

# TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into Budget Estimates 2018–19

Melbourne — 30 May 2018

#### Members

Mr Danny Pearson — Chair

Ms Sue Pennicuik

Mr David Morris — Deputy Chair

Ms Harriet Shing

Mr Steve Dimopoulos

Mr Tim Smith

Mr Danny O'Brien

Ms Vicki Ward

Ms Fiona Patten

#### Witnesses

Mr John Eren, Minister for Sport,

Ms Kym Peake, Secretary,

Mr Nick Foa, Deputy Secretary, Housing, Infrastructure, Sport and Recreation,

Mr Justin Burney, Director, Sport and Recreation, and

Mr Greg Stenton, Chief Finance Officer, Department of Health and Human Services.

**The CHAIR** — I declare open the Public Accounts and Estimates Committee inquiry into the 2018–19 budget estimates.

All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Sport, the Honourable John Eren, MP; Ms Kym Peake, Secretary of the Department of Health and Human Services; Mr Nick Foa, Deputy Secretary, Housing, Infrastructure, Sport and Recreation; Mr Justin Burney, Director, Sport and Recreation; and in the gallery Mr Greg Stenton, Chief Finance Officer.

Any witness who is called from the gallery during the hearing must clearly state their name, position and relevant department for the record.

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

The committee does not require witnesses to be sworn, but questions must be answered fully, 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. You will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, any PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

Witness advisers may approach the table during the hearing to provide information to the witnesses if requested, by leave of myself. However, written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way.

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 would now like to 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. Minister.

### **Visual presentation.**

**Mr EREN** — Thank you, Chair. The Andrews Labor government's 2018–19 budget solidifies Victoria as the sport and recreation capital of the nation. Combined with our previous and historic investments across our events, stadia, elite, community, grassroots sports and recreation sectors, our budget will ensure we are well on our way to having an active Victoria. Since 2014 we have made new investments totalling \$1.33 billion, or on average \$332.75 million per year. This includes \$578 million towards community sporting infrastructure and programs across the state and \$758 million towards major event and high-performance facilities to maintain Victoria's position as the sporting capital. This is a 228 per cent increase over the previous four years.

Our defibrillator program is being rolled out to sport and recreation organisations across Victoria to help save lives. I have launched our new strategic framework, *Active Victoria*. Through this framework we can work together with the sector to strengthen sport and recreation. This budget builds on the government's commitment. A more active Victoria is a stronger, healthier, better Victoria. The budget will invest \$484.4 million plus a \$100 million community sports loan scheme into the future of sport across Victoria, from grassroots clubs to the state's biggest venues. This includes upgrades to facilities at suburban grounds, local clubs and high-performance centres across the state. Our investments support the vibrant and active Victorian sport and recreation sector.

The budget provides a further \$60 million for the Community Sports Infrastructure Fund for the round we opened a few weeks ago and a \$15 million boost for the Female Friendly Facilities Fund to help level the playing field so women and girls also have the facilities they need to assist them to achieve their sporting ambitions. Based on our investments to date, we expect that these two grant programs will leverage a further \$300 million of investment from local government clubs and codes at a ratio of more than 4 to 1. The \$15.4 million to go towards upgrades at Albert Park, Yarra Bend and other key suburban sporting precincts will

encourage greater participation and sport and recreation programs in these locations to help increase participation. We are also investing in an innovative \$100 million community sports infrastructure loans scheme to provide lower interest rate loans to support councils, clubs, schools and facility managers to invest in sport and recreation infrastructure. Also \$5 million is set aside in the forward estimates to provide a significant reduction in the interest rate. This scheme is on top of our other funding programs, not instead of. This program will open in coming months.

We are also providing a further \$17.7 million for the Significant Sporting Events program over the next four years, and this program will fund approximately 75 national or international events per year and, as with the community facility funding, has been shared across the state, with over half of these events funded being in regional Victoria. I will not go through the details of the specific funding areas, but I will say that regional Victoria has had its fair share.

We will invest \$225 million into the redevelopment of Etihad Stadium. This deal will not only secure the future of the stadium but also the MCG, Eureka Stadium and Kardinia Park. We will guarantee the AFL Grand Final will stay at the MCG until at least 2057 and at least eight Cats games at Kardinia Park for the next 30 years and two Bulldogs games in Ballarat for the next 10 years. The long-term security of keeping the grand final at the MCG will enable the Melbourne Cricket Club to plan for the future redevelopment of the southern stand. It involves an agreement with the Australian Football League that leverages a number of key benefits for the state, including infrastructure improvements to Etihad Stadium and ongoing access to Etihad Stadium provided for other sporting codes and events.

As part of the broader outcomes of the deal with the AFL, the future of the MCG has been secured, enabling an update to the National Sports Museum. The government will provide \$5 million towards this \$15 million project. Also \$15 million will be provided to boost our Female Friendly Facilities Fund. Since 2014 — I am very proud of this, Chair — 107 female-friendly facility projects have been funded, creating improvements for women and girls at over 200 clubs across Victoria. We have also committed \$67 million into projects that benefit elite women's sport. A 64.6 million redevelopment of the State Netball and Hockey Centre will include six new indoor netball courts to replace the current four outdoor courts, a new indoor hockey facility, high-performance facilities, upgraded change facilities, sport administration spaces, a childcare centre and a public realm upgrade.

I also established the Office for Women in Sport and Recreation in November in 2017 to lead implementation of the nine recommendations from the inquiry into women and girls in sport and recreation. This includes leading Change Our Game, a suite of initiatives to increase leadership and participation by women and girls.

**The CHAIR** — Thank you, Minister. I will lead off, Minister. The budget paper reference is budget paper 3, page 73. Just in relation to the investments that are being made into Etihad Stadium, can you just outline to the committee what this investment means in terms of job creation, generating greater levels of tourist activity and also what it means in terms of supporting the next generation of athletes?

**Mr EREN** — Sure, thank you for your question. Look, our stadiums are income makers for our state. Clearly all the stadiums — Etihad, MCG, GMHBA, Eureka Stadium and of course Melbourne Park — generate millions of dollars for our economy and generate hundreds of thousands of jobs in terms of the major events that we have at those stadiums. They also inspire people to actually take up sport — the code of their preference, whether it be soccer, whether it be football, whether it be basketball or whether it be tennis; I can go on and on. Every time that we have events at these stadiums, we see a spike in the participation rate for the code that is being demonstrated on those sporting fields.

