recreation are not shared equally across all Victoria. Therefore we have taken measures to provide fair access and opportunities to compete, watch and be involved in social activities associated with sport and recreation through programs such as our Access for All Abilities program, fair access to tickets to events and promoting inclusiveness through all our programs. Sport is an important component of the social and economic fabric of the state. That is why we have invested in building capacity of sporting organisations to enable them to grow the industry in Victoria.

In terms of some of the key achievements over 06–07, the government has acted quickly to ensure community sport can continue despite the drought. We are working with local councils and sports to make sure community sport goes ahead. We have provided \$6.6 million in two programs to keep sport going through the drought, and I will be pleased to speak about that further if there are any questions. Our resources in building participation is linked to our investment in quality community facilities. Last year support for 170 facility projects were approved to ensure that the supply of facilities is keeping up with community demand for government participation. A major strategy in our strategic plan is to make sure there is a lasting legacy from the Commonwealth Games. There is the obvious legacy at the MCG redevelopment, but less obvious is the 2500 pieces of sport equipment that we have distributed to every LGA in Victoria, a legacy across the state.

In terms of major events, key achievements and major projects, major events are part of the fabric of Victorian life. Victoria is home to many of Australia's annual major sporting and cultural experiences, such as the Australian Formula One Grand Prix, the Melbourne Food and Wine Festival and the Australian Open Tennis Championships. As the slide shows, in 06–07 Victoria has hosted the FINA world championships, Wheels on Waterfront at Geelong, the world superbikes at Phillip Island and a Rugby League state of origin match. During the year we also won a number of events that will be held in future years including the 2008 World Latin Dance Championships, the 2009 Australian Masters Games, and the 2011 President's Cup. Collectively these and other smaller events attract tourists from interstate and overseas, increasing Melbourne and Victoria's international profile through media exposure and destination branding, and providing economic returns that contribute to industry development through expanded trade and investment opportunities. Just a note in terms of Wheels on Waterfront, the Masters Games and the world superbike championships are all events outside of Melbourne.

The CHAIR — Okay. Moving along.

Mr MERLINO — I will try to quicken it up. In terms of state facilities, the first stage of the State Volleyball Centre at Dandenong has been completed. The centre is reporting that participation in volleyball at the new centre has increased by 45 per cent since that completion. With the first year of operation of Sports House at MSAC a number of sport tenants have moved into a high-quality administrative space. Providing these sorts of spaces for sporting bodies to hub together is part of the broader aim of building capacity. The Westerfolds Park office building \$1.1 million redevelopment was completed in April 07, and that is a great benefit for outdoor recreation.

Going on to priorities for 07–08, the building of the rectangular sport stadium at Olympic Park is a major priority for next year. The growth of Rugby League, Rugby Union and football — as in soccer — is testament to why we need a national level rectangular stadium in Melbourne. The Commonwealth Games surplus, which I will be pleased to talk about, covers fields and stadiums, relocation of pools to local communities and a number of participation programs, and the next stage of Go for Your Life which incorporates \$8.9 million in funding for sport and recreation initiatives to increase participation in physical activity.

Community facilities funding: this is a great story, with \$76 million over four years to the Better Pools program and community sports facilities, and I will be pleased to talk about that in detail. The AFL grounds upgrade. This is an example of opening up previously closed facilities to the public. The fence has come down at the Whitten Oval, and last year the ground hosted the WRFL under 18 grand final, all of this while rebuilding elite training facilities. And women in sport is also going to be a major priority over the coming year. A wide range of strategies to increase women's opportunities and participation in sport and recreation. That is it, Chair. I am happy to answer questions.

The CHAIR — Thank you very much, Minister for that presentation. I would like to begin, as I have with every other minister, by asking if you could tell us what is the impact of your portfolio spend — and you can talk about both sport and recreation and youth — on productivity in terms of our state, particularly any new initiatives.

Mr MERLINO — In the last budget the government detailed savings which were announced as an LFS initiative to improve the productivity of government departments. These LFS3 savings will be achieved by targeting the areas announced within the official government policy and undertaking a review of costs. The area includes improvements in procurement, shared services, grant administration, advertising and consultancy.

