

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2016–17

Melbourne — 19 May 2016

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Witnesses

Mr John Eren, Minister for Tourism and Major Events,

Mr Richard Bolt, Secretary,

Mr John Dalton, Director, Tourism, Events and Visitor Economy, and

Mr Tim Ada, Executive Director, Sector Development, Department of Economic Development, Jobs, Transport and Resources.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2016–17 budget estimates. All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Tourism and Major Events, the Honourable John Eren, MP; Mr Richard Bolt, Secretary of the Department of Economic Development, Jobs, Transport and Resources; Mr John Dalton, Director, Tourism, Events and Visitor Economy; and Tim Ada, Executive Director, Sector Development.

All evidence is taken by the committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Comments made outside the hearing, including on social media, are not afforded such privilege. Witnesses will not be sworn but are requested to answer all questions succinctly, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

Questions from the committee will be asked on a group basis, meaning that specific time has been allocated to members of the government, opposition and crossbench to ask a series of questions in a set amount of time before moving onto the next group. I will advise witnesses who will be asking questions at each segment.

All evidence given today is being recorded by Hansard, and you will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

All written communication to witnesses must only be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way and cannot photograph, audio record or videorecord any part of these proceedings. Members of the media must remain focused only on the person speaking. Any filming and recording must cease immediately at the completion of the hearings.

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

Visual presentation.

Mr EREN — Thank you, Chair. The visitor economy is very significant for Victoria. It goes beyond leisure tourism and includes business visitors, international students and individuals coming to visit their friends and relatives living in Victoria. It is our largest export and a significant employer. The visitor economy generates some 206 000 jobs for Victorians, 114 000 of which are in regional areas. Just to be clear, this industry accounts for 13.4 per cent of employment in regional Victoria. In Phillip Island the visitor economy accounts for more than 40 per cent of the jobs. It is a sector that is doing well.

There are three main metrics in the visitor economy: number of visitors arriving, number of nights spent by those visitors, and expenditure while they are here. This graph shows just how well we are doing in the international market, outstripping the national average growth on all of these metrics. International visitors now spend \$6.5 billion in Victoria each year, growth of over 30 per cent on the previous year, much greater than the national average growth of 19.5 per cent. Domestic tourism is more of a challenge. Growth in expenditure from Australians visiting Victoria was below the national average, but I note that there was still growth nevertheless. A number of initiatives in the 2016–17 budget will address these issues.

Major events are an important part of our visitor economy, and we do it best, as we always say. Last year we committed an additional \$80 million to the Major Events Fund. Our international reputation is second to none, but our interstate counterparts are hot on our heels. We need to ensure our strategy keeps us ahead of the game. Victoria has hosted a range of major events this financial year, including the Cadel Evans Great Ocean Road Race in Geelong, the Marilyn Monroe exhibition in Bendigo, White Night Melbourne and the Jurassic World exhibition. In 2015–16 we also secured the International Champions Cup, *Kinky Boots*, White Night 2017 — Melbourne and regional; the Australia versus Greece 2016 soccer friendly and, as recently announced, the Matildas versus New Zealand, which would make that a tremendous double-header; as well as extending the formula one grand prix out to 2023 and the MotoGP and the super bikes for another 10 years each.

When we attained government we undertook to have a serious look at this industry. For too long it had been ticking away without any real attention from government. We initiated the Victorian visitor economy review.

The review found that while our visitor economy was doing well, it could do better. Improved coordination of course is very important. Whereas formerly Tourism Victoria, the Victorian Major Events Company and the Melbourne Convention Bureau worked separately and often in silos, Visit Victoria will bring them all together under one roof. This org. chart shows how the entity will likely be set up. A new CEO has recently been announced. It was very pleasing to announce that recently, with Peter Bingeman announced on 18 May.

Wander Victoria. Intrastate expenditure — that is, expenditure by Victorians visiting different parts of Victoria — grew by 12.1 per cent in Melbourne, but only 0.9 per cent in regional Victoria in 2015. One of Visit Victoria's most important tasks will be continuing to roll out the Wander Victoria campaign. The Wander Victoria campaign was never meant to be an interstate and international campaign. It entices Melburnians out of the concrete jungle and into beautiful regional Victoria.

This year's budget saw unprecedented government investment in our visitor economy. Visit Victoria receives \$38 million over two years for marketing activities, ensuring Victorians, Australians and the world know we have the best of everything. The Business Events Fund received an additional \$9 million, bringing its funding levels to higher than ever before. Business events are so important for our business economy, and this extra funding ensures the expanded Melbourne Convention and Exhibition Centre, funded under last year's budget, will be fully utilised.

As outlined, regional Victoria has not been enjoying the success that Melbourne has in both international and domestic visitation. This budget addresses that. A new \$20 million Regional Events Fund was announced, supporting small and medium-sized events, creating new content and ensuring our calendar is filled across the state and across the year. This will boost visitation to economies that need it most, and that means jobs for our regions.

One hundred and one million dollars has been invested into regional tourism infrastructure. This includes over \$48.2 million for the Phillip Island Penguin Parade, one of our jewels in our crown. I cannot overstate how important this record investment into regional tourism will be. It will create jobs in the short term and sustained economic activity in our regions in the long term.

I am proud that my government has invested in this industry to such an unprecedented level. This was a great budget for the visitor economy. This record investment will continue to pay dividends for our communities and our economy and ensure this industry thrives. Thank you.

The CHAIR — Thank you, Minister. Ms Ward, until 3.33 p.m.

Ms WARD — Nice to see you again, Minister; hope you did not miss us too much. Minister, if I can just get you to have a look at budget paper 3, page 138, part-way down in the major outputs/deliverables. If we have a look at the totals, we have an expected outcome of \$134 million, which is just under a 170 per cent increase on the target for the same year. The 16–17 target, however, is \$109 million, which is lower than the expected outcome. Can you please explain to us the reasons for these?