Clearly it is a three-pronged attack of course to encourage people to take up sport and recreation through the champions on the fields of the sport that they love and who they watch play at the MCG or Etihad or indeed any other fantastic stadium that we have. Also in terms of the economy, it brings in and generates millions of dollars for our economy. The various sporting grounds and stadiums that we have attract about 9 million people per annum to those events. That is clearly a boost to the economy.

We are sought after in terms of the stadiums that we have. There are lots of other states and territories around the nation who would actually love to have the events that we have, and we are not giving those to them. If we rest on our laurels and do not pay attention to the stadiums that we have, then we will risk losing some of these very important events that we have in our state. To that end of course Etihad — you know, it is not just about

the AFL; we are very much conscious that we want to open up that ground — is a fantastic stadium with a roof and 55 000 capacity. That is why we were able to attract basketball. Next year we will have the DreamTeam from the USA coming to play the Australian Boomers, and already the tickets are being booked fast. Certainly the two-day event that we have will be a sell-out, and that will be the first time that we will have more than 55 000 people at an event for a basketball game. Ed Sheeran concerts, basketball games and rectangular sports — when you think about soccer, rugby and of course cricket being played at these wonderful stadiums. Etihad is certainly the epicentre in terms of attraction of private investment. There is no question that Etihad has attracted a number of private investments, particularly hotels, around the precinct.

I was privileged enough to help with the opening of a 5-star hotel, which is Peppers, just near Etihad, and the reason why they built that very important hotel is Etihad and the events that it attracts. So for us as a government, we are very conscious of making sure that we maximise our returns, if I can call it that, in relation to the investments that we make. Let us have a look at it.

People may ask, ‘The grand final, where would it go other than the MCG?’. Well, Perth have invested \$1.6 billion into their stadium and the new Premier down there is bidding for the grand final — not to mention New South Wales and not to mention Queensland and other states. Our key opponents in major events are looking at taking our sacred grand final away from us. We will not allow that. We will not allow that, and we will not risk the grand final to any other state, so we have locked in the grand final from 2037 to 2057. That means a 40-year deal. We have got the grand final for 40 years. That sends a very clear message, Chair and members of PAEC. It sends a clear message to other states that we will not give up our game. Footy is our game. It was created in Victoria.

**Ms WARD** — Can you just lock Essendon into those grand finals, please, Minister?

**Mr EREN** — Well, they are doing all right at the moment. They are doing all right, and I think they will go well on Saturday night in the Dreamtime game. So, Chair, can I just say that we have locked in the grand final for the long term. We are also locked in when you consider the games at Kardinia Park. We have invested steadily, not only in terms of the CBD and the wonderful sporting precinct that makes us the sporting capital of the world — we are not saying that, others are saying that. We have the best sporting infrastructure in the world. We are not saying that, others are saying that. So we have locked in the grand final. We have locked in for at least 30 years — three decades — for the Cats at GMHBA Stadium to hold at least eight games and on occasion nine games. We have also locked in for the next decade two games for the Western Bulldogs to play at Eureka Stadium.

So we have systematically involved regional Victoria in our stadiums whenever we do a deal with any code. The AFL are a big code and they are a national organisation. We cannot risk the AFL giving an unfair advantage to another state because they may be able to pay more. The case with the grand final and WA is that they were willing to pay more because they have less seats at their stadium. So this is a real threat. I just want to make it very clear to everybody that the threat is real when it comes to the grand final, but it has now been extended for another 40 years, which is fantastic.

This then makes the MCC able to make further investments in the southern stand in relation to their own money that they can generate because of the long tenure of the grand final that we have secured. That means that they can go out without government money. Close to \$1 billion worth of investment could be now made at the MCG because of this deal that we have locked in with the AFL, and clearly that means that the MCG — in my view definitely the best ground in the nation, if not the world — will become even better so that we can have more blockbusters. And one is coming up, the State of Origin. The last time we had the State of Origin at the MCG we had 91 500 people attend it. That was a record for the State of Origin

Again, I want to stress the importance of these investments. Broadly speaking, it has a domino effect. It sends a message to our competitors, the other states who are trying to take our events: you are not getting them. Also, in terms of the investments that we are making, we can actually attract more events. We have a lot more access to Etihad. If members can remember, whenever the A-League grand final, for example, is a local derby between Melbourne Victory and Melbourne City, AAMI Park, a fantastic 30 000-seat rectangular stadium — in fact Ange Postecoglou says it is in his view the best rectangular stadium in the nation in terms of its capacity and viewing — is not able to cater for a local derby grand final. So where we have more than 50 000 people attending, we would like to have access to Etihad on those special occasions when there is a grand final between the two clubs in Melbourne. This will give us access to the Etihad Stadium, it will give us access to make sure

that it is rectangular friendly and that it is public friendly, and of course it will attract a lot more investment in terms of the private sector, as I have indicated, with lots of hotels wanting to build around that precinct. Now they will have more confidence in Etihad and making sure that we get the events that we get at those very important stadia and that there will be more investments in terms of the private sector because of the investments that we are making.

**The CHAIR** — I know Ms Ward will want to ask a question about women in sport, but can you briefly outline for the committee some of the other investments that are occurring in other codes, and particularly could you talk a little bit of detail about the State Netball and Hockey Centre, please?

**Mr EREN** — Absolutely. These are not my words, Chair. This is the biggest investment into netball and female participation in sport in the history of this nation. That is Rosie King, the CEO of Netball Victoria. Never, ever has there been such a large amount of investment into women and sport, and of course we are very proud of that. We have been in contact and dialogue with all of the various codes, particularly when it comes to women in sport, and we lead the way when it comes to women in sport. They deserve the best of the best, like the men have, and clearly that is what this government is about. It is about making sure that nobody gets left behind when it comes to sport and recreation, whether it be at grassroots or whether it be at the elite end. Certainly the netball and hockey centre in Parkville will be a fantastic facility that we can showcase and have more events at, especially when you consider that it will be an area where there will be a centre of excellence in terms of women in sport and some of the wonderful opportunities that exist to make that the centre of excellence in terms of women and sport.

