



# Select Committee on the 2026 Commonwealth Games Bid

## The 2026 Commonwealth Games bid

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**Inquiry | Final report**

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# Committee membership



**CHAIR**  
**David Limbrick**  
South-Eastern Metropolitan



**DEPUTY CHAIR**  
**Joe McCracken**  
Western Victoria



**Melina Bath**  
Eastern Victoria



**Hon David Davis**  
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**Tom McIntosh**  
Eastern Victoria



**Dr Sarah Mansfield**  
Western Victoria



**Rikkie-Lee Tyrrell**  
Northern Victoria

# About the Committee

## Functions

The Select Committee will inquire into and report on the 2026 Commonwealth Games and the progress of the regional infrastructure build including the potential failures in governance, the impacts of the contract termination on Victoria, the Victorian Government advice received, the potential of undue influence by the executive, the timeline, progress and budget of the Victorian Government's regional infrastructure and housing build and the impact on community, social, amateur, and professional sport in Victoria.

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# Terms of reference

## Inquiry into the 2026 Commonwealth Games bid

Received from the Legislative Council on 2 August 2023.

That a Select Committee of nine members be appointed to inquire into, consider and report on the 2026 Commonwealth Games and the progress of the regional infrastructure build, including but not limited to —

- (a) the potential failures in governance, probity and procurement processes in the Victorian Government's bid, contract, and termination of the 2026 Commonwealth Games;
- (b) the impacts of the contract termination of the Commonwealth Games on Victoria's reputation, business community, tourism, and major events;
- (c) the Victorian Government advice received from government departments, councils, agencies, consultants, and contractors;
- (d) the potential of undue influence by the executive on the independence of the public service;
- (e) the timeline, progress and budget of the Victorian Government's regional infrastructure and housing build;
- (f) the impact on community, social, amateur, and professional sport in Victoria;
- (g) any other relevant matter.

Interim Report due by 30 April 2024.

Final Report due by April 2025.



# Chair's foreword

I am pleased to present this final report from the Select Committee on the 2026 Commonwealth Games Bid.

In just a few months' time in July 2026, the Commonwealth Games will take place — but not in regional Victoria.

Back in April 2022, when the Victorian Government announced that regional Victoria would host the 2026 Games, we were promised long-lasting benefits across the State. It was going to catalyse significant investment in regional sporting and accommodation infrastructure. It was going to unlock new global tourism markets and grow regional Victoria's visitor economy. It was going to afford our athletes and para-athletes the opportunity to compete at home and make Australians proud.

Instead, the Victorian Government withdrew from hosting the Games at a cost of \$589 million to the Victorian taxpayer. Whilst the Committee found that the ultimate decision to withdraw from hosting the Games was the correct decision at that time, the Committee emphasises that the Games should have never progressed to that point. Victorians, especially regional Victorians, were let down by a string of decision-making failures by the Victorian Government, as well as inadequate due diligence and planning processes at both the departmental and ministerial level. To put it simply, the high cost and inability to host the Games as proposed should have been discovered far earlier by the Victorian Government.

This final Report makes 62 findings and 6 recommendations to the Victorian Government. These focus on the critical decision making and process failures — from the conception of the idea through to the decision to withdraw from hosting the Games. The Committee also makes findings regarding the \$2 billion Regional Funding Package, as well as the impediments it experienced when seeking to collect evidence throughout this Inquiry.

The Committee hopes that the Victorian Government will use the learnings contained in this Report to improve upon its processes to ensure this kind of failure does not happen in future. The Committee also hopes that the Report will encourage the swift and fulsome implementation of the promised \$2 billion Regional funding package, which at this stage largely remains in the planning or advanced planning stages.

The Committee has published two interim reports to date. This Report is the Committee's third and final report for its 18-month Inquiry. The Committee received 44 written submissions and heard evidence from 89 witnesses in 47 sessions over 12 days of public hearings. This included regional public hearings in Geelong, Ballarat, Bendigo and Traralgon to hear from stakeholders most affected by the decision to withdraw from hosting the Games. I want to sincerely thank all those who made submissions and provided evidence at public hearings.

The frank and forthright evidence the Committee received from many of these various stakeholders sits in stark contrast to the conduct of the Victorian Government. At various points throughout this Inquiry, the Victorian Government impeded this Committee from collecting important evidence. Key witnesses, including the former Premier and relevant Ministers, declined to appear at public hearings. Requests for relevant documentation were met with broad claims of executive privilege. The Government refused to follow the process set out in the Legislative Council's Standing Orders for assessing claims of executive privilege. It is disappointing that the Victorian Government did not fully cooperate with the important work of this Committee. On the one hand, this conduct speaks to a need to review the process for assessing claims of executive privilege. On the other, should be understood as an avoidance of parliamentary scrutiny and public accountability.

I would like to thank my Committee colleagues for their hard work throughout this Inquiry. Their cooperation and diligence meant that this Committee could make constructive findings and recommendations across its three reports. I would also like to thank the Committee secretariat staff who have worked on this inquiry. Committee Managers Matt Newington and Kieran Crowe, Inquiry Officers Jessica Summers and Chiara De Lazzari, Administrative Officer Sylvette Bassy, Chamber Procedure Officer Tom Mills and Chamber Services Officer Monique Riordan-Hill.

I commend this Report to the House.

A handwritten signature in black ink, appearing to read 'D. Limbrick', written in a cursive style.

**David Limbrick MLC**  
**Chair, Select Committee on the 2026 Commonwealth Games Bid**

# Findings and recommendations

## 1 Inquiry summary

**FINDING 1:** The Victorian Government’s proposed 2026 multi-city regional Commonwealth Games was overly ambitious and not feasible in the timeframe, which was shorter than previous Games. This was primarily due to:

- inadequate planning and consultation
- failures in departmental processes and communication
- poor ministerial oversight and accountability
- lack of appropriate infrastructure in regional areas
- logistical issues caused by the proposed multi-city model.

1

**FINDING 2:** The Victorian Government’s withdrawal from hosting the 2026 Commonwealth Games was a direct result of a series of failures during the bid and project approval stages. Key stages where the bid should not have progressed were:

- approval of the business case, which was not prepared in an adequate timeframe and based on incomplete data and flawed assumptions
- budget approval, where the Department of Treasury and Finance supported recommendations to host the Games despite highlighting concerns that the actual costs would likely exceed the quantifiable benefit of the Games.

1

**FINDING 3:** Failures by key decision makers within the Victorian Government led to withdrawing from hosting the 2026 Commonwealth Games. This includes departments, which supported the progression of the bid, and Ministers, who ultimately approved the bid.

1

**FINDING 4:** The Victorian Government’s decision to withdraw from hosting the 2026 Commonwealth Games was the correct decision at that time. Based on the advice provided by the Department of Treasury and Finance, progressing further would have risked considerable costs associated with cancelling major building and supply contracts. 1

**FINDING 5:** The high cost and inability to host the Commonwealth Games should have been discovered earlier, highlighting a distinct lack of due diligence and robust planning that never occurred.

2

**FINDING 6:** The Victorian Government’s decision to withdraw from hosting the 2026 Commonwealth Games was a result of a series of failures at a departmental and ministerial level. A hasty political decision was made by the then Andrews Labor Government to support the Commonwealth Games in the proposed multi-city model, but the Government did not undertake proper due diligence. **2**

**FINDING 7:** The Committee concludes that proper processes were truncated or not undertaken at all, and warnings were not heeded by the Victorian Government and government agencies. **2**

**FINDING 8:** The modelling relied upon by the Andrews Labor Government was inadequate and clearly flawed and the processes and analysis relied upon by government were also flawed. **2**

**FINDING 9:** The officers in the Department of Premier and Cabinet, Department of Jobs, Skills, Industry and Regions and Department of Treasury and Finance do bear a share of the responsibility for the decision to withdraw. However, ultimately the responsibility must be directly shouldered by the then key ministers, Hon Daniel Andrews, Hon Jacinta Allan MP, Hon Martin Pakula, Hon Tim Pallas, as well as members of the Expenditure Review Committee and the Cabinet. These senior people did not properly manage the process of obtaining the Commonwealth Games and the associated due diligence. **2**

**FINDING 10:** Noting that Cabinet was the ultimate decision-maker, the Cabinet process, including the role of the Expenditure Review Committee, has been shown to be inadequate and flawed. **2**

**FINDING 11:** The Department of Treasury and Finance failed in its central responsibility to ensure that well-resourced and solid information was available to support informed Cabinet decision-making, and that due diligence was undertaken in the early decision-making process. The Department of Jobs, Skills, Industry and Regions failed in its role to present a viable plan for the event. **2**

**FINDING 12:** Despite repeated recommendations from relevant departments and Victoria 2026 to revise the scope of the 2026 Commonwealth Games due to concerns about cost escalations, the Victorian Government refused to do so. **2**

**FINDING 13:** The Victorian Government’s decision to withdraw from hosting the Commonwealth Games in July 2023 was the right decision at the time. **3**

**FINDING 14:** There is no evidence that the Victorian Government investigated a Melbourne-based Commonwealth Games option. **3**

**FINDING 15:** Fifteen events and three para events that were included in the Victoria 2026 Commonwealth Games program are not present in the Glasgow Games Program. **12**

**FINDING 16:** Pinnacle events, such as the Commonwealth Games, are an effective pipeline for attracting and training volunteers. The Victorian Government's decision to withdraw from the Games has impeded this and likely resulted in a reduction of sporting volunteers. **12**

**FINDING 17:** The Victorian Government's decision to withdraw from hosting the Commonwealth Games had a considerable negative impact on the morale of regional Victoria, which was not confined just to the host cities. **16**

**FINDING 18:** The Committee agrees with the Victorian Auditor-General that the \$6.9 billion cost estimate used to justify the cancellation of the Commonwealth Games was overblown and not transparent. The Committee notes that the Victorian Government was not forthcoming with accurate and timely information. **19**

**FINDING 19:** When the host contract was cancelled, there was significant national concern that the decision would harm Victoria's reputation as a host for sporting and other major events. However, there is no immediate evidence to suggest significant harm to Victoria's reputation in the short term. **21**

**FINDING 20:** Victoria enjoys a unique position as the host of several major events. It is the Victorian Government's responsibility to maintain this reputation by actively providing assistance and maintaining readiness to host events. Failures such as the withdrawal from the Commonwealth Games risk undermining Victoria's perception as an active host. **21**

**RECOMMENDATION 1:** Subject to the learnings from the Commonwealth Games withdrawal, the Victorian Government should continue to pursue events that are of benefit to Victoria. **21**

**FINDING 21:** The \$2 billion regional package has not yet been fully delivered. Any impact will have to be assessed in the light of the actual delivery. **24**

## 2 Inherent issues associated with a multi-city regional Games

**FINDING 22:** The Committee agrees with the previous Secretary of Department of Treasury and Finance, David Martine, that the increase in the cost estimate to build the athletes villages was a ‘huge differential’.

35

**FINDING 23:** The base assumption that the cost of constructing the athletes’ villages would be primarily borne by the private sector was poorly informed given the known timeframe, as well as the foreseeable market demand and site risks which made such an investment a less appealing opportunity for the private sector.

37

**FINDING 24:** It was foreseeable that significant construction costs would need to be borne by the Victorian Government to deliver the project within the required timeframe. This should have been factored into the base assumptions or considered by the Victorian Government at a far earlier stage.

37

**FINDING 25:** The Committee accepts the Auditor-General’s findings that there was insufficient time to negotiate a genuine transference of risk to the private sector before construction of the athletes’ villages commenced.

37

**FINDING 26:** Due to an immovable timeframe, the possibility of cost escalations should have been anticipated by the Victorian Government. It is unclear why these considerations were not appropriately factored into the initial costings and risk assessment.

40

**FINDING 27:** Due to hosting the Commonwealth Games across regional Victoria, it was foreseeable that additional cost and complexity would flow. It is unclear why these considerations were not appropriately factored into the initial costings.

40

**FINDING 28:** Overlapping Victorian Government construction projects seeking the time-pressured services of a finite sector are likely to create a climate of competition that ultimately drives up Government construction costs.

41

**FINDING 29:** Whilst the actual rate of inflation in 2023 could not have been known at the time of preparing the business case, sufficient indicators existed to support a more realistic inflation assumption. The assumption utilised in the business case was too modest and proved to be inadequate.

41

**FINDING 30:** It is unclear on what basis Hon Jacinta Allan MP, then Minister for Commonwealth Games Delivery, concluded that the Australian Government would contribute \$1.3 billion to the cost of the Games. This does not appear to be grounded in any precedent and goes directly against the advice of the Department of Jobs, Skills, Industry and Regions and the Department of Treasury and Finance. **42**

**FINDING 31:** The Victorian Government did not consult local government about their capacity to financially contribute between \$15 and \$80 million to the construction of infrastructure or their ability to assume ongoing financial responsibility for the maintenance of new assets. **42**

**FINDING 32:** Industrial relations risks were foreseeable, and it is unclear why the Department of Jobs, Skills, Industry and Regions did not take steps to mitigate this risk or engage with Unions at a far earlier stage. **43**

**FINDING 33:** The Committee acknowledges the Victorian Government's intention to capitalise on the opportunity of the Commonwealth Games to deliver legacy projects in the regions. However, this intention constrained the State Government and prevented them from considering cheaper alternative models of delivery when costs began to escalate. **44**

**FINDING 34:** The Minister for Commonwealth Games Delivery acted without the support of the Department of Jobs, Skills, Industry and Regions, the Department of Treasury and Finance and the Department of Premier and Cabinet when recommending that transport and security be funded from relevant departmental and agency budgets, instead of the Games budget as initially contemplated. This was an attempt to shift costs away from the Games budget in light of escalating estimates and delivery concerns. **45**

### 3 Governance and decision-making processes

**FINDING 35:** It is evident that there was a clear lack of communication and collaboration between responsible ministers, departments and agencies in the planning, preparation and development of the 2026 Commonwealth Games. **49**

**FINDING 36:** The over-reliance on consultants to prepare and review the business case, and secrecy around the business case, may have impacted on the ability of the public service to provide frank, impartial and timely advice to ministers. **49**

**FINDING 37:** Poor decisions were made from the outset prior to the commissioning of the business case for the Commonwealth Games bid, right through until it became apparent the Games needed to be cancelled. Due to a lack of transparency regarding the nature of advice provided to ministers, the Committee was unable to draw definitive conclusions about whether these failures were on the part of the departments or ministers. However, based on the evidence available, it appears that both ministers and departments bear responsibility.

49

**FINDING 38:** Ministers and departments have avoided accountability for failures in decision-making and governance regarding the decision to host the Commonwealth Games, and subsequent decisions that led to the Games' cancellation. This is evidenced by failure of ministers responsible to appear before the Committee, failure to produce documents requested by the Committee and the Parliament, questionable use of claims of executive privilege and failure to follow the Legislative Council Standing Orders with respect to such claims, and refusal of departments to accept the findings of the Victorian Auditor-General.

50

**FINDING 39:** The Victorian Government sought to deliver a completely novel multi-city regional Commonwealth Games model in half the time host cities would typically be afforded. Given the ambitious change to the model, the decision-making process should have included a more robust analysis of what was achievable.

52

**FINDING 40:** The baseline of the business case was the single-city 2018 Gold Coast Commonwealth Games. This was not a useful starting point as the 2018 Games were held in a traditional single-city model, which was radically different from the proposed 2026 multi-city regional Games. Some adjustments were made to the baseline assumptions to take into account the multi-city model.

52

**FINDING 41:** Those involved in the preparation of the bid did not adequately consider the highly relevant prefeasibility study led by Shepparton City Council in 2017, which foreshadowed several challenges that arose during planning of the 2026 Games.

52

**FINDING 42:** Those involved in the preparation of the bid did not adequately consult or draw upon the expertise of the Victorian event industry.

53

**FINDING 43:** A desktop analysis was insufficient as the basis for a multi-billion-dollar Commonwealth Games.

54



**FINDING 44:** The business case was not fit for purpose, overestimating projected benefits whilst underestimating costs. This was primarily due to a lack of time and an inability to source good quality information. **54**

**FINDING 45:** The Department of Treasury and Finance failed to provide fully accurate and reliable advice which the Expenditure Review Committee and Cabinet itself could rely upon. However, Cabinet must ultimately accept full responsibility for the failure to properly analyse the costs of committing to the Games. **55**

**FINDING 46:** The members of the Expenditure Review Committee during the decision-making on the Commonwealth Games bid should be published. These members should be held responsible given the significance of the errors. **55**

**FINDING 47:** The business case contained many caveats and qualifications which were made clear at the time. Despite this, decision-makers still chose to rely on the business case to justify proceeding with hosting the Commonwealth Games. **55**

**FINDING 48:** The Department of Jobs, Skills, Industry and Regions paid EY \$3.2 million for its advisory services for the 2026 Commonwealth Games. Consulting firm EY was constrained to high-level desktop research which meant that a range of assumptions and cost estimates could not be tested and required significant further work. This does not represent good value for money for government. **58**

**FINDING 49:** Despite the numerous caveats contained in the business case, the Victorian Government placed too much emphasis on the document to validate the recommendation to proceed with the Games, without conducting additional analysis. **58**

**FINDING 50:** The Department of Jobs, Skills, Industry and Regions did not adequately consider the merits or accuracy of the business case received prior to Cabinet consideration on 31 January 2022, at which time it suggested that the Victorian Government enter into a heads of agreement with the Commonwealth Games Federation. **59**

**FINDING 51:** Despite identifying areas of the business case that needed further work, the Department of Jobs, Skills, Industry and Regions missed a critical opportunity during early 2022 to obtain valuable input from relevant stakeholders. This was prior to the Government making a decision about the updated business case in March 2022. **59**

**FINDING 52:** The Department of Jobs, Skills, Industry and Regions did not adequately consider the merits or accuracy of the final business case received on 9 March 2022 prior to Cabinet consideration on 10 March 2022. 60

**FINDING 53:** The Victorian Government approved a budget submission to host the 2026 Games based on a flawed business case that was provided only one day prior. Given the high-profile and high-risk nature of hosting the Games, the Victorian Government should have given the decision to approve a games budget greater consideration. 60

**FINDING 54:** The business case for the Commonwealth Games should have been the subject of a high value high risk assessment, as laid out under the Department of Treasury and Finance’s *Investment lifecycle and high value high risk guidelines*. The lack of assessment under these guidelines was a failure in the decision-making process that may have raised concerns about the financial viability of the Games at an earlier stage. 62

**FINDING 55:** The Committee finds the high value high risk guidelines apply not only to capital funding but to high-risk output funding. 62

**RECOMMENDATION 2:** The Department of Treasury and Finance amends the *Investment lifecycle and high value high risk guidelines* to require business cases for all projects estimated over \$250 million to be assessed as high value high risk, regardless of what type of funding is sought. 62

**RECOMMENDATION 3:** The Committee recommends that, in consultation with the Auditor-General, a review of the implementation of the high value high risk guidelines be undertaken to ensure that learnings can be incorporated to prevent further similar failures as occurred with the Commonwealth Games. 62

**RECOMMENDATION 4:** The Department of Treasury and Finance should subsequently report annually on the success and implementation of high value high risk guidelines. 62

**FINDING 56:** The Victorian Government approved a \$2.6 billion budget and signed the host contract without a true understanding of the actual costs of hosting the 2026 Games. 65

**FINDING 57:** The Committee notes that the failures of governance and decision-making point to a broader need for strengthened parliamentary oversight and scrutiny of major projects. Currently, this oversight should be provided by the Public Accounts and Estimates Committee (PAEC), but the Committee notes that PAEC has a majority of government members and a government chair, limiting effective interrogation of government projects. A reformed committee structure of PAEC may have avoided the need to establish this Select Committee.

65

## 4 Regional funding package

**FINDING 58:** There was general concern amongst some housing providers that per unit costs for dwellings provided under the Regional Housing fund were excessive, above current market valuations, with no conclusive reason justifying the variance.

77

## 5 Impediments to the Inquiry

**FINDING 59:** The Victorian Government has continually refused to comply with orders of the Legislative Council to provide copies of documents that are relevant to this Inquiry by claiming executive privilege. This is despite a prescribed process in Legislative Council Standing Orders to deal with such disputes through appointment of a legal arbiter.

97

**RECOMMENDATION 5:** The Legislative Council Procedure Committee should consider the process for assessing claims of executive privilege under Standing Orders 10.03 to 10.05, noting that to date the process of appointing a legal arbiter has never been used.

97

**FINDING 60:** The Committee is of the view that given the gravity of the errors by Government during the Commonwealth Games bid the current Premier Hon Jacinta Allan MP and former Premier Hon Daniel Andrews should have appeared before the Committee to give public evidence.

98

**FINDING 61:** Mr Pakula's willingness to provide evidence to a committee of another parliament suggests there is no reason he, nor former Premier Andrews, could not have volunteered to provide evidence to this Committee.

99

**RECOMMENDATION 6:** Given the failure of the key ministers and staff to appear before this Inquiry, the Legislative Assembly Economy and Infrastructure Committee should be referred an inquiry (or self-refer if necessary) for the purpose of holding public hearings with the relevant ministers and former ministers and report to the Legislative Assembly, these being:

- Hon Daniel Andrews
- Hon Jacinta Allan MP
- Hon Tim Pallas and
- Hon Martin Pakula.

99

**FINDING 62:** At almost every point, the Victorian Government has not fully cooperated with the work of the Committee in providing evidence in the form of documents or the appearance of relevant witnesses. These actions are an avoidance of parliamentary scrutiny and public accountability.

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# Chapter 1

## Inquiry summary

### 1.1 Summary of key findings

**FINDING 1:** The Victorian Government’s proposed 2026 multi-city regional Commonwealth Games was overly ambitious and not feasible in the timeframe, which was shorter than previous Games. This was primarily due to:

- inadequate planning and consultation
- failures in departmental processes and communication
- poor ministerial oversight and accountability
- lack of appropriate infrastructure in regional areas
- logistical issues caused by the proposed multi-city model.

**FINDING 2:** The Victorian Government’s withdrawal from hosting the 2026 Commonwealth Games was a direct result of a series of failures during the bid and project approval stages. Key stages where the bid should not have progressed were:

- approval of the business case, which was not prepared in an adequate timeframe and based on incomplete data and flawed assumptions
- budget approval, where the Department of Treasury and Finance supported recommendations to host the Games despite highlighting concerns that the actual costs would likely exceed the quantifiable benefit of the Games.

**FINDING 3:** Failures by key decision makers within the Victorian Government led to withdrawing from hosting the 2026 Commonwealth Games. This includes departments, which supported the progression of the bid, and Ministers, who ultimately approved the bid.

**FINDING 4:** The Victorian Government’s decision to withdraw from hosting the 2026 Commonwealth Games was the correct decision at that time. Based on the advice provided by the Department of Treasury and Finance, progressing further would have risked considerable costs associated with cancelling major building and supply contracts.

**FINDING 5:** The high cost and inability to host the Commonwealth Games should have been discovered earlier, highlighting a distinct lack of due diligence and robust planning that never occurred.

**FINDING 6:** The Victorian Government's decision to withdraw from hosting the 2026 Commonwealth Games was a result of a series of failures at a departmental and ministerial level. A hasty political decision was made by the then Andrews Labor Government to support the Commonwealth Games in the proposed multi-city model, but the Government did not undertake proper due diligence.

**FINDING 7:** The Committee concludes that proper processes were truncated or not undertaken at all, and warnings were not heeded by the Victorian Government and government agencies.

**FINDING 8:** The modelling relied upon by the Andrews Labor Government was inadequate and clearly flawed and the processes and analysis relied upon by government were also flawed.

**FINDING 9:** The officers in the Department of Premier and Cabinet, Department of Jobs, Skills, Industry and Regions and Department of Treasury and Finance do bear a share of the responsibility for the decision to withdraw. However, ultimately the responsibility must be directly shouldered by the then key ministers, Hon Daniel Andrews, Hon Jacinta Allan MP, Hon Martin Pakula, Hon Tim Pallas, as well as members of the Expenditure Review Committee and the Cabinet. These senior people did not properly manage the process of obtaining the Commonwealth Games and the associated due diligence.

**FINDING 10:** Noting that Cabinet was the ultimate decision-maker, the Cabinet process, including the role of the Expenditure Review Committee, has been shown to be inadequate and flawed.

**FINDING 11:** The Department of Treasury and Finance failed in its central responsibility to ensure that well-resourced and solid information was available to support informed Cabinet decision-making, and that due diligence was undertaken in the early decision-making process. The Department of Jobs, Skills, Industry and Regions failed in its role to present a viable plan for the event.

**FINDING 12:** Despite repeated recommendations from relevant departments and Victoria 2026 to revise the scope of the 2026 Commonwealth Games due to concerns about cost escalations, the Victorian Government refused to do so.

**FINDING 13:** The Victorian Government's decision to withdraw from hosting the Commonwealth Games in July 2023 was the right decision at the time.

**FINDING 14:** There is no evidence that the Victorian Government investigated a Melbourne-based Commonwealth Games option.

Withdrawing from hosting the 2026 Commonwealth Games cost Victorian taxpayers over \$589 million. The withdrawal was announced in July 2023, due to Victorian Government concerns about significant projected cost escalation from the original budget.

Since the withdrawal, Glasgow has been announced as the host of the 2026 Commonwealth Games. The Games will be funded by a payment of approximately \$200 million from the Commonwealth Games Federation. This in turn is funded from the \$380 million settlement payment paid to the Federation by the Victorian Government.

Victoria withdrew from hosting the Games primarily because of a series of poor decisions made by key stakeholders in the Victorian Government. This includes a number of agencies, departments and Ministers who should have made better decisions to not progress the bid at multiple stages without further analysis and examination of costs.

The Committee found that cost escalations were largely driven by the Victorian Government's decision to progress with a multi-city regional Games model. In addition, the initial budget was based on implausible costings contained within a rushed business case. Seeking a final budget bid based on lower-end costs may also have been used as a tactic to gain Cabinet approval.

Delivering benefits to regional Victoria was the key reason cited by the Government for hosting the Games outside of Melbourne. However, the multi-city regional Games model was significantly more expensive than a traditional single host city model. This should have been identified as a significant barrier to the economic viability of the Games by Visit Victoria and the Department of Jobs, Skills, Industry and Regions before a bid was made.

The business case for the Games was produced by consultants under enormous time pressure and conditions of confidentiality that impeded proper analysis and consultation with key stakeholders. In addition, the business case used the 2018 Gold Coast Games as a baseline for costs, despite them being held in a single metropolitan city with significant existing infrastructure. As a result, the business case underestimated infrastructure and operational costs and did not capture the complexity of hosting the Games in a regional multi-city model.

The various Victorian departments and agencies should have never supported the project in its proposed form. However, the ultimate responsibility rests with the then

1 Minister for Tourism, Sport and Major Events, the then Premier and the rest of Cabinet for agreeing to a proposal with such clear risks. Together, these mistakes cost Victorian taxpayers over \$589 million.

However, the Committee accepts that withdrawing from hosting the Games in July 2023 was the right decision at the time, given the untenable financial impact on the State, were the Games to continue unmodified. The Department of Treasury and Finance gave the advice to withdraw from hosting the Games due to escalating costs, before the Government was due to enter into major contracts.

The Victorian Government did not investigate a Melbourne-based Games option.

### 1.1.1 Evidence used in this report

This Report is the Committee's third and final report for its Inquiry and is a culmination of the Committee's public engagement and research program. The Committee received 44 written submissions and received evidence from 89 witnesses in 47 sessions over 12 days of public hearings. In addition, the Committee received a range of other documents and data on request from various departments and government agencies. Appendix A provides a detailed summary of the Committee's Inquiry process and other documents it sought.

The Committee is grateful to all those who contributed to the Inquiry.

During the course of the Inquiry, the Auditor-General conducted an audit into the withdrawal from hosting the 2026 Games. The audit focused on the Victorian Government's decision-making process and final cost to taxpayers. Among other things, the Auditor-General found that withdrawing from hosting the 2026 Commonwealth Games cost Victorian taxpayers over \$589 million.<sup>1</sup> The Committee supports the findings of the report and has referenced them where appropriate.

In addition, at the time the withdrawal was announced the Senate Rural and Regional Affairs and Transport Committee was conducting an Inquiry into Australia's preparedness to host Commonwealth, Olympic and Paralympic Games. After the withdrawal was announced, the Senate Committee began investigating the decision as part of its Inquiry and provided a summary of findings in its first interim report. Throughout this Report, the Senate Inquiry is referenced where appropriate.