Mr EREN — Thank you very much. Look, this is an accountant treatment of the portfolio funding, and it is consistent with previous budgets. That is exactly how it happens. The Major Events Fund is held in contingency in Treasury until contractual arrangements are finalised, and that is always how it has been conducted in the past. So the money is there; it is just that when you actually do the contracts with the various events organisers and organisations, that is when you actually draw down on that funding that is available. This happens throughout the financial year, hence the actual is always greater than the target.

Further to that, of course, overall funding includes \$32 million for the international education strategy, and footnotes on budget paper 3, page 138, outline the matrix of tourism and major events funding, if you would like to have a look at that as well. Additional funding streams relating to tourism and major events come from the Premier's Jobs and Investment Fund and the Regional Jobs and Infrastructure Fund as well. So we consider not only the portfolio itself but a number of buckets of other moneys that we draw down on. So the line items related to the portfolio but sitting under other ministers include the \$101 million, for example, for the Regional Tourism Infrastructure Fund, under budget paper 3, page 25 and page 35; and the \$20 million for the maintenance of state parks, under budget paper 3, page 76. When you consider all of those investments that we are making, it is astronomical. Though they do not exactly sit under my portfolio, they are designed obviously to increase the tourism opportunities that exist in our state.

Ms WARD — Minister, you also referred in your presentation to major events. There is a \$20 million Major Events Fund. Can you explain to us what the benefits are of this fund, what the purpose is and how it is going to help our state?

Mr EREN — Sure. Look, we know the value of major events, and that is why we concentrate on it very much. Major events for Melbourne, for example, to Victoria by and large is roughly around the \$1.8 billion worth, so it is extremely important for our economy. And every other state and territory knows this as well. That is why other states and territories are envious of what we have got. When you consider the boost that we made last year of \$80 million into our major events war chest, that meant that we can not only protect some of those valuable investments that we are making in our major events in this state but actually have a look at what opportunities exist going forward to enhance our major events opportunities. So it has worked quite well.

Of course as I have indicated earlier, the regions are so important for us, and I have said it many times before that the economies very much depend — as you see a decline in certain other industries, as in Geelong, you know, for example, that when the manufacturing sector, like Ford and Alcoa and other industries associated with it go, then we need to boost our jobs opportunities, and that is how we boost it, through major events. So that \$20 million will go a long way to making sure that we have some of the world-class events go to regional Victoria as well, not just to Melbourne.

Ms WARD — Minister, while talking about that — and I suppose we could also relate that to regional Victoria — where is the diversity in these projects? How are you not only relating to just some core mainstream events but where is the diversity and where are you going to expand it across the CBD but also potentially across regional Victoria?

Mr EREN — We want to have as many offerings as we can, so we diversify our economy through, for example, business events. They are events which are high-yielding events, and most of those delegates, for example, that attend business events spend a lot more than at any other event. Each delegate that comes to an event for business purposes at the convention centre spends about a thousand dollars per person per day. That is higher than any other event attendees — —

Ms WARD — Sorry, how much was it per person per day, Minister?

Mr EREN — About a thousand dollars per delegate that attends those events. So we understand, and we need to diversify the events that we have. It is not just about sport, though sport is enjoyable; there are some people that like the arts and culture of course and other events that we need to attract. That is why we work very closely with the portfolio of creative industries to attract some of those very important events to regional Victoria, like the Marilyn Monroe exhibition in Bendigo —

Ms WARD — Yes, which I am looking forward to seeing soon.

Mr EREN — which is doing tremendously well. So it is about offering different things to different people. If you do not like sport, then you can go to an arts and culture event that we will have in Bendigo or Ballarat or Geelong.

Ms WARD — The diversity of things that the Bendigo Art Gallery does is just fantastic. You have such a range of things that are available at regular intervals at that gallery, and it does bring you to the city; it is great.

Mr EREN — Absolutely, and that is the exact reason why we actually invest so much money in our galleries. We know in Geelong, for example, the Geelong Performing Arts Centre received \$30 million in last year's budget to redevelop that very important piece of infrastructure that has these very important events. Additionally we have provided some \$7 million this year to actually make it an even better place. So we understand.

We in the economic development portfolios — there are a number of ministers — sit in the one room regularly, talking about how we progress our economy through the various portfolios that we hold. There are synergies between certain portfolios and mine, and that is creative industries as well. So we work hand-in-hand to ensure — like White Night; over 550 000 attended the Melbourne White Night event this year. And in this year we specifically announced that we would take White Night to regional Victoria.

Ms WARD — Which is fantastic.

Mr EREN — That created so much excitement. They are now queueing up from all over the state wanting that event to go to their regions, because we have actually created the sense of excitement for the regions to have different events, and that is exactly what it is all about.

Ms SHING — Minister, I might take you beyond sport to other areas of tourism and attraction for Victoria. You did mention penguins in your opening remarks, and they are a significant drawcard to Gippsland as far as bringing in visitors from all over the region, Australia and internationally.

Minister, I will take you to budget paper 3, page 137, if I may, in relation to the strategy to increase visitation to regional Victoria and to the way in which targeted marketing and an effective strategic communications strategy can in fact draw people to locations for a number of different reasons and to enjoy the variety that we have outside of the metropolitan areas. How are we going to achieve the growth around the expenditure target for 16–17? That is an increase of \$300 million on the previous year.

Mr EREN — As I have indicated, tourism and major events represent a huge amount to the economies of regional Victoria. It is roughly around \$11.5 billion worth, and it is 114 000 jobs.

Ms SHING — That is for regional Victoria, isn't it — 114 000 regional Victorian jobs?