The overall aim of the policy is to reduce non-necessary expenditure, use new technology to reduce costs and operate more efficiently. I have been advised that the savings have been applied proportionately across DVC. Work has now commenced in reviewing all the cost areas affected by the official government policy to identify and implement the necessary change projects and business re-engineering projects required to achieve these savings. These savings will not have any significant impact on program delivery within the sport and recreation sector development output, but in terms of productivity savings on new programs SRV has been provided with additional funding for the 07-08 year, principally around community facilities and Commonwealth Games dividend projects. There is also a major capital allocation for the new rectangular stadium.

The majority of these recurrent funds, 76 million over four years, will be provided for the continuation of the highly successful Better Pools and community facilities funding grant programs. Across the Department for Victorian Communities there are expected to be productivity savings across all new and existing grant programs, including

these SRV programs. The savings will be achieved through the overview of grants administration programs which will improve websites, simplify applications and reduce the complexity of applying for grants within DVC and across government. The project is being managed by the Minister for Victorian Communities, so he may be able to expand tomorrow I think he is on?

The CHAIR — Yes. Thanks for that and I just wanted to check one thing — that is fine.

Mr WELLS — Can the minister advise how much was the total amount of public money spent on the FINA swimming championships which were held in Melbourne, which you mention on the slides? How much was spent initially to secure the championships to Melbourne? What was the total crowd attendance? How many of those people were from interstate, how many were international visitors and how many free tickets were issued during the FINA championships?

The CHAIR — Minister, in terms of your answer, we are looking at the estimates in the budget, rather than necessarily looking at the public accounts for the previous year.

Mr MERLINO — Thanks Chair; there is quite a bit in that and I will go through those issues, so thanks, Kim, for the question. The FINA world championships raised the bar for future championships and I want to begin by quoting the FINA president, Mustapha Larfaoui, who declared the event the biggest and best championships of all time. There are many measures of success in hosting an international event and across the board the Melbourne world championships delivered. The results are record breaking all round. As the undisputed events capital of the world, Melbourne provided the perfect environment to athletes to perform at their absolute best. I will get to the ticketing and the budget — —

Mr WELLS — Let us hope so!

Mr MERLINO — As evidenced by the 14 world records — —

Mr WELLS — I think I have read the preamble somewhere though!

Mr MERLINO — We need to get on the record what a success this event was, and then I will talk about the budget and the ticketing — but 14 world records, countless personal bests! Melbourne surpassed the world record attendance of 205 000 which was set at Barcelona in 2003, amassing a total of 219 317 attendances throughout the two-week event. We broke the attendance record and that was the aim when we began this event.

Around 2200 athletes from 171 nations competed in Melbourne, the biggest in the 34 year history of the world championships. To top that off, an estimated 1 billion people around the globe tuned in to images of Melbourne doing what it does best, which is hosting elite international sport, boosting tourism prospects for Victoria through significant international exposure.

We installed the biggest ever suspended, temporary pool in the world, confirming Rod Laver as the world's best multipurpose venue. We had a fantastic arts festival along with a program which had in addition to the 219 000 who attended the sporting events, approximately 200 000 people attended the cultural events through the FINA world championships.

There was an enormous take-up of our schools ticket offer with children getting to see world-class athletes in action, and in the classroom children learnt about the championships, the science and technology of aquatics, ethics in sport, and other nations through the Victorian government's education resource. I can talk about the legacy later, but let me get to the substance of your question regarding ticketing and budgeting, because I know the Chair wants to get through questions pretty quickly.

The CHAIR — That is true. I want to concentrate on the estimates rather than going on with what has happened in the past.

Mr MERLINO — The overall championship budget includes support from the government, plus revenue the championships have earned from ticket sales, merchandise, sponsorship and licensing. It was announced in February that the forecast total cost of the event would be around \$81 million, with a government contribution of \$50.5 million, excluding security. This contribution included the financial support to the event budget of Melbourne 2007 World Swimming Championships Corporation; the delivery of the free FINA cultural program, which delivered 200 000 people attending; improvements to the Melbourne Sports and Aquatic Centre's diving

infrastructure — a permanent legacy; the purchasing of the two temporary pools that are being relocated to four communities as permanent facilities; and internal government spending associated with the event, such as the curriculum material which I referred to.