### 1.1.2 Terminology

Throughout the Report the term 'Department of Jobs, Skills, Industry and Regions' is used to refer both to that department and its predecessor, the Department of Jobs, Precincts and Regions for ease reading.

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<sup>1</sup> Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, Victorian Auditor-General, 2024, p. 1.



Changes to the Department's name and functions came into effect on 1 January 2023, following machinery of government changes.

The Department of Jobs, Precincts and Regions dealt with the bid for the Games, including the business case, as well as the early stages of Games preparation. The Department of Jobs, Skills, Industry and Regions came into operation on 1 January 2023, as the increases to the projected budget for the Games were coming to light.

Similarly, in March 2025 the Commonwealth Games Federation changed its brand name to 'Commonwealth Sport' as part of the organisation's transition from a 'sports federation' to a 'sport movement'.<sup>2</sup> This Report refers to the organisation as the Commonwealth Games Federation throughout.

## 1.2 Timeline of events

Key events in the lead up to and following withdrawing from hosting the 2026 Games are summarised in Figure 1.1 below.

**Figure 1.1 A timeline of key events for the 2026 Commonwealth Games**



<sup>2</sup> Commonwealth Sport, *Celebrating more in common on Commonwealth day, 2025*, <<https://www.commonwealthsport.com/news/4230393/celebrating-more-in-common-on-commonwealth-day>> accessed 14 March 2025.

**December 2021** (continued)

**21 December** | Visit Victoria, the Commonwealth Games Federation and Commonwealth Games Australia signed a letter of agreement establishing a six-week exclusive negotiating window for the State to evaluate the opportunity to host the Games. This was later extended until 15 February 2022.

**January 2022**

**20 January** | The Department of Treasury and Finance received a first draft of the business case from EY.

**25 January** | The Department of Treasury and Finance received a second draft of the business case with cost estimates.

**28 January** | EY provided an interim version of the business case to the Department of Jobs, Skills, Industry and Regions.

**31 January** | The Department of Treasury and Finance provided advice to the Government on a cabinet submission for hosting the Commonwealth Games, which included the draft business case.

**February 2022**

**1 February** | The first exclusive negotiating window between Visit Victoria and the Commonwealth Games Federation expired.

**Mid-February** | The Department of Premier and Cabinet signed a heads of agreement with the Commonwealth Games Federation.

**15 February** | The extension to the six weeks of exclusive negotiation between the Government and the Commonwealth Games Federation expired. From this point, the primary negotiator was the Victorian Government, no longer Visit Victoria.

**March 2022**

**3 March** | The Department of Families, Fairness and Housing provided advice on preliminary costing for the athletes villages.

**7 March** | The Department of Treasury and Finance received an updated draft budget submission. This included a top-down budget costing based on the 2018 Gold Coast event but adjusted for inflation and to account for some of the estimated extra costs of the regional multi-city model for Victoria 2026.

**9 March** | EY submitted the final version of the business case to the Government.

**10 March** | The Government approved a budget of \$2.6 billion to host the 2026 Commonwealth Games.

**April 2022**

**12 April** | The Government publicly announced that regional Victoria would host the 2026 Commonwealth Games.

**September 2022**

**7 September** | Victoria 2026 organising committee is established. The scope of the Committee was agreed by the Commonwealth Games Federation, Commonwealth Games Australia and the Victorian Government.

**February 2023**

**22 February** | Victoria 2026 presented an updated budget to the Office of the Commonwealth Games at the Department of Jobs, Skills, Industry and Regions for approval. The budget submission requested a \$722 million increase for operational funding.

**March 2023****Early March**

- The Department of Jobs, Skills, Industry and Regions briefed the Minister for Commonwealth Games Delivery, Hon. Jacinta Allan MP on revised budget requirements for the Games.

**March 2023** (continued)**Early March**

- Jeroen Weimer, CEO of Victoria 2026 began regular briefings with key decision makers. This included the Minister for Commonwealth Games Delivery, the Minister for Commonwealth Games Legacy, the CEO of the Office of the Commonwealth Games, and the Secretary, Department of Jobs, Skills, Industry and Regions.

**April 2023**

**4 April** | Peggy O'Neal, Chair of Victoria 2026, wrote to the Minister for Commonwealth Games Delivery raising concern over the need to confirm the budget for the Games so that the organisation could continue with its functions.

**5 April** | A cabinet submission is lodged seeking approval of a revised budget for the Games of \$4.5 billion.

**Mid-April** | The Government formally considered the new cost estimates and the budget request for \$4.5 billion was not approved. The Department of Jobs, Skills, Industry and Regions and Victoria 2026 were asked to assess where cost savings could be achieved and lodge a new submission with a reduced budget.

**Between April and June** | The Department of Jobs, Skills, Industry and Regions and Victoria 2026 reassessed the cost and reduced the budget from \$4.5 billion to \$4.2 billion.

**June 2023**

**12 June** | The revised budget submission was provided to the Minister for Commonwealth Games Delivery.

**June 2023****13 June**

- The Department of Treasury and Finance advised the Department of Premier and Cabinet that it did not support the latest Games cabinet submission as drafted, given the increasing costs along with additional costs for policing and transport.
- The Department of Premier and Cabinet Secretary advised the then Premier that the two departments would advise against the new estimate because of the 'very high probability' that costs could blow out to \$7 billion.

**14 June**

- The Department of Treasury and Finance prepared advice to the Government on the cabinet submission made by the Office of the Commonwealth Games, but the submission was not formally considered at the time.
- The Secretary, Department of Premier and Cabinet had a further discussion with the then Premier on the future of the Games. They decide to engage lawyers to explore the possibility of exiting the contract to host the Games.

**27 June** | Law firm Arnold Bloch Leibler accepted the offer to negotiate exiting the Games contract.

**July 2023**

**Early July** | The Department of Treasury and Finance was provided with an updated draft submission from the Office of the Commonwealth Games. This included over \$2 billion in costed risks in addition to the proposed budget of \$4.2 billion plus additional policing and transport costs.

**14 July**

- The Government formally considered the updated funding bid. The Department of Treasury and Finance and Department of Premier and Cabinet advised against the submission.
- The decision to withdraw from the Games was discussed at Expenditure Review Committee.

**17 July** | Cabinet agreed to the decision to withdraw from the Commonwealth Games.

**18 July**

- The Secretary, Department of Jobs, Skills, Industry and Regions spoke to the Secretary, Department of Premier and Cabinet before calling the CEO of the Office of the Commonwealth Games regarding the decision to withdraw.

**July 2023** (continued)**18 July**

- The then Premier and Commonwealth Games Ministers held a press conference announcing the withdrawal from hosting of the Games.
- The Minister for Commonwealth Games Delivery wrote to the Chair of Victoria 2026 to confirm the decision to withdraw.
- The Government announced a \$2 billion regional package, equal to the original amount budgeted for the Games that will be spent on sporting infrastructure, regional development, and housing in regional Victoria.

**August 2023**

**17–18 August** | Victorian Government, Commonwealth Games Federation Partnerships and Commonwealth Games Australia met in Sydney for mediation discussions.

**19 August** | The then Premier announced the mediation outcome of \$380 million in compensation to the Commonwealth Games Federation.

**March 2024**

**20 March** | Victorian Auditor-General tabled the report *Withdrawal from 2026 Commonwealth Games*.

**October 2024**

**22 October** | Glasgow announced as 2026 Commonwealth Games host, with a scaled-back program of 10 sports. \$200 million is provided by the Commonwealth Games Federation, funded from the \$380 million compensation payment.

**25 October** | Regional Housing Fund delivery plan announced.

Source: Select Committee on the 2026 Commonwealth Games Bid.

### 1.3 Summary of decision-making process

The decision-making process for the Games involved a series of failures by government agencies, departments and Ministers. This ultimately led to the Victorian Government agreeing to host the 2026 Games under a flawed premise and with a budget significantly lower than what would be required to host a multi-city regional Games.

Key failures in the decision-making process include:

- the Victorian Government's decision to agree to a six-week timeframe to assess the opportunity and submit a bid to the Commonwealth Games Federation, despite being the sole bidder at the time
- reliance on a rushed business case that presented flawed initial cost estimates which were prepared based on the costings of the 2018 Gold Coast Games and minimal desktop research, rather than proper consultation with stakeholders
- the Victorian Government's decision not to follow the requirements of the high value high risk guidelines, justified by characterising the budget as primarily output funding rather than asset funding
- the then Minister for Tourism, Sport and Major Events' decision to request a budget submission using the low-cost scenario in the business case.

Chapter 3 discusses the decision-making process in detail.

### 1.3.1 Inadequate preparation for the Games business case

A key issue throughout the Inquiry related to the business case for the Games bid. The business case was prepared by consultants EY on behalf of the Department of Jobs, Skills, Industry and Regions.

As noted in the timeline above, the Committee identified three drafts of the business case:

- two initial drafts, prepared in January 2022
- a final draft, prepared in March 2022 and submitted to Cabinet for budget approval.

A key reason this important policy assessment was outsourced to consultants was because there was insufficient time for the usual processes to be applied. This was a result of the Government's decision to agree with the Commonwealth Games Federation to assess the opportunity to host the Games within just six weeks.

The Committee heard that the Federation sought the six-week period because it needed to announce the Games' next host at the closing ceremony of the 2022 Games in Birmingham.<sup>3</sup> The six-week timeframe was inadequate to assess the merits of a major event that was proposed to be delivered with a new model and a shorter lead time of four years. In addition, strict confidentiality requirements led to the business case being a desktop review with no consultation with major stakeholders, including local government in the areas the Games were intended to be hosted or the Victorian events industry.

No other formal bids for the 2026 Games had been submitted at the time. The Victorian Government should have been aware of the strength of its negotiating position and negotiated a longer time with the Commonwealth Games Federation.

The Department of Treasury and Finance had the opportunity to address the shortcomings of the business case analysis when considering the budget for the Games. The Department noted it had concerns with the first drafts of the business case, and worked with the Department of Jobs, Skills, Industry and Regions to refine the costings.

The Department of Treasury and Finance also engaged additional consultants to consider other aspects of the business case. Despite this, the Government signed a heads of agreement with the Commonwealth Games Federation in January 2022 before the final version of the business case was submitted in March 2022.

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<sup>3</sup> Tim Ada, Secretary, Department of Jobs, Skills, Industry and Regions, correspondence, 9 August 2024, p. 44.

### 1.3.2 Non-compliance with high value high risk guidelines

The Department of Treasury and Finance has published *Investment lifecycle and high value high risk guidelines*. Every department must follow the guidelines when submitting business cases for capital investments.<sup>4</sup>

The Victorian Government's decision not to follow the requirements of the high value high risk guidelines was a significant failure in accountability and probity. The reasons given by the Government were based on assumptions of private sector and local government ownership of assets, which later proved to be flawed.

Project investments are classified as high value high risk if they are budget-funded projects that are:

- considered high risk using the Government's Project Profile Model risk assessment tool
- considered medium risk using the Project Profile Model and a total estimated investment of between \$100 million and \$250 million
- considered low risk using the Project Profile Model, but has a total estimated investment over \$250 million
- identified by Government as warranting the rigour applied to high value high risk investments.<sup>5</sup>

The Games bid was not assessed as a high value high risk project. The Department of Treasury and Finance explained this was because the Games sought operational funding rather than asset funding. However, the guidelines state they apply to 'any investment proposal (asset or output)'.<sup>6</sup>

The Committee has made a series of findings and recommendations relating to the use of the high value high risk guidelines. These are provided in Chapter 3, which discusses the guidelines in further detail.

### 1.3.3 Inadequate budget approved for the Games

The Victorian Auditor-General's audit *Withdrawal from 2026 Commonwealth Games* identified key failures in the events leading up to approval of the Games budget. For example:

- The Department of Jobs, Skills, Industry and Regions briefed the Minister for Tourism, Sport and Major Events and recommended seeking approval for a budget of up to \$3.2 billion (reflecting the high-cost scenario of the business case).

<sup>4</sup> Department of Treasury and Finance, *Investment lifecycle and high value high risk guidelines: Overview and glossary*, Victorian Government, Melbourne, 2019.

<sup>5</sup> *Ibid.*, p. 9.

<sup>6</sup> *Ibid.*, p. 3.

- The Minister accepted the Department's advice, however the final budget submission (dated the same day) recommended approving a budget of the low-cost scenario (\$2.7 billion).<sup>7</sup>

According to the Auditor-General, the Department indicated that the change to the final budget submission was made by the Minister's office.<sup>8</sup>

The final budget allocated to the Games was \$2.6 billion.

The business case and Games budget also included assumed contributions from the private sector, Australian and local governments. Despite this, the Victorian Government did not consult with the private sector, the Australian or local governments on their ability or willingness to financially contribute to the Games. The Victorian Government would have known that should these assumed contributions not eventuate, the allocated budget would be inadequate to deliver the Games.

The Department of Treasury and Finance expressed concern at the accuracy of the business case costings for the Games. Despite this, the Department ultimately supported the Government signing the host contract with a proviso that the costings would be updated.

The departments and agencies involved made some significant errors in preparing the business case and directly contributed to governance failures that resulted in the withdrawal from the Games. They ultimately conceived and supported the Cabinet submission for the Games. However, the Minister for Tourism, Sport and Major Events and Cabinet as a whole bear ultimate responsibility for the decisions, even if they were acting on the advice of their departments.

## 1.4 Impact of withdrawing from hosting the 2026 Commonwealth Games

The Committee received evidence and assessed the impacts that withdrawing from hosting the 2026 Games had in the following key areas:

- sport and recreation
- regional Victoria
- financial impact
- Victoria and Australia's reputation to host major events.

These are discussed in the sections below.

<sup>7</sup> Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, p. 6.

<sup>8</sup> Ibid.

There was significant public interest in the failures of the Victorian Government that led to Victoria withdrawing from hosting the 2026 Commonwealth Games. At the time, various sporting organisations voiced their disappointment with the decision.

Throughout the Inquiry, the Committee invited sporting organisations to contribute through submissions or public hearing appearances. Many of these organisations declined to be involved in the Inquiry. There was a sentiment that they did not want to be drawn into the politics of the Victorian Government's decision to withdraw from the Games.

Those organisations which did provide evidence expressed disappointment in the Victorian Government's decision and conveyed dissatisfaction about how the Government had conducted the process to prepare for hosting the Games.

However, there was also an underlying sentiment that sporting organisations wanted to put the decision behind them and focus on the future. They wanted assurances that funding announced under the \$2 billion regional funding package was properly allocated and would increase participation in community sport and recreation through upgrades to facilities and support to their members.

The Committee's first interim report contains a detailed summary of stakeholder evidence under these key themes.

### 1.4.1 Impact on sport, recreation and sporting associations

**FINDING 15:** Fifteen events and three para events that were included in the Victoria 2026 Commonwealth Games program are not present in the Glasgow Games Program.

**FINDING 16:** Pinnacle events, such as the Commonwealth Games, are an effective pipeline for attracting and training volunteers. The Victorian Government's decision to withdraw from the Games has impeded this and likely resulted in a reduction of sporting volunteers.

**Pinnacle events, international events such as the Comm Games are critical to the structural pathway development of our athletes. Before its cancellation, the 2026 Commonwealth Games in Victoria was the only fully integrated multisport event that was to be hosted in Australia prior to Brisbane 2032. It would have been the perfect pathway accelerator to a home games ahead of Brisbane. For our Para athletes, the cancellation has taken away their one opportunity to be part of an integrated team and build their profile leading into those 2032 games. In terms of classification, which enables them to compete at international events, the cancellation removes a critical international opportunity.**

Steve Moneghetti AM, Director, Athletics Australia, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 31.



The Committee's first interim report discussed the overwhelming disappointment felt by sporting and recreation organisations as a result of Victoria withdrawing as the host of the 2026 Games.

When the Premier announced the withdrawal, key sporting organisations unanimously expressed frustration with and disappointment in the decision through media outlets.

As a pathway for larger international events, such as the Olympics, the withdrawal from the Games impeded the exposure athletes have to competitive sport at an elite level. At a public hearing Jane Flemming OAM, President of Athletics Australia, voiced concerns of how the Victorian Government's decision to withdraw as host of the Games may impact Australia's ability to retain elite athletes:

the Vic 2026 cancellation has impacted the reputation of Victoria and Australia as an event host and therefore our ability to attract elite athletes to Australia to participate in our domestic competitions, including the highest profile event in the Southern Hemisphere, the Maurie Plant Meet in Melbourne, a World Athletics continental gold meet.<sup>9</sup>

Jane Flemming also spoke about the impact on individual athletes' profiles from missing out on competing in an elite event on their home soil:

we know that a home games, let alone a Commonwealth Games, gives some of our athletes the opportunity to build their profiles. Some of them have small but commercial contracts that would have bonuses associated with medals. It has not only a direct impact on the sport, on the local communities and on the volunteers, but it has that financial impact on athletes. Your profile, if you win a medal in a home games, is way higher than if you win a medal in an away games.<sup>10</sup>

Vicsport, in its submission to this Inquiry, also spoke about the disappointment felt by athletes, stating:

I think for the disappointment – you know, obviously everyone feels some disappointment, but the main disappointment was around the athletes, particularly the Paralympians. It is the only games where they are integrated into the major event and obviously not as a separate standalone, so that is quite shattering for them as a unique thing in their home state. And that close to the games, that is right in your preparation pathways, so that is a big dent in how we then replan for an elite athlete. So it is really disappointing for them. For the younger athletes, as you alluded to, it is a taste of a smaller games in the lead-up to an Olympics and world champs, depending on the sport, so it is a big disappointment. That would have been a first taste that would have created some opportunities and success for some of the younger athletes.<sup>11</sup>

<sup>9</sup> Jane Flemming, President, Athletics Australia public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 30.

<sup>10</sup> *Ibid.*, p. 38.

<sup>11</sup> VicSport, *Submission 8*, p. 1.

The Committee heard from sporting organisations which spoke about how sporting events can encourage people to get involved in new sports. This valuable opportunity for sporting clubs was lost when Victoria withdrew from hosting the Games:

The hope for badminton was that because of the advertising and everything and the spotlight being put on it we would be able to take that to schools and provide coaching and everything else. Now, this is all done on a volunteer basis and everything, and it needs the enthusiasm of children as such. Now that they are not going to see that, that enthusiasm will not be there.<sup>12</sup>

Glenn Harrison, Secretary of the Bendigo and District Cycling Club, emphasised that the opportunity to reach new people was particularly important following COVID-19 restrictions, which resulted in ‘three years of lost intake effectively’:

In terms of Bendigo cycling, it would have put it back in the spotlight in terms of a sport for consideration for juniors, like an entry pathway, a bit like basketball. In terms of cycling, it has elements of safety and risk to it, so it is not necessarily always a sport of first choice for parents because of those risk elements. To put it back in the forefront and the spotlight as a viable, accessible sport that is undertaken in a safe environment with the appropriate infrastructure would be the goal.<sup>13</sup>

The Committee also heard about the impact on volunteers. In its submission, Athletics Australia noted the increasing difficulty in recruiting and retaining volunteers and how events such as the Games are effective for boosting numbers:

Major events provide a significant boost to morale, encouraging new recruits and ensuring retention and ongoing training in the current cohort in readiness for the excitement of a home Games. The cancellation of VIC2026 means an urgent pivot and complete overhaul of AA’s Officials Recruitment and Preparation program.<sup>14</sup>

At a public hearing, Steve Moneghetti also spoke about the opportunity the Games provides to attract and train volunteers:

And just volunteering in itself. We came off COVID – I do not think anyone in this room would deny that volunteers have dropped away because of COVID, and we are struggling to get them back. What better opportunity? I had people stopping me in the street, saying, ‘I’m going to be involved in Commonwealth Games in 2026 as a volunteer,’ because it is their way of giving something back. And we were going to train officials. The technical expertise that you need to run an international athletics meet – we were going to get funding to train these officials and have these volunteers involved in a practical way at an event. Then obviously they stay involved in sport. And their memories of the games – it is not just the athlete experience. Imagine – has anyone here had a positive experience volunteering at a major event? I am sure I do not need to go far down the street to get that example. They are lifelong memories. Having chauffeured

<sup>12</sup> Garry Silvester, President Latrobe Valley Badminton Association public hearing, Morwell, 14 March 2024, *Transcript of evidence*, p. 28.

<sup>13</sup> Glenn Harrison, Secretary Bendigo & District Cycling Club, public hearing, Bendigo, 27 February 2024, *Transcript of evidence*, p. 22.

<sup>14</sup> Sporting Shooters Association of Australia, *Submission 23*, p. 7.

Usain Bolt to an event, and those stories – they are the experiences, that flow-on effect. That is the impact it has on people’s lives.<sup>15</sup>

The disappointment further extended once Glasgow’s reduced program of sports was published in February 2025. Several organisations representing the cut sports expressed disappointment that they were not included in the 2026 Games schedule, despite being present in the 2022 Birmingham Games.

The 10-sport program is listed in Box 1.1 below.

### Box 1.1 Medal program for the 2026 Glasgow Games (announced February 2025)

- 3x3 Basketball and 3x3 wheelchair basketball
- Artistic gymnastics
- Athletics and para athletics
- Boxing
- Bowls and para bowls (indoor)
- Judo
- Netball
- Swimming and para swimming
- Track cycling and para track cycling
- Weightlifting and para powerlifting.

Source: Commonwealth Sport, *2026 Commonwealth Games, 2024*, <<https://www.commonwealthsport.com/commonwealth-games/glasgow-2026>> accessed 18 February 2025.

The Glasgow Games are scheduled across four venues:

- Scotstoun Stadium
- Tollcross International Swimming Centre
- Emirates Arena and the Sir Chris Hoy Velodrome
- Scottish Event Campus including The Hydro, SEC Armadillo, and SEC Centre.<sup>16</sup>

The reduced program was a result of hosting the games across just four venues. In addition, the program was specifically designed to not require additional public funding by the Scottish Government.

<sup>15</sup> Steve Moneghetti, Director, Athletics Australia, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 38.

<sup>16</sup> Commonwealth Games, *Glasgow 2026 to enthral the Commonwealth in just 500 days*, 10 March 2025, <<https://commonwealthgames.com.au/glasgow-2026-to-enthral-the-commonwealth-in-just-500-days>> accessed 24 March 2025.

Fifteen sports and three para sports that were present in the Victoria 2026 Games schedule are not included in the Glasgow schedule. These are listed in Box 1.2 below.

### Box 1.2 Events not in Glasgow medal program that were planned for the Victoria 2026 Games

- Badminton
- Beach volleyball
- BMX
- Coastal rowing
- Cricket (T20)
- Diving
- Golf
- Hockey
- Mountain biking
- Road cycling
- Rugby sevens
- Shooting and para shooting
- Squash
- Table tennis and para table tennis
- Triathlon and para triathlon.

Source: Select Committee on the 2026 Commonwealth Games Bid.

## 1.4.2 Impact on regional Victoria

**FINDING 17:** The Victorian Government's decision to withdraw from hosting the Commonwealth Games had a considerable negative impact on the morale of regional Victoria, which was not confined just to the host cities.

**The government is certainly aware that the cancellation of the games will mean that the things that were hoped for in terms of a tourism bump in relation to the Commonwealth Games in 2026 will hopefully be in part addressed by elements of the regional package that is going to tourism, infrastructure and attraction with the \$2 billion fund that the government has announced.**

Jeremi Moule, Secretary, Department of Premier and Cabinet, *Transcript of evidence*, public hearing, Melbourne, 9 October 2023.

In the media release announcing that Victoria was withdrawing as the host of the Games the then Premier stated ‘The main reason we agreed to host the Games was to deliver lasting benefits in housing, tourism and sporting infrastructure for regional Victoria’.<sup>17</sup>

A primary impact of withdrawing was the loss of exposure of regional Victoria on domestic and international tourism markets. However, given Victoria withdrew from hosting the Games almost two-and-a-half years before the event was planned to take place, it is difficult to quantify specific losses.

At the time of the withdrawal, many stakeholders from regional and rural Victoria described their disappointment in the decision and noted uncertainty as to what implications this may have on their regions. This included the regional cities hosting the games and other smaller towns that missed out on additional tourism. The Committee heard:

The missed opportunities created through the cancellation of this event for Victoria directly impacts the regions and the corresponding facilities that were to hold the events and our athletes who were about to compete on a global stage from their very own backyard.<sup>18</sup>

Adam Glass, General Manager of Silverwater Resort in Morwell, told the Committee:

You know, this was going to put us all on the map. You have got people that probably do not necessarily come to regions, but you can guarantee once they see the likes of England, Wales, Scotland all staying in this nice little pocket, the flow-on effects for families and the sponsorship – I do not even know you can measure the indirect costs.<sup>19</sup>

Garry Silvester, Latrobe Valley Badminton Association President, told the Committee:

I am very proud of Latrobe Valley resident. I have lived here all my life in Traralgon, so the cancellation of the Commonwealth Games personally hurt very deeply. I am still not over it, as so much work and effort had been put in. The powers that be do not seem to acknowledge this, yet it is the volunteers that make or break the success of sports at the grassroots in the local community.<sup>20</sup>

The Committee also heard from Katie Reardon, Owner of the Farnham Court Motel and Restaurant in Morwell. At a public hearing, she spoke about how the cancellation was another struggle the town had to deal with after its transition from servicing Victoria’s coal power plant:

Morwell was the star. Finally, we got a guernsey. We got the ‘dirty old coal town’ label taken off, and we were going to be hosting the Commonwealth Games. And I think that is the biggest kick in the guts that we could have. Forget about the individuals or

<sup>17</sup> Hon Daniel Andrews MP, *Commonwealth Games costs too high at over \$6 Billion*, media release, Victorian Government, 18 July 2023.

<sup>18</sup> Sporting Shooters Association of Australia, *Submission 23*, pp. 1-2.

<sup>19</sup> Adam Glass, General Manager Silverwater Resort, public hearing, Morwell, 14 March 2024, *Transcript of evidence*, p. 41.

<sup>20</sup> Silvester, *Transcript of evidence*, p. 26.

the individual businesses like us – it is the town. You know, we are back to being, ‘Oh, right, okay, so we’re just the dirty old coal town again,’ and even then, that is going to be shut down. So we lost more than business. It is motivation; it is incentive; it is the legacy; it is the volunteers that get trained; the community; the children; the excitement of meeting athletes, holding their hands, walking them to podiums. The florist wins. The beauty salons win. The hairdressers win. The masseuses win. The physios win. Everybody does everything in a town when an event comes to town. I know that for a fact. The legacy of the Commonwealth Games is what we are missing, and now we are back to being Struggle Town again. In a heartbeat it was given to us; in half a heartbeat it was taken away.<sup>21</sup>

In its submission, Tourism Greater Geelong summarised the impact of as follows:

The cancellation is about more than the economic impact of a Commonwealth Games-scale event, although that’s important. More significant is the lost opportunity associated with branding the region and driving development of the tourism industry to a world-class level of performance and experience delivery.<sup>22</sup>

Ali Wastie, Chief Executive Officer of Greater Geelong City Council, considered Greater Geelong had ‘never been in a better position’. However, she noted some businesses may have been directly impacted by withdrawing from hosting the Games:

I know all local governments had particular businesses that had leveraged and geared up for the Commonwealth Games. There is no doubt about that. Some obviously purchased and went into seating businesses, or whatever that looks like, so it was very mixed and varied. Council really felt for those businesses and supported them through business support and additional packages that we could through grants. Obviously local government’s ability to fund is always limited, but we recognise that need and we recognise that some businesses and some people were very adversely impacted by the cancellation of the games. There is no doubt about that. But in general, what is happening in the City of Greater Geelong in terms of the investment that is coming in – it has never been stronger. So whilst it is disappointing, I do not think we can conflate the two together. Yes, for some businesses it was awful; they were impacted very badly, there is no doubt about that.<sup>23</sup>

Bass Coast Shire Council described the decision to withdraw as having ‘far-reaching’ and ‘profound repercussions’ on the region. Although not a hub city in the Games proposal, the Council detailed how it was in the final stages of executing an agreement with Wales and Scotland to host athletes from both countries in the region. The Council estimated a total loss of between \$5 million and \$5.8 million in economic activity as a result of the host contract cancellation.<sup>24</sup>

21 Kate Reardon, Owner and Operator Farnham Court Motel and Restaurant public hearing, Morwell, 14 March 2024, *Transcript of evidence*, p. 41.