Mr EREN — Regional Victoria — 114 000 jobs in regional Victoria. When you consider Phillip Island, 40 per cent of the employment opportunities that exist currently on Phillip Island is through tourism. Of course, when you consider that such a large amount of the population depends on it, we as a government need to be very conscious of the fact that we need to invest in it, and that is exactly what we are doing. You know, those cute little penguins attract some 2500 people every single day of the year. When you consider the travel that occurs from Melbourne, particularly the Asian market — we are wanting to improve the visibility of regional Victoria to the Asian market — that is why we want to have offerings in place, because they are high-yielding tourists. We want to give them opportunity to discover regional Victoria so that they can spend their valuable dollars.

Ms SHING — One of the issues that has arisen in relation to the penguins, which as a paid attraction is very, very lucrative but which still has opportunity to develop knock-on experiences and time spent in the area, is the importance of a good strategy. You referred earlier to Wander Victoria and to those quirky advertising campaigns which have in fact broadened the message around what people can do when they are in an area. How are this campaign and other sorts of campaigns like this expected to benefit the bottom line in terms of diversifying the experience that people have?

Mr EREN — It is already working. We have had our first lot of advertising that has gone out. It is basically about getting Melburnians to discover their own backyard — rather than jumping on a plane, jump in your car and just travel Victoria. In some instances they can catch a plane to certain parts of Victoria, of course, but by and large when you have low petrol prices, you have good offerings in different regional areas and you have, for example, a long weekend, you give opportunity for people to travel. The Wander Victoria campaign is \$4.5 million to highlight to those 4½ million people that live in Melbourne to go to visit regional Victoria and grow the economy.

Ms SHING — Is that part of the regional arm of the Visit Victoria structure that has been set in place?

Mr EREN — Yes. It is a very important part of our Visit Victoria — obviously the new organisation, if I can call it that. I also have a ministerial advisory committee, with some very prominent people on that committee, which will advise me — finger on the pulse, keeping an eye on what is needed going forward.

Ms SHING — And work with regional tourism boards as well?

Mr EREN — Of course. The regional tourism boards are very important. Unlike the previous government, who wanted to cut back on regional tourism boards, we have actually added an additional one, so we have gone from 10 to 11 because we understand the value of the regional tourism boards and how they assist us in growing that very important economy in regional Victoria.

Ms SHING — Great. Thank you, Minister.

Mr MORRIS — Budget paper reference is the output summary at page 123 and the output proper at 137, 138. Just a couple of questions, if I may, to start with to Mr Bolt or whomever he may wish to direct to, if it is appropriate. I am just interested in the design and creation of the new Victoria logo, and I am just wondering whether you can provide the committee — on notice, if necessary — the total cost but also a breakdown in terms of the design cost, the creation cost, the rollout cost of that logo.

Mr BOLT — I will look to my colleagues to see if anyone has anything they would like to cast on that question.

Mr MORRIS — Bearing in mind that the clock is running, of course.

Mr BOLT — Yes, Mr Morris. This is not a time-wasting opportunity.

Mr MORRIS — No, no. I appreciate that.

Mr DALTON — The total cost of the design of the brand Victoria was in the order of \$300 000 and some further \$200 000 under the project for the full implementation of the new brand elements.

Mr MORRIS — So a total cost of — —

Mr DALTON — In the order of 500 in total.

Mr MORRIS — Thank you. I am just interested. As you know, it was not able to be used at the Australian Open this year, this past summer. I am just wondering whether there are any changes planned and whether there was any cost of it not being able to be used at the open.

Mr BOLT — I am not sure that we can easily answer that. John, do you have any information?

Mr DALTON — Perhaps the key point to make is that the way the logo is used across tourism and international education and investment and at major events is deliberately aimed to be very flexible, and we have to respect the physical arrangements, whether it be at the tennis or other events that we sponsor, in technical things such as the actual lighting. So it has been deliberately designed to accommodate those ranges of changes. So we are confident that the way it has been designed now will — —

Mr MORRIS — With modification it will be able to be used, are you saying?

Mr DALTON — It will always have modifications in terms of the detailed layout at various events, to make sure we maximise exposure.

Mr MORRIS — Was there a cost involved in it not being able to be used this year at the open?

Mr DALTON — Not that I am aware of.

Mr MORRIS — Thanks for that. Minister, I am just looking at the funding for the tourism, major events and international education output, and frankly it is all over the place: 109 million in this year's budget; last year, 40.8 million; revised budget of 134.4 million. If I took the variation on face value, it is a 167 per cent increase but in fact it is a cut of 25.4 million. It is all over the place. But at the same time we have lost a string of major events: the Women's Australian Open Golf, the Ironman, the recent American college football season going to New South Wales. There seems to be a lack of even an idea from month to month of what we are doing in the portfolio.

Mr EREN — Not at all. We are very much concentrated on this very important part of our economy, and that is why for the first time in two decades we are giving it a good shake, because we understand the value of this important portfolio. In the short time that we have been in government we have deliberately concentrated on making sure that this is front and centre for government, and that is why we have gone down the path of almost now completely setting up the Visit Victoria board, which is fantastic. We have got our CEO, we have got the appointments for that board, of course, and now by 1 July that will be up and running. We have got our ministerial advisory council, with some very prominent names on it, which will contribute tremendously in the policy positions that the government will have going forward for the needs of this important part of our economy.

When you consider international students, we also recognise, of course, along with my colleague Steve Herbert in training and education, when you think about all of the opportunities in training and skills, in all of the opportunities that exist between us, we need to make sure that that \$4.5 billion industry, if I can call it that, is expanded upon because we know the value of international students. Melbourne is now considered to be a very good place for parents abroad to send their kids right here to Victoria. We know that we are capitalising on that right throughout the state, not just in Melbourne. We understand the value of it.

What we are doing at the moment, Mr Morris, is that the new entity will give obviously guidance going forward in terms of what is required in all of those areas that you just outlined, even though there has been improvement in the last 12 months to 15 months. But we need to do more; there is no question of that. That is exactly what Visit Victoria will do in combining all of those different entities that have come together, including the ministerial advisory council who will give me advice on listening to the stakeholders right across the state and feeding that advice back to me so the government can formulate policy accordingly going forward. Is it a perfect — —

Mr MORRIS — Are you saying that this \$134.4 million, which is expected to be spent in the last 12 months or the 12 months finishing on 30 June, was done without any strategy? Is the strategy still to come from these groups that have just been formed?

