

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Inquiry into the 2022-23 Budget Estimates**

Melbourne—Tuesday, 17 May 2022

### **MEMBERS**

Ms Lizzie Blandthorn—Chair

Mr Danny O'Brien—Deputy Chair

Mr Rodney Barton

Mr Sam Hibbins

Mr Gary Maas

Mrs Beverley McArthur

Mr James Newbury

Ms Pauline Richards

Mr Tim Richardson

Ms Nina Taylor



**WITNESSES**

Mr Martin Pakula MP, Minister for Tourism, Sport and Major Events,

Mr Simon Phemister, Secretary,

Ms Penelope McKay, Associate Secretary,

Mr Peter Betson, Deputy Secretary, Sport, Recreation and Racing, and

Mr Chris Miller, Deputy Secretary, Tourism, Events and Priority Infrastructure, Department of Jobs, Precincts and Regions.

**The CHAIR:** I declare open this hearing of the Public Accounts and Estimates Committee.

I ask that mobile telephones please be turned to silent.

I begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting. We pay our respects to them, their elders past, present and emerging as well as elders from other communities who may be with us today.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2022–23 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

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

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

We again welcome Minister Pakula—this time for the tourism, sport and major events portfolio—as well as officers of your department. We invite you to make an opening statement, which will be followed by questions from the committee.

**Visual presentation.**

**Mr PAKULA:** Thank you, Chair. I will try not to traverse ground we have already covered. Tourism expenditure in the year ending December 2021 was 55 per cent lower than pre pandemic, which just gives you a sense of the nature of the difficulties over that period. I have already talked about the direct economic support and the business stimulus package, so I will not go back over that. In terms of the events sector, there was an events package of \$20 million in June 2021 that included the sustainable event business program, the impacted public events support program, the live performance support program and the Independent Cinema Support Program. Some of that sat with Minister Pearson, but all of those were rolled out to that sector last year.

In terms of supporting longer term growth and competitiveness in the tourism sector, we have done a lot of work to regain our spot as the leading destination in the country for sport, theatre and cultural events, which you would have seen particularly with the reopening of all the live theatre shows and many of the major events that have been held in recent months. Last year's budget had \$633 million for the *Visitor Economy Recovery and Reform Plan*, including a lot of infrastructure, and there was further tourism investment of \$118 million—sorry, the \$633 million I referenced was in the 2020–21 budget, and there was another \$118 million in the 2021–22 budget.

In terms of tourism infrastructure, delivery and facilitation, we have invested over \$283 million in the tourism infrastructure program. If you think just in terms of recent announcements, through the most recent round of the Regional Tourism Investment Fund we have announced support at Mount Duneed Estate to build eight luxury pods at the winery, \$750 000 at Bulla Dairy Foods for their consumer experience centre and \$500 000 for All Seasons Houseboats in Mildura to build a new, accessible six-bedroom vessel. And there are of course all of the

very important marketing campaigns, like ‘Visit Melbourne - Get Set’ and ‘Stay Close, Go Further’, which are run by Visit Victoria.

In terms of event acquisition, we have boosted the Major Events Fund to \$100 million over four years. Global competition for events is extreme, but we are still continuing to attract and acquire the best productions and events from around the world. Most recently we announced that *& Juliet* would run at the Regent Theatre from February next year, and the national business events program will support a strong pipeline of business events through this year and next.

We have, as I think everyone knows, announced that the 2026 Commonwealth Games will be held in regional Victoria. That will contribute more than \$3 billion to our economy and create more than 600 full-time equivalent jobs before the games, nearly 4000 during the games and 3000 jobs ongoing past the closing ceremony. That will predominantly be held in four major regional hubs, which are now well understood. It would be remiss of me not to mention the fact that this year’s Formula One Australian Grand Prix—and haven’t we missed it—had the largest attendance of any four-day grand prix anywhere in the world ever, just a shade under 420 000 over four days.

In terms of some other excellence in major events and sport, this year I was really pleased to attend the Stawell Gift, which was attended by over 12 000 people over three days, with athlete participation up 10 per cent. We worked really hard to ensure that that historic event continued with a new funding and management model, with the agreement of the Stawell Athletic Club. We are continuing to deliver world-class sporting facilities at Marvel Stadium, at Kardinia Park, at the State Basketball Centre and the Home of the Matildas and the Rugby Centre of Excellence at La Trobe. All of that work is going on.

I think it is probably important just to outline that in this budget itself there are a number of key initiatives, including obviously the Commonwealth Games, but continuing investments in our state sports trust operations and venue improvements at MSAC, at Kardinia Park, at Parkville, at Lakeside Stadium and the State Basketball Centre; working with Motorsport Australia on a business case for a new home of Victorian motorsport; and providing some support to the Melbourne Cricket Club to complete their business case for the potential—I should say ‘potential’—future redevelopment of the Shane Warne Stand.