From my perspective, the Andrews Labor government have rightfully invested in those key areas, whether it be male participation and elite or whether it be female participation and elite. This goes a long way to making sure that we lead the way, and we have. Other states and territories are actually copying identically what we are doing right here. Whenever we have the ministers of sports meetings in the nation getting together with the federal minister, Victoria leads the way when it comes to female participation. Queensland has copied our female-friendly facilities program, as has South Australia. Tasmania is doing the same. Other states and territories are now copying exactly what we are doing right here, which is fantastic to see, and that is the way it should be.

**Ms WARD** — Welcome, everybody. Thank you, Minister, for the support you have shown to women and girls in sport. As you know, I bang on about this quite a lot —

**Mr EREN** — Yes, a great advocate.

**Ms WARD** — and I am very happy to see the support that you and the government have come through with on this. I do want to focus on women in sport and the female-friendly change rooms. Can you talk —

**The CHAIR** — Order! We will come back to that.

**Mr D. O'BRIEN** — Good afternoon, Minister. Did your department undertake a cost-benefit analysis on the AFL Etihad Stadium deal?

**Mr EREN** — The cost benefit in relation to my portfolio well exceeds the investment that we will get out of the Etihad deal, as I have indicated in my previous answer. There is no question that we have done a great deal with the AFL in relation to the grand final. It is one of those very sought-after events. As you can see, West Coast are on top of the ladder, and they are doing quite well. That is why Perth and WA want the grand final. I cannot stress this enough.

**Mr D. O'BRIEN** — It is already locked in till 2037; they are not going to move it there this year.

**Mr EREN** — No, you are getting this wrong. It is about sending a message to the whole sporting community about locking it in long term as being the sporting capital. So what we have done — you asked me about the deal that we have done, whether it is value for money —

**Mr D. O'BRIEN** — I asked you if there was a cost-benefit analysis done by your department.

**Mr EREN** — The cost-benefit analysis in terms of my portfolio is well and truly above what we are investing in it.

**Mr D. O'BRIEN** — Did you actually undertake a cost-benefit analysis? It is an economic tool used to decide these things. I am asking not just whether you thought it was a good deal. Was there actually a cost-benefit analysis done?

**Mr EREN** — The cost-benefit analysis shows, in terms of having access to Etihad Stadium and particularly making sure that that stadium can have more events like concerts, like a rectangular stadium, and like sports other than football, we will certainly have —

**Mr D. O'BRIEN** — I will try again, Minister. Was there a formal cost-benefit analysis undertaken?

**Mr EREN** — In terms of the substantial question that you have asked, I think the opposition need to understand how important the grand final is and these events are. So we are —

**Mr D. O'BRIEN** — I will take that as a no, Minister — that you did not —

**Ms WARD** — Do not verbal the minister.

**Mr D. O'BRIEN** — Well, I have asked him three times, Ms Ward, and —

### **Members interjecting.**

**The CHAIR** — Order!

**Mr EREN** — If you like, if you want the specific cost-benefit analysis, I can pass you on to Nick Foa from the department.

**Mr D. O'BRIEN** — Was there one done? That is the question.

**Mr EREN** — The question that you ask is one obviously of importance, and I want to make sure that you understand the importance of these events.

**Mr D. O'BRIEN** — Okay, so —

**Mr EREN** — No, I just want to make it very clear —

**Mr D. O'BRIEN** — You are not making it clear, because I am asking you a question about whether you undertook a cost-benefit analysis and you are not answering it, so I assume the answer is no.

**Mr EREN** — It is worth hundreds of millions of dollars in terms of the events that we have going forward in terms of the major events that we have at these stadia, and that is what it is about. It is locking in GMHBA. It is locking in Eureka. It is locking in the MCG for the next 40 years of having that grand final here. I can tell you it is worth hundreds of millions of dollars —

**Mr D. O'BRIEN** — On that, Minister, you just said earlier that it will unlock \$1 billion of investment at the MCG. When will that begin — the upgrade of the MCG?

**Mr EREN** — That is up to the MCC, and they will have a broad construction plan in terms of when they can actually do that, so that is entirely up to the MCC. As a government we want to ensure that we can support them in any way, and that is exactly what we are doing. Doing this deal — a long-term, 40-year deal for the grand final — now enables them to look forward to a plan of construction that will see the southern stand improved and of course means that we can have better events at that very important ground.

**Mr D. O'BRIEN** — Just for the record, Minister, the MCC said at the time the deal was announced that:

While there is no firm time line or plan surrounding a redevelopment of the Great Southern Stand, we expect that such a project will be delivered in the next 10–15 years.

So it is not remotely anytime soon. But I go to your point about the threat from WA. You said the WA Premier made a bid for the grand final and that they were prepared to pay more given that the new stadium there is much smaller than the MCG. Was there a formal bid from WA?

**Mr EREN** — From my understanding, they were certainly bidding for it. I think it was very public. It was actually in the media.

**Mr D. O'BRIEN** — It was in the media.

**Mr EREN** — No, hang on. It was actually reported accordingly that WA and the new Premier actually wanted the grand final away from Victoria. Their argument was that they have got some strong teams and if they play in the grand final, they would one day want to see a grand final being played in WA.

**Mr D. O'BRIEN** — You mentioned the reporting. This is the reporting. Mr McGowan, the WA Premier, and I quote, said:

It's the least that the rest of the country could do for Western Australia, considering the GST they take from our state, that they hand the AFL Grand Final to our state each and every year for nothing.

It was not a serious bid, was it, Minister? There was no serious threat to the grand final being taken from the MCG based on one example?

**Mr EREN** — I think you started off by saying the Premier wants the grand final. That is the point that you made.

**Mr D. O'BRIEN** — It is already locked in until 2037.

**Mr EREN** — No, your point was actually very valid that the Premier of WA wants the grand final. That is very valid. You said it with your own words.

**Mr D. O'BRIEN** — That is right. I know. I read out the quote, Minister. He is clearly saying it is not a serious bid, and I think, given it is already here until 2037, I question it.