The Premier also advised that, as per previous events of this magnitude, the security budget would be released following the championships. I would like to report that the government contribution to the security for the championships was \$12.2 million; 9.2 million of this was allocated to the Victoria Police, while around 3 million was allocated to contract security coordinated by the Melbourne 2007 swimming corporation. The government's contribution to security for the event brings the total state allocation to the world championships to around \$63 million. The security budget formed part of the overall forecast of \$81 million.

Final accounts are being prepared by M2007, which has advised that it expects to provide the final budget position in several weeks, as work is completed in dismantling infrastructure from venues and as final invoices are received. The event was only a couple of months ago. When these accounts are finalised I will provide details of the overall budget position and cost to government of the event. Separately M2007, as a statutory authority, will provide an annual report to Parliament, including details of the budget as is required under its act. There is an economic benefits study which was completed prior, but there will be a follow-up study.

That is the budget, Kim. In terms of the ticket sales and how they went — —

The CHAIR — Quickly, Minister.

Mr WELLS — I am pretty keen to hear this.

The CHAIR — Quite frankly, we are meant to be talking about the estimates rather than going through what happened, which will appear in an annual report.

Mr MERLINO — I will be very brief, Chair. As I said, over 219 000 attended, breaking the record. Total attendance was calculated by actual venue ticket scanning at the gate and an estimation of daily accredited attendance to sessions, including open-water swimming which was a non-ticketed event. Some 152 547 tickets were sold to either members of the public, school groups or through sponsorship arrangements. Some 9100 tickets were provided free of charge to volunteers and the goodwill partner, which was the Peter MacCallum Cancer Centre. That was another first for this championship — having a goodwill partner. The remaining attendance includes accredited personnel, principally athletes and media, and public attendance at the open-water swimming. The attendance figure, Kim, does not include workforce, concessionaires or officials working at the venue. I talked about the television audience, and I will probably leave it at that.

The CHAIR — If there is anything else, it can be taken on notice.

Mr WELLS — Can I just clarify one point?

The CHAIR — Only with respect to the estimates.

Mr WELLS — If you sold 152 500 tickets, it means there was a gap of about 60 000 tickets.

The CHAIR — We will move on to the next question. Mr Pakula, please.

Mr MERLINO — That is incorrect, Kim. That is misunderstanding tickets and attendance.

Mr WELLS — Then here is your chance to clarify it.

Mr MERLINO — I did, in the answer. Read the transcript.

Mr PAKULA — I want to stay on FINA, Minister. Sticking to the estimates, Chair, there is an item in the estimates in regard to the funding which has been provided for the purchase of the demountable swimming pools, which is on page 342 of budget paper 3 of \$2.9 million. I am keenly interested in this because, as you know, Minister, I have been involved on the peripheries of the Sunshine pool saga. I would like you to provide details as to what communities have been earmarked to benefit from the demountable pools program and what are the expected outcomes. It would probably be interesting to know if we had to build these pools in these communities from scratch, if we had not had the FINA championships, how much more we would be spending.

Mr BARBER — We would be swimming in them this summer!

Mr MERLINO — Thanks, Martin, for the question. This is really one of the great stories of the FINA world championships and one of the permanent legacies of the event. The state government is providing pools to four different locations as a legacy of the 12th FINA World Championships. Those four locations are Geelong, Frankston, East Bentleigh and Sunshine — in your area, Martin. The four pools which will be provided at these locations are a fantastic legacy of the championships. The state government, through Sport and Recreation Victoria, is working harmoniously with the four local councils. There is a bit of work in that area, but we are working well with those four councils to ensure that the pools meet the needs of local communities and provide maximum legacy value.

Sport and Recreation Victoria has funded feasibility studies for the pools and is working closely with council-appointed consultants to identify and resolve any outstanding issues. It is also covering the costs of transport and the storage of the pool equipment and will be paying for additional parts and equipment needed to make sure that the pools are fit for purpose. As part of the legacy we purchased additional panels and additional equipment so we can construct those four permanent pools. The state government is also covering the costs of installing the pool at Sunshine and exploring various ways to help with completing the pool projects at other locations. The Commonwealth Games dividend is the funding source which enables this kind of generous assistance to be provided to councils.