The budget also has a number of initiatives in regard to tourism infrastructure. Again, I will just quickly race through the fact that we have got a number of regional tourism upgrades which are in the budget—the Mildura Trail of Lights; the Murray to Mountains Rail Trail; the Wycheproof Wetlands Precinct; the Central Goldfields Art Gallery, Indigenous Interpretive Garden, stages 2 and 3; stage 3 of the Bald Hill activation; Budj Bim, the development of the visitor experience at Lake Condah and the Tae Rak Traps; the Kittyhawk Museum business case; and the Lorne Sea Baths Wellness Centre. We are supporting MCET. We are supporting the Emerald Tourist Railway Board for their ongoings. We are providing additional marketing funds for Visit Vic to boost our engagement in both domestic and international markets and, as I said earlier, we will continue to support the National Business Events Program. Over to you, committee.

**The CHAIR:** Thank you, Minister. Mr O’Brien, Deputy Chair.

**Mr D O’BRIEN:** Thank you, Chair. Secretary, the minister has just gone through some of the events and other things that were funded. Can you tell me how much money the government provided to put on the Foo Fighters concert at Geelong on 4 March?

**Mr PHEMISTER:** I can certainly get that for you, Mr O’Brien, if I have it at hand. I do not know off the top of my head. I have got a description of how great the event was, but ticket sales, no, sorry. I will have to take that question on notice, Mr O’Brien.

**Mr D O’BRIEN:** I was actually after the amount the government put in.

**Mr PHEMISTER:** I do not have that number with me, I am sorry.

**Mr D O’BRIEN:** Okay. Is that number going to be available?

**Mr PAKULA:** Can I indicate we indicated in the 2019–20 budget that we were providing funding of \$14 million in total for Always Live and, unless I am mistaken, the support provided for the Foo Fighters was part of that Always Live initiative, so it was within that—it was significantly less than that.

**Mr D O'BRIEN:** I would hope so, for the richest man in the world, Minister.

**Mr PAKULA:** Yes. I appreciate that, but you could say the same about—most of the major events we support are populated by wealthy sportspeople or wealthy artists. It does not undersell the fact that to get those events here costs money and the economic benefit from them is substantial.

**Mr D O'BRIEN:** Okay, that is fine. Everyone would go to a Foo Fighters concert; they do not need taxpayer support. That is the question I am asking. I just want to know how much was provided. So Secretary, if you can take that on notice. Could we also have on notice who was paid the money—did it go to Frontier Touring?—where it went to. That would be great.

**Mr PHEMISTER:** If there was money, indeed of course I can follow it up.

**Mr D O'BRIEN:** Sure. Could I also ask: the government contributed to the 11 July game between GWS and Gold Coast at Ballarat last year for the AFL. How much did the government put into that?

**Mr PAKULA:** Would you like me to deal with that?

**Mr D O'BRIEN:** If you have got the answer. If you want me to quote—

**Mr PAKULA:** No, I do not have the specific answer. What I would say is that there is a funding agreement that relates to bringing AFL games to Mars Stadium. It would have been a part of that—sorry, Pete has just indicated to me that there is a separate arrangement with the Western Bulldogs but there is also some support out of the Regional Events Fund which supports other events at Mars Stadium. We will get that to you.

**Mr D O'BRIEN:** If you could. You did say at the time that the Andrews Labor government is bringing more AFL games, so I assume that means the government had an involvement. And I just note there were 2592 people at the ground on the day, so I am interested to know how much taxpayer support there was to get more people at Sale and Maffra. What about more broadly? There was a lot of chopping and changing throughout the year. Was there any other support provided to stage AFL games throughout the 2020–21 season?

**Mr PAKULA:** Not that I can recall, other than, as I say, there is a general arrangement with the Western Bulldogs to play some games at Mars Stadium, but beyond that I do not believe so.

**Mr D O'BRIEN:** Okay. Can I ask: the Australian Open, did the government give any guarantees, underwriting or funding to cover any legal fees or any other fees for Tennis Australia for this year's Australian Open?

**Mr PAKULA:** When you say legal fees, we have got—

**Mr D O'BRIEN:** Sorry, the question is in two parts. Did the government provide any guarantees or underwriting of the event? And separately to that, did the government also cover any legal fees for Tennis Australia at the Australian Open?

**Mr PAKULA:** We certainly did not cover any legal fees. We have had for a couple of years now, because of, you would recall in 2020, the parlous nature of the event given the restrictions that were in place and issues in regard to quarantine—in fact the 2020 Australian Open had to be moved forward by three weeks. There was an arrangement that I think was well publicised at the time where there was a loan provided. There was an underwriting arrangement, and there was an extension granted to the government in relation to how long the Australian Open is locked in at Melbourne Park for.

**Mr D O'BRIEN:** Was any of that for 2021?

**The CHAIR:** Mr O'Brien.

**Mr D O'BRIEN:** Sorry, for 2022?

**Mr PAKULA:** And in regard to 2022 there was some purchasing of value but no underwriting, and as part of that we have extended the agreement now to 2044.