22 Tourism Greater Geelong and the Bellarine, *Submission 26*, p. 1.

23 Ali Wastie, Chief Executive Officer, Greater Geelong City Council, public hearing, Geelong, 13 February 2024, *Transcript of evidence*, p. 13.

24 Bass Coast Shire Council, *Submission 22*.

Similarly, Warrnambool City Council stated 'exposure to international markets is vital [for the region] ... the Commonwealth Games presented a unique opportunity to put Regional Victoria back on the map'.<sup>25</sup>

### 1.4.3 Financial impact

**FINDING 18:** The Committee agrees with the Victorian Auditor-General that the \$6.9 billion cost estimate used to justify the cancellation of the Commonwealth Games was overblown and not transparent. The Committee notes that the Victorian Government was not forthcoming with accurate and timely information.

Costing \$589 million, there has been a negative impact on the Victorian budget from the decision to withdraw from hosting the Games. The cost of the decision also comes at a time when the State's finances were under extreme pressure following COVID-19 lockdowns and recovery.

Specific host contract cancellation costs include:

- costs associated with preparing the business case and the initial Games bid
- following approval of the bid, planning and feasibility work
- operating costs of the Victoria 2026 organising committee
- payments made to Victoria 2026 staff as they continued employment after the cancellation and subsequent redundancy and redeployment payments and costs
- cancellation costs paid to the Commonwealth Games Federation, which comprised approximately 64% of the overall cost.

However, withdrawing from hosting the Games did result in some cost savings in areas where allocations were made in the 2023–24 budget but did not eventuate.

In addition, there were savings associated with converting temporary Games accommodation into permanent housing, since the permanent housing could be constructed immediately.

The Victorian Auditor-General's audit *Withdrawal from 2026 Commonwealth Games* contains a detailed analysis of the financial impact of the decision to withdraw from hosting the Games. In the report, the Auditor-General found:

- the Victorian Government's \$6.9 billion cost estimate that was used to justify host contract cancellation was overblown and not transparent
- the estimate added significant amounts for industrial relations and cost escalation risks that were already budgeted for in contingency allowances.<sup>26</sup>

<sup>25</sup> Warrnambool City Council, *Submission 38*, p. 1.

<sup>26</sup> Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, p. 1.

The Auditor-General estimated a total of \$589 million was incurred which related to the 2026 Games. A breakdown of the four key areas of the \$589 million figure is provided in Table 1.1 below.

**Table 1.1 Breakdown of the four key areas of the \$589 million Victorian Government spending the 2026 Games**

Of the \$589 million ...	Was or will be incurred by ...	On ...
\$112 million (19%)	Department of Jobs, Skills, Industry and Regions	employee and operating costs, including fees paid to the Commonwealth Games Federation but excluding payments to Development Victoria for venues and athletes' villages.
\$38 million (6%)	Victoria 2026	employee and operating costs.
\$42 million (7%)	Development Victoria	detailed planning and delivery cases for venues and villages, including due diligence, design work, site investigations, early works planning, employee costs and professional services.
\$380 million (64%)	Department of Treasury and Finance on behalf of the State	settling the cancellation of the host contract with the Commonwealth Games Federation.

Source: Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, Victorian Auditor-General, 2024, p. 4.

Since the Auditor-General's report was tabled, Glasgow was announced as the next host of the Commonwealth Games. The Scottish Government received approximately \$200 million (AUD) to host the Games. This was largely funded by the \$380 million settlement payment made by the Victorian Government to the Commonwealth Games Federation.

The Committee heard from stakeholders in regional Victoria who were disappointed with the lost opportunity to showcase their regions and grow the visitor economy. Tourism Greater Geelong and the Bellarine explained:

The cancellation is about more than the economic impact of a Commonwealth Games-scale event, although that's important. More significant is the lost opportunity associated with branding the region and driving development of the tourism industry to a world-class level of performance and experience delivery.<sup>27</sup>

In its submission, Moyne Shire Council stated:

Our role in the Commonwealth Games - understandably, as we just talked about wanting to have slow and purposeful tourism, council was excited about the prospect of the 2026 Commonwealth Games and the immediate and long-term tourism benefits that this would deliver. Having a major event in March is also beneficial as it connects the Christmas period with the Easter period; March is typically a bit of a lull.<sup>28</sup>

<sup>27</sup> Tracy Carter, Executive Director Tourism Greater Geelong, public hearing, Geelong, *Transcript of evidence*, p. 2.

<sup>28</sup> Moyne Shire Council, *Submission 19*, p. 2.



Anthony Nicolaci, Manager, Economic Development at Greater Shepparton City Council, told the Committee:

The 2026 games would have been an ideal opportunity for Greater Shepparton to have generational exposure, significant growth and economic development and it would have been the best ever regional development project this state had ever seen. We are now left with significant reputational damage. Business and visitor economy opportunities are lost; motivating and developing the next wave of critical skills and enhancements in the workforce and in volunteering has been lost, and the sense of pride in Victoria being the world's events capital may never be the same.<sup>29</sup>

#### 1.4.4 Reputational impact

**FINDING 19:** When the host contract was cancelled, there was significant national concern that the decision would harm Victoria's reputation as a host for sporting and other major events. However, there is no immediate evidence to suggest significant harm to Victoria's reputation in the short term.

**FINDING 20:** Victoria enjoys a unique position as the host of several major events. It is the Victorian Government's responsibility to maintain this reputation by actively providing assistance and maintaining readiness to host events. Failures such as the withdrawal from the Commonwealth Games risk undermining Victoria's perception as an active host.

**RECOMMENDATION 1:** Subject to the learnings from the Commonwealth Games withdrawal, the Victorian Government should continue to pursue events that are of benefit to Victoria.

The Committee discussed the perception of reputational impact in detail in its first interim report. It found that there was a considerable theme of concern about reputational damage, as well as anecdotal evidence suggesting problems at the time.

When Victoria's withdrawal from hosting the Games was announced, the decision was referred for investigation by this Committee and the Auditor-General due to the considerable public interest.

The Committee acknowledges that at the time the Government withdrew from the Games, many were concerned that Victoria's reputation as a sporting and major events host would be impacted. However, in the Committee's view this was likely a perception issue rather than one that has eventuated into immediate major harm to sporting and other major events. For example, Victoria has since been announced as

<sup>29</sup> Anthony Nicolaci, Manager Economic Development, Greater Shepparton City Council, public hearing, Bendigo, 27 February 2024, *Transcript of evidence*, p. 58.

a host for Rugby World Cup matches in 2027 and regular season games with the US National Football League from 2026.

It is important that the Victorian Government does not take Victoria's position as a host for world-class events for granted. The State is an attractive location with a significant level of existing major sporting infrastructure. The Victorian Government should be active in facilitating events and providing assurance on its enthusiasm and readiness to do business. However, it is also important that the Victorian Government ensures events have value for money and conducts bids in a transparent manner.

The Committee also heard about the lack of consultation from the Government with key stakeholders about the decision to withdraw from hosting the Games. At the time, key stakeholders were not informed of the host contract cancellation decision until a few hours before the announcement was made.

In a media release responding to the Victorian Governments decision to withdraw from hosting the Games, the Commonwealth Games Federation stated:

We are disappointed that we were only given eight hours' notice and that no consideration was given to discussing the situation to jointly find solutions prior to this decision being reached by the Government.<sup>30</sup>

Similarly, Commonwealth Games Australia Chief Executive Officer Craig Phillips AM stated 'the Victorian Government ... has jeopardised Melbourne and Victoria's standing as a sporting capital of the world'.<sup>31</sup>

Other stakeholders echoed concerns about harm to Victoria's reputation for hosting major events and felt that the decision had negatively impacted Victoria's reputation. However, they conceded this was a perception.<sup>32</sup> Despite this, there was broad acceptance that the Government's decision to withdraw from hosting the Games had not had a positive impact.

In contrast, Brendan McClements, Chief Executive Officer of Visit Victoria, told the Committee the decision to withdraw had 'not had any impact' on Victoria's reputation to host major events:

I know there has been a lot of public and other commentary about that particular issue. Part of Visit Victoria's role is to engage daily with rights holders around the world who are making decisions around where they want to hold their major events. I am certainly

<sup>30</sup> Commonwealth Sport, *Response to Victoria Government 2026 Commonwealth Games Host Withdrawal*, 18 July 2023, <<https://www.commonwealthsport.com/news/3594069/response-to-victoria-government-2026-commonwealth-game-host-withdrawal>> accessed 10 February 2025.

<sup>31</sup> Commonwealth Games Australia, *CGA Statement from Craig Phillips AM - Victoria 2026*, 18 July 2023, <<https://commonwealthgames.com.au/cga-statement-from-craig-phillips-am-victoria-2026>> accessed 10 February 2025.

<sup>32</sup> Jeremy Crawford, Chief Executive Officer, Geelong Chamber of Commerce, public hearing, Geelong, 13 February 2024, *Transcript of evidence*, p. 30; Simon Thewlis, Director, Event Pty Ltd, public hearing, Melbourne, 23 October 2023, *Transcript of evidence*.

a part of most of those discussions. This has never generated any issue for us in those conversations, not for a moment.<sup>33</sup>

He also clarified that the Commonwealth Games is a particular style of major event where a government 'assumes 100 per cent of the risk'.<sup>34</sup>

Similarly in evidence to the Senate Committee on Regional and Rural Affairs and Transport, the former Minister for Tourism, Sport and Major Events, Hon Martin Pakula, considered Victoria's reputation as a sporting and major events destination would be 'unharmful in the medium term'.<sup>35</sup>

The Committee also considered whether the decision to cancel the host contract may have increased risks factored in by event hosts doing business with the Victorian Government. Andrew Dee, Chief Executive Officer of Volleyball Australia, spoke about the impact on Victoria's reputation he had had in conversations with international event partnerships:

Volleyball World has a joint venture partnership with CVC Capital. CVC Capital are the ones that back the F1 Grand Prix. These guys do this for a living. They are not out there just hoping to find a location for their event; they play for keeps. And so the undertaking on sports to be able to do that needs the support of government, and it needs the consistency and the security of that support in order to be able to deliver. On this occasion it fell over. The reputational damage is significant. Other jurisdictions in the country will be preferred over Victoria for some time to come both internally within Australia and also by international bodies overseas. I think that is just a fact that will play out over time. Then as people start to forget and trust is rebuilt, those sentiments may change. But for the short term at least, short to medium term, that is the reality that we will have to face. I have been questioned, as I said, along those lines internationally as recently as last week.<sup>36</sup>

However Brendan McClements from Visit Victoria told the Committee he had not heard evidence of that these type of premium risk factors in his discussions:

That is a question that we have contemplated, and I know there has been a lot of public and other commentary about that particular issue. Part of Visit Victoria's role is to engage daily with rights holders around the world who are making decisions around where they want to hold their major events. I am certainly a part of most of those discussions. This has never generated any issue for us in those conversations, not for a moment.<sup>37</sup>

<sup>33</sup> Brendan McClements, Chief Executive Officer, Visit Victoria, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 3.

<sup>34</sup> *Ibid.*, p. 4.

<sup>35</sup> Hon Martin Pakula, former Minister for Tourism, Sport and Major Events, Senate Committee on Regional and Rural Affairs and Transport, public hearing, 28 August 2023, *Transcript of evidence*.

<sup>36</sup> Andrew Dee, Chief Executive Officer, Volleyball Australia, public hearing, Melbourne, 23 October 2023, *Transcript of evidence*, p. 38.

<sup>37</sup> McClements, *Transcript of evidence*, p. 3.

The Committee heard additional concerns from other stakeholders about possible reputational impacts on Victoria. Adam Glass, General Manager of Silverwater Resort, stated:

I had 15 years overseas with international chains and reporting to a group of investors, and I can assure you that if I said to my investors today, 'Look, I'm sorry. I am that kind of money out,' not only would I be immediately fired for the fact that I am out that much, but the fact I had been hiding it. That would even be me. That credibility has gone. How do you get that back? It is very hard.<sup>38</sup>

Dr Alana Thomson from Latrobe University, noted that the decision to withdraw from hosting an international event can send a 'powerful signal':

If I say, anecdotally – did it impact on reputation? Yes, because we know from the event literature and the event research that hosting events is a powerful signal for things like international trade, politics and sports diplomacy. You know, China's recent hosting of events is not an accident; there is a substantial positioning strategy that is going on behind that. So cancelling an event, I think, definitely sends a signal to the world that event governance in Australia, not just Melbourne and Victoria, may be somewhat problematic and uncertain. I know people working on the Brisbane Olympic Games were quite nervous at the time that this broke.<sup>39</sup>

Some regional tourism industry bodies remained optimistic about opportunities to promote their regions despite Victoria withdrawing from hosting the Games:

I am sure some people would have loved to still see that the games were on, but I think, to be honest, most people have moved on. We have not had anyone saying, 'Go and do that.' But, as I said, what the games would have done is elevated our profile, which would have meant that some of the market, whether it is event acquisition or whether it is new visitors, would have noticed us because of the games, which we would not have been able to reach ourselves. There is the opportunity to still reach that audience in other events, in other marketing, in uplifting our visitor economy infrastructure. So that is where our attention is.<sup>40</sup>

## 1.5 Impacts of the \$2 billion regional package

**FINDING 21:** The \$2 billion regional package has not yet been fully delivered. Any impact will have to be assessed in the light of the actual delivery.

When the Government withdrew from hosting the 2026 Games, it committed \$2 billion to a regional funding package. This was intended to ensure funding allocated to the Games was directed to regional Victoria, which stood to benefit from Games tourism and legacy investments.

<sup>38</sup> Glass, *Transcript of evidence*, p. 50.

<sup>39</sup> Dr Alana Thomson, Senior Lecturer La Trobe University, public hearing, Bendigo, 27 February 2024, *Transcript of evidence*, p. 54.

<sup>40</sup> John Pandazopoulos, Chair, Tourism Midwest Victoria, 14 February 2024.

At the time of the host contract cancellation, stakeholders were keen to focus on how future investment could benefit regional Victoria and reduce the lost opportunities of the Games.

Tourism Greater Geelong and the Bellarine told the Committee that it 'looks forward to capitalising on the opportunities with our members and the region more broadly'.<sup>41</sup>

Anthony Nicolaci from Greater Shepparton City Council, told the Committee:

We are grateful for the Victorian government's subsequent regional support package following the cancellation of the games, and we are hopeful that the Greater Shepparton community will benefit from a number of initiatives. But we would also have liked to have seen greater flexibility for us as a host city in determining the project priorities that would best suit our community from now and into the long-term future.<sup>42</sup>

The key expected outcomes of the package include:

- an increase of at least 1,300 social and affordable houses throughout regional Victoria
- significant sporting infrastructure construction and improvements
- additional support to the community sport and recreation sector
- support to First Nations and multicultural communities and businesses
- support to regional and rural businesses.

Under the package there are a wide range of projects and grant programs targeting the specific areas above. At the time this Report was adopted, many of the grant programs had progressed through application stages and several had awarded funding to recipients. As a result, the direct impact of funding is unlikely to be realised until the future. However, the Committee anticipates the additional investment will provide economic and other social benefits to regional Victoria.

At the time of the Committee's hearings in regional Victoria, there was considerable interest in the regional package expressed by stakeholders. Many stakeholders told the Committee that the regional package was their predominate focus:

**Tom McINTOSH:** Since the announcement that the games were not continuing, in your work life or personal life, obviously excluding this process, we have got obviously the \$2 billion package – are people raising the Comm Games? Outside of perhaps this today, can you think of the last time that someone raised the Commonwealth Games with you?

**Tracy CARTER:** No, not in a personal sense. In a professional sense, absolutely, but it is focused on that regional package.

<sup>41</sup> Carter, *Transcript of evidence*.

<sup>42</sup> Nicolaci, *Transcript of evidence*, p. 58.

**Tom McINTOSH:** Yes. So people are not talking about the fact that the games are not occurring – or have not talked about it for some time?

**Tracy CARTER:** Not for some time, I would not think.<sup>43</sup>

Similarly, Tim Matthews, Chair of Central Highlands Regional Partnership, told the Committee:

I think from a community perspective those priorities of housing, jobs and connectivity are first and foremost. They are front of mind. If anything, the cost-of-living crisis and associated problems with that are just top of mind for people at the moment. The Commonwealth Games was probably seen to be long-term thinking, and it probably has not entered the heads of a lot of people, particularly now that other things have got priority now.<sup>44</sup>

Specific programs of the regional package are discussed in detail in Chapter 4.

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<sup>43</sup> Tracy Carter, Executive Director, Tourism Greater Geelong and the Bellarine, 13 February 2024.

<sup>44</sup> Tim Matthews, Chair, Central Highlands Regional Partnership, 14 February 2024.

## Chapter 2

# Inherent issues associated with a multi-city regional Games

The proposed Victoria 2026 Commonwealth Games was ambitious—but also significantly more expensive than the traditional single host model of the Games. There were inherent issues with the proposed multi-city model that drove additional costs and delivery challenges. This included:

- a lack of existing infrastructure and appropriate accommodation in regional Victoria
- the need to duplicate infrastructure and services across multiple sites in regional Victoria
- additional logistical issues created by having the Games held across multiple sites in regional Victoria.

The Committee also heard that cost escalations were driven by other factors. The Victorian Government was aware of these factors, but did not always appropriately consider these issues when estimating costs. This included:

- the need to complete construction of competition venues and athletes' villages by a fixed, immovable Games deadline
- labour and construction challenges within regional Victoria
- inflation
- assumed Australian and local government investment
- industrial relations risks.

These issues are discussed further in the section below.

### 2.1 Summary of the proposal for a multi-city regional Games

The Victoria 2026 Commonwealth Games was intended to be held across 'four regional hubs established in Geelong, Bendigo, Ballarat, and Gippsland, each with their own athletes' village and sport program'.<sup>1</sup> Some sports were intended to be held across other parts of regional Victoria, for example, Shepparton would host various cycling

<sup>1</sup> Premier of Victoria, *Regional Victoria Hosting 2026 Commonwealth Games*, media release, 12 April 2022 ; Premier of Victoria, *Regional Victoria Hosting the 2026 Commonwealth Games, 2022*, <<https://www.premier.vic.gov.au/regional-victoria-hosting-2026-commonwealth-games>> accessed 12 February 2025.

events. The opening ceremony was to be held at the Melbourne Cricket Ground.<sup>2</sup> The proposed 2026 Games was going to be the ‘first time any major multigame sporting event had tried to operate across five different venues and locations’.<sup>3</sup>

In its submission, Victoria 2026 detailed the proposal for the multi-city regional Games, which is summarised in Box 2.1 below.

### Box 2.1 Summary of proposed Victoria 2026 Commonwealth Games program

- 20 sports including 9 para sports over 24 disciplines
- 12 competition days
- more than 7,000 athletes and officials from 74 Commonwealth nations
- more than 5,000 direct support staff
- up to 2,000 Games dignitaries and associated personnel
- a workforce of 40,000 across the supply chain
- around 15,000 volunteers
- a spectator audience of over 1 million at sporting events
- an audience of over 1 million at festival events.

Source: Victoria 2026, *Submission 11*, p. 1.

Figure 2.1 below illustrates the proposed events program over the five regions.

<sup>2</sup> Premier of Victoria, *Regional Victoria Hosting the 2026 Commonwealth Games*.

<sup>3</sup> Jeroen Weimar, Chief Executive Officer Victoria 2026 public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 68.



Figure 2.1 Proposed events program for the Victoria 2026 multi-city Commonwealth Games



Source: Select Committee on the 2026 Commonwealth Games Bid.

The Victorian Government envisaged hosting the 2026 Commonwealth Games as an opportunity to showcase Victoria’s regions and grow its visitor economy.<sup>4</sup> The Games were also viewed as a catalyst for the construction of legacy sporting and housing infrastructure across regional Victoria. These legacy benefits for regional Victoria were the major driver in the Government pursuing the proposed multi-city regional Games model.

4 Brendan McClements, Chief Executive Officer, Visit Victoria, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 1.

## 2.2 Views of the proposal for a multi-city regional Games model

### 2.2.1 Conception of idea by Visit Victoria

Visit Victoria was approached by Commonwealth Games Australia in March 2021 about bidding to host the 2026 Games.<sup>5</sup> Proposals made by Commonwealth Games Australia to Visit Victoria included ‘options for events in regional Victoria, with Melbourne and Geelong as co-host cities’.<sup>6</sup>

Visit Victoria saw the potential for a fully regional games.<sup>7</sup> In a background brief to the Government from September 2021, Visit Victoria summarised its preliminary analysis on a ‘reimagined and remodelled’ Commonwealth Games. Visit Victoria envisaged the Games could:

- act as a catalyst for investment in affordable housing in key regional Victorian locations
- highlight the positive developments in Victoria’s transport infrastructure and the excellent sporting facilities located right across Victoria
- ensure more than eight regional locations would derive economic benefits, as well as jobs creation, social, sporting and health benefits from hosting key sports in the Games
- leverage broadcast benefits nationally and in key global tourism markets to showcase tourism experiences in regional Victoria and position the state as a dynamic, attractive destination
- demonstrate Victoria’s leadership in sports and major events, creating an innovative, decentralised model for global multi-sports events
- create strong tourism, economic, business leveraging and sports diplomacy opportunities
- ensure that the majority of the proposed Government investment would be spent in regional Victoria and with Victorian businesses.<sup>8</sup>

Brendan McClements, Chief Executive Officer of Visit Victoria, told the Committee that hosting the Games was seen as a platform to enhance market awareness and interest in regional Victoria:

Our major events team led the initial proposal development and initial engagement with the rights holders around the 2026 Commonwealth Games, after which the destination

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5 Visit Victoria, *Annual Report 2022–23*, 2022, p. 10.

6 Victorian Auditor-General’s Office, *Withdrawal from 2026 Commonwealth Games*, Victorian Auditor-General, 2024, p. 12.

7 Ibid.

8 Visit Victoria, Minister for Tourism, Sport and Major Events, correspondence, 30 September 2021.

marketing team's role was to design and implement a destination marketing campaign to increase global awareness and interest in regional Victoria through the games.<sup>9</sup>

The idea of a fully regional Commonwealth Games had previously been investigated by a consortium of regional councils, led by Shepparton City Council in 2017. This is discussed further in Chapter 3.

### 2.2.2 Victorian Government's view of a multi-city regional Games model

In October 2021, Visit Victoria commenced its consultation with the Department of Jobs, Skills, Industry and Regions about a multi-city regional Games model. By December 2021, the Department engaged consultants from EY to develop a business case for a 2026 multi-city regional Games.

When announcing that the Victorian Government had entered into a period of exclusive negotiations with the Commonwealth Games Federation, the then Premier, Hon Daniel Andrews MP, emphasised the legacy benefits the Games would bring to regional Victoria.

The Victorian Government consistently conveyed very little appetite for hosting parts of the Games in Melbourne, emphasising that it was only interested in hosting the Games to support the growth and development of regional Victoria. At a public hearing, Jeremi Moule, Secretary of the Department of Premier and Cabinet, explained:

The state wanted to deliver an event that would provide significant legacy outcomes in regional Victoria, such as sports infrastructure and housing, as well as some here-and-now benefits, such as economic activity and tourism. The government was adamant from the outset, and remained so, that it had no interest in and there was no benefit for the state to hosting events in Melbourne. The games presented as an opportunity to achieve legacy outcomes in regional Victoria, and while acknowledging the significance of the games, the event itself was not the primary motivating factor.<sup>10</sup>

The Committee heard from stakeholders who highlighted that the Victorian Government signed the Games host contract in an election year.<sup>11</sup> Such submissions contended that hosting the Games in regional Victoria was a way for the Victorian Government to attract support ahead of the November 2022 election, particularly in regional areas.<sup>12</sup>

<sup>9</sup> McClements, *Transcript of evidence*, p. 1.

<sup>10</sup> Jeremi Moule, Secretary, Department of Premier and Cabinet, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*; *ibid.*, p. 48.

<sup>11</sup> For example, see Patricia Hosking, *Submission 10*; Event Pty Ltd, *Submission 9*. Eriks Velins, *Submission 8*. Hosking, *Submission 10*.

<sup>12</sup> Event Pty Ltd, *Submission 9*; Velins, *Submission 8*; Hosking, *Submission 10*.

### 2.2.3 Commonwealth Games Federation's view of a multi-city regional Games model

Historically, the Commonwealth Games have been held in a single 'host' city. Recently, the Commonwealth Games Federation has encountered significant difficulty finding a willing host city for upcoming Games.

The South African city of Durban was initially awarded the rights to host the 2022 Commonwealth Games. Following missed deadlines and financial issues, Durban was stripped of this right and Birmingham, who was scheduled to host the 2026 Games, was awarded the 2022 Games. This left the 2026 Games without a host.

Kuala Lumpur, Cardiff, Calgary, Edmonton and Adelaide all had previously withdrawn proposed bids to host the 2026 Games citing cost concerns.

In February 2022, the Department of Jobs, Skills, Industry and Regions signed a head of agreement with the Commonwealth Games Federation. In April 2022, the Victorian Government proceeded to sign the host contract. The fully regional 2026 Games was publicly announced later that month.

In July 2023, the Victorian Government announced it would not proceed with hosting the 2026 Games. In a media release, the then Premier stated the reason as 'the cost of hosting the regional Victorian Commonwealth Games would exceed \$6 billion—more than twice the estimated economic benefit the Games would bring to the state'.<sup>13</sup>

Alberta, the only candidate for the 2030 Commonwealth Games, has withdrawn its bid to host, citing it was a 'burden too high for the province to bear'.<sup>14</sup> At this stage, there is no host for the 2030 Commonwealth Games.

Glasgow is set to host a scaled-back 2026 Commonwealth Games. The Games will feature only 10 events, with 15 sports cut that were present in the proposed Victoria 2026 program. Glasgow will utilise pre-existing accommodation and sporting infrastructure.

Given the number of nations who have withdrawn their intention to host upcoming Games, the future of the Commonwealth Games is unclear. Dame Louise Martin, President of the Commonwealth Games Federation, has acknowledged that the Games need to 'adapt, evolve and modernise'<sup>15</sup> in order to maintain 'relevance and prestige across the Commonwealth'.<sup>16</sup>

<sup>13</sup> Premier of Victoria, *Commonwealth Games Costs Too High At Over \$6 Billion*, 18 July 2023 <<https://www.premier.vic.gov.au/commonwealth-games-costs-too-high-over-6-billion>> accessed 15 February 2025.

<sup>14</sup> Thomas Mackintosh, 'Canadian province Alberta cancels bid for 2030 Commonwealth Games', *BBC*, 4 August 2023, <<https://www.bbc.com/news/world-us-canada-66402140>> accessed 12 February 2025.

<sup>15</sup> Commonwealth Sport, *Games Value Framework*, <<https://www.commonwealthsport.com/cgf/games-value>> accessed 12 February 2025.

<sup>16</sup> Ibid.

Chris Jenkins, Commonwealth Games Federation President, recently told the BBC that future host cities should not build or redevelop venues, but co-host with other cities or countries who have existing facilities.<sup>17</sup>

The Commonwealth Games Federation's decision to move away from its longstanding single-city host model appears to respond to member nations concerns that the Commonwealth Games is too expensive and does not provide sufficient return on investment.

Hosting the Commonwealth Games across multiple sites has been offered to host nations as a solution to these cost concerns. However, as was demonstrated by Victoria 2026, hosting the Games across multiple locations can be a key driver of escalating costs. Whether this shift towards a multi-city model will actually result in cost savings and therefore encourage more member nations to bid to host the Games, remains to be seen.

### 2.3 Underestimating the cost of competition venues

The Commonwealth Games Federation requires competition venues to meet specific requirements.<sup>18</sup>

Venue requirements can be sport specific or relate to the broader needs of 'spectators, participants, media and officials',<sup>19</sup> all of whom 'have high expectations of delivery'.<sup>20</sup>

The Victorian Government's proposed multi-city regional games model intended to use pre-existing sporting infrastructure in the regions. Dale Wood from DHW Ludis Infrastructure, which was involved in preparing the business case for the Games, told the Committee:

We are talking about regional community infrastructure that was going to be, in instances, needing to be enhanced, along with a wealth of temporary overlay infrastructure to make these venues ready for games access, whether that be gymnastics equipment, gymnastics floors et cetera, just using an example. So I think it would be safe to say at the time of writing that none of the venues were ready to go as Commonwealth Games sites without either temporary overlay and/or capital works.<sup>21</sup>

Most pre-existing sporting infrastructure in regional Victoria was not designed to accommodate major sporting events, such as the Games. As a result, permanent or temporary facility upgrades were required to bring venues in line with Commonwealth Game venue requirements.