In addition to the pools, if I could just expand a little bit further, the Victorian government will also benefit from the 2000-seat temporary spectator stand that was purchased by the State Sports Centre Trust, with the world championships as its first event. That was the temporary stand which was at the water polo events, so that will be another permanent legacy. The seating can be used for future events at MSAC and the State Netball Hockey Centre as well as other community and school-based events. When a major sporting event comes to town we already have access to temporary setting that is flexible, transportable and adaptable. The seating can be finetuned to suit a particular event and venue and create a great spectator experience. Further legacies will result, with much of the equipment being used for the championships made available for ongoing use in Victorian aquatic sport, giving grassroots participants access to world-class sporting gear.

The panels and pools were purchased at a reduced price due to the relationship with Austral and M2007. It was a great opportunity to not only purchase the two temporary pools that were used at Rod Laver but the additional panels, and that was achieved through our relationship with Austral. In terms of what it would cost to build from scratch the four pools at those four venues, I would ask Peter Hertan to comment.

Mr HERTAN — It is a bit unclear, but what we can say is that the whole price of those pools were reduced compared to if you had to buy them at a commercial rate.

Dr SYKES — Minister, I am interested in the volunteer aspect of sport. You highlighted, I think, that 350 000 volunteers support sport throughout Victoria. What have you got in mind for encouragement of volunteers? I suggest that encouragement could come under three headings: first of all, removal of discouragements; secondly, provision of incentives; and, thirdly, easier access to grants.

In relation to removal of discouragements, are you able to provide figures on the police checks required under the working-with-children legislation, the number of volunteers requiring police checks and what exemptions you have managed to factor in to keep the police checks in line with what the intention of the legislation is?

In relation to provision of incentives, are you in a position to indicate support for the Mental Health First Aid program called Coaching the Coaches, which has been rolled out in the Goulburn Valley and another country football league, and also perhaps support for people undertaking responsible service of alcohol training?

In relation to easier access to grants, we had a situation earlier in the year where a grant — I think it was called a community water grant or something — was available to recreation reserves in areas that were on stage 3 or stage 4 water restrictions. However, as I advised the committee the other day, we had one situation where a community, which was not on a reticulated water supply but had no water, applied for the grant, but because they were not on stage 3 or stage 4 they did not meet the criteria. I am using that as an example and asking what you are prepared to do to ensure that grants are easily accessible and hit the targets you originally intend them to hit.

The CHAIR — Thank you, Dr Sykes. I might mention that you seem to have asked about five questions there. Could members of the committee try to confine themselves to only asking one question at a time, please?

Dr SYKES — I just made it very clear instead of rattling them all off at once. It was under the general principle of encouragement of volunteers — that was the question — and then I gave three examples.

Mr MERLINO — In terms of the final issue you raised — access to grants and that example — are you talking about the drought assistance package through SRV, or are you talking about another grant outside of my department?

Dr SYKES — I have not got it in my brain. I can give it to you later.

The CHAIR — We could take it on notice, if necessary.

Mr MERLINO — I am happy to follow that up.

The CHAIR — It may well be another minister, like the mental health stuff.

Dr SYKES — It is still the basic principle, that if there are grants available, they should be easily accessible and not frustrated.

The CHAIR — The minister did mention in his answer on productivity that they are improving the way and easing the application process for grants.

Dr SYKES — We are working together. I identified opportunities for improvement.

Mr MERLINO — That is right. In terms of those efficiency programs, I have already answered that question, and there will be further grants reform within DVC to make it easier for community organisations and sporting clubs to access grants. That is something on which there is a commitment right across all DVC ministers.

In terms of discouragement and police checks, you would recall the legislation regarding working with children where there was public comment on draft legislation and a number of sporting organisations approached all members of Parliament with issues relating to police checks. We understood the point they were making — in terms of if I am at a sporting event, do we need every parent getting a police check? The obvious answer was no. Common sense prevailed. You have got to have direct and unsupervised access to children. I think you would find that the changes that were made and the final legislation was actually welcomed by sporting groups, particularly basketball. The local basketball association approached me, and they were happy with the outcome, so in terms of the police checks I do not think there is great disquiet in the community. Their concerns were raised at the time the legislation was developed.

Dr SYKES — I think you have covered the history, and it would be fair to say that I was amongst those who ensured that the public's voice was heard. But looking at it now, 12 months on, how many checks have been done, and is there any feedback on whether you are getting reward for effort or whether you can further finetune the process?