Minister, can I move on? Your department's website has funding guidelines for the Community Sports Infrastructure Fund for 19–20, and I have got a copy of it here with your foreword there for the Community Sports Infrastructure Fund. Applications close on 25 June 2018. Could you please go to budget paper 3, page 73, and read out for the committee's benefit the money that is allocated for this particular program in the 2019–20 budget?

**Mr EREN** — Sure — \$60 million.

**Mr D. O'BRIEN** — No, for the 2019–20 year, Minister. That is what the guidelines are for: the 2019–20 Community Sports Infrastructure Fund.

**Ms SHING** — So why are you talking about applications that close on 23 June?

**Mr D. O'BRIEN** — They close on 23 June. For the member's benefit and the minister's benefit, this is the *2019–20 Community Sports Infrastructure Fund: Application Guidelines*. I am asking the minister to read out to me the money allocated to this program in 2019–20.

**Mr EREN** — Can I just say, in relation to that, the additional \$60 million was made available through the Community Sports Infrastructure Fund, and it is very clear to see that that \$60 million has been allocated in the 18–19 budget.

**Mr D. O'BRIEN** — Correct.

**Mr EREN** — As you can appreciate, the time lines for these funding applications are in accordance with making sure that these works can go ahead as soon as, for example, we get the councils that made the submissions —

**Mr D. O'BRIEN** — Minister, I have asked you a simple question. In 2019–20 there is zero funding allocated to the Community Sports Infrastructure Fund. How can you be offering funding to councils and grassroots sporting clubs for the 2019–20 Community Sports Infrastructure Fund when there is no funding in there?

**Mr DIMOPOULOS** — Look at the minister's record over the last three and a half years.

**Mr D. O'BRIEN** — I am looking at the budget papers, Mr Dimopoulos.

**Ms WARD** — You missed the presentation.

**Mr D. O'BRIEN** — No, I did not. I was here. I was here the whole time. The budget papers show there is zero funding available for that year.

**Mr EREN** — Nick wants to add to this contribution.

**Mr FOA** — Thank you, Minister. Many of our projects are delivered through project partners such as local government. The cash flows for those projects — once we get them in the door, we will be able to be more definitive on the cash flows required through those projects as they are funded.

**Mr EREN** — Yes, and so can I —

**Mr D. O'BRIEN** — In those guidelines, Mr Foa and Minister, page 10 has projects commencing on 1 July 2019. So you are going to have projects commencing, but you have got no money allocated for them. Why not?

**Mr EREN** — There is \$60 million that we have allocated —

**Mr D. O'BRIEN** — In 2018–19.

**Mr EREN** — And clearly —

**Mr D. O'BRIEN** — So why is it allocated in 2018–19 if it is going to be spent in the following year?

**Mr EREN** — Did you not just listen to the answer that was given before?

**Ms WARD** — No, they have a regular habit of not listening to the answers, Minister.

**Mr EREN** — Danny, are you listening to the answers given by both Nick and I, or are you just going on with your own questions?

**Mr D. O'BRIEN** — I am, but it is not explaining how you are going to fund something in 2019–20 when there is no funding in the budget for it.

**Mr EREN** — Record amounts of money have gone into sport. Sixty million dollars has gone into the CSIF, and there is a process that we are going through. Of course once that process has concluded with all the stakeholders in relation to where we are going to make these investments and which clubs and organisations are successful, then there will be a building program to use the \$60 million that we have. I cannot be clearer than that.

**Mr D. O'BRIEN** — Okay, Minister, but that is why we have forward estimates.

**Mr EREN** — And when it comes to funding sport and recreation, we have got a record, as opposed to you.

**Mr D. O'BRIEN** — No, that is why we have forward estimates, because we plan over the four years of program delivery. So why is the Community Sports Infrastructure Fund only funded for 18–19? You seem to be telling me that it is going to be spread out.

**Mr EREN** — Why don't you go back, up until 18–19, and why don't you have a look at the \$1.33 billion that we have invested into sport? And so I have just —

**Mr D. O'BRIEN** — It is a fairly simple question: how is it going to be funded beyond 2018–19 when your budget papers have no money allocated to it?

**Mr EREN** — Well, we have just explained it to you. Once the deadlines are closed in terms of the applications that are made by all of the stakeholders that are involved, whether they be councils or sporting organisations, the successful applicants will obviously have a program of build to use that \$60 million that we have allocated for the forward estimates. In terms of using the \$60 million to build —

**Mr D. O'BRIEN** — So you are saying the budget papers are allocating money for 2018–19 — you are already planning to roll it over to 2019–20? That is not how the budget papers work.

**Mr EREN** — Well, if we are successful at the end of the year, we will invest —

**Mr D. O'BRIEN** — Ah, right.

**Mr EREN** — Oh, well, that means the community has to re-elect us —

**Mr D. O'BRIEN** — This is, 'Vote for us and we'll continue funding community sport' —

**Mr EREN** — No, we have made record —

**Mr D. O'BRIEN** — 'but if you don't, the AFL keeps getting its money'.

**Mr EREN** — You can put a spin on it if you like, Danny —

**Mr D. O'BRIEN** — Well, that is what you just said.

**Mr EREN** — but the fact of the matter is that we have invested record amounts of money into sport and recreation. This money will go towards infrastructure. Of course once there is finalisation of the successful candidates — the stakeholders and the sporting clubs — then there will be a forward building program to invest this \$60 million that we have allocated.

**Mr D. O'BRIEN** — You have not funded it in the forward estimates. That is the point.

**Mr EREN** — Sixty million dollars is what we have allocated.

**Mr D. O'BRIEN** — But you have not funded it in the forward estimates. That is the problem, Minister.

**Mr EREN** — Are you going to cancel it?

**Mr D. O'BRIEN** — Can I ask you —

**Mr EREN** — No, hang on. Are you going to take that away from the community?

**Mr D. O'BRIEN** — Well, actually, Minister, you are here to answer the questions. You have cancelled it because you have not given it any money.