<sup>17</sup> Tom Brown, 'Multiple host cities possible for future Commonwealth Games', *BBC*, 30 December 2024, <<https://www.bbc.com/sport/articles/ce3lp664701o>> accessed 12 February 2025.

<sup>18</sup> Tim Ada, Secretary Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 3.

<sup>19</sup> Dale Wood, DHW Ludus Infrastructure, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 23.

<sup>20</sup> *Ibid.*

<sup>21</sup> *Ibid.*, p. 21.

The best-case cost estimate for facility upgrades of major and community competition venues put forward in the March 2022 business case totalled \$459 million, and included:

- \$10.6 million capital upgrade of Eureka Stadium in Ballarat
- \$211.4 million investment for a co-located gymnastics and aquatic centre in Kardinia Park in Geelong
- \$194.5 million for community competition venues, up to 21 sports (for example, badminton, boxing, T20 cricket, hockey)
- \$41.9 million for other venues.<sup>22</sup>

The Victorian Auditor-General noted in the report *Withdrawal from the 2026 Commonwealth Games* that this best-case cost estimate also included ‘an assumed ‘revenue’ offset of \$227 million, which was intended to be funded from state sporting infrastructure programs delivered by Sport and Recreation Victoria’.<sup>23</sup> The Auditor-General concluded that this offset was ‘misleading’ because Sport and Recreation Victoria was not going to fund this offset from its existing programs. As a result, it would have needed to seek additional funding from the State Budget to cover it.<sup>24</sup>

According to the Auditor-General, by April 2023 changes in venues, scope and location had increased the Department of Jobs, Skills, Industry and Regions’ total cost estimate for competition venues to \$686 million. At the time the Games was cancelled in July 2023, the Department of Treasury and Finance estimated total costs of \$650 million. Table 2.1 provides a summary from the Auditor-General’s report.

**Table 2.1 Changes to the Games budget estimates between March 2022 and July 2023 (\$ nominal)**

	March 2022		April 2023	July 2023
	Worst case (\$ million)	Best case (\$ million)	DJSIR revised (\$ million)	DTF advice (\$ million)
Major competition venues	455	222	442	442
Community competition venues	339	237	244	208

Source: Victorian Auditor General’s Office, *Withdrawal from the 2026 Commonwealth Games Report*, 2024, p. 19

This increase was primarily driven by expanding the scope of faculty upgrades to major competition venues, including:

- The capital upgrade of Eureka Stadium in Ballarat increased from \$10.6 million to \$150 million. It was intended that facility upgrades be more extensive and include higher cost improvements than initially contemplated to increase legacy benefits.

<sup>22</sup> Victorian Auditor-General’s Office, *Withdrawal from 2026 Commonwealth Games*, pp. 23–24.

<sup>23</sup> *Ibid.*, p. 22.

<sup>24</sup> *Ibid.*

- The proposal for a \$211.4 million co-located gymnastics and aquatic centre in Kardinia Park in Geelong was not considered further. Instead, it was intended that \$292 million would develop a gymnastics venue in Waurn Ponds and an aquatics venue in Armstrong Creek.<sup>25</sup>

The Committee notes there is a lack of clarity as to why the Victorian Government selected the Waurn Ponds and Armstrong Creek locations over Kardinia Park, as put forward in the initial business case. It also notes mixed support from the local council and sporting stakeholders for the new locations.

Following the withdrawal from hosting the Games, the Victorian Government committed to several legacy community infrastructure projects under the \$2 billion regional package. This includes upgrades to Eureka Stadium in Ballarat, a new aquatics centre in Armstrong Creek and new indoor sporting complex in Waurn Ponds. Chapter 4 discusses these legacy infrastructure projects in detail.

Section 2.5 explores drivers of increases to infrastructure cost estimates further.

## 2.4 Underestimating the cost of Athletes' Villages

**FINDING 22:** The Committee agrees with the previous Secretary of Department of Treasury and Finance, David Martine, that the increase in the cost estimate to build the athletes villages was a 'huge differential'.

The Commonwealth Games Federation has very clear guidelines around what is required for an athletes' village. For the 2026 Commonwealth Games, the athletes' villages would need to accommodate a total of approximately 7,000 athletes, para-athletes and team members.<sup>26</sup>

The Committee heard that in a 'normal games environment', athletes and their teams 'would predominately travel together and stay together' in a central hub.<sup>27</sup> This hub could be constructed for the Games or use existing accommodation facilities in a city, such as a university campus.

The Victorian Government's proposed multi-city regional Games model would have required the construction of four separate host hubs located in Ballarat, Bendigo, Geelong and Morwell. Regional hubs were intended to be made up of both permanent and relocatable dwellings. According to the Auditor-General, by April 2023 the estimated cost to construct these regional hubs had significantly increased from a best-case scenario of \$212 million to \$1,024 million.<sup>28</sup>

<sup>25</sup> Ibid., pp. 23–24.

<sup>26</sup> Ibid., p. 20.

<sup>27</sup> Michelle Morris, Principal MI Global Partners, public hearing, Melbourne, 5 December 2024, *Transcript of evidence*, p. 21.

<sup>28</sup> Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, p. 19.

A breakdown of this is provided in Table 2.2 below.

**Table 2.2 Estimated incremental cost to the state and funding sources for athletes' villages under state developer model**

Athletes Villages	March 2022		April 2023	July 2023
	Worst case (\$ million)	Best case (\$ million)	DJSIR (\$ million)	DTF advice (\$ million)
<b>Construction Cost</b>	<b>265</b>	<b>212</b>	<b>1,024</b>	<b>1,024</b>
Funded by:				
Development Victoria debt to be recovered through sales	n/a	n/a	447	447
Homes Victoria contribution for social housing	0	212	71	71
Government subsidy to DJSIR	265	0	505	505

Note: Figures may not add due to rounding.

Source: Victorian Auditor General's Office, *Withdrawal from the 2026 Commonwealth Games Report*, 2024, p. 22

David Martine, Secretary of the Department of Treasury and Finance, acknowledged that this increase in cost estimate was a 'huge differential'.<sup>29</sup> An important legacy outcome of the proposed multi-city regional Games was the planned conversion of athletes' village infrastructure into long-term social and affordable housing. However, the Victorian Government had to ensure that the four regional hubs met all the Commonwealth Games Federation's requirements and were fit-for-purpose as an athlete's village.

The Auditor-General highlighted that athletes' village requirements 'may not have aligned with Homes Victoria's strategic priorities, plans and timelines under the Big Housing Build'.<sup>30</sup> Athletes' village dwellings were also higher in density than what is typical in the regional areas. This contributed to concerns about poor sales, as well as the hubs suitability for conversion into social and affordable housing.<sup>31</sup>

The Auditor-General also noted that in April 2023, Development Victoria expected a net loss of \$465.03 million from sell 450 dwellings to the market and 138 to Homes Victoria. A breakdown of these costs by location is provided in Table 2.3 below.

<sup>29</sup> David Martine, Secretary Department of Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 33.

<sup>30</sup> Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, p. 22.

<sup>31</sup> *Ibid.*, pp. 22–23.



**Table 2.3** Development Victoria's expected net proceeds from selling dwellings

Location	Dwellings during the Games		After the Games (permanent dwellings only)		Nominal (\$ million)		
	Total	Relocatable	Affordable/ social	Market	Cost	Sales	Loss
Geelong	487	202	72	213	397.91	239.64	-158.26
Ballarat	456	456	0	0	321.45	160.46	-160.99
Bendigo	232	9	56	167	197.18	107.11	-90.07
Morwell	136	56	10	70	106.99	51.28	-55.71
<b>Total</b>	<b>1,311</b>	<b>723</b>	<b>138</b>	<b>450</b>	<b>1,023.53</b>	<b>558.49</b>	<b>-465.03</b>

Note: Figures may not add due to rounding.

Source: Victorian Auditor General's Office, *Withdrawal from the 2026 Commonwealth Games Report*, 2024, p. 23

### 2.4.1 Expectation of private sector involvement

**FINDING 23:** The base assumption that the cost of constructing the athletes' villages would be primarily borne by the private sector was poorly informed given the known timeframe, as well as the foreseeable market demand and site risks which made such an investment a less appealing opportunity for the private sector.

**FINDING 24:** It was foreseeable that significant construction costs would need to be borne by the Victorian Government to deliver the project within the required timeframe. This should have been factored into the base assumptions or considered by the Victorian Government at a far earlier stage.

**FINDING 25:** The Committee accepts the Auditor-General's findings that there was insufficient time to negotiate a genuine transference of risk to the private sector before construction of the athletes' villages commenced.

The Committee heard that the initial business case assumed the \$1 billion cost to build the athletes' villages would be borne by the private sector. The Victorian Government would then 'buy a share of the athletes' village back afterward' at a cost of \$200 million to \$250 million.<sup>32</sup>

Both the 2006 Melbourne and 2018 Gold Coast Commonwealth Games used similar models. These involved the private sector financing, or partially financing, construction of athlete's villages and recovering these costs via sales at the conclusion of the event.<sup>33</sup>

<sup>32</sup> Leigh Walker, Risk Management and Independence Leader, EY, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 26.

<sup>33</sup> Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, pp. 20–21.

According to the Auditor-General, as planning progressed it became apparent ‘that there was not enough time before the Games to find, negotiate with and genuinely transfer risks to private developers before construction needed to start’.<sup>34</sup>

The Auditor-General also noted that other emerging risks were affecting the commercial feasibility of private sector athlete’s village development:

Market demand risks, including risks relating to the types of dwellings to be constructed for the villages, the created the potential for development revenue to be lower than forecast

Site-specific risks, including obtaining planning approvals and managing latent conditions, contamination, and flora and fauna

Timeline risks, with the state having a shorter timeframe than previous Commonwealth Games to plan and construct the villages while also delivering them across 4 sites and against an immovable deadline.<sup>35</sup>

As such, by April 2023, the base assumption had changed—the Victorian Government would need to absorb the \$1 billion cost of construction to deliver the athletes’ villages. This was a significant increase to the budget and would require nearly five times the Victorian Government investment when compared to the ‘best case’ scenario estimate put forward in March 2022.

## 2.4.2 Site issues

The Committee heard that as planning progressed, issues arose with some of the sites being considered for athletes village development in the four regional hubs. These are discussed below.

### Ballarat

The Committee heard from Lee Miezis, Chief Executive Officer of the Environment Protection Authority, on the previous uses of the proposed Ballarat site. Mr Miezis stated they ‘were suggestive of some potential sources of contamination’, including:

the storage and use of herbicides and pesticides, storage and use of hydrocarbons from particularly the operation of machinery, organic waste potentially from the disposal and storage of cattle and potentially the use of heavy metals in legacy mining operations. The site also had adjacent industrial uses that also needed to be addressed in terms of potential for odour, noise and dust.<sup>36</sup>

Mr Miezis told the Committee that the Environment Protection Authority was ‘generally supportive’ of the proposed Ballarat site being used for the temporary accommodation

<sup>34</sup> Ibid., p. 21.

<sup>35</sup> Ibid.

<sup>36</sup> Lee Miezis, Chief Executive Officer Environmental Protection Agency, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 44.

of athletes during the Games. He stated the Agency was satisfied that risks could be mitigated through design or agreements with surrounding industry.<sup>37</sup>

However, he noted that due to odour and noise risks from surrounding industrial activities, the Environment Protection Authority ‘did not support, or were not prepared, based on the information available at the time, to support ongoing residential use of the Ballarat site’.<sup>38</sup> The proposed Ballarat site would need to be temporarily constructed, forfeiting any legacy benefits in the region.

## Geelong

Mr Miezis told the Committee that the Geelong site ‘appeared to be subject to ordinary environmental risks associated with any conventional greenfield development’.<sup>39</sup> He noted that concerns as to whether the Boral Concrete plant or quarry would have an impact on the site were still being considered at the time Victoria withdrew from hosting the Games.<sup>40</sup>

The Committee heard that cultural heritage assessments of the proposed Geelong site had indicated that the land was significant in ‘a number of different ways’.<sup>41</sup> Allen Garner, former Chief Executive Officer at the Office of the Commonwealth Games, told the Committee:

the area that was initially thought you would be able to construct on then had to be reduced. I should add: we had not landed all the final approvals, but we were progressively adjusting as we could see those approvals coming forward. So the site area and what you build on what, what construction you were going to undertake in that area, changed.<sup>42</sup>

The Committee understands that how to best manage the cultural heritage of the proposed Geelong site was still being explored at the time Victoria withdrew from hosting the Games.

## Morwell and Bendigo

Lee Mezis, from the Environment Protection Authority, further discussed the proposed Morwell and Bendigo sites. He stated that air quality risks to the proposed Morwell site and land contamination risks to the proposed Bendigo sites were acceptable for use during the Games period and for any legacy or ongoing residential uses.<sup>43</sup>

<sup>37</sup> Ibid., p. 46.

<sup>38</sup> Ibid.

<sup>39</sup> Ibid., p. 49.

<sup>40</sup> Ibid.

<sup>41</sup> Allen Garner, Former Chief Executive Officer Office of the Commonwealth Games, public hearing, Melbourne, 9 October 2023 *Transcript of evidence*, p. 25.

<sup>42</sup> Ibid., p. 24.

<sup>43</sup> Miezis, *Transcript of evidence*, pp. 49–50.

## 2.5 Other factors that contributed to underestimated infrastructure costs

The Committee received evidence that other factors contributed to an underestimation of infrastructure costs to build both the competition venues and athletes' villages. This included the following factors which are discussed below:

- fixed deadline of the 2026 Games
- labour and material challenges
- inflation
- assumed Australian and local government financial contributions
- industrial relations risks.

### 2.5.1 Fixed deadline

**FINDING 26:** Due to an immovable timeframe, the possibility of cost escalations should have been anticipated by the Victorian Government. It is unclear why these considerations were not appropriately factored into the initial costings and risk assessment.

The 2026 Commonwealth Games was to occur on a fixed, immovable date.

Whilst the Committee heard that the Victorian Government held a view that the project was deliverable by this date, a fixed timeframe introduced additional challenges and cost. Allen Garner, previous stated:

We were working to the games having to happen on a certain date, and that is an immovable date, so you start reflecting everything else that you conceive as a program to achieve that date, which might mean then you are doing weekend work, you are doing more days a week, you might get into night-shift work and you might get into what we call 24/7, where it is just persistent to hit a certain date. That is a challenge with any immovable date: the closer you get to it, the less manoeuvrability and flexibility you have got.<sup>44</sup>

### 2.5.2 Labour and material challenges

**FINDING 27:** Due to hosting the Commonwealth Games across regional Victoria, it was foreseeable that additional cost and complexity would flow. It is unclear why these considerations were not appropriately factored into the initial costings.

<sup>44</sup> Garner, *Transcript of evidence*, p. 28.

**FINDING 28:** Overlapping Victorian Government construction projects seeking the time-pressured services of a finite sector are likely to create a climate of competition that ultimately drives up Government construction costs.

The Committee heard that sourcing labour and materials across four sites in regional Victoria changed ‘the nature and the complexity’ of the project, and as such, led to increased costs.<sup>45</sup> Mr Garner stated:

The cost challenges come in the regions from availability of contractors and their resources to be able to do that. There is a potential risk that you actually have to bring people into the regions to do the construction to meet the time line because of the urgency of the time line. Then that presents accommodation problems, so there is a balance between how you pull that together.<sup>46</sup>

Mr Garner noted that these challenges were compounded by bushfires and flood recovery in the regions at the time.<sup>47</sup>

Peta McCammon, Secretary of the Department of Families, Fairness and Housing, told the Committee that ‘there are a number of governance arrangements that are in place in terms of trying to sequence various [State Government] investments’.<sup>48</sup> However, the Committee considers that challenges sourcing labour and materials are likely impacted by the high number of other Victorian Government infrastructure projects being undertaken simultaneously, such as those occurring under the Big Build.

### 2.5.3 Inflation

**FINDING 29:** Whilst the actual rate of inflation in 2023 could not have been known at the time of preparing the business case, sufficient indicators existed to support a more realistic inflation assumption. The assumption utilised in the business case was too modest and proved to be inadequate.

The business case included an ‘embedded inflation assumption’.<sup>49</sup> Dean Yates, Partner at Ernst and Young Oceania, told the Committee that:

Most people would appreciate that inflation has been much higher than normal over the last two years, and that was not necessarily envisaged in December 2021 to the same extent.<sup>50</sup>

<sup>45</sup> Ibid.

<sup>46</sup> Ibid.

<sup>47</sup> Ibid.

<sup>48</sup> Peta McCammon, Secretary Department of Families, Fairness and Housing, public hearing, Melbourne, 13 October 2023 *Transcript of evidence*, p. 65.

<sup>49</sup> Dean Yates, Partner, Ernst Young Oceania, EY public hearing, Melbourne, 5 December 2023 *Transcript of evidence*, p. 17.

<sup>50</sup> Ibid.

In its submission, the Parliamentary Budget Office highlighted that the embedded inflation assumption aligned with ‘longer-term structural assumptions for inflation, rather than project, timing and location specific factors’.<sup>51</sup> The Parliamentary Budget Office characterised the embedded inflation assumption of approximately 2.3% per year as ‘too modest’. In particular, it noted that inflation at the time the business case was being prepared was already rising sharply.<sup>52</sup>

#### 2.5.4 Expectation of Australian and local government investment

**FINDING 30:** It is unclear on what basis Hon Jacinta Allan MP, then Minister for Commonwealth Games Delivery, concluded that the Australian Government would contribute \$1.3 billion to the cost of the Games. This does not appear to be grounded in any precedent and goes directly against the advice of the Department of Jobs, Skills, Industry and Regions and the Department of Treasury and Finance.

**FINDING 31:** The Victorian Government did not consult local government about their capacity to financially contribute between \$15 and \$80 million to the construction of infrastructure or their ability to assume ongoing financial responsibility for the maintenance of new assets.

The Victorian Government made assumptions that the Australian Government and local governments would make a financial contribution to the costs of the Games.

In March 2023, Hon Jacinta Allan MP, then Minister for Games Delivery wrote to the Australian Government Minister for Infrastructure, Transport, Regional Development and Local Government. Minister Allan expressed her expectation that the Australian Government would contribute \$1.3 billion, based on the published Games budget at the time of \$2.6 billion.<sup>53</sup> The Victorian Auditor-General found that the request was ‘unrealistic given the Australian Government’s previous funding commitments for similar events’ and ‘understated the expected total cost of the Games’.<sup>54</sup>

The Department of Jobs, Skills, Industry and Regions advised Minister Allan that any Australian Government contribution would likely be around \$300 million.<sup>55</sup> Similarly, the Department of Treasury and Finance advised any contribution would likely be a maximum of \$230 million.<sup>56</sup> The actual amount of any intended Australian Government contribution is not known.

At a public hearing, Peter Betson, Deputy Secretary of Sports and Experience Economy at the Department of Jobs, Skills Industry and Regions, spoke about the expectations

<sup>51</sup> McCammon, *Transcript of evidence*.

<sup>52</sup> Parliamentary Budget Office, *Submission 33*, p. 19.

<sup>53</sup> Victorian Auditor-General’s Office, *Withdrawal from 2026 Commonwealth Games*, p. 37.

<sup>54</sup> *Ibid.*

<sup>55</sup> *Ibid.*, p. 38.

<sup>56</sup> *Ibid.*

for contributions from local government. He told the Committee that the March 2022 business case made assumptions that local government would invest between \$15 and \$80 million in capital costs. This assumption was benchmarked against the level of local government investment for the 2018 Gold Coast and 2006 Melbourne Commonwealth Games. He stated that the business case did not undertake ‘an explicit financial analysis of [local governments] capacity to pay’.<sup>57</sup>

Jeroen Weimar, Chief Executive Officer of Victoria 2026, noted there had been relevant discussions on local government contributions:

there were some complex political discussions ... between the council leadership and government around who was going to pay for what around some of the permanent venues’.<sup>58</sup>

He also told the Committee how local government also expressed concern around their capacity to absorb the ongoing costs associated with maintaining expensive sporting infrastructure:

I understood from the CEOs the very real debates around ‘We’d like to have as much infrastructure built as possible and somebody has to pay for it, but then we’re a bit worried about how we maintain it at that level.’<sup>59</sup>

### 2.5.5 Industrial relations risks

**FINDING 32:** Industrial relations risks were foreseeable, and it is unclear why the Department of Jobs, Skills, Industry and Regions did not take steps to mitigate this risk or engage with Unions at a far earlier stage.

According to the Auditor-General, in July 2023 the Department of Jobs, Skills, Industry and Regions identified ‘an industrial relations risk to capital projects with an estimated cost impact of \$630 million’<sup>60</sup> It described this as a ‘black swan risk’.<sup>61</sup> The Department estimated that union demands could add up to 30% to the estimated capital works budget.<sup>62</sup>

The Auditor-General concluded that whilst the industrial relations risk was ‘real and likely to be realised’,<sup>63</sup> it could not ‘credibly be cited as a black swan risk’.<sup>64</sup> This is

<sup>57</sup> Peter Betson, Deputy Secretary Sports and Experience Economy, The Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 67.

<sup>58</sup> Weimar, *Transcript of evidence*, p. 86.

<sup>59</sup> *Ibid.*, p. 85.

<sup>60</sup> Victorian Auditor-General’s Office, *Withdrawal from 2026 Commonwealth Games*, p. 33.

<sup>61</sup> An unpredictable, high-impact event that is difficult to predict.

<sup>62</sup> Victorian Auditor-General’s Office, *Withdrawal from 2026 Commonwealth Games*, p. 34.

<sup>63</sup> *Ibid.*

<sup>64</sup> *Ibid.*

because it was foreseeable that ‘unions may seek a special arrangement for Games construction projects’.<sup>65</sup> The Committee agrees with the Auditor-General’s conclusion.

## 2.6 Operational difficulties

### 2.6.1 Duplication over multiple sites

**FINDING 33:** The Committee acknowledges the Victorian Government’s intention to capitalise on the opportunity of the Commonwealth Games to deliver legacy projects in the regions. However, this intention constrained the State Government and prevented them from considering cheaper alternative models of delivery when costs began to escalate.

The Victorian Government’s intention to pursue a novel multi-city model was grounded in providing legacy and economic benefits across regional Victoria. However, the delivery of this multi-city Games model would come at an additional cost, as infrastructure and operational expenses would need to be duplicated across multiple sites.

The possibility that a multi-city Games model would be expensive due to duplicating operations across each site was highlighted in the January 2022 business case, which stated:

While the proposed model will deliver a range of benefits, it should be noted that the distributed model comes at additional cost that would not necessarily be incurred in a more centralised delivery model.<sup>66</sup>

There will be inefficiencies created by delivering the Games Operations across multiple sites and across regional Victoria (where distances are greater, base venue infrastructure less developed and base support services are less sophisticated). Duplicating Village Operations across four sites will increase costs.<sup>67</sup>

It was also foreseeable that a multi-city Games model would introduce additional operational and logistical challenges. Jeroen Weimar, Victoria 2026, told the Committee:

If you were arriving as Team Wales, you would be arriving at Melbourne Airport and then breaking your team into four components depending on sport, moving them to four different villages and then having to support those teams in four quite different locations. What that meant for the organising committee, but also for the individual teams, was a significant duplication of costs. We would have had to have four or five uniform and accreditation centres. We needed five volunteer centres to manage the

<sup>65</sup> Ibid.

<sup>66</sup> Yates, *Transcript of evidence*, pp. 17–18.

<sup>67</sup> Department of Jobs, Skills, Industry and Region, *Regional Victoria – Commonwealth Games 2026 Business Case*, p. 138.



volunteering process. We needed additional resources to support the teams and country delegations. None of that is impossible, and we had a plan to deliver that, but that sheer duplication does introduce additional cost.

In a joint statement on the Victoria 2026 Commonwealth Games, the Victorian Government conceded that ‘the multi-hub regional model was more expensive to host than the traditional models’.<sup>68</sup>

The Committee notes that in response to member nation concerns that the Commonwealth Games is too expensive to host, the Commonwealth Games Federation is now suggesting that future host cities consider co-hosting the Games with other cities or countries who have existing facilities.<sup>69</sup> This suggests that more multi-city models may be considered for upcoming Games.

## 2.6.2 Transport and Security

**FINDING 34:** The Minister for Commonwealth Games Delivery acted without the support of the Department of Jobs, Skills, Industry and Regions, the Department of Treasury and Finance and the Department of Premier and Cabinet when recommending that transport and security be funded from relevant departmental and agency budgets, instead of the Games budget as initially contemplated. This was an attempt to shift costs away from the Games budget in light of escalating estimates and delivery concerns.

The proposed multi-city regional Games model would have required athletes, staff and spectators to operate and be accommodated across multiple locations. To ensure everyone’s safety, security and policing would also need to be located at every one of these locations. For example, security and policing would need to be present at four athletes’ village sites, rather than at just one central hub as would typically be the case. This was likely to introduce significant duplicated costs.

Ensuring that athletes, staff and spectators could freely move between multiple sites was another source of duplicating costs, as additional transport infrastructure would be needed to connect several locations.

The March 2022 business case estimated that transport would require a \$120 million budget, and police and security would require a \$219 million budget. By July 2023, these estimates had approximately doubled—a \$306 million budget for transport and \$492 million budget for police and security. This is illustrated in Table 2.4 below.

<sup>68</sup> Premier of Victoria, *Joint Statement of Victoria 2026 Commonwealth Games*, 19 August 2023, <<https://www.premier.vic.gov.au/site-4/joint-statement-victoria-2026-commonwealth-games>> accessed 18 February 2025.

<sup>69</sup> Brown, ‘Multiple host cities possible for future Commonwealth Games’.

**Table 2.4 Changes to the Games budget estimates between March 2022 and July 2023 (\$ nominal)**

	March 2022		April 2023	July 2023
	Worst case (\$ million)	Best case (\$ million)	DJSIR revised (\$ million)	DTF advice (\$ million)
Transport	120	120	68	306
Police and security	219	219	204	492

Source: Victorian Auditor General's Office, *Withdrawal from the 2026 Commonwealth Games Report*, 2024, p. 19

Initially, the Commonwealth Games budget included the additional funding that Victoria Police and the Department of Transport and Planning would require to support the delivery of the Games.<sup>70</sup>

The Victorian Auditor-General's report on the withdrawal from the Games analysed how these costs were shifted from the Games budget to Victoria Police and the Department of Transport.

The Auditor-General revealed that in July 2022 Hon Jacinta Allan MP, then Minister for Commonwealth Games Delivery made a submission to the Government. The submission recommended that transport and security be funded from Victoria Police and the Department of Transport and Planning's existing budgets, instead of the Games budget.<sup>71</sup>

The Auditor-General characterised the Minister's advice as opening 'the door to shift responsibility for costs that were initially intended to be covered by the Games budget, such as non-business-as-usual costs for [the Department of Transport and Planning] and Victoria Police, onto other relevant departments and agencies'.<sup>72</sup>

Such cost shifting was observed later in March 2023. At that time, the Department of Jobs, Skills, Industry and Regions also sought to have most Games-related transport and police costs covered by separate funding bids from the Department and Victoria Police, rather than from the Games budget.<sup>73</sup>

The Minister's recommendation was added to the submission when she lodged it, meaning it was not based on the Department of Jobs, Skills, Industry and Regions' advice. The Department of Treasury and Finance and the Department of Premier and Cabinet were not consulted on the Minister's recommendation and requested that it be removed from the submission. It was not removed.<sup>74</sup>

<sup>70</sup> Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, p. 28.

<sup>71</sup> Ibid..

<sup>72</sup> Ibid.

<sup>73</sup> Ibid.

<sup>74</sup> Ibid.

### 2.6.3 Temporary infrastructure

Hosts of the Commonwealth Games are required to construct some level of temporary infrastructure. For example, most host cities will construct some temporary spectator seating, portable buildings for officials or retail and temporary lighting to support broadcast quality. Host cities may also construct temporary sporting venues to host competitions if no permanent facilities exist. Such infrastructure is classified as an operational expense as it is intended to be removed at the conclusion of the event.

The Victorian Government's decision to host the Commonwealth Games was primarily driven by the opportunity to create legacy benefits for regional Victoria. Therefore, whilst the Government would need to invest in some temporary infrastructure, building temporary sporting venues would not assist the Government to deliver legacy benefits to the regions.