**Mr D O'BRIEN:** And when you say 'purchasing of value', that is sponsorship?

**The CHAIR:** Mr O'Brien, your time has expired.

**Mr D O'BRIEN:** I will come back to it.

**The CHAIR:** Thank you, Mr O'Brien. I will just remind members that these are not financial and performance outcomes hearings but estimates hearings. Mr Maas, you have the call.

**Mr MAAS:** Thanks, Chair. Minister, if I could take you to the topic of the 2026 Commonwealth Games, which is very exciting, the budget papers detail some \$2.6 billion in that investment. I was just wondering how Victoria hosting the 2026 games will benefit the state.

**Mr PAKULA:** Well, we think the fact that we have got a new multicentricity model will bring great benefit not just to us but to the federation. It will bring significant economic stimulus and social benefit to those host regions not just during the games but before them and after them as well. If you think about the most recent Commonwealth Games, on the Gold Coast in 2018, that was viewed live by 1.2 million spectators and broadcast to an estimated global audience of 1.5 billion. With an opening ceremony at the MCG, it will be a gateway to the regions for athletes but also support teams and visitors to our state. We will have global sport in four regional host cities. They will all have their own athlete villages: Geelong, Bendigo, Ballarat and the Latrobe Valley. We are going to have 16 confirmed sports, with more sports to be added: swimming, T20 cricket, netball, athletics—a strong parasport program, with six sports already locked in. We are working with the CGF and the CGA on additional sports. There will be a cultural program and business engagement opportunities. The Commonwealth Games values will be central to all of that, and there will be a Victoria-wide program of live sites and activations. There will be a Queen's Baton Relay going through the regions. We will try and spread the benefits of the games as broadly as we can, not just in those four regions which are the hubs; if we can move it out of there to other regions, we will certainly look to do that as well.

**Mr MAAS:** Thank you. You have spoken a bit about the four regional hubs. I was just wondering how communities outside of those hubs would have the chance to be engaged in the games.

**Mr PAKULA:** As I indicated, you have got those four hubs that were selected by mutual agreement between us, the CGF and CGA, and those hubs were really selected based on the infrastructure that is already there, the ability to potentially house athletes, the need to maintain a village experience for the athletes and, as I said, what existing facilities are there and what updates are required. You have got Geelong, Bendigo, Ballarat and Gippsland, as we indicated, but in terms of things that will enable us to reach beyond those athlete hubs and beyond those villages, you will see warm-up tournaments, you will see training camps, you will see the cultural program, you will see the live sites and you will see the Queen's Baton Relay. All of those things will help to take the games beyond Geelong, Bendigo, Ballarat and Gippsland. There are additional sports which are still being contemplated, and that then provides the opportunity, within some reasonable limits, of having a few other locations involved. I am already getting calls from local governments and from federal members of Parliament, some of whom might even be federal ministers, lobbying for their regions and their towns to have a sport at least or something more than that. So those other regional towns and cities are able now to register their interest in holding those additional activities. We are working closely with LGAs across the state, and that EOI process that I referenced is also capturing ideas from peak bodies, from traditional owners, from cultural organisations and from business. We want to make sure every part of the state can benefit, and we will get the games as wide as we possibly can do, within some of the confines of the federation and their rules.

**Mr MAAS:** Great. Thanks very much. I think, just given the time, I might leave it there.

**Mr PAKULA:** No worries.

**The CHAIR:** Thanks, Mr Maas. Mr Hibbins.

**Mr HIBBINS:** Great. Thanks, Chair. I might carry on with the Commonwealth Games and just get some detail. In terms of the overall funding for the Commonwealth Games, what is the split between capital and operational funding?

**Mr PAKULA:** Do you mean of the \$2.6 billion that is in the budget?

**Mr HIBBINS:** Yes.

**Mr PAKULA:** A lot of that is funds that have been put aside to be distributed later and allocated later. In regard to the funding that is going to be expended this year, let me get you some detail on that.

**Mr HIBBINS:** It was more a broad—it was more up in the air in terms of what is going in to build the infrastructure and what is going into actually running the games themselves overall. Do you have a ballpark figure? You must have a bit of a ballpark figure.

**Mr PAKULA:** Well, it is still to be determined, Mr Hibbins, because we are working—for example, right now we are talking to local governments about, for instance, the identification of potential village sites. We are still working on the finalisation of the sports program. That will happen by the end of this year. So once we finalise the sports program there will be a better assessment of what needs to be spent to upgrade facilities. There is no doubt that a large part of the funds that are being provided, that have been allocated in the budget, are for the creation of sporting infrastructure and residential infrastructure—so village infrastructure. But how that is broken down between operational and capital is really something that will be determined later.

**Mr HIBBINS:** When you are looking forward, like defining Commonwealth Games expenditure and what actually that funding covers—you mentioned an interesting one like, for example, live sites. Is that going to be covered by Commonwealth Games funding or will it come to the point of saying, ‘Well, actually no, that is creative industries or what have you’ and other—

**Mr PAKULA:** Yes, if it is a Commonwealth Games live site, then it will fall within the Commonwealth Games envelope.

**Mr HIBBINS:** It is just a question that goes to accountability, really. If down the track we are looking at the total expenditure for the Commonwealth Games, there might be items where people say, ‘Well, that’s for the Commonwealth Games’, and you go, ‘No, no’—

**Mr PAKULA:** Well, I imagine that is something, Mr Hibbins, that you will be able to analyse in greater detail after the money has been spent. It is a bit hard to tell you in 2022 every dollar that will be spent on every item—opex or capex—when a lot of the details and a lot of the paint is still being filled in.