Mr EREN — No, not at all. Can I just outline it to you to break it down?

Mr MORRIS — I am asking on what basis the 134.4 million was spent.

Mr EREN — The expected outcome for 2015–16 is \$134.4 million. This is — —

Mr MORRIS — That is the money to be spent, and that is the money I am referring to exactly. I am asking in the context in which that money has been spent.

Mr EREN — Can I just say this is \$47.7 million less than the 182.1 million actual expenditure for 14–15, and that is largely due to the following, and I just want to put it clearly — —

Mr MORRIS — But you only budgeted to spend 40.8 to start with.

Mr EREN — No. I just want to break it down because there have been some changes.

Mr MORRIS — Which suggests that there was no strategy at the time of the last budget. There does not appear to be a strategy now, because it is yet to be developed by these groups who have just been appointed. I am just trying to find out if there is any rhyme or reason or science behind spending what is a significant amount of public money.

Mr EREN — It is the accounting treatment, and I think you know more than anyone else when you think about, for example, the \$14 million reduction in events funding primarily relating to the events allocated from the Major Events Fund. This is what I am trying to point out to you. Of course we have changed the way government does business, and that is what you do not understand at this point in time. What we are actually doing is improving on the opportunities that exist, and so — —

Mr MORRIS — What I understand is you told the Parliament that you would spend 40.8 million. You are telling us now you spent 134.4. But there is no strategy. There is no framework for spending the money. It is just, you know, 'We've spent it'.

Mr EREN — I am just pointing out to you, Mr Morris, that we are actually improving the system in terms of how it moves forward. It lay dormant for four years in the last government, so what we are actually trying to do — —

Mr MORRIS — You spent three times what you anticipated.

Members interjecting.

The CHAIR — Order!

Mr EREN — Are you finished, or do you want me to answer your question?

Mr MORRIS — You budgeted 40.8. You then midyear said, ‘Oh, look, we’ll spend 134.4’, and the budget for the coming year is 109. It is a rollercoaster. I am just trying to find out what the strategy is that is leading to these ups and downs.

Mr EREN — The \$23.7 million rebranded and new initiatives for tourism and major events is provided from the Premier’s Jobs and Investment Fund. That is exactly what I said earlier. There are a number of buckets of money that not only from my own portfolio — —

Mr MORRIS — I am only concerned about one bucket of money — that is, this one — and the basis on which it is being spent.

Mr EREN — We have changed the machinery of government, which actually improves the efficiency of how government departments actually — —

Mr MORRIS — And the footnote indicates that the figures have been adjusted to reflect that.

Mr EREN — If you want to answer your own question, that is fine, Mr Morris.

Mr MORRIS — The footnote there explains that the figures have been adjusted.

Mr EREN — You are telling the story. Do you want me to answer it or don’t you?

Mr MORRIS — It appears I know more about your budget than you do.

Ms Ward interjected.

The CHAIR — Order! Ms Ward!

Mr MORRIS — The simple question was: is there a strategy? As you pointed out earlier, this is the second budget. You have been in government 18 months. Is there a strategy? So far there has been, ‘I know I’ve appointed these people, and we’ll have a strategy next year or the year after’.

Mr EREN — I am not sure where you were when I presented earlier, Mr Morris, but the strategy is very clear: we want to grow this sector. We are investing record amounts in terms of tourism infrastructure — —

Mr MORRIS — No. That is an aim; that is not a strategy. A strategy tells you how to get there.

Mr EREN — No. This is what budgets are about. It is about announcing moneys for the future, and that is exactly what we have done.

Mr MORRIS — No. A strategy will tell you how to get there, what you want to do to get there — not, ‘Oh, this is the money’.

Mr EREN — Do you want to answer your own question or don’t you?

Mr MORRIS — What you are telling me is a strategy is clearly not — —

The CHAIR — Order! Dr Carling-Jenkins to 3.50 p.m.

Dr CARLING-JENKINS — Thank you, Minister. I would like to refer to your commitment to enhance visitor experiences here to Victoria, particularly in relation to international visitors. This relates to a couple of things that you have already covered — budget paper 3, page 31, which describes the Regional Tourism Infrastructure Fund, for example — but also I note your efforts to have a coordinated approach through Visit Victoria, which you covered extensively in your presentation. I wonder if any thought has been given to attracting visitors with disabilities from overseas, and I make this note because many overseas destinations are not accommodating of people with disabilities, but Victoria has so much to offer — we have universal design, a lot of our accommodation is accessible and I believe even the penguin parade is an accessible venue. I just wonder if you are aware of what efforts are being made to pursue this market?

Mr EREN — Thank you very much for your question, Rachel — again, a very important question. To that end I am so proud that we are investing in all of those things that matter to the people with disabilities as well in

terms of quality of life, whether it is sport or tourism. I was pleased to see in the recent state budget an allocation of \$20 million to improve national park facilities, which includes making them more accessible. That money will be allocated to making sure that those very important assets that we have, which make us the envy of the world — again, the reason why our tourism markets internationally are going up is that we have actually protected our environment so well. Environmental tourism is such an important part of our offering. That is exactly why our numbers of international visitation are going up. To that end of course that is why we are allocating a large amount of money not only to tourism infrastructure but also in terms of making sure that it is accessible to people with disability as well.

The Victorian government recognises the importance of making these attractions accessible to people with disability, and the tourism industry is also starting to see the business opportunities in being accessible and continuing the growth of this very important market. To assist businesses to become more accessible, Tourism Victoria has developed a resource kit that is distributed online and through industry workshops. Today I am pleased to say more than 300 businesses have attended workshops from across the state, and more than 1000 copies of the kit have been downloaded, which is fantastic to see. The number of accessible businesses listed on the visitvictoria.com website has increased from around 100 to over 1000. Tourism Victoria, in conjunction with the Victorian Tourism Industry Council, VTIC, will continue to communicate the business importance of being an accessible business, because it is in their interests as well.