The best-case scenario put forward in the March 2022 business case estimated \$283 million in temporary infrastructure costs for athletes' villages and sporting venues.<sup>75</sup> The Committee understands this estimate was based on the cost for the 2018 Gold Coast Commonwealth Games, adjusted for the multi-site model.<sup>76</sup>

By April 2023, the Department of Jobs, Skills, Industry and Regions estimated that the total cost of temporary infrastructure would total \$519 million.<sup>77</sup> The Auditor-General revealed that the Department's advice rationalised this increase based on two factors:

- the estimate in the business case was too low because it underestimated the type, extent and cost of temporary infrastructure required to deliver the Games
- extra temporary infrastructure was needed to support additional sports that were not originally planned.<sup>78</sup>

Table 2.5 below provides a breakdown of the changes to the Games budget estimates.

**Table 2.5 Changes to the Games budget estimates between March 2022 and July 2023 (\$ nominal)**

	March 2022		April 2023	July 2023
	Worst case (\$ million)	Best case (\$ million)	DJSIR revised (\$ million)	DTF advice (\$ million)
Temporary infrastructure – villages and venues	321	283	519	499

Source: Victorian Auditor General's Office, *Withdrawal from the 2026 Commonwealth Games Report*, 2024, p. 19.

<sup>75</sup> Ibid., p. 19.

<sup>76</sup> Ibid., p. 26.

<sup>77</sup> Ibid., p. 19.

<sup>78</sup> Ibid., p. 27.

## 2.6.4 Scope of the Games

It was open to the Victorian Government to consider altering the scope of the Games to make it more affordable to host. Whilst changes to the scope of the Games may have required negotiation with the Commonwealth Games authorities, the Committee considers it likely that a decreased scope would have been favourably considered. In particular, this would have been attractive given an alternative was Victoria withdrawing from hosting completely. Instead, the Victorian Government expanded the scope of the Games.

The Victorian Government's decision to expand the scope of the sporting program to include an additional 4 sports and 3 more cycling disciplines increased expected costs by \$247.4 million.<sup>79</sup> This additional cost was primarily driven by the need for more venues and temporary infrastructure.<sup>80</sup> This included the construction of a temporary velodrome in Ballarat estimated to cost \$54.9 million.<sup>81</sup> A temporary velodrome would not provide any legacy benefits to the community and would require 'a huge amount of cost for little return'.<sup>82</sup>

Key stakeholders criticised State Government decisions to increase the scope of the Games, noting that resulting cost escalations were foreseeable and avoidable.

In its media release after the cancellation was announced, the Commonwealth Games Federation stated:

[The] figures are attributed to price escalation primarily due to the unique regional delivery model that Victoria chose for these Games, and in particular relate to village and venue builds and transport infrastructure.

Since awarding Victoria the Games, the Government has made decisions to include more sports and an additional regional hub, and changed plans for venues, all of which have added considerable expense, often against the advice of the Commonwealth Games Federation (CGF) and Commonwealth Games Australia (CGA)<sup>83</sup>

Key stakeholders also questioned why the Victorian Government did not consider moving some events to Melbourne where existing infrastructure could have been used. Craig Phillips AM, Chief Executive Officer of Commonwealth Games Australia, stated:

the Victorian Government wilfully ignored recommendations to move events to purpose-built stadia in Melbourne and in fact remained wedded to proceeding with expensive temporary venues in regional Victoria.<sup>84</sup>

<sup>79</sup> Ibid.

<sup>80</sup> Ibid.

<sup>81</sup> Ibid.

<sup>82</sup> Simon Thewlis, Director, Event Pty Ltd, public hearing, Melbourne, 23 October 2023 *Transcript of evidence*, p. 44.

<sup>83</sup> Commonwealth Sport, *Response to Victoria Government 2026 Commonwealth Games Host Withdrawal*, 18 July 2023, <<https://www.commonwealthsport.com/news/3594069/response-to-victoria-government-2026-commonwealth-game-host-withdrawal>> accessed 10 February 2025.

<sup>84</sup> Commonwealth Games Australia, *CGA Statement from Craig Phillips AM – Victoria 2026*, 18 July, 2023, <<https://commonwealthgames.com.au/cga-statement-from-craig-phillips-am-victoria-2026>> accessed 10 February 2025.

# Chapter 3

## Governance and decision-making processes

Victoria withdrew from hosting the 2026 Commonwealth Games primarily because of a series of poor decisions made by key stakeholders in the Victorian Government. The Committee found that key decision-makers:

- failed to adequately consult with key stakeholders and sectors
- placed reliance upon a rushed business case that was developed using only desktop research
- made approval decisions without sufficient time to properly consider documentation or resolve the significant concerns they held
- did not apply the high value high risk guidelines to what was clearly a highvalue and high-risk project subject to significant public interest.

These issues are discussed further in the section below.

### 3.1 Role of ministers and the public service

**FINDING 35:** It is evident that there was a clear lack of communication and collaboration between responsible ministers, departments and agencies in the planning, preparation and development of the 2026 Commonwealth Games.

**FINDING 36:** The over-reliance on consultants to prepare and review the business case, and secrecy around the business case, may have impacted on the ability of the public service to provide frank, impartial and timely advice to ministers.

**FINDING 37:** Poor decisions were made from the outset prior to the commissioning of the business case for the Commonwealth Games bid, right through until it became apparent the Games needed to be cancelled. Due to a lack of transparency regarding the nature of advice provided to ministers, the Committee was unable to draw definitive conclusions about whether these failures were on the part of the departments or ministers. However, based on the evidence available, it appears that both ministers and departments bear responsibility.

**FINDING 38:** Ministers and departments have avoided accountability for failures in decision-making and governance regarding the decision to host the Commonwealth Games, and subsequent decisions that led to the Games' cancellation. This is evidenced by failure of ministers responsible to appear before the Committee, failure to produce documents requested by the Committee and the Parliament, questionable use of claims of executive privilege and failure to follow the Legislative Council Standing Orders with respect to such claims, and refusal of departments to accept the findings of the Victorian Auditor-General.

To deliver a complex event such as the Commonwealth Games, multiple government departments must work together efficiently and effectively. The Committee understands that this was not always the case during the planning of the 2026 Games, as considered in the Auditor-General's report *Withdrawal from 2026 Commonwealth Games*.

By providing more comprehensive and frank advice, the departments could have facilitated a better consideration of material risks by the Government at a far earlier stage. Instead, significant decisions were made without the benefit of comprehensive and fearless advice.

However, at the same time, ministers will make decisions as to which projects they want to progress and how they consider departmental budgets be allocated. A role of government departments and agencies is to assist ministers to administer these public policy decisions. It is ministers, not departments or agencies, that are elected by the Victorian people.

The Department of Treasury and Finance and the Department of Premier and Cabinet told the Auditor-General that:

throughout the planning for the Games, the Department of Jobs, Skills, Industry and Regions did not always work cooperatively with them to make sure they had enough time to review key briefings and submissions or provide requested information.<sup>1</sup>

This is particularly problematic given the Department of Jobs, Skills, Industry and Regions was the department leading the planning of the 2026 Games.

In response, the Department of Jobs, Skills, Industry and Regions indicated that 'its approach reflected the Minister for Commonwealth Games Delivery's wishes'.<sup>2</sup> The Committee acknowledges that it was the Department's role to assist the Minister in administering a public event such as the Games. However, the Department's and Minister's conduct are concerning. Ultimately, both the Department and Minister had a responsibility to abide by high governance standards. The evidence collected by the Auditor-General suggests that in some instances during the planning of the Games, the Department and Minister may have fallen short of this standard.

<sup>1</sup> Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, Victorian Auditor-General, 2024, p. 7.

<sup>2</sup> Ibid.

An important role of government departments is to implement the reasonable directions of ministers. However, the *Public Administration Act 2004* also establishes an overarching duty to give the Victorian Government ‘frank, impartial and timely advice’.<sup>3</sup> In order to fulfill this duty, departments may be required to give ministers, or the Government more broadly, advice that they don’t wish to receive. The importance of this function cannot be understated.

During the Inquiry, the Committee sought documents relating to the advice provided to ministers during the Games bid and withdrawal. However, it was denied access on the grounds of executive privilege. As such, the Committee is unable to comment on specific departmental advice to ministers.

The Auditor-General formed the view that the advice the Department of Treasury and Finance and the Department of Premier and Cabinet provided to the Government on the proposed 2026 Games was not ‘sufficiently comprehensive or frank’.<sup>4</sup> This was because they ‘did not advise the Government that hosting the Games might be unfeasible until June and July 2023’,<sup>5</sup> despite identifying material concerns and risks far earlier in the planning process.

In a response to the report, both the Departments disagreed with this finding, stating they:

- faithfully supported the Government’s commitment to host the Games whilst providing frank, impartial and timely advice
- complied with all obligations of the *Public Administration Act 2004* and the VPS Code of Conduct.<sup>6</sup>

The over-reliance on consultants to complete—and evaluate—the business case for the Commonwealth Games, rather than using the public service, is part of a broader trend across Australian governments. However, this may have also been a factor that limited the ability of departments to provide fully informed advice to the relevant ministers regarding the Games.

The Committee notes the reflections of the Victorian Ombudsman in relation to the collapse of the Commonwealth Games hosting agreement in her 2023 report, *Alleged politicisation of the public sector: Investigation of a matter referred from the Legislative Council on 9 February 2022*:

Two possible contributory factors appeared relevant to the broader theme of politicisation: excessive secrecy and primary reliance on consultants to assess the value of a strategically significant project. Both practices potentially contribute to

<sup>3</sup> *Public Administration Act 2004* (Vic) s 7(a)(i).

<sup>4</sup> Victorian Auditor-General’s Office, *Withdrawal from 2026 Commonwealth Games*, p. 7.

<sup>5</sup> *Ibid.*

<sup>6</sup> *Ibid.*, pp. appendix A-4.

marginalisation of the public sector by frustrating its ability to provide frank, impartial and timely advice, and were also present in the early development of the SRL project.<sup>7</sup>

Whilst the Committee accepts that there is a need to ensure that certain Cabinet processes and deliberations remain confidential, at least for a period, there is scope for greater transparency regarding the decisions made by Cabinet particularly after they have been finalised.

## 3.2 Conception of the Games

**FINDING 39:** The Victorian Government sought to deliver a completely novel multi-city regional Commonwealth Games model in half the time host cities would typically be afforded. Given the ambitious change to the model, the decision-making process should have included a more robust analysis of what was achievable.

**FINDING 40:** The baseline of the business case was the single-city 2018 Gold Coast Commonwealth Games. This was not a useful starting point as the 2018 Games were held in a traditional single-city model, which was radically different from the proposed 2026 multi-city regional Games. Some adjustments were made to the baseline assumptions to take into account the multi-city model.

Visit Victoria conceived the idea of a wholly regional Games after being approached by Commonwealth Games Australia, who were seeking a host for the 2026 Games.<sup>8</sup> Visit Victoria hoped that a multi-city regional Games would drive tourism following the COVID-19 pandemic. The Victorian Government also saw a multi-city regional Games as a timely catalyst for the construction of legacy sporting and accommodation infrastructure across regional Victoria.

The conception of a multi-city Games held across regional Victoria was bold. It was to be the ‘first time any major multigame sporting event had tried to operate across five different venues and locations’.<sup>9</sup> It would also need to be delivered in half the usual lead time—only four years, rather than the usual seven to eight. To characterise the conception of the 2026 Games as ambitious is likely an understatement.

### 3.2.1 Lack of initial consultation

**FINDING 41:** Those involved in the preparation of the bid did not adequately consider the highly relevant prefeasibility study led by Shepparton City Council in 2017, which foreshadowed several challenges that arose during planning of the 2026 Games.

<sup>7</sup> Victorian Ombudsman, *Alleged politicisation of the public sector: Investigation of a matter referred from the Legislative Council on 9 February 2022 – Part 2*, 2023, p. 226.

<sup>8</sup> Visit Victoria, *Annual Report 2022–23*, 2022, p. 10; Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, p. 12.

<sup>9</sup> Jeroen Weimar, Chief Executive Officer Victoria 2026 public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 68.



**FINDING 42:** Those involved in the preparation of the bid did not adequately consult or draw upon the expertise of the Victorian event industry.

Unforeseen challenges are likely to arise when treading new ground. However, a question before the Committee is whether the challenges the Victorian Government encountered when planning the 2026 Games were truly unforeseen—or whether such challenges would have been identified with better consultation.

Evidence provided to the Committee indicated that during the project conception phase, there was little engagement with stakeholders outside of the Victorian Government. This is concerning given the scale of the event and number of key stakeholders—including local government and the events industry—that were involved.

The idea of a fully regional Commonwealth Games had previously been investigated by Shepparton City Council in 2017. At that time, it was envisaged that the concept would be developed for a 2030 or 2034 Games. A taskforce was established, and the Council received funding from Sport and Recreation Victoria for prefeasibility study, matched by \$50,000 from 14 other regional councils.

The pre-feasibility study was completed in early 2020, however it was not further progressed.

Several problems that arose during the Victorian Government's 2026 Games preparations had been identified in the Shepparton prefeasibility work.<sup>10</sup> This included:

- Many venues did not comply with the Commonwealth Games Federation's standards.
- There was no athletics stadium in regional Victoria with a spectator capacity of 40,000 seats.
- Hosting the Commonwealth Games across multiple, dispersed regional hubs would involve significantly higher costs than a traditional single-host-city model due to:
  - temporary infrastructure in and around venues to support Commonwealth Games events
  - housing athletes in multiple villages.
- Limited spectator seating would reduce potential ticket sale revenue.
- Travel time requirements may not be met without improvements to road and/or rail infrastructure.
- Regional Victoria lacked the necessary volume and standard of accommodation.<sup>11</sup>

<sup>10</sup> Anthony Nicolaci, Manager Economic Development, Greater Shepparton City Council, public hearing, Bendigo 27 February 2024, *Transcript of evidence*.

<sup>11</sup> Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, p. 44.

No reference to the previous work led by Shepparton City Council was made by the agencies involved in the preparation of the business case or the bid for the 2026 Games. Shepparton City Council was also not approached for input.<sup>12</sup>

Simon Thewlis, Director at Event Pty Ltd, told the Committee that the Victorian Government 'did not value, respect or properly utilise the unique skills, experience and capabilities that Victoria's event industry has'.<sup>13</sup> He considered that flaws in the business model were clearly evident to those with event industry experience, stating:

It took only a 10-minute read to see the deep flaws in the business case. To quickly touch on a few things, it was based on the Gold Coast and not on regional Victoria. While lack of construction people was identified as a serious risk, the lack of event industry people was not, despite our industry having been decimated during COVID. In fact the business case suggests that locals in the regions could be trained in 'major event delivery'. This showed little understanding of the skills and experience needed from major events. The chair of Victoria 2026 in evidence said that their organisation had never seen or read the business case. How could this be if half of their senior leadership team oversaw putting it together at [the former Department of Jobs, Precincts and Regions], ran the bid and then nailed down the deal based on the business case and were part of the organising committee up until they joined Victoria 2026?<sup>14</sup>

Mr Thewlis was highly critical of the Victorian Government's failure to properly consult with stakeholders with major events experience, stating:

At the end of the day, a bunch of people with little to no real, operational major event experience tried to organise one of the largest events our country has seen. They thought they knew better than the event industry. They failed completely – arrogance and hubris.<sup>15</sup>

### 3.3 Business case

**FINDING 43:** A desktop analysis was insufficient as the basis for a multi-billion-dollar Commonwealth Games.

**FINDING 44:** The business case was not fit for purpose, overestimating projected benefits whilst underestimating costs. This was primarily due to a lack of time and an inability to source good quality information.

<sup>12</sup> Anthony Nicolaci, *Transcript of evidence*, p. 60.

<sup>13</sup> Simon Thewlis, Director, Event Pty Ltd, public hearing, Melbourne, 23 October 2023 *Transcript of evidence*, p. 41.

<sup>14</sup> *Ibid.*, p. 43.

<sup>15</sup> *Ibid.*

**FINDING 45:** The Department of Treasury and Finance failed to provide fully accurate and reliable advice which the Expenditure Review Committee and Cabinet itself could rely upon. However, Cabinet must ultimately accept full responsibility for the failure to properly analyse the costs of committing to the Games.

**FINDING 46:** The members of the Expenditure Review Committee during the decision-making on the Commonwealth Games bid should be published. These members should be held responsible given the significance of the errors.

**FINDING 47:** The business case contained many caveats and qualifications which were made clear at the time. Despite this, decision-makers still chose to rely on the business case to justify proceeding with hosting the Commonwealth Games.

The business case for hosting the 2026 Games has been highly criticised. The Victorian Government allocated a \$2.6 billion budget to deliver the Games based upon the ‘best case’ costing scenario presented in the business case (\$2.7 billion). As planning progressed, it became clear that the business case had overstated the benefits of hosting the Games whilst significantly underestimating the costs. The Committee made a series of findings about the failures of the business case in its interim reports.

Despite its shortcomings, the business case was a key document upon which departments recommended that the Victorian Government host the Games.

Consultancy firm EY was engaged by the Department of Jobs, Skills, Industry and Regions to develop the business case for the 2026 Commonwealth Games. EY was paid \$3.1 million for its work on the business case and assisting the Department with the transition to Games delivery.<sup>16</sup>

EY was required to prepare a business case using only desktop research within a tight six-week timeframe over the Christmas and New Year period.

However these caveats were noted in the final business case submitted to Cabinet in March 2022, which stated:

Preliminary cost estimates have been derived based on desktop analysis by DHW Ludus, MI Associates, SRV and Ernst & Young (EY). Given the early stage of works, limited consultation and limited ability to undertake venue site visits within this short period of time upper and lower estimates have been provided. These estimates will require further validation.<sup>17</sup>

<sup>16</sup> Department of Jobs, Skills, Industry and Regions, hearing, response to questions on notice received 12 January 2024, p. 17.

<sup>17</sup> Department of Jobs, Skills, Industry and Regions, *Regional Victoria - Commonwealth Games 2026 Business Case*, 2022.

Once the Games bid was approved and planning progressed, it became apparent that the business case was inaccurate—it overstated the benefits of the Games whilst significantly underestimating costs.<sup>18</sup>

For example, the business case estimated that around 20% of the benefits would come from ‘avoided health costs due to increased physical activity and civic pride in regional areas’.<sup>19</sup> The Department of Treasury and Finance assessed these benefits as ‘speculative and overstated’. Despite this, the Department of Jobs, Skills, Industry and Regions included them in its cost-benefit ratio provided to the Government against Department of Treasury and Finance advice.<sup>20</sup>

Regardless of these shortcomings, and the numerous caveats made by EY within the business case, the business case was ultimately utilised by departments to validate their recommendation to proceed with the Games. The Committee considers that this was irresponsible. It should have been apparent to the departments and the Victorian Government that a document constrained by such significant limitations and caveats should not be relied upon to support a decision of this magnitude.

### 3.3.1 Timeline of preparation of the business case

EY worked in conjunction with consultants DHW Ludus, which provided advice on facilities and infrastructure,<sup>21</sup> and MI Associates which provided advice on operational matters.<sup>22</sup>

EY received the confirmed scope of works from the Department of Jobs, Skills, Industry and Regions on 24 December 2021. The first draft was submitted to the Department of Treasury and Finance only 16 business days later. Subsequent drafts and versions of the business case were provided to the two departments over the next few months. The timeline for development of the business case is summarised in Figure 3.1 below.

<sup>18</sup> Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, pp. 4–5.

<sup>19</sup> *Ibid.*, p. 5.

<sup>20</sup> *Ibid.*

<sup>21</sup> Department of Jobs, *Regional Victoria - Commonwealth Games 2026 Business Case*, p. 10.

<sup>22</sup> *Ibid.*

**Figure 3.1 Timeline of key events in relation to development of the business case**



Source: Select Committee on the 2026 Commonwealth Games Bid.

### 3.3.2 Timeframe limitation

EY was only given six weeks to develop the business case for the 2026 Games. This six-week window fell over the Christmas and New Year period—further limiting the time EY had to complete the work. The timeframe given was dictated by the letter of agreement signed by Visit Victoria, the Commonwealth Games Federation and Commonwealth Games Australia on 21 December 2021. This letter established a six-week exclusive negotiating window. During this time, the Victorian Government needed to decide whether to proceed with the games.

It is unclear to the Committee why steps were not taken to develop a business case prior to agreeing to a six-week exclusive negotiating window. Visit Victoria first became aware of the potential opportunity to host the 2026 Games in March 2021. At this stage, it was known that the lead into the 2026 Games was shorter than is normally provided to host countries. The Committee would have expected parties to act with more haste in assessing the opportunity given the time constraints. This is particularly so because Visit Victoria was pitching a completely novel model of Games delivery that would require additional feasibility and planning work.

The Committee understands that the Commonwealth Games authorities wanted to announce the host of the 2026 Games at the 2022 closing ceremony on 8 August 2022. However, it is unclear to the Committee why the Victorian Government did not leverage

its position as the sole bidder for the 2026 Games to request more time to conduct proper due diligence.

The Committee acknowledges that a delay in decision-making would reduce the time available to deliver the Games. However, as proved to be the case, a rushed decision to proceed with a novel Games model overlooks delivery challenges which has significant implications.

### 3.3.3 Confidentiality clause limitation

**FINDING 48:** The Department of Jobs, Skills, Industry and Regions paid EY \$3.2 million for its advisory services for the 2026 Commonwealth Games. Consulting firm EY was constrained to high-level desktop research which meant that a range of assumptions and cost estimates could not be tested and required significant further work. This does not represent good value for money for government.

**FINDING 49:** Despite the numerous caveats contained in the business case, the Victorian Government placed too much emphasis on the document to validate the recommendation to proceed with the Games, without conducting additional analysis.

The Department of Jobs, Skills, Industry and Regions imposed strict confidentiality provisions upon EY when developing the business case.<sup>23</sup> Such provisions meant that EY was essentially constrained to desktop research. At a public hearing, EY Partner, Dean Yates, explained:

I should emphasise here again that the highly confidential nature of this engagement meant that no fieldwork, such as formal inspection of the potential venues, for example, could be undertaken by EY, DHW Ludus or MI Associates, nor could any consultation take place with any potential suppliers, partners or other departments.

...

we had very little ability to consult, talk to stakeholders, visit communities, visit venues et cetera, so the extent to which some of these risks could be mitigated or tested or validated – we were not in a position to do that, so our job therefore was to flag them and to make sure that those receiving our report did the best they could to manage those factors.<sup>24</sup>

Confidentiality provisions are not unique—they are commonly imposed on external consultants to protect Victoria's commercial interests. But by imposing such provisions, the Victorian Government is likely to receive work that is heavily caveated and requires further research and consideration. The Committee considers that imposing strict

<sup>23</sup> Dean Yates, Partner, Ernst Young Oceania, EY, public hearing, Melbourne, 5 December 2023 *Transcript of evidence*, p. 2.

<sup>24</sup> Ibid.; Warrnambool City Council, *Submission 38*.

confidentiality provisions can limit the utility of engaging external consultants and may not actually represent good value for money for government.

## 3.4 Approval of the business case

The approvals process has been widely discussed to date. The Committee's first interim report and the Victorian Auditor-General's report into *Withdrawal from 2026 Commonwealth Games* discuss the governance and decision-making process in detail. A summary of key events is provided below.

### 3.4.1 January 2022 Cabinet Consideration

**FINDING 50:** The Department of Jobs, Skills, Industry and Regions did not adequately consider the merits or accuracy of the business case received prior to Cabinet consideration on 31 January 2022, at which time it suggested that the Victorian Government enter into a heads of agreement with the Commonwealth Games Federation.

**FINDING 51:** Despite identifying areas of the business case that needed further work, the Department of Jobs, Skills, Industry and Regions missed a critical opportunity during early 2022 to obtain valuable input from relevant stakeholders. This was prior to the Government making a decision about the updated business case in March 2022.

The business case was considered as part of Cabinet submission on 31 January 2022.<sup>25</sup> This was only three days after the business case was first provided to the Department of Jobs, Skills, Industry and Regions on 28 January 2022.<sup>26</sup>

The Committee understands that the Department of Treasury and Finance obtained earlier access to the business case on 20 and 25 January 2022.<sup>27</sup>

The Committee understands that the Department of Jobs, Skills, Industry and Regions relied upon the business case to support the proposal to enter into a heads of agreement with the Commonwealth Games Federation. This is despite the Department only having had access to the business case for two days prior to cabinet consideration.

This is not enough time for the Department to consider the merits and accuracy of the business case before a major decision as to whether the Government should proceed with hosting the Games. This is particularly so given the business case itself made strong caveats on its costings that required significant further work.

<sup>25</sup> Submission made by the Department of Jobs, Skills, Industry and Regions on behalf of the Office of the Commonwealth Games.

<sup>26</sup> Dean Yates, *Transcript of evidence*, p. 17.

<sup>27</sup> David Martine, Secretary Department of Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 23.

The Victorian Auditor-General identified that in late January and early February 2022, the Department of Treasury and Finance and Department of Jobs, Skills, Industry and Regions ‘jointly identified 10 areas of the business case that needed further work, including villages, venues and operating costs’.<sup>28</sup>

In January 2022, the Department of Jobs, Skills, Industry and Regions was authorised to connect with a number of delivery partners, including the Australian Government and local councils.<sup>29</sup> Despite this, the Auditor-General found that the Department ‘decided only to engage with architectural firms and an economic modeller (KPMG)... to maintain the bid’s confidentiality’.<sup>30</sup>

The Games bid was made public by the Victorian Government on 16 February 2022.<sup>31</sup>

### 3.4.2 March 2022 Cabinet Consideration

**FINDING 52:** The Department of Jobs, Skills, Industry and Regions did not adequately consider the merits or accuracy of the final business case received on 9 March 2022 prior to Cabinet consideration on 10 March 2022.

**FINDING 53:** The Victorian Government approved a budget submission to host the 2026 Games based on a flawed business case that was provided only one day prior. Given the high-profile and high-risk nature of hosting the Games, the Victorian Government should have given the decision to approve a games budget greater consideration.

The final version of the business case was submitted to the Government for its consideration on 9 March 2022.<sup>32</sup> According to the Auditor-General, this version of the business case was largely the same as the draft provided to the Government in January 2022.<sup>33</sup>

The Department of Jobs, Skills, Industry and Regions recommended seeking approval for a budget of up to 3.2 billion for the Games. However, at the request of the then Minister for Tourism, Sport and Major Events the bid was reduced to \$2.7 billion, which aligned with the ‘best case’ cost estimate of the Games.<sup>34</sup>

On 10 March 2022, one day after receiving the finalised business case, the Government approved a budget of \$2.6 billion for hosting the 2026 Games. The slightly lower

<sup>28</sup> Victorian Auditor-General’s Office, *Withdrawal from 2026 Commonwealth Games*, p. 44.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

<sup>32</sup> Dean Yates, *Transcript of evidence*, p. 14.

<sup>33</sup> Victorian Auditor-General’s Office, *Withdrawal from 2026 Commonwealth Games*, p. 45.

<sup>34</sup> Ibid., p. 6.



budget was because the Government agreed to remove funding of around \$51 million allocated for additional sports that had not been selected yet.<sup>35</sup>

The Committee heard that it was not unusual for the Department of Treasury and Finance to manage time pressure. Chris Barret, Secretary of the Department of Treasury and Finance, stated:

it is not unusual for there to be compressed timeframes in terms of decision-making. While we would always prefer as Treasury to have more time to be able to do things in a more leisurely manner, if you like, that is often not our lot in life. We do have to work in compressed timeframes, but we are used to doing it. It is always easier if you have a draft ahead of time so you know effectively what the material is that is going to be coming to you, right down to practical things. You can set up your spreadsheet and everything, and then it is a matter of if the numbers change at the last minute or with three days notice, you know that you will be able to advise because you have effectively digested the key elements of the business case. So while it was tight, it was certainly not unprecedented in terms of us being able to do the analysis. As I said, I would always want us to have more time, but my reflection is – and I think it has been a reflection of others before this committee – more time to prepare the business case would have been helpful. But more time to analyse it, while always helpful – I do not think it particularly impaired our ability to analyse it.<sup>36</sup>

The Committee acknowledges the time-pressured nature of the decision required. However, given the 2026 Games was a major event with very significant delivery risks, the Committee considers the departments should have taken more time to consider the material properly.

The Committee also questions why the Department of Jobs, Skills, Industry and Regions was allowed to provide critical material for departmental consideration so close to scheduled Cabinet deliberations.