**Mr HIBBINS:** I think we have made our point.

**Mr PAKULA:** If you would like to know what, for instance, the money that has been allocated in this financial year is going to: initial instalments of fees payable to the CGF and CGA, bid preparation, event acquisition, infrastructure planning and operationalising of the Commonwealth Games in Victoria. So right now it is set-up costs, and as we move through 2022 and 2023 it will more and more be about infrastructure delivery.

**Mr HIBBINS:** Well, if there is any other further information on notice in terms of what exactly the overall funding for the Commonwealth Games actually entails, I think that would be of benefit to the committee. I could not leave without asking about the Grand Prix of course. Obviously you were touting the crowd numbers in your presentation. But they are still estimates, aren’t they?

**Mr PAKULA:** Well, they are pretty accurate estimates, Mr Hibbins. But if you are asking me about whether or not—we have been through this before. Do not forget this is fundamentally based on ticket sales. This was not a walk-up event. Tickets were sold in advance—

**Mr HIBBINS:** That is the same with all events. Most events where they give accurate crowd numbers are resales.

**Mr PAKULA:** And I can tell you these numbers are substantially accurate. I have got some information for your benefit, but Ticketmaster data verifies the sale of grandstand and GA seating. We do have scanning technology at a number of entry gates. That is being progressively rolled out where it can be supported by available infrastructure. There is manual verification at some of the smaller entry gates, but I know from my own experience. I passed through a scanned entry gate—

**Mr HIBBINS:** Why isn't that used then to provide the official crowd number?

**Mr PAKULA:** It is. It is part of the data that goes into the overall crowd number that is produced. But if the purpose of your question is to kind of assert that the Grand Prix is not as big as we say it is, use your eyes would be my advice. Use your eyes. It was enormous.

**Mr HIBBINS:** Every other stadium in the country—

**The CHAIR:** Mr Hibbins. Thank you. Your time has expired. Ms Richards.

**Ms RICHARDS:** Thank you. Minister, again, and officials. I would like to explore the visitor economy and specifically refer you to budget paper 3, page 270, where there is a reference to tourism infrastructure projects that have been facilitated. I am interested in perhaps having an understanding for the committee on an update on the initiatives the government is delivering to support the growth of regional tourism in Victoria.

**Mr PAKULA:** I think until something has gone you do not realise how important it is. Tourism is such a huge driver of the state's economy. The *Visitor Economy Recovery and Reform Plan* I mentioned earlier is a statewide strategy, and we have done enormous amounts of consultation with the sector and with local governments. The goal is to achieve \$35 billion in annual visitor expenditure by June 2024. I indicated that there was \$633 million of investment in the 2020–21 budget and another \$118 million last year, so \$750 million of investment over two budgets, and there is another \$30 million in this budget for regional tourism infrastructure to support the growth of regional tourism. There will be nine regional tourism infrastructure projects that will share in that funding. The Murray to Mountains Rail Trail, \$7 million at Budj Bim and \$3 million for the Mildura Trail of Lights for the installation of *Fireflies* by Bruce Munro are just three of nine. But there is also the \$283 million through the Regional Tourism Infrastructure Fund, and I went through some of those in my original presentation. A number of those infrastructure projects have been announced already—All Seasons Houseboats at Mildura, the pods at Mount Duneed Estate and the investment at Bulla Dairy Foods for their consumer experience centre—and many more investments are still to be advised and announced. But those sorts of infrastructure investments are absolutely crucial in terms of driving visitation but more importantly making sure that when the visitors come the value is captured and there is sufficient yield. You know, it has been one of the great bugbears in regional tourism that people come but they do not spend much money because there is not as much to go to as they want and there are not as many places to stay as they want to stay at. And this accommodation, particularly where we build accommodation—what that does for the overall yield is difficult to overstate.

**Ms RICHARDS:** That is great to have the infrastructure investment covered off. Could you provide perhaps for the committee some more detail on what is being done to enhance the profile of existing tourism offerings and regional Victoria as a destination?