**Mr EREN** — Is that what you are saying — if you are elected, you are going to take it away?

### **Members interjecting.**

**The CHAIR** — Order! Ms Pennicuik until 2.35 p.m.

**Ms PENNICUIK** — Good afternoon, Minister, secretary, deputy secretaries and all the staff. Thank you for coming. I would like to talk a little bit about community sport and women's sport sort of rolled in together. At budget paper 3, page 81, the government lists investment in a number of sporting fields — six sporting fields — via its women's sport fund to deliver better infrastructure and to better accommodate women and girls in sport. My question is whether these upgrades to community sports fields and facilities could ultimately reduce the community's access to them in place of professional, semi-professional training and actual events? What mechanisms has the government put in place to guarantee that this will not happen? Embedded in that Minister, if you will just bear with me, is what is actually the definition; it seems like community sport is pretty easy to define, but how is it defined as opposed to semi-professional sport? Professional sport clearly is a bit different. Do you see what I am getting at? The use of those facilities by different groups and how the community access is maintained.

**Mr EREN** — Thank you for your question, Sue. It is a very important one. There is a direct correlation between the elite and the grassroots in terms of participation. Clearly when you have the stars of the women's and stars of various sports coming onto the field it inspires a lot of young women and girls to actually take up the sport. We see a direct link between the two, so it is a pathway as well. We are very conscious of the fact that

having both is extremely important — to have investments in the grassroots end as well as having investments in the elite end. So we have seen, particularly with female participation, in 2016–17 there was an 8 per cent increase in the proportion of Victorian women and girls over 15 who exercise regularly. AusPlay have come up with that stat.

Where possible, for example, where we have elite grounds we try to incorporate the community use of those grounds as well. When you consider that more than 1000 female teams have come on board since our push to have more women in sport, and growth in participation went from 6600 in 2015 to 26 000 — which is fantastic — the investments we are making are clearly working at this point in time. I take up your point of access for grassroots community clubs; I take that on board. That is why where possible we are trying to ensure that it is a multipurpose use for both grassroots and elite.

**Ms PENNICUIK** — Yes, so twice you have said that, Minister. You are ‘trying to ensure’ and ‘where possible’ et cetera, but I think that it probably needs something a little bit stronger than ‘trying to ensure’ and ‘where possible’. In years past I played in many sporting teams and do know that community amateur teams can find themselves pushed out because of that. So, Minister, if you cannot answer that now, I am happy for you to take it on notice as to what mechanisms will be put in place, particularly these new upgrades that you have, which of course I do welcome. But I think this is an issue that needs to be thought about.

**Mr EREN** — Since 2014 I can guarantee you that over 100 female friendly facility projects have been funded, and of course that means that women and girls at over 200 clubs across Victoria have benefited from this. So we have a program of ensuring that we build the infrastructure that is appropriate and suitable for women and girls.

**Ms PENNICUIK** — Appropriate and suitable but the access; perhaps you could provide more information. The reason I say that, Minister, is that I do have another thing I want to ask you and time is of the essence in these hearings. So if there is any more information you can provide on that, that would be great.

**Mr EREN** — We can provide information to you, Sue.

**Ms PENNICUIK** — So turning to your presentation, it says: \$5 million for community sports infrastructure loans, which will unlock \$100 million to upgrade local facilities. I am not quite sure what all that means. Perhaps there can be some clarification as to what that slide means, but also I just wanted to ask — and you might need to take this on notice because I think I will be cut off — why would the government be offering loans to community sports clubs rather than a grants program for upgrading community sports? It would seem that many local, grassroots clubs may not be able —

**Mr EREN** — I would love to answer that.

**Ms PENNICUIK** — And if you run out of time, take the rest on notice.

**Mr EREN** — So we have allocated record amounts of money to grassroots community sport organisations.

**Ms PENNICUIK** — Sure; I know that.

**Mr EREN** — This was a request from various organisations that have the means to pay off loans but they cannot access them through banks. They have come to us and basically said, ‘We don’t want government money. We’ve got a revenue base’. There are some clubs that need government money and there are some clubs that do not. What we are trying to do is give them access.

**Ms PENNICUIK** — And the criteria for those loans?

**Ms WARD** — Minister, I do want to talk to about female friendly facilities, but I know Mr Dimopoulos has some questions on grassroots sports which I think will tie into where Ms Pennicuik was going. I do want to tell you a small story about grassroots sports. Last Saturday I was driving out of Montmorency and two kids were walking to Petrie Park, where we have invested \$100 000 in female friendly facilities at the local oval. They were two girls with a footy under their arm and they were going down to play kick-to-kick. It is not something that you see very often, but I am seeing it more and more in my community, and I want to thank you for that investment.

**Mr EREN** — Thank you for that question.

**Mr DIMOPOULOS** — It was a comment.

**Mr EREN** — Thank you. I wish I could expand on that, but that is great. Thank you.

**Mr DIMOPOULOS** — You will get the chance, Minister, when I ask you the question. Thank you, Ms Ward. I concur with the excitement about community sport and commend you for the enormous investment that dwarfs any previous investment we have seen. I have heard you in public forums and in the chamber saying similar things. Budget paper 3, page 73, as was mentioned, in table 1.15 outlines some of that investment. You have talked about the quantum, Minister, in your presentation and the budget document refers to the quantum. I wonder if you could give the committee a bit more of a shape to that funding: what it actually means, a bit more nuanced detail in terms of what capacity it has created for community sport across Victoria, the number of teams and things that it has improved in terms of local amenity for sports clubs.

**Mr EREN** — Thank you for that question.

**Mr DIMOPOULOS** — And how it increases participation, obviously.

**Mr EREN** — Sure. Broadly speaking the sports industry, if I could call it that, is worth about \$8.5 billion and 65 000 jobs are associated with it. Every time we make these strategic investments in sport and recreation we actually create more jobs in the community. So we are very proud of our history of participation. We have just under 4 million people in Victoria who participate in some way, shape or form in sport and recreation, and we want to encourage as many as we can. That is why we have unlocked the 51 per cent of the population who are women and girls who did not have access to it previously. That is why we are now seeing just under 400 new footy teams for women and girls.

**Mr DIMOPOULOS** — 400?

**Mr EREN** — Just under.

**Mr DIMOPOULOS** — In what space of time, Minister?

**Mr EREN** — In the time that we have been in government.

**Mr DIMOPOULOS** — That is extraordinary, 400.

**Mr EREN** — Just under 400, yes. Not to mention basketball, soccer — every other code is now getting an influx. Nevertheless it does present challenges for government, but we are up for it. That is why we are clearly putting record amounts of money into sport and recreation so that more girls and women, particularly, can play sport.