The 2026 Games was to be a major event to be delivered in a completely novel way across regional Victoria. It is unreasonable to afford departments such a short period of time to consider complex documentation. By failing to provide departments with sufficient time, the Department of Jobs, Skills, Industry and Regions undermined the quality of departmental consideration and decision-making. However, the Committee also questions why departments proceeded to make decisions without sufficient time or information to do so. This is also poor practice.

The Victorian Auditor-General identified that despite holding significant and unresolved concerns, the Department of Premier and Cabinet and the Department of Treasury and Finance ultimately supported recommendations that the Government proceed with hosting the Games.<sup>37</sup> It is unclear to the Committee how the Departments

<sup>35</sup> David Martine, *Transcript of evidence*, p. 23.

<sup>36</sup> Chris Barrett, Secretary, Department of Treasury and Finance public hearing, Melbourne 29 November 2024 *Transcript of evidence*, p. 7.

<sup>37</sup> Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, pp. 45–46.

justified their decision-making given the unresolved issues they had identified, which included concerns about:

- the reliability of the estimated costs
- their view that costs were likely to exceed the quantifiable benefits, which meant the benefit-cost ratio for the Games was likely below 1.0
- identifying material issues and risks for the state that had not been resolved because the Department of Jobs, Skills, Industry and Regions had refused to meet with the Department of Treasury and Finance.<sup>38</sup>

The specific deliberations of Cabinet in January and March 2022 are not known by the Committee. However, the ultimate decision to withdraw from hosting the Games suggests a very rushed and inadequate consideration and decision-making process.

### 3.4.3 Investment lifecycle and high value high risk guidelines

**FINDING 54:** The business case for the Commonwealth Games should have been the subject of a high value high risk assessment, as laid out under the Department of Treasury and Finance's *Investment lifecycle and high value high risk guidelines*. The lack of assessment under these guidelines was a failure in the decision-making process that may have raised concerns about the financial viability of the Games at an earlier stage.

**FINDING 55:** The Committee finds the high value high risk guidelines apply not only to capital funding but to high-risk output funding.

**RECOMMENDATION 2:** The Department of Treasury and Finance amends the *Investment lifecycle and high value high risk guidelines* to require business cases for all projects estimated over \$250 million to be assessed as high value high risk, regardless of what type of funding is sought.

**RECOMMENDATION 3:** The Committee recommends that, in consultation with the Auditor-General, a review of the implementation of the high value high risk guidelines be undertaken to ensure that learnings can be incorporated to prevent further similar failures as occurred with the Commonwealth Games.

**RECOMMENDATION 4:** The Department of Treasury and Finance should subsequently report annually on the success and implementation of high value high risk guidelines.

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<sup>38</sup> Ibid.

A key failure in the decision-making process for the Games was that the business case was not prepared in accordance with the Department of Treasury and Finance's *Investment lifecycle and high value high risk guidelines*. In the Committee's view, hosting the Games clearly warranted assessment under the guidelines, given the significance of the event and the required investment by the Government.

The Committee heard the Guidelines provide a framework against which the Department of Treasury and Finance and decision-makers 'can compare and assess standard and non-standard business cases'.<sup>39</sup> The Guidelines 'seek to promote good practice in the detailed examination of proposed investments'.<sup>40</sup>

Whilst the Guidelines are designed to be applicable 'to any investment proposal',<sup>41</sup> a project will be classified as high value high risk if it is a budget-funded project that is:

- considered high risk using the Government's Project Profile Model risk assessment tool
- considered medium risk using the Project Profile Model and a total estimated investment of between \$100 million and \$250 million
- considered low risk using the Project Profile Model, but has a total estimated investment over \$250 million
- identified by Government as warranting the rigour applied to high value high risk investments.<sup>42</sup>

Despite a \$2.6 billion budget being allocated, and project delivery being high risk, the business case for the 2026 Games did not include all the required information to align with the Guidelines.<sup>43</sup>

At a public hearing, Tim Ada, Secretary of the Department of Jobs, Skills, Industry and Regions, outlined the Department's reasoning for not following the guidelines:

**Tim ADA:** ... the business case was predicated on a private sector led development of the housing, and that changed soon after based on an assessment of market factors and the deliverability ahead of the games, which was obviously some years later. Standard practice is that HVHR guidelines apply to capital investments in state-owned assets.

**The CHAIR:** But housing would become a state-owned asset if it was –

**Tim ADA:** And that is obviously something that changed post the business case being written. On your question about the sporting infrastructure facilities, they were intended

<sup>39</sup> Parliamentary Budget Office, *Submission 33*, p. 10.

<sup>40</sup> Ibid.

<sup>41</sup> Department of Treasury and Finance, *Investment lifecycle and high value high risk guidelines: Overview and glossary*, Victorian Government, Melbourne, 2019.

<sup>42</sup> Ibid., p. 9.

<sup>43</sup> Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, p. 4.

of course to be owned by local governments, not the state, so from an accounting perspective they would be recognised as output funding and not asset funding for that purpose.

**The CHAIR:** Right, so if I can just clarify that point, you are saying that it would not meet the high-value, high-risk threshold for the sporting infrastructure because the state government would not be the owner of that sporting infrastructure, it would be local government?

**Tim ADA:** The intention I think in the main was for local government to be either obviously augmenting existing assets that they owned or in some cases developing new assets that would be owned longer term by those local governments.<sup>44</sup>

In addition, Peter Betson, Deputy Secretary, Sport and Experience Economy, told the Committee that high-value, high-risk assessment decisions are made by the Department of Treasury and Finance.<sup>45</sup>

In responses to questions on notice, the Department of Treasury and Finance confirmed the reason the business case was not assessed under the guidelines. It stated this was because the business case for the 2026 Games ‘primarily sought operating funding (as opposed to asset funding)’.<sup>46</sup>

The initial business case incorrectly assumed that the cost of developing the athletes’ villages would be borne by the private sector, not the Government. However, even after excluding this \$1 billion cost of developing the athletes’ villages, the business case did contemplate that the Government would incur asset costs constructing new or improved competition venues.

The competition venue component of the infrastructure build alone would have easily qualified the Commonwealth Games to be considered under the Guidelines. According to the business case, the competition venues were projected to cost between \$450 million in the best-case scenario and \$750 million in the worst-case scenario.<sup>47</sup> This is far higher than the \$250 million threshold applied under the Guidelines.

If the Commonwealth Games were considered under the high value high risk framework, it would have had required greater involvement from the Department of Treasury and Finance and its infrastructure division. The involvement of these agencies is intended to ensure projects are delivered on budget and on time.<sup>48</sup> According to the Guidelines, this would have included rigorous assessment of ‘project concept, feasibility and validation—business case development and assessments’.<sup>49</sup>

<sup>44</sup> Tim Ada, Secretary Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, pp. 36–37.

<sup>45</sup> Peter Betson, Deputy Secretary Sports and Experience Economy, The Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 5 December 2023 *Transcript of evidence*, p. 42.

<sup>46</sup> Department of Treasury and Finance, hearing, response to questions on notice received 23 July 2024.

<sup>47</sup> Department of Treasury and Finance, *Investment lifecycle and high value high risk guidelines*, p. 9.

<sup>48</sup> Office of Projects Victoria, *Office of Projects Victoria*, 13 March 2024, <<https://www.vic.gov.au/office-projects-victoria>> accessed 25 February 2025.

<sup>49</sup> Department of Treasury and Finance, *Investment lifecycle and high value high risk guidelines*, p. 10.

In the Committee's view, the lack of application of the high value high risk process to the Commonwealth Games was a failure in government probity. If the Department of Treasury and Finance were more heavily involved at an early stage, it is possible its experienced project delivery staff may have escalated concerns about inaccurate costings and delivery risks.

### 3.5 Decision to withdraw

**FINDING 56:** The Victorian Government approved a \$2.6 billion budget and signed the host contract without a true understanding of the actual costs of hosting the 2026 Games.

**FINDING 57:** The Committee notes that the failures of governance and decision-making point to a broader need for strengthened parliamentary oversight and scrutiny of major projects. Currently, this oversight should be provided by the Public Accounts and Estimates Committee (PAEC), but the Committee notes that PAEC has a majority of government members and a government chair, limiting effective interrogation of government projects. A reformed committee structure of PAEC may have avoided the need to establish this Select Committee.

Following the approval of a \$2.6 billion budget to host the 2026 games, the Victorian Government signed the host contract in April 2022.<sup>50</sup> At this point, the Victorian Government were contractually bound to deliver an event that its departments had already flagged may not be deliverable within the allocated budget.

What followed was a string of interactions over the subsequent months where the Department of Jobs, Skills, Industry and Regions sought escalating budget allocations that were denied by the Victorian Government.

A detailed timeline of these interactions is provided in the Committee's first interim Report. It is also discussed in the Victorian Auditor-General's report *Withdrawal from 2026 Commonwealth Games*.

As noted in Chapter 2, at this time Hon Jacinta Allan MP, then Minister for Commonwealth Games Delivery, wrote to the Commonwealth Government requesting additional funding to support the Games. This was despite no prior commitment from the Commonwealth to provide funding previously.

Ultimately, on 18 July 2023 the Victorian Government announced its decision to withdraw from hosting the 2026 Commonwealth Games. It stated:

With significant planning work and extensive market soundings completed, it is now certain that the cost of hosting the Regional Victorian Commonwealth Games will

<sup>50</sup> Tim Ada, *Transcript of evidence*, p. 3.

exceed \$6 billion – more than twice the estimated economic benefit the Games would bring our state.

...

When the Commonwealth Games needed a host city to step in at the last minute, we were willing to help – but not at any price, and not without a big lasting benefit for regional Victoria.

Now the choice couldn't be clearer – \$6 billion is just too much.<sup>51</sup>

The decision was based on advice provided by the Department of Treasury and Finance after it received updated costings and risks in mid-2023.

Chris Barrett, Secretary of the Department of Treasury and Finance, told the Committee:

[The Department] advised the government against proceeding with the games at the point in July 2023 when it became clear that the costs had increased significantly and that the investment in the games was no longer in the best interests of the state. The basis of this position was the costings and risks presented by [the Department of Jobs, Skills, Industry and Regions] to government, which [the Department of Treasury and Finance] considered represented an upper-bound estimate of the potential costs of the games.<sup>52</sup>

The Victorian Government later suggested that the Games could cost \$6.9 billion.<sup>53</sup> The Auditor-General concluded that 'this figure is overstated because it double counts costs relating to industrial relation risks and cost escalation risks'.<sup>54</sup> The Auditor-General also estimated that 'fairly presenting the contingency allowance and additional costs would have resulted in a gross estimated cost of around \$5.9 billion instead of around \$6.9 billion'.<sup>55</sup>

The Victorian Government had already signed the host contract when it announced its intention to withdraw from hosting the 2026 Games. The State of Victoria, represented by Arnold Bloch Leibler, the Commonwealth Games Federation, Commonwealth Games Federation Partnership and Commonwealth Games Australia entered mediation to settle the dispute created by cancelling the host contract.

On 19 August 2023, the parties announced that the Victorian Government had agreed to pay the Commonwealth Games parties \$380 million to settle the dispute regarding

<sup>51</sup> Hon Daniel Andrews MP, *Commonwealth Games costs too high at over \$6 Billion*, media release, Victorian Government, 18 July 2023.

<sup>52</sup> Chris Barrett, *Transcript of evidence*, p. 2.

<sup>53</sup> Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, p. 8.

<sup>54</sup> *Ibid.*

<sup>55</sup> *Ibid.*

the cancellation of the 2026 Games.<sup>56</sup> According to the Auditor-General's report, the Games cost Victoria over \$589 million to cancel, with no public benefit.<sup>57</sup>

From the outset, the Victorian Government's approach to the 2026 Commonwealth Games was beset by failures of governance and decision-making by department executives and ministers. The Government was clear—in both its public communications at the time of announcing the Games, and in evidence provided to this Committee—that the key driver for the decision to host the Games was a desire for it to be a vehicle for regional investment.

A rushed, secretive, poorly analysed business case framed around this ambition formed the basis of the decision to proceed with the Games. This was despite a lack of robustness to support claims of potential public benefit given the large state expenditure required, and the large number of unmitigated risks clearly identified in the business case.

Ongoing failures to test assumptions underpinning the business case and a lack of flexibility regarding the scope and delivery of the Games meant that cost escalations became inevitable, and ultimately recognition that the Government's ambition was unviable.

This raises questions about the Government's approach to decision-making regarding major projects, and whether there are adequate measures in place to ensure that decisions are being made in the broader public interest.

It is unlikely that Victoria will be faced with this exact situation again; however, there are lessons that can be learned from the experience that are applicable to major investment decisions by government.

The Parliament plays a key role in providing oversight and holding the Government to account, including through joint investigatory committees such as the Public Accounts and Estimates Committee. However, as noted by multiple integrity experts, this role is hampered in Victoria due to significant structural problems as these committees are dominated by Government members.<sup>58</sup>

Had the Public Accounts and Estimates Committee been able to apply appropriate scrutiny to the Commonwealth Games project and cancellation, the Parliament or that Committee itself may have been able to establish an inquiry into it. The decision of the Parliament to establish a select committee indicates the limited confidence it has in the existing joint investigatory committees to apply appropriate scrutiny.

56 Premier of Victoria, *Joint Statement of Victoria 2026 Commonwealth Games*, 19 August 2023, <<https://www.premier.vic.gov.au/site-4/joint-statement-victoria-2026-commonwealth-games>> accessed 18 February 2025.

57 Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, p. 4.

58 The Centre for Public Integrity, *Scrutiny Shortcomings: Victoria: Discussion paper*, March 2022; Associate Professor William Partlett, *Rebuilding Victoria's forgotten integrity institution: Victorian voters rank public integrity as a key problem in the upcoming election, but how can integrity and public trust be restored?*, 15 November 2022, <<https://pursuit.unimelb.edu.au/articles/rebuilding-victoria-s-forgotten-integrity-institution>> accessed 19 March 2025.





# Chapter 4

## Regional funding package

As part of the decision to withdraw from hosting the 2026 Commonwealth Games host contract, the Victorian Government announced a \$2 billion funding package for regional Victoria. The then Premier's media release announcing the decision noted that 'the main reason we agreed to host the Games was to deliver lasting benefits in housing, tourism and sporting infrastructure for regional Victoria.'<sup>1</sup>

Since the withdrawal announcement, the Victorian Government has committed funding to a wide range of support programs and initiatives in regional Victoria. This covers policy areas including:

- housing
- regional infrastructure
- community sport
- tourism and events
- economic development
- support to Traditional Owners and other multicultural groups.

Despite these funding packages being announced in June 2023, a number of major infrastructure programs are still in design and procurement stages. This is concerning because major sporting infrastructure was due to be completed by the time the Games were scheduled to open in 2026.

Many of the other grant programs have already completed rounds of funding or have concluded.

### 4.1 Summary of programs under the regional package

The three main components of the \$2 billion regional package are the Regional Housing Fund, the Regional Sports Infrastructure Package and the Regional Tourism and Events Fund. These three funds account for \$1.7 billion of the funding allocated.

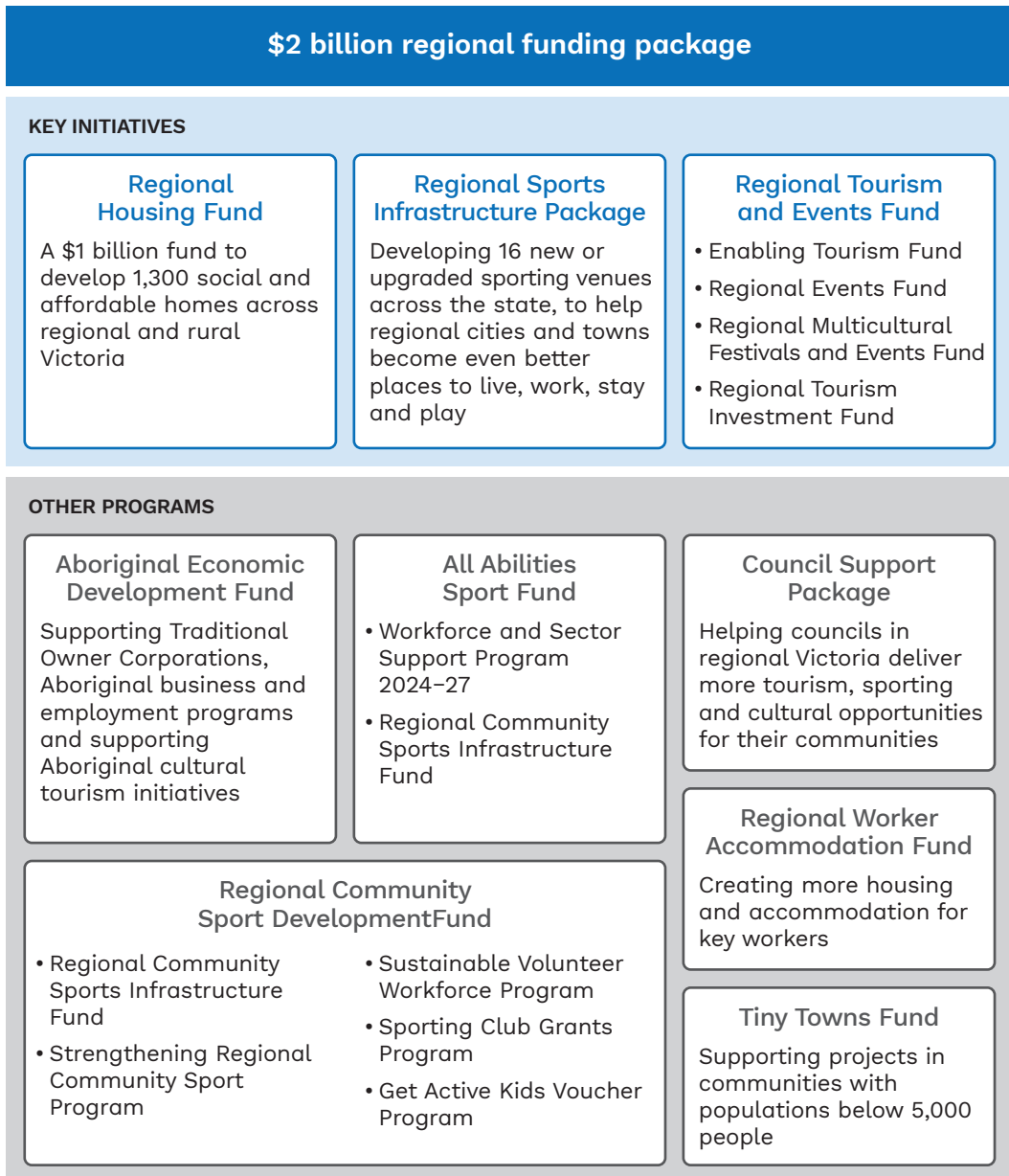
The remaining \$300 million is split across a number of programs aimed at assisting regional sport, tourism, employment and communities. Most of the remaining funding was allocated into new programs, however some was allocated to expand existing programs.

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<sup>1</sup> Hon Daniel Andrews MP, *Commonwealth Games costs too high at over \$6 Billion*, media release, Victorian Government, 18 July 2023.

Figure 4.1 below illustrates the programs funded under the \$2 billion regional package.

Figure 4.1 Overview of programs under the \$2 billion regional package



Source: Select Committee on the 2026 Commonwealth Games Bid.

Each program and their associated projects are discussed throughout this Chapter.

## 4.2 Regional Housing Fund

The Regional Housing Fund is a \$1 billion package that aims provide 1,300 social and affordable homes across regional and rural Victoria. This was in addition to existing investment allocated through the Victorian Government’s Big Housing Build program

and other social housing programs. Houses built under the Fund are due for completion by 30 June 2028.

The Victorian Government aims to use a range of methods to meet the 1,300 additional houses:

- purchasing homes in new developments
- construction
- renewing existing social housing stock
- partnerships with the community housing sector
- refurbishing existing government housing stock.<sup>2</sup>

In October 2024, the Victorian Government announced a delivery plan for the Fund. This included the locations for the first homes to be built:

- 68 homes in Mallee
- 98 homes in Wimmera South-West
- 162 homes in Loddon
- 34 homes in Central Highlands
- 238 homes in Barwon
- 140 homes in Goulburn
- 110 homes in Ovens Murray
- 65 homes in Outer Gippsland
- 110 homes in Inner Gippsland.<sup>3</sup>

According to the Department of Families, Fairness and Housing, 128 social and affordable homes are planned on intended Commonwealth Games athlete's village sites at Geelong (Waurin Ponds) and Bendigo. These are to be constructed in partnership in Development Victoria. Table 4.1 below provides a breakdown of the housing projects.

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2 Homes Victoria, *Regional Housing Fund*, 3 December 2024, <<https://www.homes.vic.gov.au/regional-housing-fund>> accessed 9 December 2024.

3 Ibid.

**Table 4.1 Social and affordable housing planned for construction at Wurn Ponds and Bendigo athletes village sites**

Housing location/type	Total numbers
<b>Geelong</b>	
Social housing	36
Affordable housing	36
<b>Geelong total proposed housing</b>	<b>72</b>
<b>Bendigo</b>	
Social housing	28
Affordable housing	28
<b>Bendigo total proposed housing</b>	<b>56</b>
<b>Total proposed housing</b>	<b>128</b>

Source: Melanie Heenan, Acting Secretary, Department of Families, Fairness and Housing, correspondence, 9 January 2025.

The Department also stated the following additional targets under the Regional Housing Fund:

- 130 new homes for First Nations Victorians
- 50 transitional homes all across Victoria for people experiencing homelessness
- renewal of 75 Homes Victoria properties that are beyond their useful life, with this target already exceeded
- redevelopment of existing Homes Victoria properties that are approaching end of their useful life
- up to 70 dwellings to support communities impacted by the 2022 floods in Shepparton, Seymour and Rochester
- about 50 public homes in Colac and 50 homes in Wodonga
- to date, over 400 site locations have been allocated with some redevelopments taking advantage of modern methods of construction
- Social Housing Growth Fund Affordable Housing Partnership Program to deliver up to 270 affordable housing dwellings
- homes through homelessness rapid grant delivered in partnership with housing agencies. The number of dwellings will be confirmed after completion of project tender.<sup>4</sup>

At a public hearing, Hon Harriet Shing MLC, Minister for Housing and Building, detailed the progress on housing projects at the proposed Commonwealth Games village sites:

Homes Victoria is acquiring 128 new social and affordable dwellings to be delivered by Development Victoria at the Wurn Ponds and Bendigo sites. This has involved

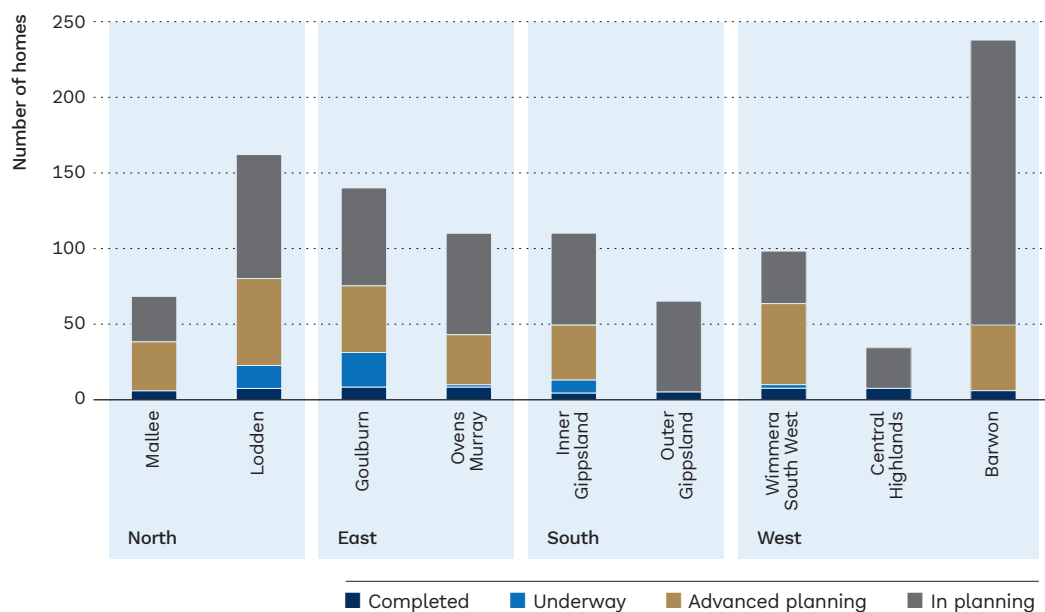
<sup>4</sup> Melanie Heenan, Acting Secretary, Department of Families, Fairness and Housing, correspondence, 9 January 2025, p. 2.

meetings with councils and traditional owner groups and ongoing briefings and overviews of draft master plans, and finalisation of the Waurrn Ponds and Bendigo master plans and lodgement is anticipated to be completed in the first half of this year. There have been suitable lots identified within those master plans for the purpose of acquisitions from Development Victoria through the Regional Housing Fund. There is work happening with Development Vic to potentially allocate up to 10 additional lots at the Morwell former Commonwealth Games village site ... You take 10 off that, and we talk about inner Gippsland and outer Gippsland – that is 175 homes as part of that first 1000. We are also working through the opportunity to partner with the community housing sector to deliver those dwellings ... There are 162 in Loddon, so that includes Bendigo; 34 in Central Highlands, which includes Ballarat; 238 in Barwon, which includes Geelong; and then Gippsland is 175, as I said.<sup>5</sup>

In a response to the Committee’s request for data, the Department provided a summary of planned funded housing projects under the Regional Housing Fund. The Department noted that not all dwelling types and locations could be confirmed at the time as planning and procurement for the Fund was still progressing.<sup>6</sup>

At a public hearing, representatives from Homes Victoria provided a progress update on the Regional Housing Fund. This is illustrated in Figure 4.2 below.

**Figure 4.2 Progress on Regional Housing Fund homes build (as at February 2025)**



Source: Homes Victoria, presentation at public hearing, Melbourne, 7 February 2025.

<sup>5</sup> Hon Harriet Shing MLC, Minister for Housing and Building, public hearing, East Melbourne, 7 February 2025, *Transcript of evidence*, pp. 8–9.

<sup>6</sup> Melanie Heenan, correspondence, p. 2.

The Committee notes that the vast majority of homes under the Regional Housing Fund are in ‘planning’ or ‘advanced planning’ stages.

The Committee received evidence from stakeholders on the cost and suitability of housing proposed by the Victorian Government under the Fund.

In its submission, Warrnambool City Council criticised engagement by Homes Victoria:

There has been little engagement or information provide by Homes Victoria in relation to project delivery in Warrnambool, however their website indicates that 122 home across 25 projects will be built in Warrnambool.<sup>7</sup>

At a public hearing, representatives from the Central Highlands and Wimmera homelessness alliances expressed ‘disappointment’ at the number of houses announced under the Regional Housing Fund. Michelle Twigger, Regional Homelessness Network Coordinator, spoke about the number of homes being built not adequately reflecting the size and population of the areas:

According to the Homes Victoria website, the Central Highlands will receive 34 homes and the Wimmera, combined with the south-west, 98 homes. Assuming half of those will be in the south-west, this leaves the Central Highlands and Wimmera areas combined with a total of 83 from 1000 new or refurbished homes, only 8 per cent for a geographical area that constitutes around 20 per cent of the state’s regional areas, a population of over 260,000 people and includes the state’s second largest regional city with over 120,000 residents. Homes Victoria has announced some of the 1300 dwellings are refurbished old stock and renewed existing social housing stock will constitute 500 of the recent allocations.<sup>8</sup>

The Committee acknowledges the ongoing issues of social and affordable housing supply in both Victoria and Australia nationally, which have compounded over a long period of time. The general supply of social housing is beyond the scope of this Inquiry. However, the Committee notes that at the time this report was adopted the Legislative Council Legal and Social Issues Committee was conducting an inquiry into public housing.

#### 4.2.1 Affordable housing

The term ‘affordable housing’ is used throughout Regional Housing Fund documentation. However, the term is not consistently defined throughout Australian jurisdictions. The Committee acknowledges there are ongoing challenges in creating a consistent definition for affordable housing due to demographic differences throughout Australia.

<sup>7</sup> Warrnambool City Council, *Submission 38*, p. 3.

<sup>8</sup> Michelle Twigger, Regional Homelessness Network Coordinator, Central Highlands and Wimmera Homelessness Alliance, public hearing, Melbourne, 29 November 2024, *Transcript of evidence*, p. 24.