**Mr PAKULA:** Yes. In terms of the overall offerings, we have talked already through a previous portfolio about the travel voucher rounds, so I will not go into that again. But the Victorians who used those vouchers spent about \$160 million on accommodation and experiences across the state, so the gearing on those vouchers is enormous; the leveraging is really, really strong. But the campaigns that have been run by Visit Vic—I have been really proud of them. 'Stay Close, Go Further', which started in November 2020, was an absolutely brilliant campaign, and it was done in conjunction with upgrades to the website which encouraged people to 'Click for Vic'—to buy Victorian produce when they could not get out and about. So we have seen showcased some of our hardest hit regions—the High Country and Gippsland—through some of those campaigns. We have seen commercials that showcase the Murray River and that showcase the Great Ocean Road. We saw some of those, for instance, during the Rip Curl Pro at Bells Beach. Every ad break had magnificent scenery from the Great Ocean Road advertised through those ads. We have got a campaign featuring the Grampians which started airing last week. We have got campaigns that promote attractions from Warrnambool, Port Fairy, Torquay, Anglesea, Tower Hill, the Great Otway National Park to the Twelve Apostles, so that has been

brilliant. ‘Visit Melbourne - Get Set’ has recommenced as well. That has been another really, really great campaign. You have seen that being rolled out through things like the Australian Open, just encouraging people to come to Melbourne and showing them our events, our laneways, our food and wine offerings and our bars. Those campaigns have been a really important feature of our recovery.

**Ms RICHARDS:** Okay. Thanks so much, Minister.

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

**Mr NEWBURY:** Thank you. Can I just tie up a couple of things that were previously raised. You were in the middle of answering in relation to purchasing of value on the Open.

**Mr PAKULA:** So when you get, for instance, an extension to the contract for the Australian Open to played at Melbourne Park, that is worth something to the state, in the same way that it was worth something to the state to have the grand final locked in at the MCG until 2059. I remember at the time people saying, ‘Well, it’s never going to move anyway’. I think we know now that we cannot take that for granted and we cannot take the fact for granted that another state might not build a great tennis facility and try to poach the Australian Open. So that is valuable to us. The sort of marketing space that Visit Victoria is able to get during the Australian Open, both in the stadium and during the television coverage, is worth something to the state. So that is what we mean by purchasing value.

**Mr NEWBURY:** Perfect. And I remember the Secretary saying there were no legal fees, there were no legal costs, so I take it that the Djokovic threat of a lawsuit—clearly there is nothing in relation to that.

**Mr PHEMISTER:** Sorry, Mr Newbury—

**Mr NEWBURY:** It was a threat from Djokovic that he was going to sue the state.

**Mr PHEMISTER:** Well, we have not incurred a single dollar of legal costs.

**Mr PAKULA:** I do not think he has actually done that.

**Mr NEWBURY:** No. That was my question. In relation to the Always Live funding that you mentioned just previously, can I refer you to Amy Shark’s comments that she felt Mr Andrews needed to, ‘Share the love’, and that:

I <heart emoji> the Foo Fighters n I’m pumped internationals are back, it’s what the industry needs. But c’mon Dan, share the love with <Australian flag emoji> artists too, especially for VIC shows

In terms of the current budget, is there any funding, even in relation to that fund, for local artists?

**Mr PAKULA:** Well, if we are talking about Always Live as one example, I would absolutely expect that that will be a mix of local and international and a mix of city and country. But whether it is through the Regional Events Fund or whether it is through some of the funding options that Minister Pearson has through the creative industries portfolio, there will be support for local artists. In fact my very strong recollection was back last year, when things were reopening, on Derby Day, as well as the crowd at the derby, there was a concert the name of which just escapes me.

**Mr Phemister** interjected.

**Mr PAKULA:** What was it called?

**Mr Phemister** interjected.

**Mr PAKULA:** No, no, the name of the concert, the name of the event—anyway, there was an event that was run at the Sidney Myer Music Bowl where there were a number of local—in fact I think they were all local artists. I think Amyl and the Sniffers may have been one of them, artists that I am not personally acquainted with, but they were supported by a government program, and as I recall, they were all local.

**Mr NEWBURY:** Thank you. Secretary, in relation to the Commonwealth Games, is Commander Weimar now commander-in-chief of the games?

**Mr PHEMISTER:** No, we have not made an offer for that position. And, Mr Newbury, can I just clarify, because there is a lot of speculation around it, that the speculation was around the local organising committee, which is a creature of the Commonwealth Games Federation, Commonwealth Games Australia and the host state. In this case—it is usually a host city, but we have host cities, so it is a host state contract—the appointment to the position will need to come through all of those three entities, and an offer has not been made to an individual.

**Mr NEWBURY:** And then the offer would be through your department, I presume?

**Mr PHEMISTER:** At the moment the offer will come through my department until a standalone legal entity is created, like the LOCs for all games previously.

**Mr NEWBURY:** So he could still be commander-in-chief but not just yet. Minister, can I ask, given the Commonwealth Games bid came out of Shepparton, why hasn't Shepparton been included in the events schedule?

**Mr PAKULA:** Well, I am not sure of the basis of asserting that the bid came out of Shepparton. I know that Shepparton council at some point had an idea to run a regional Commonwealth Games, but as I indicated at the outset, the selection of the locations—there is an iterative process involved in it. So it is not just the state government. It is the state, the CGA and the CGF. It is based on the infrastructure that is involved that is already there. It is based on how many villages you can have. But I am still keen for there to be events at Shepparton. We are not in position to say that yet, but I am keen for that to occur.