As we say, if you are physically fit, you are more likely to be mentally fit as well. Mental health is very much about being physically fit, and there is a direct correlation between the two. For every dollar that we invest in sport we save roughly \$3 to \$4 in our health bill, which is such an important part of the investments. That is why now within the health department, if I can say that, sports fits within it appropriately, and we are now talking within the department about the importance of sport.

So the grassroots community funds that we have are one part of our investments into making sure that clubs are viable going forward. If they need training for coaches or officials, or if they need training for volunteers, we provide some money for grassroots community clubs right across the state in relation to giving them access to being a successful, viable and strong club going forward.

Our record stands on its own when it comes to investment into sport and recreation. No other government in the history of our state has invested what we have invested under our government. I am really proud about that.

**Mr DIMOPOULOS** — Thank you, Minister, and obviously I agree. I am stuck on this almost 400 additional teams in the period of three and a half years. That is an absolutely extraordinary result, because for each one of those teams there are probably 100 people that either support them or come and watch — families, friends or players. That is extraordinary. I just wondering, and this may be a question for the

department, whether there will be any sort of tracking done in terms of this investment — not from the perspective of how many teams necessarily, which is an extraordinary figure, but in terms of what it means downstream for these young women or men in terms of life chances. Do you know what I mean? Sport is not only a physical activity, it is a social inclusion activity and it is a risk mitigation measure against getting into the criminal justice system. It would be great to see some work done on that, because it is a profound difference to what we have seen, this level of investment. I do not know whether you could take that on notice.

**Ms PEAKE** — I am happy to provide some comments. The department has designed a new outcomes framework which we have been continuously populating with the measures that will help us to understand exactly the point that you are making about all of the different efforts across the department and how they are contributing to the health and wellbeing of different groups of Victorians. We really try and combine innovative ways of collecting that data. AusPlay is obviously a great source of data, and the minister referred earlier to some of the data around increases in participation that we have already seen in the last two years, alongside some of the work with local government out of the municipal health and wellbeing plans and the sorts of questions in those survey tools, which we can then aggregate up into the reporting on the department's outcomes.

**Mr EREN** — And that is why we have created the office of women in SRV. Dr Bridie O'Donnell is also here, and it is fantastic and she has hit the ground running. That is clearly designed to ensure that 51 per cent of our population do not miss out. It is groundbreaking in itself that the government has a dedicated office of women in SRV.

**Mr DIMOPOULOS** — As Ms Ward said with her example, I was at the Murrumbidgee Football Club the other day making a very generous announcement that you assisted with, Minister, for \$2 million for a pavilion upgrade together with Glen Eira council. A family came up to me — the sponsorship manager and his wife came up to me — and said, 'Our child plays here at Murrumbidgee Football Club'. They parted and behind them was a young woman, and instinctively, to be honest, when they said, 'Our child', I immediately thought of a boy, because when I grew up only boys really played football. That is now no longer the case; it is fantastic.

**Mr EREN** — It has changed.

**Mr DIMOPOULOS** — Every kid that grows up now —

**Ms WARD** — It is called an unconscious bias.

**Mr DIMOPOULOS** — Absolutely it is unconscious bias. It was from genuine empirical evidence that girls did not play football.

**Mr EREN** — Well, that is why we are changing the game. We are changing the game through our 'Change our game' campaign.

**Mr DIMOPOULOS** — Yes, you are, profoundly and forever. Just quickly on local government, what capacity will this \$60 million investment that the opposition were talking about provide for local government in terms of applications and improving their facilities, because I know that Monash council and Glen Eira council in my community have benefited? Is it increasing the cap? I think that is what you mentioned. Is that right, that councils have —

**Mr EREN** — Depending on what part of Victoria you are from — if you are from regional, rural or metro — that affects the contributions that are made by councils. Clearly it depends on where you are. For every dollar that we invest, councils invest either three, two or one-for-one. Clearly that means with the value of these projects that \$60 million very quickly becomes \$240 million worth of infrastructure. Based on historical averages it is roughly 3 or 4 to 1 in enhancing the investment. That is fantastic, and that is exactly what we intend to do. You cannot do this on your own. In the absence of a federal government that provides money for sport and recreation we have got to do most of it.

**Ms WARD** — Minister, I want to go back to female-friendly facilities. I see in the budget that it has been increased from a \$100 000 grant to a \$500 000 grant per municipality. Can you please talk us through this expansion, and what that will mean for women being able to access sporting facilities or improving their ability to access sporting facilities?

**Mr EREN** — One thing that we have listened very carefully to is various organisations, councils and other organisations, relating to funding, that the costs of these projects is actually going up. So it is increasingly hard to actually properly invest in an infrastructure project without adequate funding from the funding streams that we have available. That is why we have increased the number of moneys that are going in. The moneys that have gone in are increased in relation to the application. We have gone from 650 to 800 000 as the maximum that a council can apply for as a priority project. So we have increased that amount of money. For example, the football facilities fund, where we have increased the amount for small aquatic projects from 200 to 250 —

**The CHAIR** — Order! We might take that on notice, Minister.

**Mr EREN** — Great question, though. We have increased the numbers.

**Mr D. O'BRIEN** — Minister, just a very quick one. On page 73 of budget paper 3, the line item 'Women and girls in sport' —

**Mr EREN** — Sorry?

**Ms SHING** — Page 73, budget paper 3.

**Mr D. O'BRIEN** — The line item on the output initiatives for 'Women and girls in sport' has 77 million this next financial year and then 5 million. I am just wanting to know whether the \$15 million for the female friendly facilities program — is that only for 18–19 or is it spread over the two years? What is the phasing?

**Mr EREN** — It is over the next financial year. We want to cram as much money into it as possible, because the good problem that we have got at the moment as a government is that there are lots of applications coming in — there are lots of girls and women wanting to play sport — so we wanted to ensure that on top of the 10 million, on top of the 4 million on top of that, now we have got \$15 million allocated —

**Mr D. O'BRIEN** — But just for 18–19?

**Mr EREN** — Yes.

**Mr D. O'BRIEN** — Okay, thank you. Can I continue on the same page, and we have already raised the community sports infrastructure loans. What interest rate will be applicable to those loans and what will be the terms — i.e. the length of the loans?