Mr MERLINO — Chair, I am happy to take that on notice and provide further detail.

The CHAIR — Yes, the minister could take it on notice; it was also asked of another minister as well. Similarly with mental health, that was also asked of another minister.

Ms MUNT — Could I please refer you to page 336 of budget paper 3 under 'Output initiatives — Victorian communities'. There is a line item there 'Better Pools Program and Community Sports Grants'. You touched on it briefly in your presentation — community facility funding of 76 million over four years. Could you please expand on this program, because I am sure it would be of interest to my local electorate? Is that a new program that has been put in place?

Mr MERLINO — Thanks, Janice, for the question. This is a great story. Since 2000 the Bracks government has invested over \$133 million towards 1520 community sport and recreation projects across the state through the SRV community facility funding program. Over the four years, from 02–03 to 06–07, SRV had an LFS allocation of \$58 million from the Community Support Fund, made up of \$14 million for rural and regional

communities, \$20 million for metropolitan communities, and \$24 million under the Better Pools aquatic access program. As described in the *Go for your Life* policy statement, the government will build upon this great foundation by allocating a further \$76 million towards the SRV community facilities funding program in the budget. So it is not new but it has changed, and the funding has increased. I will bring up a slide in a moment in relation to that.

The allocation is made up of \$46 million under the Better Pools aquatic access program and \$30 million towards community sports facilities. Facility funding is distributed across all areas of the state, and this will continue to be the case over the next four years. This can be illustrated by a map showing the allocation of funded Better Pools projects since 2000. If we can show the state first and then zoom down into metropolitan Melbourne. I will hand those out if we cannot get it up.

The CHAIR — Thank you.

Mr MERLINO — However, the structure of the new allocation will enable the government to enhance community sport and recreation outcomes for specific population groups and disadvantaged places. In contrast with the previous commitment to the SRV community facilities funding program, the allocations towards the categories of the majors, minors and planning — which all members would be aware of — would not be locked into geographic locations. This might be of interest to you, Bill. Previously the funding was \$14 million for rural and regional; now we have combined it into a pool, so there is no limit on what can be allocated to regional Victoria. That is one of the significant changes that we made in the program.

Investment in aquatic facilities can have far-reaching benefits. Increases in participation in sport and recreation in Victoria relative to other states can largely be attributed to increases in participation in swimming. Swimming participation has grown significantly in the key areas that have received funding for aquatic centres, funded through the Better Pools program. Facility funding can also support community building in local communities around the state, and enhances the partnership between the state government and local government.

There have been some recent examples — \$500 000 to assist the Casey City Council in the development of the tennis centre in Pakenham; \$500 000 to assist the Moira Shire Council in the development of the Numurkah showgrounds pavilion, and \$2.5 million to assist the Macedon Ranges Shire Council in the development of the Kyneton sports and aquatic centre.

Project proposals for consideration under the 07–08 round of the minor facilities and planning categories have been assessed, Chair, and I intend to announce the outcomes for these categories in the near future. That is the map of the state in terms of Better Pools. You can see that there is a great spread of facilities. If you could go down into metropolitan Melbourne — again, there is a spread right across metropolitan Melbourne.

But this is the chart that I really wanted to show for the benefit of the committee, Chair. This is the chart showing investment in community facilities, which is a great story. You can see that we begin in 2000 and 2001. The base program was community facilities and aquatic funding. You can see in this chart the yellow section, which is the country football and netball program; that began in 05–06.

In the current financial year you can see a huge expansion in funding for community facilities. So we have the country football and netball program that was developed in response to the Rural and Regional Services and Development Committee's inquiry into country football; and the two drought assistance packages, which I referred to in my presentation — that is the purple section up the top, \$6.6 million for two programs for drought assistance.

Furthermore the government continues to build upon the legacy of the Commonwealth Games, as we are investing \$25.9 million from the surplus towards a range of initiatives that include community facility-based infrastructure such as multi-use sports facilities, the pools relocation and five multi-sports stadium projects. The government's support for redevelopment of suburban AFL grounds: the government is investing a total of \$17 million for the redevelopment of a number of grounds, including Princes Park and Arden Street, and opening those up to the community. So you can see right across 06–07, 07–08 a huge increase in funding for community facilities.