**Mr NEWBURY:** Thank you.

**The CHAIR:** Thank you. Ms Taylor.

**Ms TAYLOR:** I believe earlier you mentioned the *Visitor Economy Recovery and Reform Plan*. Could you please provide further detail on how the government is supporting the long-term sustainability of the tourism industry?

**Mr PAKULA:** Yes. Thanks, Nina. So the plan outlines strategies to bring more internationals, more interstate and more domestic visitors, make the most of our marketing expenditure, make sure our regional tourism boards operate as effectively as they possibly can and try to maximise statewide collaboration—all of that is important. One initiative is the development of the Visitor Economy Master Plan—that is our strategy to drive tourism investment over the next 10 years. So that will identify how government and industry can innovate, invest, develop new offerings. As I say, we want them to travel more, stay longer, spend more—that is the general idea. That is being informed by insight from the industry, and it will position us as a world-class destination.

We released a directions paper earlier this year that invited tourism operators to have their say on the future of the industry. The seven strategic directions in that directions paper are Melbourne as the gateway to Victoria, wellness, arts and culture, First Peoples, food and drink, events and activations and nature-based tourism. We think they are the pillars, effectively, and that Master Plan will provide a blueprint to stimulate private sector investment. That consultation concluded only about a week ago. We had 120 submissions received, so that work is very much underway and it will help to inform the next iteration of things like infrastructure delivery.

**Ms TAYLOR:** Excellent. I would like to explore a bit further on regional events, so if I could just steer you to budget paper 3, pages 268 to 270. Major sporting and cultural events play, as we were saying, such an important role in providing jobs and supporting regional economies. Can you please provide info on what the government is doing to support the return and increase of visitors to regional Victoria?

**Mr PAKULA:** Yes, so apart from the Commonwealth Games, we have got a couple of funds. We have got the Significant Sporting Events Program and the Regional Events Fund. Through that Regional Events Fund we would have supported close to 300 different events, many of which—well, not many of which, some of which—I have been lucky enough to go to. The Koroit Irish Festival, which I did not go to, I am sure would have been a lot of fun. There were the Riverboats Music Festival in Echuca, the Chillout Festival in Daylesford, the Man from Snowy River Bush Festival in Corryong and hundreds of others. We have also provided significant infrastructure investment in those regional centres so that they can attract and host bigger events. We have talked about Mars Stadium, but that Eureka Sports Precinct in a general sense has had close to \$40 million

in investment to redevelop that precinct. It can host A-League games, it can host AFL, and that is before you even start talking about the upgrades to the basketball precinct there. We have delivered funding to upgrade Kardinia Park. That stadium's capacity will be close to 40 000 by the time that is finished, and that again will mean that Geelong in the future can host bigger events—like the Foo Fighters—than they have been able to host in the past.

**Ms TAYLOR:** And I believe you spoke earlier about sport and sporting events, which are an important part of the cultural identity in regional communities. Can you provide some examples of sporting events in regional Victoria that have been supported through the programs that you have outlined?

**Mr PAKULA:** I will rip through them, because I see there is a minute to go. There were WNBL fixtures in Ballarat and Traralgon in January this year. We had the Perth Lynx based in Ballarat right throughout January, staying there and spending money in the town. The Melbourne Vixens fan festival in Gippsland from 11 to 13 February—I think the Vixens took on the Thunderbirds for two games and held a bunch of community events and clinics. The Victorian Open men's and women's at Barwon Heads is a key cornerstone event in regional Victoria. We had Melbourne Storm and the Newcastle Knights at Mars Stadium; they had their final preseason hit-out before the start of this year's NRL season. The Rip Curl Pro at Bells Beach, which I was lucky enough to get to, an absolutely magnificent event—we have secured that until 2024, and Tyler Wright won her first Bells Beach title down there. There is support for the Bulldogs to play at Ballarat. The Victorian Bowls Open was held at Shepparton, Nagambie, Benalla and Tongala. Geelong Ironman, the National Badminton Championships in Bendigo—I could go on and on.

**Ms TAYLOR:** Very good.

**The CHAIR:** Thank you. Mrs McArthur.

**Mrs McARTHUR:** Thank you, Chair. Minister or Secretary, how much did the business events sector contribute to the Victorian economy prior to the COVID lockdown?

**Mr PAKULA:** We might have to get you that.

**Mrs McARTHUR:** Perhaps I could help you—\$12.9 billion. The nearest to that was professional weddings at \$1.1 billion; festivals and concerts, \$0.83 billion; and major events, \$0.84 billion. Minister, the tourism and events inquiry undertaken by the Legislative Council's Economy and Infrastructure Committee laid bare the government's lack of understanding of the events sector, especially the business events sector. The tourism industry got many funding programs, a full recovery strategy, television advertising, vouchers and even a dedicated agency, but the events industry only got endless Teams sessions about restrictions and approvals. So, Minister or Deputy Secretary, how many claims have been made by the business events sector from the \$243 million insurance fund?

**Mr PAKULA:** Well, let me start with the insurance fund. That sits with Minister Pearson as the Assistant Treasurer. I do not know if Minister Pearson has sat before you yet, but that is a matter that he could provide some information on if he has not yet.