**Mr EREN** — Look, this is something that we see as obviously important in the scheme of things — to give access to some money. Normally clubs do not want government money, and as I have indicated in an earlier answer —

**Mr D. O'BRIEN** — Clubs do not want government money?

**Mr EREN** — Well, there are some clubs that say, 'Look, you know, we can afford to pay a loan for our infrastructure, so we don't want to bother government'. There are some clubs that are very needy that do not have a revenue stream —

**Mr D. O'BRIEN** — But what sort of clubs have got such a revenue stream?

**Mr EREN** — There are various ones. Some clubs are more successful than others in terms of raising money, and clearly there are some sporting clubs out there that have actually approached government and said, 'Listen, we don't want your money, but what we would like to see is a low-interest loan from government', and we think —

**Mr D. O'BRIEN** — I would love you to provide the committee with a name of a club that would rather borrow and pay back interest than get a grant from government, Minister, if you can.

**Members interjecting.**

**Ms WARD** — I can tell you about that: Wildcats Basketball Club.

**The CHAIR** — Order! Ms Ward!

**Mr T. SMITH** — No-one asked you.

**The CHAIR** — Order! Mr Smith!

**Ms SHING** — On a point of order, Chair, can we perhaps stop Mr Smith from bellowing at members of the committee? It is actually really inappropriate.

**Mr D. O'BRIEN** — If you could provide such a club, Minister, that would be good, but can I go back to the question of what the interest rate and the terms of the loans are?

**Mr EREN** — Sure. The loans through the scheme will be benchmarked at the Treasury Corporation of Victoria's borrowing rate of 3.265 — that was as of May 2018 — inclusive of administration costs.

**Mr D. O'BRIEN** — You said 3.265?

**Mr EREN** — Can I finish?

**Mr D. O'BRIEN** — Yes, I was just clarifying — it is 3.265?

**Mr EREN** — Yes, 3.265. In 2016 the Treasury Corporation of Victoria borrowing rate was approximately 1.7 per cent lower than the MAV local government funding vehicle bond, and this year's budget, in which we have allocated \$5 million for the interest subsidy for the scheme over the next four years, will further reduce the effective interest rate paid by sporting organisations. So it will be giving them access to things they normally cannot have access to. If they go to a bank, the bank will say no to them, but what they are saying is, 'Look, we sort of don't fit within the criteria of applying for a government fund' — we have made ample monies available for sporting clubs to apply for, for those that need it — 'We don't want to burden government. Because we have a revenue stream, a revenue base, we would like to have access to a low-interest loan', and that is exactly what we are doing as a government. That \$100 million on top of what we have announced — close to \$500 million worth of investment — will mean that \$100 million, if you revert back to the equation of the \$3 for every dollar that we invest, is worth roughly around \$300 million.

**Mr D. O'BRIEN** — So could I just clarify: you said that the Treasury rate is 3.265, but you have allocated \$5 million to further subsidise. So does that mean it is going to be a lower rate than that?

**Ms PEAKE** — Correct, that's right.

**Mr EREN** — Yes.

**Mr D. O'BRIEN** — Thank you. The secretary has answered it for me.

**Mr EREN** — No, but as I have indicated, the \$5 million that we are allocating —

**Mr D. O'BRIEN** — So what rate will that actually go out at? That is the question.

**Mr EREN** — It will reduce it considerably, and that is what it is designed to do. I am not going to give you an answer to the point in the reduction of interest rate, because next year, if we are in government, you might say, 'You said this, Minister; you were wrong'. What I am saying —

**Mr D. O'BRIEN** — Interest rates move up and down; we all understand that.

**Mr EREN** — What I am saying is that it will reduce it considerably —

**Mr D. O'BRIEN** — And the terms of the loan?

**Mr EREN** — The terms of the loan — look, we are working on it. Depending on the club and its ability to pay and the revenue stream that they have, that would be determined going forward in terms of the requirement of the club and how much they can afford in terms of the loan and how much they can pay back over what period of time. We are trying to be as flexible as possible here, because we want genuinely to give those clubs an opportunity to have access to monies that they normally do not have.

**Mr D. O'BRIEN** — So can I just confirm: the loans will be available to clubs and councils or to one or the other or to both?

**Mr EREN** — It could be a combination. It could be through the local government, it could be through the sporting clubs themselves.

**Mr D. O'BRIEN** — So individual community clubs will be able to apply?

**Mr EREN** — Absolutely.

**Mr D. O'BRIEN** — Okay. Minister, you talked about providing these loans because some clubs have revenue that allows them to pay off loans. The organisation with the greatest revenue in terms of sport in the country is the AFL. Why would you not offer the AFL a loan that they could repay, even at a cheaper rate, instead of offering it to community sport and instead give the 225 million you are free-kicking to the AFL as a grant to community sport?

**Mr EREN** — We have invested 1.33 billion into sport and recreation since we have been in government. It is a record amount of money. No other government in the state's history has invested that much into sport and recreation. What we have done, unlike you, is we are innovative in how we can expand on that massive investment that we are making to sport and recreation. We think outside of the square. How much more can we do —

**Mr D. O'BRIEN** — Outside the square? You are giving the richest organisation in the country in sport a free kick.

**Mr EREN** — How much more can we do as a government to enhance the opportunities for clubs? That is exactly what we are doing. We want to ensure that we make record investments into grassroots community clubs who need government assistance.

**Mr D. O'BRIEN** — You made a record investment into the AFL, the richest organisation in the country for sport.

**Mr EREN** — We can also assist those clubs that do not want government money. They say, 'If we can have access to an interest-low loan, then we can do our own infrastructure build', and that is exactly what we are doing.

**Mr D. O'BRIEN** — Minister, can you come back and answer the question?

**Mr EREN** — I mean, I do not see why you see this as a problem.

**Mr D. O'BRIEN** — Well, Minister, I have asked the question, which you have not answered, so I will ask it again.

**Mr EREN** — I have answered all of the questions that —

**Mr D. O'BRIEN** — Why are you giving to the organisation with the greatest ability to pay? It is the highest revenue earner in the country for sport. Why would you not therefore offer it a loan and instead provide the grant money that you have given to Etihad to community sport?