Dr CARLING-JENKINS — Absolutely. It is quite a market, and I guess that was the point of my question about what efforts are being made to pursue the market from overseas, to attract people and advertise us as an accessible destination to people with disabilities overseas. Is that part of that marketing strategy?

Mr EREN — Yes, it is part of the strategy. I do not want to pre-empt what the new board will do with the strategy, and as a minister — —

Dr CARLING-JENKINS — Maybe I could just recommend that to the new board.

Mr EREN — Of course, and that goes without saying. Do you know what? It is worth \$8 billion a year. Really, when you think about it, people with disabilities spend over \$8 billion a year on tourism experiences, which is 11 per cent of the total spend in Australia.

Dr CARLING-JENKINS — Yes. That is quite significant.

Mr EREN — So for us not to change or shift the way we have done business in the past in this area would be ludicrous. For us it is very important, and we need to do it in a way where we take the whole community with us. That is why we are concentrating on the business side of it as well to make them more disability friendly.

Dr CARLING-JENKINS — Thank you, Minister; I appreciate that. If I could just very quickly go to another point around international tourism. We have covered this to an extent earlier with Ms Shing's question on budget paper 3, pages 137 and 138, where we noticed that international tourists spend only 1 dollar in 13 in regional Victoria. I note that sometimes this is about innovative strategies that can work, so I know in my area, for example, the information centre from Werribee central was moved to Werribee zoo, because Werribee central had low numbers and Werribee zoo had high numbers. It was a way of extending visits throughout the region. I wonder what similar strategies you are aware of that are being promoted around advertising campaigns that focus on the regions.

Mr EREN — We are very much concentrating on making sure that the RTBs, the regional tourism boards, actually are our conduit to communicating this information to us, which is so important. We want to give them autonomy, and we want to give them the funding that we have given them to make sure they operate in a good way, which is going to provide us with that information. From our point of view it is very much about communicating through the MAC and through the RTBs and getting them to maximise the opportunities that exist for regional Victoria. One of the reasons I must admit is the lack of 5-star accommodation in regional Victoria because some of the high-yielding, big-spending tourists do not stay in 4 or 3-star accommodation. What they do is they go for the day, and they come back on the same day. There are certain opportunities that exist, and we will be working on that as well.

Dr CARLING-JENKINS — Sure. Thank you very much, Minister.

The CHAIR — Mr Dimopoulos, until 4.00 p.m.

Mr DIMOPOULOS — Minister, I just wanted to bring you back to what you mentioned earlier in your presentation, I think also in response to a question, the Business Event Fund, and it is one of the line items on page 25 of BP3 — 9 million over the next two financial years. Can you give us a bit more detail about this fund and how you feel that investment will add to jobs?

Mr EREN — Sure. As I indicated earlier, the business events is a big part of our economy, particularly when it comes to high-yielding tourism — \$1000 per person that attends — like a diabetes conference, for example, or the AIDS conference that we have been having where more than 10 000 people attend. That is a huge boost, and it is usually a return of not just 1 to 10 but in some instances 1 to 50, so every dollar that we invest in getting that event here, we get 50 back in some instances.

Mr DIMOPOULOS — So nothing like the east–west link.

Mr EREN — So for us we know how important the Melbourne Convention and Exhibition Centre is, and business events are so important. I would just like to point out, for example, the direct economic impact of approximately \$4.6 billion in the 13–14 year, which provided about 65 500 jobs. It is a fantastic opportunity for us, and that is why we are very proud of the \$190 million to \$210 million investment that we are making into the Melbourne Convention and Exhibition Centre for that next stage of development and then \$9 million additional funding to attract the business events to this wonderful location. We are the envy of the world, there is no question of that, but we have sort of lagged behind in the last few years in relation to those critical investments that need to be made in the infrastructure. Sydney is well advanced with their convention centre development, Adelaide has completed theirs, I think Queensland is doing theirs and every state has actually invested systematically because they know the value of these events. I am saying we are catching up.

We announced that funding last year to develop MCEC, and now what we are doing is boosting the war chest that we need to have more of these events at this location. We bid for some events that are seven years in advance, for example, but you need that money now. In terms of signing some contracts, you need to have the money ready to go, so to speak. This \$9 million will go a long way to getting these very important events to come to Melbourne, indeed Victoria.

Mr DIMOPOULOS — Minister, I think there was 210 million in last year's budget for the Melbourne Convention and Exhibition Centre.

Mr EREN — Two hundred and 10.

Mr DIMOPOULOS — That is obviously one part of the equation. As you said, the other part is the \$9 million. One is that you have got a good venue for those business events. The other is the 9 million bucks. Can you give us a shape and colour of how that in the past has been used? Is it, for example — what was it, the anaesthetists? Which example did you use before? Not anaesthetists. Did I just make that up?

Mr EREN — AIDS conference, diabetes conference?

Mr DIMOPOULOS — AIDS conference or the world conference of religions or any of those things. How did that fund in the past get used? Is it just a blanket decision that half a million or a million — —

Mr EREN — It is a competitive environment. So what happens is, for example, the MCEC, which is such an important piece of infrastructure — if we build it, they will come — —

Mr DIMOPOULOS — Yes. In relation to the 9 million itself.

Mr EREN — So the 9 million, the Melbourne Convention Bureau is the organisation which actually attracts these events to this centre. They are different entities to a certain extent. The MCEC is the convention centre, then you have got the MCB, which is the Melbourne Convention Bureau, which goes out and hunts down these events, which also includes not only government but private sector investment as well. They will go out in a competitive way. I will be very clear on this: not only other states and territories want these events, internationally Singapore, Malaysia, many other nations who have really developed convention centres and have different offerings.