In Victoria, ‘affordable housing’ is defined under s 3AA of the *Planning and Environment Act 1987*, as:

housing, including social housing, that is appropriate for the housing needs of any of the following:

- (a) very low income households
- (b) low income households
- (c) moderate income households.

The above definition was inserted into the Act in 2017.<sup>9</sup>

The income ranges for the three categories above are specified in an order by Governor-in-Council on recommendation by the Minister for Planning.

Homes Victoria further specifies ‘affordable housing’ as being where rents:

- in metropolitan Melbourne are set at least 10% below the area’s median market rent
- in regional Victoria are not set above market rate.

There is an additional protection for an affordable housing renter of a cap set at 30% of the median income. Affordable homes are also rented under 3 year fixed-term rental agreements.<sup>10</sup>

The Housing and Homelessness Ministerial Council began work in 2024 to develop a nationally consistent definition of ‘affordable housing’. However, at the time this report was adopted there had been no further progress.

At a public hearing, Simon Newport, Chief Executive Officer of Homes Victoria, detailed two key models for developing a definition of ‘affordable housing’:

there are two competing models, but I think they can be complementary. There is the discount-off-the-top model which was the old NRAS model, which was a 20 per cent discount from market price. That might make a \$500 a week property \$400 a week. Then you have 30 per cent of income. So social housing is typically at 25 per cent of income, and for affordables we are aiming at 30 per cent of income. So that is an income-based model and then a discount off the top. We are pursuing a double-barrel system that is affordable segueing out of social, and this is more of a journey into private with that discount off the top.

Both models are acceptable to the Housing Australia Future Fund so long as they do not charge more than 75 per cent overall of market rent, and that is to capture the GST concessions for charitable status. So there is work to do across the country. Whilst I may

<sup>9</sup> Through amendments made by the *Planning and Building Legislation Amendment (Housing Affordability and Other Matters) Act 2017*.

<sup>10</sup> Homes Victoria, *Homes Victoria Affordable frequently asked questions*, 14 February 2025, <<https://www.homes.vic.gov.au/homes-victoria-affordable-frequently-asked-questions>> accessed 6 February 2025.

not be an expert, I would be certainly one of them, and I would say that we are going to have to go for some sort of compromise so we can welcome all comers, because we need all the help we can get.<sup>11</sup>

At a public hearing, Sarah Toohey, Chief Executive Officer for the Community Housing Industry Association Victoria, discussed the challenges in providing affordable housing. She contrasted housing availability in in different regions and noted that affordable housing should target workers that are required to work in-person:

One of the challenges is most affordable housing programs at the state and at the federal level – because that adds a bit of confusion; there are federal affordable housing programs now as well – offer rental at a discount to market rent. It is usually a 20 to 25 per cent discount to market. Now, that is absolutely fine in Melton. That will get it into an affordable range. In Port Melbourne it is nowhere near an affordable rental. The average rent in Port Melbourne is around \$600 a week for a one-bedroom property. A 20 per cent discount to that does not get it into the reach of a childcare worker or an aged care worker, and I think that is the other critical part when we are thinking about our affordable housing proposal – it needs to be targeted to those workers who cannot do their work remotely. You cannot Zoom in to an aged care facility. You have to be there for things like child care. Hairdressers and aged care are all very low waged workers, but they do need to live close to where they work, and we all need them to be in all our communities. I absolutely need child care close to my house, and I am lucky enough to live in the inner city. So I think there is a case to be made for investing in affordable housing programs that are targeted to people on the low end of the moderate income range, and that hits aged care workers, childcare workers and hairdressers, a lot of those in-person jobs.<sup>12</sup>

Ms Toohey further highlighted the need for more social and affordable housing in the regions.

In the regions that were to host the Commonwealth Games there were almost 15,000 households with an unmet housing need at the 2021 census – that is, households that were either homeless, living in extremely overcrowded or otherwise inappropriate housing situations or in the private rental market paying more than 30 per cent of their income.

To break that down, in the Greater Geelong region that is 6500 households, in Ballarat that is 3300 households, in Greater Bendigo it is 2800 households and in the Latrobe region, which covers the Moe, Morwell and Traralgon area, it is 2100 households. Given that immense housing need in those regional locations, CHIA Vic advocated strongly for the Commonwealth Games to leave a lasting legacy for social housing in those regions.<sup>13</sup>

<sup>11</sup> Simon Newport, Chief Executive Officer, Homes Victoria, public hearing, Melbourne, 7 February 2025, *Transcript of evidence*, p. 37.

<sup>12</sup> Sarah Toohey, Chief Executive Officer, Community Housing Industry Association Victoria, public hearing, Melbourne, 29 November 2024, *Transcript of evidence*, p. 44.

<sup>13</sup> *Ibid.*, p. 40.



## 4.2.2 Costs of housing

**FINDING 58:** There was general concern amongst some housing providers that per unit costs for dwellings provided under the Regional Housing fund were excessive, above current market valuations, with no conclusive reason justifying the variance.

The Committee received evidence from stakeholders that highlighted the high costs associated with new housing built or acquired under the Regional Housing Fund. At a public hearing, representatives from the Central Highlands and Wimmera Homelessness Alliance highlighted that the average unit cost per housing under the Regional Housing Fund was \$800,000. This is far higher than the on-market cost of housing in the proposed areas:

**Adam LIVERSAGE:** ... You can buy a one-bedroom unit anywhere from probably \$250,000 in Ballarat quite easily and ... a three-bedroom house anywhere from sort of \$300,000 to \$350,000 upwards. But certainly when you are talking around \$800,000, that would buy you an extremely nice house in an extremely nice suburb in Ballarat. You are more or less talking the best of the best properties in Ballarat for \$800,000.

**Michelle TWIGGER:** And in the regional towns it would be much less.<sup>14</sup>

Michelle Twigger of the Alliance, also noted that a significant portion of the housing was refurbished stock. She queried whether this would amount to savings due to lower costs compared to new builds, and whether this could lead to increased housing stock overall:

Homes Victoria has announced some of the 1300 dwellings are refurbished old stock and renewed existing social housing stock will constitute 500 of the recent allocations. The funding commitment of \$1 billion for 1300 homes equates to \$800,000 per property, more than would be needed to restore an existing home. We ask: will the funds saved on the refurbished properties be used to increase the number of homes provided to more than 1300?<sup>15</sup>

At a public hearing, Minister Shing responded to the concerns of high unit prices. She noted that the additional costs associated with significant housing projects, such as additional infrastructure and standards required for public investments:

Cost per unit is something that I have sought constant advice on, in particular around what value for money looks like. This may well be cost for the purpose of acquiring land. It may be about decontamination, for example – site remediation. There are a range of factors that exist here, and it may well be that the configuration of housing is guiding the way in which costs are delivered. Also, let us just be clear on the distinction between the way in which government processes deliver housing and the way in which private

<sup>14</sup> Adam Liverage, Chair of Wimmera Homelessness Alliance, Central Highlands and Wimmera Homelessness Alliance, public hearing, Melbourne, 29 November 2024, *Transcript of evidence*, pp. 25–26; Jerry Ham, Chair of Central Highlands Homelessness Alliance, Central Highlands and Wimmera Homelessness Alliance, public hearing, Melbourne, 29 November 2024, *Transcript of evidence*, pp. 25–26.

<sup>15</sup> Twigger, *Transcript of evidence*, p. 24.

market housing occurs. When we have an allocation of housing across a \$1 billion fund, we have regulatory processes that need to take place. Now, that can often be seen as an encumbrance. But, having said that, government is required to comply with standards that apply across the delivery of essentially a public investment in the way that private investment does not apply.

...

often there is trunk infrastructure that needs to be delivered. Again, when you buy the house that is available at that sale price, it is with utilities and essential infrastructure connected. If, for example, we are doing new builds, then that work needs to be done as part of a total price per unit in a home that may well be on a site that is yet to be developed. Again, when we talk about price per unit, that is about everything from access roads through to, often, levelling of a site.<sup>16</sup>

Simon Newport from Homes Victoria, also stated that there is typically \$50,000 to \$100,000 in additional costs for new builds to include finishing items such as landscaping, soft furnishings, flyscreens, air conditioning, solar panels.<sup>17</sup>

Mr Newport also emphasised he was confident of constructing more than 1,300 houses that were announced. He noted that under the Regional Housing Fund the Government had completed refurbishment of social housing stock in excess of the original allocation:

with the refurbishments we delivered, we budgeted for 75; we actually made the money go further and delivered 138. Those 138, I am very confident, will be on top of the 1300. So that will not eat into your new homes per se. We will deliver at least, I think, 1300 homes plus the refurb on top. Once you start adding that in, it starts to bring the unit costs down to, if you like, a more comparable figure.<sup>18</sup>

### 4.2.3 Suitability of housing types

The Committee received evidence from stakeholders who questioned how the composition of new social and affordable housing in regional Victoria had been determined.

The greatest demand for social housing is for single occupants. However, most of the current social housing stock is skewed towards larger houses such as three-bedroom dwellings. This is primarily a legacy issue caused by the changing demographic of people needing social housing.

<sup>16</sup> Shing, *Transcript of evidence*, p. 5.

<sup>17</sup> Newport, *Transcript of evidence*, p. 27.

<sup>18</sup> Ibid.

Jeremy Ham, Chair of Central Highlands Homelessness Alliance, detailed the demand for social and community housing based on data his organisation had collected:

a lot of our figures show that the need is amongst a number of single people as well. So that notion of a one-bedroom unit, for example, at the lower price point is also a part of the supply need that we have.

...

Obviously there is a spread and three- and four-bedroom homes are needed for families, but there is a high percentage of these people experiencing homelessness who are single, so the single-unit accommodation at the lower price point would fit.<sup>19</sup>

Simon Newport from Homes Victoria acknowledged the difference in existing social housing stock and current demand. He stated that new housing projects were driven by data based on the public housing waitlist and demand for social housing:

there is no question that our portfolio was constructed for a different family cohort altogether. I might stand corrected in terms of the exact numbers, but I think at least 60 to 70 per cent of our stock is typical three-bedroom – exactly what you imagine it to be. In some areas waitlists can be anything up to 80 to 85 per cent for one-bedrooms or studios, and when you throw two-bedrooms in it can sometimes have a nine, in terms of 90 per cent. So we are trying to rightsize our portfolio, and that is one of the things we want to try and do also as part of Big Housing Build and Regional Housing Fund. In terms of what we deliver, it is absolutely informed by the waitlist and that demand data, and so it will be heavily skewed in places towards ones and twos. That will be in the larger regional towns. Once we move outside of those areas it tends to be a little bit more what you would call a traditional-looking home. But it is going to be heavy on ones and twos; there is no question about that.<sup>20</sup>

### 4.3 Regional Sports Infrastructure Package

The Regional Sports Infrastructure Package aims to provide 16 new or upgraded sporting venues across regional Victoria. The Victorian Government allocated a total of \$550 million under the Package. It is administered by the Department of Jobs, Skills, Industry and Regions.

Under the Package there are four main streams of funding:

- major regional infrastructure projects, which are led by Development Victoria
- grant funding provided to local councils, under the Regional Sports Infrastructure Program
- the Shoot Sports Facilities Program, which provides grants to shooting sports facilities across Victoria

<sup>19</sup> Ham, *Transcript of evidence*, p. 26.

<sup>20</sup> Newport, *Transcript of evidence*, p. 36.

- additional funding provided to the Significant Sporting Events Program, to support event organisers providing national or international level sporting events in Victoria.<sup>21</sup>

In its 2023–24 annual report, the Department reported that \$19.83 million in grant funding had been allocated under the Package.

At the time this report was adopted, 17 major infrastructure projects were allocated funding under the Package:

- Ballarat: Ballarat Major Events Precinct (including increasing the seating capacity of Mars Stadium), Ballarat Sports Events Centre, Miners Rest community sports facility
- Bendigo: Bendigo Showgrounds, Bendigo Stadium, Bendigo Bowls Club and Bendigo Croquet Club
- Geelong: Armstrong Creek Sports Centre, Stead Park, Waurn Ponds Sporting Complex
- Latrobe: Gippsland Regional Indoor Sports Stadium, Gippsland Sports and Entertainment Park, Morwell Gun Club, Ted Summerton Reserve
- Shepparton: Shepparton BMX Club
- Surf Coast: Banyul-Warri Fields Hockey, Surf Coast Aquatic and Health Centre – Stage 2.

Table 4.2 below provides a summary of the status of the projects as reported on Development Victoria’s website as at March 2025.

**Table 4.2 Progress on major infrastructure projects under the Regional Sports Infrastructure Package (as at March 2025)**

Project	Current status
Ballarat Major Events Precinct	<ul style="list-style-type: none"> <li>• Head contractor appointed (December 2024)</li> <li>• Main works expected to commence early 2025</li> </ul>
Bendigo Stadium	Expressions of Interests for head contractor open (October 2024)
Bendigo Showgrounds	Initial planning
Armstrong’s Creek Sports centre	Concept design released (November 2024)
Stead Park	Principal design consultant appointed (October 2024)
Waurn Ponds Sporting Complex	Initial planning
Gippsland Regional Indoor Sports Stadium	Design firm appointed (November 2024)

<sup>21</sup> Department of Jobs, Skills, Industry and Regions, *Annual report 2023–24*, Victorian Government, Melbourne, 2024, Appendix 13.

Project	Current status
Gippsland Sports and Entertainment Park	Expressions of interest for head contractor open (November 2024)
Morwell Gun Clube	Expressions of interest for head contractor open (November 2024)
Shepparton BMX Club	Head contractor appointed (September 2024)

Source: Sport and Recreation Victoria, *Regional Sports Infrastructure Program*, 2 January 2025, <<https://sport.vic.gov.au/facilities/regional-sports-infrastructure-program>> accessed 11 February 2025.

In addition, the Department of Jobs, Skills, Industry and Regions provided additional funding directly to local councils through grants under the Regional Sports Infrastructure Program. Funding reported in the Department's 2023–24 annual report is as follows:

**Table 4.3 Additional funding provided under the Regional Sports Infrastructure Program in 2023–24**

Organisation	Payment
Ballarat City Council	\$507,000
Greater Bendigo City Council	\$837,000
Greater Shepparton City Council	\$213,000
Latrobe City Council	\$1,950,000
Surf Coast Shire	\$614,000

Source: Department of Jobs, Skills, Industry and Regions, *Annual report 2023–24*, Victorian Government, Melbourne, 2024, Appendix 13.

In its submission, Greater Shepparton City Council detailed four projects in progress under the Regional Sports Infrastructure Package:

- BMX Multi Use Events Pavilion, due for completion in February 2025
- BMX Track Enhancements, procurement underway and due for completion in December 2024
- BMX Start Hill Enhancements, due for completion in December 2024
- Cycling Velodrome Lighting Upgrade, procurement underway procurement underway and due for completion in December 2024.<sup>22</sup>

The Council received \$2.13 million from the Victorian Government.

<sup>22</sup> Bendigo City Council, *Submission 39*, p. 39.

## 4.4 Regional Tourism and Events Fund

When the \$2 billion regional package was announced, \$150 million was allocated to the Regional Tourism and Events Fund. This has since been increased to \$170 million total funding.

The Regional Tourism and Events Fund comprises a number of sub programs which are summarised in the sections below.

### 4.4.1 Enabling Tourism Fund

\$8 million in funding was allocated to the Enabling Tourism Fund. The Fund provided grants to regional and rural Victorian tourism infrastructure projects for planning activities, such as design and feasibility. The Fund was administered by Business Victoria.

Funding was available under two streams:

- Stream 1: testing the concept — funding between \$20,000 and \$500,000 for a project to test the concept of a new infrastructure project, such as a feasibility study, master plan or business case.
- Stream 2: preparing for investment — funding between \$20,000 and \$500,000 to prepare a planning and strategy materials to ensure that a project is ready for infrastructure investment.<sup>23</sup>

Approved grant recipients were announced in mid-2024. A list is provided in Appendix B.

### 4.4.2 Regional Events Fund

The Regional Events Fund was established in 2016 and provides funding to events hosted in regional Victoria. \$38 million from the \$2 billion regional package was allocated to the Fund and extend its lifespan to 2026–27. The Fund is administered by Visit Victoria.

Funding is available through three grant streams:

- Stream 1: regional event acquisition — funding available for one-off or ongoing major events
- Stream 2: event growth and development — funding of up to \$500,000 to grow the economic impact of medium to large-scale events
- Stream 3: event industry support — funding of up to \$50,000 to build capability and support the marketing and operations of events that attract intrastate or interstate visitors.<sup>24</sup>

<sup>23</sup> Business Victoria, *Enabling Tourism Fund*, 11 April 2024, <<https://business.vic.gov.au/grants-and-programs/enabling-tourism-fund>> accessed 6 February 2025.

<sup>24</sup> Ibid.

There are a range of funding rounds under each stream between 2024 and 2027.

#### 4.4.3 Regional Multicultural Festivals and Events Fund

The Regional Multicultural Festivals and Events Fund provides funding to not-for-profit or social enterprise multicultural community organisations to host events in regional Victoria. This includes regional organisations or metropolitan organisations hosting events in regional and rural Victoria.

The Victorian Government has committed \$5 million to the Regional Multicultural Festivals and Events Fund over four years from 2023–24 to 2027–28.

To date, there have been two \$1 million allocations under the Fund to the Multicultural Festivals and Events Program in 2023–24 and 2024–25. The \$1 million allocation prioritises regional events and organisations.

The Multicultural Affairs branch of the Department of Premier and Cabinet administers the Program.<sup>25</sup>

Three streams of funding are available under the Multicultural Festivals and Events Program depending on the minimum attendance of the event:

- small stream (up to \$5,000): 50 people (new/emerging or rural and regional events) or 100 people (metro event)
- medium stream (\$5,001–\$15,000): 200 people (new/emerging or rural and regional events) or 500 people (metro event)
- large stream: (\$15,001–\$50,000 or no total cap for regional events): 600 people (new/emerging or rural and regional events) or 1,500 people (metro event).<sup>26</sup>

Successful grant recipients in 2023–24 and 2024–25 are published on the Victorian Government's website.<sup>27</sup>

#### 4.4.4 Regional Tourism Investment Fund

\$62 million total was allocated to the Regional Tourism Investment Fund. The Fund aimed to support tourism infrastructure projects that increase year-round visitation, improve the quality of customer experiences and increase visitors' length of stay.<sup>28</sup> It was administered by Business Victoria.

<sup>25</sup> Victorian Government, *What is the 2024–25 Multicultural Festivals and Events Program?*, 19 September 2024, <<https://www.vic.gov.au/multicultural-festivals-and-events-program-guidelines/what-2024-25-multicultural-festivals-and-events-program>> accessed 7 February 2025.

<sup>26</sup> Ibid.

<sup>27</sup> Victorian Government, *Multicultural Festivals and Events Program*, 23 December 2024, <<https://www.vic.gov.au/multicultural-festivals-and-events-program>> accessed 7 February 2025.

<sup>28</sup> Business Victoria, *Regional Tourism Investment Fund 2024*, 22 July 2024, <<https://business.vic.gov.au/grants-and-programs/regional-tourism-investment-fund-2024>> accessed 11 February 2025.

There were three grant streams under the Fund:

- Stream 1: Small-scale projects — between \$100,000 and \$1 million
- Stream 2: Large-scale projects — between \$1,000,001 and \$5 million
- Stream 3: Accommodation uplift — between \$500,000 and \$2 million.

Grant agreements under the Fund were expected to be executed in December 2024. However there has been no public update on successful applications as at March 2025.

#### 4.4.5 Additional funding

Other initiatives and funding announced under the Regional Tourism and Events Fund include:

- \$10 million Food and Fibre Export Program administered by Agriculture Victoria, which provides support to food and fibre exporters to enter and expand in priority markets through targeted trade activity
- various regional tourism industry development initiatives administered by Visit Victoria and the Department of Jobs, Skills, Industry and Regions
- the Regional Business Events Program, which aims to bring conferences, exhibitions, meetings, seminars, and international travel groups to regional Victoria<sup>29</sup>
- the International Business Accelerator Program.<sup>30</sup>

### 4.5 Other programs

The remaining \$450 million of the \$2 billion regional package was allocated across a series of smaller programs. These are listed in Table 4.4 and summarised in the sections below.

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<sup>29</sup> Department of Jobs, Skills, Industry and Regions, *Bringing more business events to regional Victoria*, 11 November 2024, <<https://tourism.vic.gov.au/news/bringing-more-business-events-to-regional-victoria>> accessed 10 February 2025.

<sup>30</sup> Department of Jobs, Skills, Industry and Regions, *Strategic plan 2023–2027: 2024 update*, Victorian Government, Melbourne, 2024.



**Table 4.4 Overview of funding and status of remaining programs in the \$2 billion regional package**

Program	Funding amount	Status
<b>Aboriginal Economic Development Fund</b>		
• Aboriginal Economic Hubs		
• Aboriginal Business Support Program	• Grants from \$5,000 to \$10,000	Applications closed 6 September 2024. Outcomes expected in October 2024 but not announced as of January 2025.
• Aboriginal Business Growth Program	• Grants from \$10,000 to \$100,000	
• First Peoples Tourism Industry Strengthening Program	• Grants up to \$300,000	
<b>All Abilities Sports Fund</b>		
• Workforce and Sector Support Program 2024-27	\$12.58 million	Successful applicants announced and grant agreement signed October 2024.
– Stream 1: learning and development hub		
– Stream 2: regional coordinator		
• Regional Community Sport Infrastructure Fund	• \$20 million (all abilities component)	• Round 1 projects announced. • Round 2 applications closed 17 March 2025.
– All abilities infrastructure	• Grants up to \$1 million	
– All abilities participation	• \$50,000 per participation initiative	
<b>Council Support Package</b>		
• Stream 1: major regional hubs	• Propose funding	All projects have been announced. Various projects underway.
• Stream 2: remaining regional and rural councils	• \$20,000 to \$100,000 per project, max \$100,000 per council.	
<b>Regional Community Sport Development Fund</b>		
<b>\$60 million (total)</b>		
<b>\$20 million allocated to round 1</b>		
• Regional Community Sport Infrastructure Fund		• Round 1 applicants approved
– Indoor stadiums and aquatic facilities	• Grants up to \$5 million indoor / \$3 million outdoor	• Round 2 applications closed. • March 2025. Grant agreement expected in July 2025.
– Community facilities	• Grants up to \$1 million	
– Women and girls facilities	• Grants up to \$1 million	
– Planning		
• Strengthening Regional Community Sport Program	• Funding up to \$300,000 over 3 years	• Approved applicants announced December 2024
• Sustainable Volunteer Workforce Program	• Funding up to \$450,000 over 3 years	• Approved applicants announced October 2024
• Sporting Club Grants Program	• Grants between \$750 and \$5,000	• Round 1 grants notified December 2024. Round 2 closed March 2025, expected May 2025.
• Get Active Kids Voucher Program	• \$200 voucher per child	• Ongoing

Program	Funding amount	Status
<b>Regional Worker Accommodation Fund</b>	<b>\$150 million</b>	
	Grants between \$150,000 and \$5 million	<ul style="list-style-type: none"> <li>• Round 1 applications announced October 2024.</li> <li>• Round 2 applications closed January 2025 and expected May 2025</li> </ul>
<b>Tiny Towns Fund</b>	<b>Additional \$10 million from regional support package</b>	
	\$5,000 to \$50,000 per project	<ul style="list-style-type: none"> <li>• Round 1: 188 projects awarded</li> <li>• Round 2: Open 26 August 2024 to 25 October 2024</li> <li>• Assessment November 2024 to February 2025</li> <li>• Announcements from March 2025</li> </ul>

Source: Regional Development Victoria, *Additional investment in rural and regional Victoria*, 9 August 2024, <<https://www.rdv.vic.gov.au/about-us/investment-rural-regional-victoria>> accessed 11 February 2025.

#### 4.5.1 Aboriginal Economic Development Fund

The \$2 billion regional package allocated \$20 million to the Aboriginal Economic Development Fund. The Fund provides targeted Aboriginal economic development funding support that aligns with the Yuma Yirramboi Strategy strategic pillars and Department of Jobs, Skills, Industry and Regions strategic goals.<sup>31</sup>

Under the Fund, \$6 million over 2023–25 was allocated to establish seven Traditional Owner Corporations–run regional Aboriginal Economic Hubs:

- Barengi Gadjin Land Council Aboriginal Corporation
- Eastern Maar Aboriginal Corporation
- Gunditji Mirring Traditional Owners Aboriginal Corporation
- First People of the Millewa-Mallee
- Taungurung Land & Water Corporation
- Yorta Yorta Nation Aboriginal Corporation
- Bunurong Land Council Aboriginal Corporation.<sup>32</sup>

The Victorian Aboriginal Business Investment Program provides grants to businesses that are Aboriginal owned and operated and provides access to resources to assist their business.

<sup>31</sup> Department of Premier and Cabinet, *Victorian Government Aboriginal Affairs Report 2023*, Victorian Government, Melbourne, 2024, p. 91.

<sup>32</sup> Ibid.

Business Victoria's website states the Program aims to:

- provide access to capital, information and expertise
- improve the skills of owners and employees
- enable businesses to excel and compete effectively in their market
- support owners to retain, develop and expand their workforce.

The Program comprises two funding streams:

- **Aboriginal Business Support Program:** provides grants from \$5,000 to \$10,000 improve daily operations and help the financial sustainability of the business. This includes activities such as training, mentorship, networking, marketing, expert advisory services and accreditations.
- **Aboriginal Business Growth Program:** provides grants from \$10,000 to \$100,000 to support projects that help business to grow. This includes expanding into new markets, minor building works, workforce development and other business improvement activities.<sup>33</sup>

The two funding streams closed in September 2024 and applicants were expected to be informed of the outcome of their application in October 2024. However, as of January 2025, the process has experienced delays due to the large number of applications received.<sup>34</sup>

In February 2025, the Victorian Government announced the First Peoples Tourism Industry Strengthening Program as part of the Aboriginal Economic Development Fund. The Program is targeted at Victoria's 12 Registered Aboriginal Parties and provides grants of up to \$300,000 for projects that enhance their capability and capacity to engage in tourism-related economic development activities.

Projects are eligible for funding at scoping and planning stage, or at implementation stage.<sup>35</sup>

Applications are due to close in April 2025, with approvals expected in May 2025.

<sup>33</sup> Business Victoria, *Victorian Aboriginal Business Investment Program*, <<https://business.vic.gov.au/grants-and-programs/victorian-aboriginal-business-investment-program>> accessed 11 February 2025.

<sup>34</sup> Dechlan Brennan, 'Exclusive: Aboriginal businesses left in limbo as grant announcements delayed', *Indigenous Business Review*, 13 January 2025, <<https://theibr.com.au/13-01-2025/15727/exclusive-aboriginal-businesses-left-in-limbo-as-grant-announcements-delayed>> accessed 7 February 2025.

<sup>35</sup> Business Victoria, *First Peoples Tourism Industry Strengthening Program*, 14 February 2025, <<https://business.vic.gov.au/grants-and-programs/first-peoples-tourism-industry-strengthening-program>> accessed 20 February 2025.

## 4.5.2 All Abilities Sport Fund

The All Abilities Sport Fund was allocated \$40 million and aims to improve accessibility and inclusion for people with disability in sport and active recreation in regional Victoria.<sup>36</sup> The Fund is administered by Sport and Recreation Victoria.

It comprises two components, the Workforce and Sector Support Program 2024–27 and the Regional Community Sports Infrastructure Fund.

### Workforce and Sector Support Program 2024–27:

The Workforce and Sector Support Program has \$12.58 million funding available between 2024–25 and 2026–27. The Program is based around establishing two components:

- a learning and development hub, which intends to develop resources to provide guidance on disability inclusion in the sport and recreation sector
- a regional coordinator to establish networks and connect people with disability to various sport and recreation organisations.<sup>37</sup>

\$2.5 million in funding is provided to the learning and development hub in under the Program. The regional coordinator is also provided \$2.5 million and is expected to manage funding for place-based projects to a total of \$7.58 million.<sup>38</sup>

Grant agreements for the program were signed in October 2024.

### Regional Community Sports Infrastructure Fund

The Regional Community Sports Fund includes a component for grants for all abilities infrastructure. This is discussed in detail in Section 1.6.5.

## 4.5.3 Council Support Package

\$25 million in funding was allocated to the Council Support Package. It was administered by the Department of Jobs, Skills, Industry and Regions.