**Mr EREN** — Well, one thing we have locked the AFL into is providing \$13 million to invest in sport and recreation. So what they have done is incorporate it into the wider deal of locking in the grand final for 40 years, locking in GMHBA for 30 years and locking in Eureka Stadium for 10 years. The AFL have provided \$13 million to invest in sporting organisations and particularly infrastructure as well. So we are really conscious of the fact of making sure that the AFL do invest within sport and recreation, and this will pass through the clubs and it will be a better deal for the clubs. That is what we intend to do as a government. We want maximum value for our money that we spend, and we are getting it in relation to all of those things that I have mentioned before and on top of the \$13 million that we are getting from the AFL to invest in grassroots and particularly sport in Victoria.

**Mr D. O'BRIEN** — So again, of your budget in this year's budget, two-thirds of it is going to elite sport. It is going to the AFL or to AFLW or to the NRL or to A-League. You are now claiming the \$13 million is a good deal, when I am asking the question: why would you not loan the AFL \$225 million and give that money to community sport?

**Mr EREN** — I do not know what you have against women in sport. The investments that we have made —

**Mr D. O'BRIEN** — No, I do not have anything against women in sport. Minister, that is actually quite offensive that you are suggesting that.

**Mr EREN** — Well, you mentioned the NRL, you mentioned Rugby League, you mentioned —

**Mr D. O'BRIEN** — AFLW — that is all the elite level. I am talking about community sport.

**Mr EREN** — Well, that is what I said. I do not know what you have against women in sport, and you mentioned AFLW. You mentioned Rugby League in terms of the investment that we are making in Broadmeadows — \$12 million for a centre of excellence for women.

**Mr D. O'BRIEN** — I am not sure how you get that that means I have something against women in sport, Minister, but —

**Mr EREN** — The centre of excellence, the academy for women, particularly down at Footscray for Melbourne Victory. These are designed to encourage women coming back to sport. I do not know what you have against it.

**Mr D. O'BRIEN** — That is elite level.

Minister, last year you funded the Shooting Sports Facilities program for \$1 million for one year only. Why have you now axed that program?

**Mr EREN** — Sorry, which program?

**Mr D. O'BRIEN** — The Shooting Sports Facilities program.

**The CHAIR** — Maybe you can take it on notice.

**Mr EREN** — In relation to that, again we are trying to make sure that —

**The CHAIR** — Order! Ms Patten until 3.00 p.m.

**Ms PATTEN** — Good afternoon, Minister. I just wanted to clarify quickly on the women and girls in sport. With that \$77 million that is in the budget papers, was I correct in thinking that \$15 million is for the community facilities and the rest of it is for Ikon Park et cetera — so \$15 million?

**Mr EREN** — The \$15 million is the female —

**Ms PATTEN** — Because I was visiting Mr Morris's electorate, and the Mt Eliza football club have no facilities. In fact they lost their women's football team — it had to move to Frankston because there were just no change rooms there. So they are quite desperate.

**Mr EREN** — I would encourage them to apply through council.

**Ms PATTEN** — I am sure Mr Morris or myself will let them know; thank you.

This is just referring back to my electorate. In last year's budget eight new courts were to be constructed at the Yarra Bend Park and community infrastructure was to be developed in Olinda park, and that was forecast to cost \$6 million. Now, I have been told that the consultation on the courts was completed last October, yet there is still no work on those courts. In this budget paper, on page 90, it only mentions the construction of a shared pavilion for the regional netball courts at the Fairlea precinct at Yarra Bend Park. So I am just wondering if you could advise me on where we are up to with the courts for Yarra Bend Park and when they might be installed,

because they are obviously not in the budget now. I am assuming that is because the money was allocated last year.

**Mr EREN** — Thank you for that question. It gives me the opportunity to talk about the inner-city netball program that we have. It is a dedicated fund of \$9.6 million to, of course, build 64 netball courts over this period of time. So what we have done so far is, depending on where the councils are and how we as a state government —

**Ms PATTEN** — As I say, I think the consultation was completed in October.

**Mr EREN** — Can I just run through some of the identified — just to cross-reference — new courts? Up to 20 courts in Yarra city, 23 courts in Darebin and 24 courts in Moreland are delivered, exceeding our commitment prior to 2014. I am genuine about this: if you have got any concerns about any area, I am more than —

**Ms PATTEN** — Well, maybe we can take that on notice as to where we are up to with that.

**Mr EREN** — Okay. Well, Nick might make a contribution to that.

**Mr FOA** — Certainly. Through you, Minister, just quickly, it is being delivered through Parks Victoria — the ones at Yarra Bend — and the design is just about finalised on those ones. But Parks Victoria are delivering the asset because it is creating an asset on their books.

**Ms PATTEN** — Thank you, Mr Foa. Following on from that, I notice that in 2016 the Victorian government announced a new funding stream for indoor sports development. That was the Better Indoor Stadiums Fund, and it was briefly mentioned in appendix B of budget paper 3 last year. It is still up on the website, but I cannot see any mention of it in this year's budget. I am just wondering if I have overlooked it or whether there is still funding for this for local communities to apply for.

**Mr EREN** — The Better Indoor Stadiums Fund is one that again is a pressure point for government because of the numbers of people wanting to play basketball and netball. The previous investments that we have made are \$22 million, and we have progressed quite nicely into that. We have committed \$14 million of that amount of money that we have dedicated to that fund, and we have got \$7 million to go. So we have still got some money in relation to it.

**Ms PATTEN** — Hence it is not in this year's budget because it has already been allocated.

**Mr EREN** — Yes, that is why.

**Ms PATTEN** — Okay, thank you.

**Mr EREN** — And we are looking forward, obviously, to applications coming through.

**The CHAIR** — Order! I would like to thank the witnesses for their attendance: the Minister for Sport, the Honourable John Eren, MP; Ms Peake; Mr Foa; Mr Burney; and Mr Stenton. The committee will follow up on any questions taken on notice in writing. A written response should be provided within 10 business days of that request.

**Witnesses withdrew.**