In regard to the business events sector itself, the business events sector is overwhelmingly driven by interstate and international visitation, and so as a consequence it is not surprising that it suffered very badly during the pandemic. I am not going to have a debate with you, but I do not accept the assertions that you have made about our lack of understanding of the sector at all. Whether it was the national business events program or the business support packages that we provided, whether it be BCAP, the Small Business Hardship Fund, the Cinema Fund or the endeavours that we have made to reopen our borders and get business events back up and running, we have made enormous strides in that sector. Obviously it suffered very badly during the pandemic, but that is what happens when borders are closed.

**Mrs McARTHUR:** Minister, going to those \$243 million events insurance cover situations, the key talent that come to perform do not get covered it appears, and the event cannot go ahead if the key talent cannot perform because of COVID. Many events cannot proceed without their key talent in concerts, charity balls, conferences and high-profile public speakers, so are they going to be covered?

**Mr PAKULA:** Well, again, I am not trying to be difficult. I do not have ministerial responsibility for the insurance fund. It sits with Minister Pearson as Assistant Treasurer. But I would make the point that the issues that have been identified by the sector are much less acute now. Yes, there is still the odd occasion where something might be cancelled because the key talent comes down with COVID in the days leading up, but the issue that was exercising the industry during 2020 and 2021 was whole events being cancelled because of more generic restrictions that might have been in place. That is not the environment we are in now.

**Mrs McARTHUR:** Well, what about—I suppose you are going to say the same thing—the small family businesses that totally depend on supplying rides and equipment at Moomba and school fetes and festivals like that? They cannot get any coverage, so the industry has suggested a discretionary mutual fund to ensure these businesses can still operate. Will they be supported in any way with the insurance fund? Or are you going to Mr Pearson again?

**Mr PAKULA:** Well, I think we are talking about now two different issues. There is an issue about certain endeavours or industries which are finding it difficult to attract private sector insurance coverage. I think that is a different issue to the question of event cancellation insurance, which is, as I understand it, primarily what DTF and Minister Pearson were looking at. But there have been a number of discussions, I think, with the insurance sector about, I suppose, the difficulties that they are putting in place for businesses about the sort of insurance products they are offering.

**The CHAIR:** Thank you, Minister. Mr Richardson.

**Mr RICHARDSON:** Thank you, Chair. Minister, you talked at length about the support for regional sporting events, and obviously the Commonwealth Games will absolutely dominate that over the coming years. But I want to take you to regional cultural events, and I am wondering for the committee's benefit if you could detail how the Victorian government is growing social and cultural experiences in regional Victoria to support vibrant regional communities. Maybe there is an Elvis reference in there.

**Mr PAKULA:** Yes. I think it is important to remember that the regional communities do not just want sport, they want the same sort of cultural offerings that are provided in Melbourne. It is why the government provided support for the Comedy Festival to go around the state. They travelled to Geelong, Mildura, Swan Hill, Warrnambool, Ballarat, Hamilton, Portland, Bendigo, Wangaratta and Wodonga. That was the Comedy Festival's Outta Town: Lano and Woodley and Geraldine Hickey and David Quirk. As you indicated, Elvis: Direct from Graceland opened at the Bendigo Art Gallery on 19 March; Priscilla Presley was there on opening night, and I think that has been incredibly well attended. It has got some 300 artefacts that were owned by Elvis, including some of his famous jumpsuits. You have got White Night coming back to Bendigo and Geelong and being held in Shepparton for the first time on 25 June. At the risk of upsetting the Deputy Chair, the Foo Fighters did perform to a sell-out crowd at Kardinia Park. And by the same token, Kings of Leon will play a one-off gig in Mildura in October, and we think that will attract 15 000 fans at the Sport Precinct there and be incredibly popular. But we have also got some First Nations concerts, Isaiah Firebrace at the Gargarro Soundshell in Echuca and Tash Sultana headlining Ocean Sounds on Phillip Island. So it is not just about international acts, it is about local acts as well and it is about getting them out to as many parts of the state as we can.

**Mr RICHARDSON:** I just want to jump further into events and particularly budget paper 3, pages 268 and 270, and the initiatives related to events—metropolitan events as well. For the committee's benefit, I am wondering if you can explain how the Victorian government prioritises events attraction and what benefits this has brought to our Victorian economy.

**Mr PAKULA:** We prioritise events where we think that the economic benefit will be greater than the outlay. At the Grand Slam prior to the pandemic we had 812 000 people through the gate over 14 days. It added nearly \$400 million to the state's economy. Now, unfortunately in 2021 that dropped to 130 000, but this year it was back up to 350 000—still restrictions in place with crowd caps, peak of the omicron wave. But I reckon next year it will be much more like it was in 2020. If you think about Ash Barty's win in the Women's Final, that had a peak audience of 4.3 million viewers just in Australia alone. So it is one of the highest rating sporting events of the last two decades—every eyeball on Melbourne. I do not want to upset Mr Hibbins, but the Grand Prix likewise: 419 114 people, to be as exact as I can. We are the only city on earth that has both a Grand Slam and a Grand Prix, and we want to keep it that way.