But what sets us apart is all of the other major events that we have here is an attraction, and they try to coordinate it in a way where if there is a major sporting event or major cultural event happening here, they try to coincide that event with a business event so that that makes it attractive. It is very important. That is why the calendar of events that we have is so critical to making sure, because it comes full circle. Whether it is sporting events or cultural or arts events or theatre events or indeed business events, they are all connected in some way, shape or form. Having the money allocated — the largest ever amount of money for business events — will make sure that we grow the economy through that very important sector.

Mr DIMOPOULOS — It is a good example of how the critical mass of not only other events but a cosmopolitan community, city, great restaurants, great people, safe — everything else that contributes to decision-makers coming to Melbourne for their convention. Just some clarity on how that kind of money has been used in the past. I know that it is more than ever in the next two budgets. If I am the world AIDS conference, would the government smooth the passage of that decision by saying, ‘Here, take a million to cover some costs’? Is that how it is done?

Mr EREN — These are all confidential issues relating to attracting these events here and it is a very competitive environment. One thing I will say is that Robert Doyle, the Lord Mayor of Melbourne, indicated today that we have more restaurants in Melbourne than any other city in the nation. We are fast becoming — and I always say this at different events, we may not be a mining state, but we certainly want to be a dining and wining state.

Ms SHING — Nice. A bit of poetry from the tourism minister.

Mr EREN — I know. You are right. The different offerings that we have, the availability of the different types of food, which is so diversified — the culinary experience in Melbourne. We have got the best coffee in the world. When you add all that up, it means a lot to attract these events. That is what I said, it is a jigsaw puzzle. It is very much a domino effect, and that is why we do this so well, because it is complimentary to all the other events that we have.

Mr DIMOPOULOS — Minister, is it in some respects a multi-portfolio approach to winning that business? Does the health department, for example, get involved in bidding for the AIDS conference or other portfolios in relation to it?

Mr EREN — For example, the minister for small business might be involved in some way, shape or form, but these events are coordinated through the Melbourne Convention Bureau. There is a whole-of-government approach to this. There is no question of that. Where other portfolios can help, they will. But the main objective of the Melbourne Convention Bureau is to make sure that they utilise that money to get the best events to grow the economy.

Mr DIMOPOULOS — The Melbourne Convention Bureau would be, as Ms Shing said in relation to the regional stuff, a branch of the new Visit Victoria statutory authority. Is it a statutory authority, or is it a part of the department?

Mr EREN — The MCB?

Mr DIMOPOULOS — No, the new Visit Victoria.

Mr EREN — No. We wanted to give it some opportunity to operate not in a government bureaucratic way so it will be a company limited. It will be operating on that basis so that it is arms length from government in relation to being nimble, being quick, making quick determinations to make sure we maximise on opportunities that exist. Visit Victoria is the biggest thing going around at the moment. Other states and territories are looking at how we are doing it at the moment, because they are disparate at the moment as well — different organisations have different says into what happens in the sector. We are leading the way.

Mr DIMOPOULOS — In the minute and a half I have got left, with the 210 million in last year’s budget for the works at the convention centre, did you mention what stage we are at with that work?

Mr EREN — This is the very important second-stage development. This will bring us up to date with having additional events capacity when you think about accommodating the various events. To that end, when you think about how we are expanding the MCEC, the expansion will add 9000 square metres of flexible

exhibition space, with a multipurpose facility with 900 retractable seats and 200 additional movable seats, concourse, exhibitor and support areas, and a number of other features that will make this the best almost. Also in Geelong we have obviously allocated some moneys to do some work around what opportunities exist for a convention centre in Geelong. We have allocated that money in this budget as well.

Mr DIMOPOULOS — For a feasibility or for planning?

Mr EREN — For planning for the convention centre in Geelong.

Ms WARD — Geelong is doing pretty well.

Mr DIMOPOULOS — Almost as good as Gippsland is at PAEC.

Mr D. O'BRIEN — PAEC does not know where Gippsland is.

Mr DIMOPOULOS — Baloney.

Mr D. O'BRIEN — Ballarat-Bendigo is regional Victoria.

Ms WARD — My brother, my mother and my father all live in Gippsland.

The CHAIR — Order! Mr O'Brien, until 10 past 4.

Mr D. O'BRIEN — Just a couple of quick questions to Mr Bolt, if I could. As you would be aware, a number of ministers in your department have undertaken overseas travel and those reports have been listed. Secretary, could we get on notice the costs of any departmental officials accompanying ministers on overseas travel for your department, including the airfares, accommodation and any other expenses?

Mr BOLT — Yes.

Mr D. O'BRIEN — This is another one we have asked to other portfolios, but could we also get from you all reported incidents of bullying that have been reported to your HR department in the past financial year, including a breakdown by category if any of them were gender based or sex based?

Mr BOLT — Yes, I can do that.

Ms SHING — You said 'complaints' in your earlier language. Do you want to just harmonise it in your other questions.

Mr D. O'BRIEN — Reported incidents of bullying. Please, if you could provide that to us on notice, that would be great.

Mr BOLT — Yes, will do.

Mr D. O'BRIEN — Minister, I just want to go back to Mr Dimopoulos's question about the exhibition centre. You talk about it going, happening, stage 2 and all the wonderful things, but budget paper 4, page 24, lists all of the expenditure as 'tbc'. Where is the money?

Mr EREN — It is there, don't worry about that.

Mr D. O'BRIEN — It is a big contingency. The idea of budget papers is that in most of them it says where the money actually is and it lists the money. This all says 'tbc', as do a few other items.

Mr EREN — So you realise, as I have indicated before, the moneys are events moneys, and I will just make an example of that. If there are major events that we need to access the moneys from, a contingency fund, that is where the money will be held in relation to drawing down on money. We understand the importance of this development. We have announced it. Rest assured, Mr O'Brien, we — —

Mr D. O'BRIEN — The community, Minister, is meant to be assured by the budget papers telling you.