Mr DALLA-RIVA — Just on that slide, the AFL grounds, Princes Park and Arden Street, whilst they are pretty average teams, are those grounds still owned by their relevant football clubs or are they now owned — I just wanted to get some clarification.

Mr MERLINO — They are both council. There is other funding from the AFL and the clubs. The funding that the government is providing is specifically for community access, opening them up to the public.

Mr DALLA-RIVA — So it is not money that the government is giving that will then go into the private hands of the clubs?

Mr MERLINO — No, we are quite clear.

Mr DALLA-RIVA — For example, if North Melbourne decide to head up north or south — wherever they are going to go — they will not realise that asset and then take those funds?

Mr MERLINO — No. It goes into the infrastructure for community access and it remains a council facility.

Mr BARBER — Minister, I compliment you on your timely release of data on the swimming championships. My question is a similar question about the grand prix, which is a bit more resistant to release of information.

The CHAIR — Try to relate the question to the estimates.

Mr BARBER — Yes, the relationship to the estimates is that the government subsidy listed in their accounts as government appropriation has gone from about 3 million when your government appeared to about 22 million. I presume that there is an item somewhere in the budget that reflects that, but I am interested in the other costs, or the bang for our buck that we are getting out of that subsidy, and that is in relation to the value of free tickets that are given away and also estimated sponsorship from other government agencies. The number of free tickets given away is disclosed in their accounts, but not who to and not what the value of those tickets is. Secondly, we do not know what the government sponsorship is. Also, the attendance figures which you were able to quote us for the swimming championships are not as easy to discern and have resisted all attempts at FOI — that is, the model by which they are measuring attendance versus ticket sales and how the two actually come together.

The CHAIR — Minister, insofar as it relates to the budgets and the estimates in your portfolio.

Mr MERLINO — Committee members would appreciate I am limited in what I can say in terms of the Australian Formula One Grand Prix. The reporting of the Australian Grand Prix Corporation is the responsibility of the Minister for Tourism, who I understand has yet to appear before the committee. I am limited in the information that I can provide.

Sport and Recreation Victoria currently administers the funding for the Australian grand prix in its allocation for sporting events in the major events cap. So there is a proportion of the events cap that goes into the SRV allocation, but the responsibility for the event, answering in relation to ticket sales, attendance, and reporting on the corporation is the responsibility of the Minister for Tourism. I do not think I can adequately answer those questions that you have asked, but you have the opportunity with the Minister for Tourism to ask those questions next week, I think.

Mr BARBER — So your job is you write a cheque for 22 million to them and that is the end of your —

Mr MERLINO — It is part of the nature of SRV. The budget moves within SRV according to major events that come in, major events that we are hosting, major projects that the government is funding. SRV is often the funnel for that money. So in terms of ministerial responsibility for a major event, I have responsibility for the FINA world championships, the Minister for Tourism has responsibility for the Australian grand prix. In terms of major projects, for example, the rectangular stadium, the money comes into my budget but the responsibility for building the stadium is for Minister Theophanous. So that is an example of how it works. We are the client, in a sense, in regard to projects, and also, in terms of major events, the Minister for Tourism has responsibility for formula one.

The CHAIR — I am sure the Minister for Tourism may well be asked a similar question insofar as it relates to the estimates.

Mr SCOTT — My question is in regard to the Commonwealth Games surplus, which you referred to in a handout and also in budget paper 3. It is referred to on page 337, which outlines funding for output initiatives, reinvesting the Commonwealth Games surplus. Could the minister provide further information to the committee of how the Commonwealth Games surplus funding is being used and how these projects will progress over the estimates period?

Mr MERLINO — The Melbourne 2006 Commonwealth Games was a landmark event in Victoria's history. In terms of major events, we have really hosted two huge ones over the last couple of years, with the Commonwealth Games and FINA this year. The Commonwealth Games had three objectives: to host a great event, to deliver lasting infrastructure and to deliver lasting social, environment and economic benefits to the Victorian community. These objectives were overwhelmingly met. It is therefore fitting that the government gained a surplus of nearly \$26 million, which will provide a significant legacy to the sport and recreation sector. This investment continues to support strong and connected communities and increase participation in sport and recreation.