Then importantly during the pandemic we did a lot of work, particularly in the later months before lockdown ended, to ensure that when restrictions came off, all of our theatre shows—*Hamilton*, *Moulin Rouge*, *Harry Potter*—which could have shut up shop and gone because the cast did not have a lot to do for a while, would be here ready to go. I think when restrictions eased and the city opened up and those three shows opened—the only place in the world outside London and New York where you could see all three of them—that brought such an incredible instant increase to the vibrancy of the CBD at night. That was huge. *Moulin Rouge* was so popular here that it is coming back in 2023. As I said, we have just announced *& Juliet*. *Harry Potter and the Cursed Child* is just about to start a new one-part adaptation. There is the Comedy Festival, Food and Wine with Nigella Lawson but also with great local chefs like Ben Shewry and Shane Delia. We have had the Melbourne Fashion Festival, Super Netball, the AFC Asian qualifier—the list goes on and on.

**Mr RICHARDSON:** Fantastic. Thank you, Minister.

**The CHAIR:** Thank you, Mr Richardson. Mr Barton.

**Mr BARTON:** Thank you, Chair. Minister, if we can go back to the Commonwealth Games again and the investment that is going to be made over the next five years. I understand that the athletes villages for the 2026 games will become social and affordable housing. Can you tell us how many homes that will actually generate?

**Mr PAKULA:** I would imagine some of it will become social and affordable housing. We would expect somewhere between 800 and 1200 homes to be built across those four villages. It does depend again on what additional sports come in to the program. In the vicinity of 1000 homes will be created across those four hubs, and a portion of them, we would imagine, will ultimately become social and affordable housing, but some might ultimately become key worker housing or get sold on the open market. That is a matter still to be determined.

**Mr BARTON:** Minister, will there be an athletes village in each regional hub?

**Mr PAKULA:** Yes.

**Mr BARTON:** If so, did the department consider the local social and affordable housing when deciding the locations for those main hubs? Was that part of their thinking?

**Mr PAKULA:** Yes. We are working very closely with local government areas in Geelong, Ballarat, Bendigo and the Latrobe Valley on exactly where within those precincts the villages would most appropriately go. I do not know whether, Pete, you want to add to that, or Simon. Simon might just add to some of those conversations.

**Mr PHEMISTER:** Thank you. We are getting intel from Homes Vic as well obviously. RDV, so Regional Development Victoria, and Minister Thomas have had a really strong input into how we can maximise dividend through key worker housing, as well as the LGAs, because obviously there is a time constraint in the development. We are looking for available land that is serviceable and looking for good transport connections, looking for good amenity so that these are attractive propositions to those local communities. Your point about affordable and social, Mr Barton, is a really good point, and that is why Homes Vic is working with us, be it affordable, be it social, be it some kind of other economic purpose. That is why we have to go so broad in consultation, but it will be a pretty quick sweep through those different points of consultation.

**Mr BARTON:** Thank you. Those of us from the commercial passenger vehicle sector understand events and major events happening in Victoria drive our industry, so we take them very seriously and we are very happy to say that things are picking up. But one of the issues we are having, if I can go back to Mrs McArthur's point, is severe staff shortages, which you have addressed previously. I particularly want to talk about students coming in. Could you tell us a bit more about students and the projections coming up, because we need them?

**Mr PAKULA:** I will have an opportunity to talk about that in more detail in the trade portfolio, but I would say to you that there has been a substantial uptick in the number of international students coming in. There is still an element that are doing their study offshore. Because the Australian border opened later than some other borders, there were some international students that would have once upon a time come to Australia that may have gone to do study in places like Canada and the United Kingdom. There is also the undeniable fact that what was a very, very strong pipeline of students from China is much less strong today for a range of reasons. Part of those is about the settings that are in place in China itself, where there is still some significant restriction

of movement. So it has improved. The universities tell me that their enrolments and the number of students coming in are substantially better than it was in 2021 but still well below prepandemic levels.

**Mr BARTON:** Thank you, Minister Thank you, Chair.

**The CHAIR:** Thank you, Minister. That concludes the time we have set aside for consideration of your portfolio here today.

**Mr PAKULA:** Chair. Sorry—

**The CHAIR:** Yes?

**Mr PAKULA:** I just wanted to indicate before you closed, since an earlier answer I have been advised that when Sydney was in lockdown and Melbourne was not in the middle part of last year there were some AFL games that would otherwise have been played in Sydney that were sent to regional Victoria and there was some support provided for that.

**Mr D O'BRIEN:** Can you tell us how much, Minister? That was the question.

**Mr PAKULA:** On notice.

**Mr D O'BRIEN:** Thank you.

**The CHAIR:** Thank you, Minister, for the clarification. The committee will follow up on any questions that were taken on notice in writing, and responses will be required within five working days of the committee's request.

The committee will take a short break before resuming consideration of the racing portfolio with you and your officers. I declare this hearing adjourned.

**Witnesses withdrew.**