Mr DIMOPOULOS — Minister, they tried the same with level crossing removals last year. Now that we are doing them they are quite surprised.

The CHAIR — Order, Mr Dimopoulos!

Mr D. O'BRIEN — There are a whole lot of things listed in the budget that I could rest assured about because there is actual money in the budget papers, but there is not in this. Where is it? What is happening?

Mr EREN — Again, I do not think you understand how these things work, Mr O'Brien.

Mr DIMOPOULOS — That is right; he does not.

Mr EREN — You can laugh all you like — —

Mr D. O'BRIEN — Please enlighten me, Minister, because you are doing such a good job of explaining the budget papers!

Ms WARD — Possibly if you stop talking all the way through your questions, Mr O'Brien, you would actually find out the answer.

The CHAIR — Order, Ms Ward! The minister is answering the question.

Mr EREN — Through the Chair, can I just explain that these are commercial-in-confidence processes that the Plenary of course and the MCEC are in deep discussions with of course in relation to what is happening with the Melbourne convention centre development. As I have indicated — —

Mr D. O'BRIEN — Melbourne Metro is commercial in confidence. It is listed in the budget papers.

Mr EREN — All I can say is this is going full steam ahead, and all I can say at this point in time is that we are looking forward to the next stage of development.

Mr D. O'BRIEN — Mr Bolt, can you tell me when the next stage is likely to begin and when it is likely to be completed?

Mr BOLT — So we have received a proposal in April from Plenary, and we expect to be able to conclude an agreement soon.

Mr D. O'BRIEN — Sorry, I just missed that.

Mr BOLT — Very soon we expect to conclude an agreement but again, because matters are under negotiation, I really should not say more than that, but the next stage is likely to begin soon.

Mr D. O'BRIEN — Can we get an idea of a finishing time?

Mr EREN — No. Can I just say that you can jeopardise certain discussions that are going on if we outline, because this is a process that we are going through which is extremely confidential.

Mr D. O'BRIEN — But Minister — —

Mr EREN — Can I just finish, please, because it is very important that you understand that the discussions that are going on — anything that is said here today could jeopardise some of those discussions that are going on.

Mr D. O'BRIEN — There are any number of projects in this budget that have commercial implications, tender implications, that have numbers listed.

Mr EREN — Sure. And I am not in the position as minister of jeopardising a very important project like that.

Mr MORRIS — If I can just intervene, Minister, last year you were happy to talk about 9000 square metres of exhibition space, 1500 square metres of flexible multipurpose space, seating for a thousand people. This year you cannot tell us anything. Last year you also told us the project was going ahead; 12 months later, not a sausage.

Mr EREN — Through you, Chair, as I have indicated to you before and I think as the department secretary has indicated to you before, discussions are going ahead and we are not in a position at this point in time to outline some of the sensitive discussions that are going on, which could jeopardise those discussions. If we want this development to go ahead, we obviously need to treat it with some sensitivity, and that is exactly what we are doing. We are hopeful that a deal can be struck in the near future.

Mr D. O'BRIEN — Surely a finishing time for when stage 2 will be completed is not something that is confidential. Could you give us even a ballpark figure in time?

Ms SHING — It is the subject of negotiation, and it is part of that conversation.

The CHAIR — Order!

Mr EREN — That again is partly, you know — —

Mr MORRIS — We do not know; that is why we are asking.

Mr EREN — As a government of course we would like it to happen. I wish this money was allocated when you were in government, but it was not.

Mr D. O'BRIEN — No, no, no. Can you give me a rough time? Is it going to be finished next year, in five years?

Mr EREN — I wish this money was dedicated to this very important area when you were in government. It has not been. What we have done last year — —

Mr D. O'BRIEN — You are the minister now.

Members interjecting.

Mr EREN — Last year what we have done is actually allocate — through you, Chair — the required amount to do the development of the second stage of this very important project, so 190 to 210. The discussions are happening right now. I hope that this happened four years ago, but it did not. What I am hoping is that we can move as quickly as we can to make sure that this happens in the next few weeks, but I am not going to jeopardise those discussions in this meeting.

Mr D. O'BRIEN — Can you give me an estimated completion time, Minister? If you are going to tell me that is commercial in confidence, please just say so — one way or the other. It does not have to be a day — just a year, even. Can you give me a year when it might be finished?

Mr EREN — I do not know why you are trying to jeopardise such an important project.

Mr D. O'BRIEN — I am not trying to jeopardise it. You have said it is over \$200 million of public money. When is it going to be built?

Mr MORRIS — You are spending public money. The Parliament needs to authorise it. That is why we are here.

Mr EREN — You are saying we are not spending it, so make up your mind!

The CHAIR — Order! Mr Smith?

Mr T. SMITH — Could you direct the minister to answer the question, please?

The CHAIR — I think the minister has answered the question.

Mr D. O'BRIEN — No, he has not, Chair.

The CHAIR — He is referring to the fact that this is a matter that is subject to negotiations.

Mr EREN — I cannot be any clearer than that.

Mr D. O'BRIEN — The only conclusion we can come to is that this is not happening, unless you are going to give us some kind of time frame.

Mr EREN — All I am saying is that the 190 to 210 that we announced last year in our budget is ready as long as the negotiations take place in the near future. I do not want to jeopardise any of those negotiations and the confidentiality that is associated with this very important project.

Mr MORRIS — The answer last year was, 'Trust me'. The answer this year is, 'Trust me'.

Mr EREN — If the question is, 'Is the money there?', I can categorically say the money is ready to be spent.

Mr D. O'BRIEN — We have had that question, Minister. We are now onto, 'When is it likely to be finished?', and you are not even giving us a remote idea of ballpark. Is it five years? Is it 20 years?

The CHAIR — I think, Mr O'Brien, in fairness to the minister, he has indicated that it is subject to negotiation.