Some examples of this funding at work are that around 1500 grassroots sports clubs will share in \$1.5 million, which has been allocated to assist in the purchase of all types of sporting uniforms; the supporting grassroots sports grants will help build membership and attract more Victorians to local sporting activities and develop strong networks through the allocation of \$1.5 million to state sporting associations — so there are some direct injections to our state sporting associations. There are some great examples of this funding at work, such as AFL Victoria working with the Diamond Valley Football League to arrest the declining numbers of participants in their sport, engaging our multicultural communities, attracting and maintaining volunteers and addressing poor player and spectator behaviour patterns. Rowing Victoria is expanding its successful Row for your life program to regional clubs and non-rowing school areas to build participation pathways in this sport.

Our sport coaches and officials provide vital support and skills to the sport and recreation sector. Many volunteers give freely of their time. We are continuing to invest in this critical human capital to build strong foundations for our sporting state: \$800 000 has been allocated to provide skills training for over 3000 new and current volunteers and paid officials — that might part answer your previous question, Bill. This investment will support our communities by attracting, training and retaining more volunteers to build sport across our communities.

I talked about the temporary pools becoming permanent facilities in four local communities. We are working together with other parts of government to ensure that community and school groups are able to access upgraded sporting facilities at Ashwood Secondary College, the Beaumaris campus of Sandringham Secondary College, the Eumemmerring College as well as the Greensborough Hockey Club. We will also be providing funding to assist with the development of up to five multisport indoor facilities, with the Altona and Broadmeadows projects most likely to go to tender in September 07, and there are proposed projects in Eltham, Moe and Casey that will be subject to feasibility studies.

The Premier's Family Fitness Challenge — \$1.5 million will encourage Victorian families to get healthy and active by exercising 30 minutes a day; \$1.35 million has been allocated to the Office of Senior Victorians to assist local councils; \$800 000 has been allocated to recruit new coaches and officials to the sport sector. Other initiatives include local walking grants, training for world swimming volunteers and funding to Athletics Victoria — \$1.2 million. So there is a whole range of areas that are benefiting from the surplus that was provided out of the Commonwealth Games.

Mr RICH-PHILLIPS — Minister, what level of base-level funding has been provided for the Victorian Institute of Sport in the 07–08 budget, and is there any supplementary funding for preparation for the Beijing Olympics?

Mr MERLINO — The period of transition in terms of post-Sydney Olympics, post-Commonwealth Games — but I will go through that. The Bracks government continues to support elite athlete development through the funding of the Victorian Institute of Sport. In 2003 the Bracks government increased the state government allocation to VIS from 3 million to 4.5 million for a four-year period to assist sports in their preparation for the 2006 Commonwealth Games, so there was a boost in funding to VIS. This proved to be an extremely successful strategy with VIS athletes winning 24 gold medals, 22 silver medals and 13 bronze medals. The state government has recently announced that its ongoing core funding to VIS will now be fixed at \$4.5 million. That is great news to the ongoing operations of VIS.

VIS continues to deliver outstanding results with over 450 athletes being supported on scholarships and 57 per cent of VIS coaches and 58 per cent of athlete scholarship-holders involved in national squads or teams. So it does punch above its weight. The VIS is very aware of the need to keep abreast and even ahead of the latest international developments in elite athlete coaching and training. Under its newly appointed chief executive officer, Anne Marie Harrison, the VIS is undertaking an extensive review of the VIS, its programs, services and skills set. The review with accompanying initiatives will guide the VIS in allocating its resources to gain the best possible results in the 2008 Beijing Olympic Games and the 2010 Delhi Commonwealth Games.

In addition to that, as I mentioned before, there is a further \$1 million from the Commonwealth Games dividend which will be used to support the preparations for 2008 Beijing and also Delhi. We have confirmed the \$4.5 million ongoing and there is this additional \$1 million in the lead-up to the two games.

Mr RICH-PHILLIPS — Is the 4.5 million indexed into the future or is that a fixed 4.5 million that would apply in real terms?

Mr MERLINO — I am advised that a component of that \$4.5 million is indexed.

The CHAIR — Presumably it is also subject to efficiency gains too. I thank Mr Peter Herten for his attendance.

Witnesses withdrew.