Members interjecting.

The CHAIR — Order! Is there another question, Mr O'Brien?

Mr D. O'BRIEN — Yes, there is another question. Minister, can I go back to the Wander Victoria campaign. Can you tell us what the total cost of that campaign is, so intrastate, interstate, production, actual advertising — everything? You mentioned a figure of 4.5 million before.

Mr EREN — Sure. I will refer to my notes just so that there is no misunderstanding about how that money is expended. Again I stress the importance of the Wander Victoria campaign, and it is very much about making sure that we get Melburnians to come out of the concrete jungle and discover what we have got in our — —

Mr D. O'BRIEN — Yes, we heard all that. I just want the total cost, please.

Mr EREN — Well, you said Wander Victoria. I am putting some context to it.

Mr D. O'BRIEN — Yes, and I just want the total cost. I asked you the time, I did not ask you to describe how the watch works — I just want to know how much it cost.

Mr EREN — The Wander Victoria campaign is \$4.5 million, which includes production and media buy-in and includes activities across television, cinema, digital and social media.

Mr D. O'BRIEN — And is that only intrastate, or is it running interstate as well?

Mr EREN — No, no, this is for us. This is our campaign for Victorians to discover their own backyard. It is not about interstate.

Mr D. O'BRIEN — I get that.

Mr EREN — It is about intrastate.

Mr D. O'BRIEN — So has any of that been spent interstate?

Mr EREN — Have you not seen the ads: you 'can't you lick your elbow'?

Mr D. O'BRIEN — Interstate — that means a different state, not the one I am in.

Mr EREN — No, intrastate; intrastate is in this state.

Mr D. O'BRIEN — So is there no spending on it interstate?

Mr EREN — No, it is not an interstate campaign.

Mr D. O'BRIEN — Okay. That is all I am asking.

Ms WARD — That is what he already responded. You are not listening to the answer.

Mr D. O'BRIEN — Encouraging people to wander Victoria does not mean it has to be Victorians.

Mr EREN — Are you listening? I am not sure you are.

Members interjecting.

The CHAIR — Order! Ms Pennicuik for 5 minutes.

Ms PENNICUIK — Thank you, Minister, Secretary, and everyone else who is here. Thanks for coming. I would just like to preface my question by saying that I am very supportive of the major events calendar in general and attend many of the events, as I think I said this time last year, of course so long as there is some cost benefit to the public, not only economically but in other ways as well.

I have just been interested in the conversation with regard to budget paper 3, page 123, and the discrepancy between the 2015–16 budget and the 2016–17 budget for tourism, major events and international education. It is very interesting to look at the Australian Grand Prix Corporation annual report. The government contribution for 2015 was \$67.552 million for the Australian grand prix, and also 715 000 for capital works, which comes to \$68.277 million — which is in fact the variation between the 40.8 and the 109, which is \$68.2 million. That is a large coincidence. You may want to comment on that, Minister, but that seems to be a very strange coincidence.

But I am also interested in your comments about various buckets of money. It is a bit of a mystery to me and to the community as to where that \$67.5 million that is the government contribution comes from. It seems to have come from this jump in the budget on page 123, but perhaps you could confirm that.

Mr EREN — I would just like to reiterate the importance of major events, and I will get to the question.

Ms PENNICUIK — I know about that. I want you to answer that question because we do not have a lot of time.

Mr EREN — The importance of filling the calendar with major events is obviously one that is important to the state.

Ms PENNICUIK — Sorry, if I am correct with my arithmetic there, the grand prix is accounting for 62 per cent of the major events budget — if that is the major events budget in that line on page 123. Is that correct?

Mr EREN — It is, again, an accounting treatment that we have.

Ms PENNICUIK — Well, it is an arithmetic treatment that I have just worked out that coincidentally the blowout in the budget was the same as the cost reported in the Australian grand prix accounts.

Mr EREN — I would not call it a blowout. What I would say is that these major events are critically important to us and we need to make sure that we have the best events going forward in relation to filling the calendar, which boosts our economy.

Ms PENNICUIK — I agree with that. Can we go to the subject of my question?

Mr EREN — Okay. That is why when you look at the accounting treatment that we apply to major events, for example, given the accounting treatment, this also explains why the expected outcome for 15–16 is 93.6 million higher than the 15–16 budget. So 93.6 million higher expected outcome for 2015–16 compared to that year's budget is mainly due to additional events funding received during the year — primarily the 66.7 for the Australian Grand Prix Corporation, and of course 26.2 million for a number of other major events.

Ms PENNICUIK — I had that at 25.4, but I will not quibble.

Mr EREN — I am not sure — —

Ms PENNICUIK — The difference between the amounts.

Mr EREN — I can go through the full description if you like. The expected outcome: 15.8 million, Tourism Victoria-based funding, includes salaries, operating expenses; 66.7 million, grand prix corporation; 26.2 million, major events funding, including the Australian tennis and Melbourne Cup; 3.1 million — —

Ms PENNICUIK — And what else was in the 26 million?

Mr EREN — So it is very much about the accounting treatment, as I have indicated before, and how you actually draw the funds down from the Major Events Fund.

Ms PENNICUIK — Minister, I think you have basically said, yes, that increase from 40 to 134 was the grand prix plus the 26, but the 109 budget, which is what I worked out before, does not include the 26 that was included this year. So does that mean that that part of the events calendar is not funded this year?

Mr EREN — No, that is not the — —

Ms PENNICUIK — Because it is the original, plus the grand prix, which comes to 109.

Mr EREN — That is why it is held in a contingency fund.

Ms PENNICUIK — We will get to the bottom of it one day, Minister.

The CHAIR — Order! I would like to thank the witnesses for their attendance: the Minister for Tourism and Major Events, Mr Bolt, Mr Dalton and Mr Ada. The committee will follow up on any questions taken on notice in writing. A written response should be provided within 14 calendar days of that request.

Witnesses withdrew.