The objectives of the Package were to support council projects and activities that:

- drive visitation to the regions
- create better public spaces for socialising and hosting events
- empower volunteers

<sup>36</sup> Sport and Recreation Victoria, *All Abilities Workforce and Sector Support Program 2024–27 guidelines*, 2024, <[https://sport.vic.gov.au/\\_data/assets/pdf\\_file/0003/2279514/All-Abilities-Workforce-and-Sector-Support-Program-2024-27-Guidelines.pdf](https://sport.vic.gov.au/_data/assets/pdf_file/0003/2279514/All-Abilities-Workforce-and-Sector-Support-Program-2024-27-Guidelines.pdf)> accessed 6 February 2025.

<sup>37</sup> Ibid.

<sup>38</sup> Ibid., p. 7.

- strengthen businesses and communities
- promote Traditional Owner culture, participation and leadership.<sup>39</sup>

At the time this report was adopted, the Victorian Government had announced all successful applications under the Council Support Package. A list of projects awarded funding under the Package is provided in Appendix B.

Funding for the program was separated into two streams:

- Stream 1 was allocated to cities that are major regional hubs.<sup>40</sup> Each Council could make a submission for multiple project proposals. The total funding cap for each council was \$5 million for Greater Geelong, Greater Bendigo, Ballarat and Latrobe City, and \$3 million for Greater Shepparton.<sup>41</sup>
- Stream 2 was open to all other Victorian rural and regional councils and could apply for multiple projects ranging from \$20,000 to \$100,000. Total funding was capped at \$100,000 per Council.<sup>42</sup>

The Committee received evidence from some local councils specifying details on projects funded under the Council Support Package.

In its submission, Greater Shepparton City Council provided details of two projects funded by \$3 million of funding received under the Council Support Package:

- Shepparton Sports City Major Events Enhancement Project: funded works to be completed by December 2025
- Yahna Gurtji Shared Pathway Route 2 engagement, development and design to continue into early 2025 and construction commencing late 2025, to be completed by June 2026.

Surf Coast Shire Council provided an overview on progress of two key infrastructure projects funded under the regional package.

The Banyul-Warri Fields Hockey Pitch project is proceeding and fully funded by the Victorian Government.

The Council stated that removal of temporary requirements related to Games event delivery resulted in a revised scope that is more fit-for-purpose for community use. As such it considered the value proposition is more favourable due to greater investment in fixed infrastructure compared to temporary event-specific installations.

<sup>39</sup> Regional Development Victoria, *Council support package*, 2024, <<https://www.rdv.vic.gov.au/grants-and-programs/council-support-package>> accessed 9 December 2024.

<sup>40</sup> Including Greater Geelong, Greater Bendigo, City of Ballarat, City of Latrobe and City of Greater Shepparton.

<sup>41</sup> Regional Development Victoria, *Council Support Package: hub cities guidelines*, Victorian Government, Melbourne, 2023, p. 4.

<sup>42</sup> Regional Development Victoria, *Council Support Package: regional and rural council guidelines*, Victorian Government, Melbourne, 2023, p. 4.

The Surf Coast Aquatic and Health Centre project is being developed in two stages. Stage one works are expected to be completed by 2026 and include:

- 25 metre indoor pool
- warm water pool
- gym and programs spaces
- allied health suites
- café and supporting amenities.

The Council stated that the Victorian Government committed to stage 2 works in September 2024. Stage 2 works are in the planning phase and include:

- indoor learn to swim pool
- indoor splash park
- spa, sauna and steam room
- additional change rooms.<sup>43</sup>

The Council noted that it had already committed to developing an aquatic and health centre in Torquay before the Games were announced.

The Committee also received a submission from Paul Barker, a councillor at Surf Coast Shire Council. Cr Barker stated the project acquired funding from Victorian and Australian governments. He held concerns over changes to the scope of the pool which had changed size from 25 metres to 50 and back again. Cr Barker was also concerned at the project's cost increases due arrangements associated with Commonwealth games funding allocations.<sup>44</sup>

The Committee also received a submission from Warrnambool City Council. The Council was not in areas covered by the planned Games.

The Council received \$100,000 in funding under the Council Support Package to upgrade infrastructure at Civic Green to allow the space to be more easily used for community events. The Council expected the upgrades to be completed in the first half of 2025.<sup>45</sup>

In Ballarat, the package funded a major upgrade at Frank Bourke Oval through the provision of new modular buildings, which incorporates modern player and umpire changing facilities, as well as other amenities. Evan King, Chief Executive Officer at Ballarat City Council also outlined for the Committee the other investments occurring in the region:

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<sup>43</sup> Surf Coast Shire Council, *Submission 41*, p. 3.

<sup>44</sup> Cr Paul Barker, *Submission 34*, p. 1.

<sup>45</sup> Warrnambool City Council, *Submission 38*.

We have got a significant investment happening in Ballarat at the moment. Whether it is the redevelopment of Grampians Health, whether it is an additional significant investment into St John's or whether it is our \$130 million a year, there is a lot of investment happening in Ballarat at the moment.<sup>46</sup>

#### 4.5.4 Regional Community Sport Development Fund

\$60 million under the \$2 billion regional package was allocated to the Regional Community Sport Development Fund.

The Fund aims to support regional Victorians to be physically active, including a focus on groups that experience greater barriers to participation. This includes women and girls, lower socio-economic status families and Aboriginal Victorians. It also aims to deliver new and upgraded community sports infrastructure.

There are a range of sub programs under the Regional Community Sport Development Fund which are discussed below.

##### Regional Community Sports Infrastructure Fund

The Regional Community Sports Infrastructure Fund provides grants for new and upgraded community sporting infrastructure. Under Round 1 funding, \$20 million was allocated to 26 infrastructure projects. The Fund is administered by Sport and Recreation Victoria.

There are six funding streams, with a total cap for each grant application as follows:

- Indoor stadiums and aquatic facilities (up to \$5 million indoor facilities or \$3 million for outdoor facilities)
- Community facilities (up to \$1 million)
- Women and girls facilities (up to \$1 million)
- Planning (up to \$40,000)
- All abilities Infrastructure (up to \$1 million)
- All abilities participation (\$50,000 per participation initiative request).<sup>47</sup>

A list of approved applicants under Round 1 of the Fund is provided in Appendix B.

Round 2 applications closed 17 March 2025 and grant agreement execution is expected in July 2025.

<sup>46</sup> Evan King, Chief Executive Officer, Ballarat City Council, public hearing, Ballarat, 14 February 2024, *Transcript of evidence*, p. 12.

<sup>47</sup> Sport and Recreation Victoria, *Regional Community Sports Infrastructure Fund – Round 2 guidelines*, 2024, <[https://sport.vic.gov.au/\\_data/assets/pdf\\_file/0018/2322900/Regional-Community-Sports-Infrastructure-Fund-Round-2-Guidelines.pdf](https://sport.vic.gov.au/_data/assets/pdf_file/0018/2322900/Regional-Community-Sports-Infrastructure-Fund-Round-2-Guidelines.pdf)> accessed 6 February 2025.

## Strengthening Regional Community Sport Program

The Strengthening Regional Community Sport Program provides funding to eligible sporting and recreation organisations. It aims to support ‘local, “place based”, strategic projects that build stronger, more resilient, self-sufficient, and sustainable sports across regional Victoria’. Funding is available up to \$300,000 over three years between 2024–25 and 2026–27.<sup>48</sup>

The Program Guidelines state ‘Projects should focus on building the capacity and capability of the sport and increasing opportunities for participation as players, volunteers, coaches, officials within a local community in the state’s regional and rural council areas’.<sup>49</sup>

Approved applicants were announced in December 2024 and are provided in Appendix B.

## Sustainable Volunteer Workforce Program

The Sustainable Volunteer Workforce Program provides funding to eligible sporting and recreation organisations. The objective of the Program is to support the community sport and active recreation workforce (including paid staff and volunteers) and support its operational sustainability. It aims to increase participation and retention in the sport and active recreation workforce and alleviate the burden on volunteers in regional Victoria.<sup>50</sup>

Funding of up to \$450,000 over 3 years (2024–25 to 2026–27) is available to eligible organisations.<sup>51</sup>

Approved applicants were announced in October 2024 and are provided in Appendix B.

## Sporting Club Grants Program

The Sporting Club Grants Program commenced in 2015 and provides funding to community sport and active recreation clubs across the state. Additional funding to the Program was provided in 2024 under the Regional Community Sport Development Fund.

48 Sport and Recreation Victoria, *Strengthening Regional Community Sport: program guidelines*, 2024, <[https://sport.vic.gov.au/\\_data/assets/pdf\\_file/0007/2287744/Strengthening-Regional-Community-Sport-Program-Guidelines.pdf](https://sport.vic.gov.au/_data/assets/pdf_file/0007/2287744/Strengthening-Regional-Community-Sport-Program-Guidelines.pdf)> accessed 11 February 2025.

49 Ibid., p. 8.

50 Sport and Recreation Victoria, *Sustainable Volunteer Workforce Program: program guidelines*, 2024, <[https://sport.vic.gov.au/\\_data/assets/pdf\\_file/0008/2287745/Sustainable-Volunteer-Workforce-Program-Guidelines.pdf](https://sport.vic.gov.au/_data/assets/pdf_file/0008/2287745/Sustainable-Volunteer-Workforce-Program-Guidelines.pdf)> accessed 11 February 2025.

51 Sport and Recreation Victoria, *Strengthening Regional Community Sport: program guidelines*.



There are three funding categories available for grants under the Program:

- on-field uniforms or equipment, up to \$5,000
- volunteers and officials, up to \$5,000
- access and engagement, up to \$1,000 or \$4,000 (to provide a new sport or active recreation program)
- competitors (travel, accommodation and event registration fees for individual athletes), up to \$750.<sup>52</sup>

Two rounds of funding were provided in 2024–25. Round 1 applicants were notified in December 2024. Round 2 applications closed March 2025 and approved applicants are due to be notified in May 2025.

### Get Active Kids Voucher Program

The Get Active Kids Voucher Program (the Program) was first announced in the 2020–21 Victorian State Budget to support children’s participation in community sport and active recreation activities. Under the program, eligible<sup>53</sup> Victorian children can receive a \$200 voucher towards the cost of member, sports equipment or uniforms.

The Department of Jobs, Skills, Industry and Regions informed the Committee the Program receive an ‘uplift’ in funding under the Regional Community Sport Development Fund.<sup>54</sup>

## 4.5.5 Regional Worker Accommodation Fund

The Regional Worker Accommodation Fund provided grants to investment in key worker housing and accommodation across Victoria’s rural and regional areas. The Fund was administered by Regional Development Victoria.

There were two rounds of funding available. Applicants could apply for grants between \$150,000 and \$5 million per project during both rounds of the Fund.

Approved applications under Round 1 were announced in October 2024. The Victorian Government committed \$75 million to first round funding.<sup>55</sup>

Round 2 applications opened in November 2024 and closed in January 2025. Approved applications are expected to be announced in May 2025.

<sup>52</sup> Sport and Recreation Victoria, *Sporting Club Grants Program*, 11 February 2025, <<https://sport.vic.gov.au/funding/sporting-club-grants-program>> accessed 11 February 2025.

<sup>53</sup> Children who are listed on a current Australian Government Health Care Card or Pensioner Concession Card and named on a valid Australian Government Medicare Card.

<sup>54</sup> Tim Ada, Secretary, Department of Jobs, Skills, Industry and Regions, correspondence, 2 August 2024.

<sup>55</sup> Regional Development Victoria, *Regional Worker Accommodation Fund*, 2024, <<https://www.rdv.vic.gov.au/grants-and-programs/regional-worker-accommodation-fund>> accessed 6 February 2025.

Regional Development Victoria did not publish specific grant funding for each project due to commercial-in-confidence arrangements.

The desired outcomes for the Fund are:

- a net increase in appropriate and affordable regional housing and accommodation for key workers and their families
- regional businesses and services are better able to meet their immediate and future staffing needs
- regional communities have improved access to services through attraction and retention of workers in sectors critical to their location
- a thriving, healthy and sustainable workforce, through safe, well-designed and environmentally sustainable projects that are integrated with their community that benefits the location.<sup>56</sup>

At the time this report was adopted, Round 1 approved applicants had been announced. Round 2 applications had closed and were under review.

A list of approved applicants under Round 1 of the Fund is provided in Appendix B.

The Committee received a submission from Don KR Smallgoods, which was successful in applying for funding under the Fund. The organisation had had difficulty retaining workers at its regional facility in Castlemaine. Case Study 4.1 below provides a summary of Don KR's project proposal.

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56 Ibid.

### Case Study 4.1 Don KR Smallgoods

George Weston Foods applied for \$3 million from the fund to develop worker accommodation on land owned near its Don KR facility at Walker St Castlemaine.

Don KR wishes to develop the Walker St site as worker accommodation as a result of the great difficulty and large expense in finding private rental accommodation for workers in Castlemaine.

The inability of Don to find or retain sufficient workers at Castlemaine has led in part to an agreement with the Australian Government to access the Pacific Australia Labour Mobility Scheme. Currently almost 200 workers are employed at Don KR Castlemaine under the scheme.

In addition, Don KR has been forced to look to attract skilled labour from well outside the Castlemaine and Bendigo region, including from Melbourne. The combination of these two developments has led to significant pressure to find affordable accommodation in Castlemaine.

As a result of the rental situation in Castlemaine, Don KR through its Pacific Australia Labour Mobility supplier has had to in part rent cabin accommodation in Castlemaine. On occasion Don KR has had to help out staff who have found themselves homeless.

Don KR's proposal under the Regional Worker Accommodation Fund was development of nine 4-bedroom units, to accommodate around 36 employees at the Walker St site.

This is part of a wider development of other Don KR properties nearby to the Walker St site that will further accommodate an additional 40 employees. The total cost of the overall project is \$8 million, of which George Weston Foods will contribute \$5 million.

George Weston Foods and Don KR believe the project will make a major difference to the ability of Don KR to attract workers to Castlemaine.

At the time this report was adopted Don KR is still finalising the actual contractual terms with the Victorian Government. It was confident of attaining the proposed timelines of completing the project by June of 2026.

Source: Don KR Smallgoods, *Submission 43*.

## 4.5.6 Tiny Towns Fund

The Tiny Towns Fund intends to support local projects in communities with a population of up to 5,000 people in regional Victoria, Alpine Resorts, and the 10 interface local government areas. The Fund is administered by Regional Development Victoria.

Applications are available between \$5,000 and \$50,000 per project.

The Fund was initially a \$10 commitment under the Victorian Government's 2023–24 Budget. However, an extra \$10 million was provided to the Fund under the \$2 billion regional package to provide \$20 million total funding over four years until 2027–28.<sup>57</sup> The additional funding provided under the regional package is reserved exclusively for projects in regional Victoria and Alpine Resorts.<sup>58</sup>

188 projects were approved under Round 1 of funding and were published on the Victorian Government's website.<sup>59</sup>

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57 Regional Development Victoria, *Tiny Towns Fund: fund guidelines for round 2 2024*, <[https://www.rdv.vic.gov.au/\\_data/assets/pdf\\_file/0004/2304229/Program-Guidelines-Tiny-Towns-Fund-Round-2.pdf](https://www.rdv.vic.gov.au/_data/assets/pdf_file/0004/2304229/Program-Guidelines-Tiny-Towns-Fund-Round-2.pdf)> accessed 6 February 2025.

58 Ibid., p. 4.

59 Regional Development Victoria, *Tiny Towns Fund*, 30 October 2024, <<https://www.rdv.vic.gov.au/grants-and-programs/tiny-towns-fund>> accessed 6 February 2025.

# Chapter 5

## Impediments to the Inquiry

**FINDING 59:** The Victorian Government has continually refused to comply with orders of the Legislative Council to provide copies of documents that are relevant to this Inquiry by claiming executive privilege. This is despite a prescribed process in Legislative Council Standing Orders to deal with such disputes through appointment of a legal arbiter.

**RECOMMENDATION 5:** The Legislative Council Procedure Committee should consider the process for assessing claims of executive privilege under Standing Orders 10.03 to 10.05, noting that to date the process of appointing a legal arbiter has never been used.

5

Throughout the Inquiry the Committee has experienced a range of impediments to collecting key evidence. These include:

- key witnesses declining to appear at public hearings
- claims of executive privilege from the Victorian Government over documents and other data requested by the Committee and the Legislative Council
- the Victorian Government's refusal to comply with the requirements of Legislative Council Standing Orders following a production of documents motion.

The Committee recommends that the Legislative Council Procedure Committee review the current process for assessing claims of executive privilege over requested documents. The Victorian Government's failure to comply with the process outlined in the Standing Orders has directly impeded the Committee's ability to gather and analyse evidence for this Inquiry.

The current Victorian Legislative Council Standing Orders relating to production of documents were agreed to by the House at the end of the 57th Parliament in 2014.

Since then, successive governments have not complied with Standing Orders to enable the use of an independent legal arbiter. Instead, they have adopted the practice of claiming executive privilege and withholding the material subject to their claim, rather than following the process set out in Standing Orders.

The Committee has discussed the impediments in detail in its two interim reports. A summary of the issues is provided in the sections below.

## 5.1 Witnesses refusing to appear at public hearings

Receiving evidence from key witnesses in a public hearing is an essential power and investigative process for a parliamentary committee. As covered in detail in the first interim report, several key witnesses refused to appear before the Committee, including:

- Hon Jacinta Allan MP, former Minister for Commonwealth Games Delivery and current Premier of Victoria
- Hon Daniel Andrews, former Premier of Victoria
- Hon Martin Pakula, former Minister for Tourism, Sport and Major Events
- two advisors to former Premier Andrews.

This obstructed the Committee from receiving evidence from people who were important decision-makers during the Games bid and withdrawal process.

The specific circumstances for each witness refusing to appear is detailed below.

### 5.1.1 Hon Jacinta Allan MP, former Minister for Commonwealth Games Delivery and current Premier

**FINDING 60:** The Committee is of the view that given the gravity of the errors by Government during the Commonwealth Games bid the current Premier Hon Jacinta Allan MP and former Premier Hon Daniel Andrews should have appeared before the Committee to give public evidence.

On 9 October 2023, the Committee resolved to request that the Premier, Hon Jacinta Allan MP, attend a public hearing to give evidence in her capacity as the former Minister for Commonwealth Games Delivery.

The Premier is a member of the Legislative Assembly and this Committee is a Select Committee of the Legislative Council. Accordingly, the Committee pursued the procedure outlined in Legislative Council Standing Orders to invite Assembly members to appear before Council Committees. This procedure is designed to respect the comity of the Houses but also to enable a mechanism for members of one House to appear before the other.

Standing Order 17.03 requires that the Legislative Council send a message to the Legislative Assembly to request permission for a member to attend as a witness before a Council committee.

On 18 October 2023, the Legislative Council debated the following motion:

That this House requests that the Legislative Assembly grant leave to the Premier, the Hon. Jacinta Allan MP, to appear before the Legislative Council Select Committee on the 2026 Commonwealth Games Bid to provide evidence in her capacity as the former Minister for Commonwealth Games Delivery.

The motion was agreed to after division and the Legislative Council formally advised the Assembly of this resolution later that day. The Legislative Assembly subsequently resolved by a Government majority vote to refuse leave for the Premier to give evidence to the Committee.

The Committee noted in its first interim report that in Westminster Parliaments, members routinely provide evidence to Committees of another House. There have been several instances of this occurring in the Victorian Parliament since the early 2000s.<sup>1</sup> The Committee respects the decision of the Legislative Assembly over its own members. However, the Committee reiterates that the decision to withdraw from hosting the 2026 Commonwealth Games was of such significant public interest that Hon Jacinta Allan MP should have volunteered to provide evidence at a public hearing.

### 5.1.2 Hon Daniel Andrews, former Premier and Hon Martin Pakula, former Minister for Tourism, Sport and Major Events

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**FINDING 61:** Mr Pakula's willingness to provide evidence to a committee of another parliament suggests there is no reason he, nor former Premier Andrews, could not have volunteered to provide evidence to this Committee.

**RECOMMENDATION 6:** Given the failure of the key ministers and staff to appear before this Inquiry, the Legislative Assembly Economy and Infrastructure Committee should be referred an inquiry (or self-refer if necessary) for the purpose of holding public hearings with the relevant ministers and former ministers and report to the Legislative Assembly, these being:

- Hon Daniel Andrews
- Hon Jacinta Allan MP
- Hon Tim Pallas and
- Hon Martin Pakula.

The Committee resolved to request Hon Daniel Andrews (the Premier between 2014 and 2023) and Hon Martin Pakula (Minister for Tourism, Sport and Major Events between 2018 and 2022) give evidence at a public hearing. Both declined the request.

In doing so they both provided a copy of a letter sent to them from then Attorney-General, Hon Jaclyn Symes MLC. The letter advised the former members that 'a committee cannot claim authority over a member of the other House and that members hold immunities based on this independence'.

<sup>1</sup> These members include Andrew McIntosh MP, Heidi Victoria MP and Neale Burgess MP: Select Committee on Public Land Development, *Interim Report*, 2008, pp. 21, 23; Suzanna Sheed MP, Legislative Council Legal and Social Issues Committee, *Inquiry into Homelessness in Victoria*, 2021, p. 335.

Despite this, Mr Pakula provided evidence to the Senate Rural and Regional Affairs and Transport Committee's Inquiry into Australia's Preparedness to Host Commonwealth, Olympic and Paralympic Games.<sup>2</sup>

As noted in Chapter 2, Mr Pakula's office was found to have requested changes to the Commonwealth Games budget submission to lower the total budget bid before it was submitted to Cabinet. Mr Pakula's unwillingness to provide evidence on this matter means the Committee was unable to determine the reasons why this was done.

In addition, the Committee notes the timing of the Attorney-General's letter to Mr Pakula and Mr Andrews. There is no specific evidence to indicate undue influence by the Attorney to these two witnesses. However, the Committee highlights the perception of this and reiterates that undue influence on witnesses to parliamentary inquiries may be considered an obstruction of a committee and constitute a contempt of parliament.

### 5.1.3 **Advisors to the former Premier declining to give evidence at public hearings**

The Committee invited two advisors of the former Premier to appear before the Committee at a public hearing. Both invitations were declined. Again, both individuals received advice from the Attorney-General, which they cited in their correspondence declining the invitation to appear.

The Attorney-General's advice invoked the independence of the Houses and the 'immunities' of members attending committees of another house, which she claimed extends to 'a former Ministerial officer of a former Member'.

This issue was discussed at length in the Committee's first interim Report. The Committee reiterates its disagreement with the Attorney-General's interpretation of parliamentary immunities. It also notes that the advisors could have volunteered to give evidence given the significant public interest in a decision of government administration they were directly involved in.

## 5.2 **Claims of executive privilege over documents and other material**

The Committee requested a range of information and responses to questions from the Victorian Government throughout the Inquiry. These included questions on notice to witnesses at public hearings, document and information requests to departments, and a summons for papers and documents.

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<sup>2</sup> Rural and Regional Affairs and Transport Committee, *Australia's preparedness to host Commonwealth, Olympic and Paralympic Games: interim report*, Australian Senate, Canberra, 2023. Appendix 1.



The Victorian Government was forthcoming with providing some information. However, for a significant proportion of requests it claimed that the requested information could not be provided due to executive privilege. This was discussed in detail in the Committee's two interim reports.

Executive privilege affords the Victorian Government the right not to disclose documents or other information that would:

- reveal the deliberative processes of Cabinet or other decision-making processes (including advice given by public servants to ministers)
- reveal confidential information
- jeopardise legal proceedings or diplomatic relations
- otherwise impair the State's financial interests.

The Committee's first interim Report provided a schedule of documents that the Government had withheld due to claims of executive privilege.<sup>3</sup> This resulted in the Legislative Council debating and agreeing to a production of documents order in May 2024. However, the Victorian Government reiterated claims of executive privilege over the documents and has refused to provide them to the Clerk and David Limbrick MLC<sup>4</sup> for inspection.

As noted in the Committee's interim reports, the Victorian Government has adopted the practice of claiming executive privilege and withholding the material subject to the claim. The process for resolving disputes of claims of executive privilege has not been complied with since its adoption in 2014.

The non-provision of requested documents impeded progressing the process to resolve claims of executive privilege that are set out in Legislative Council Standing Orders. These documents are relevant to the Committee's Inquiry and the Government's failure to engage with the process for claiming executive privilege has not allowed recourse through the use of the legal arbiter process.

The Committee reiterates that in its view, the Government has been far too broad in determining the scope of where executive privilege should apply. The practice of claiming executive privilege and withholding documents is an ongoing as there is no independent assessment by the House, and the Government regards itself as the arbiter of its own claim.

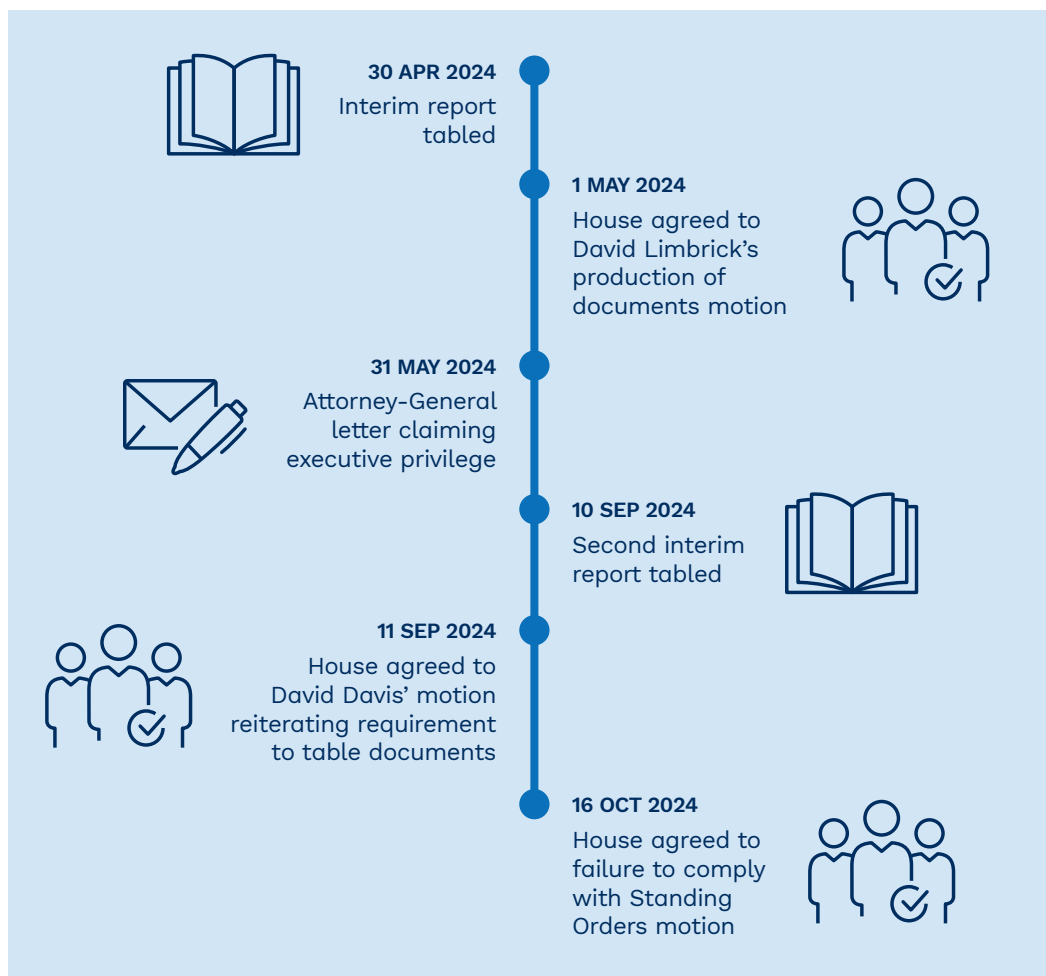
Since the Committee's first interim report was tabled, Committee members have progressed production of documents motions through the Legislative Council. This is summarised in Figure 5.1 below and discussed in the following sections.

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<sup>3</sup> Appendix D.

<sup>4</sup> As the mover of the production of documents motion.

**Figure 5.1** Timeline of events relating to Legislative Council production of documents order



Source: Select Committee on the 2026 Commonwealth Games Bid.

### 5.2.1 First interim Report and initial production of documents order

The Committee tabled a list of documents over which the Government claimed executive privilege in Appendix D of its first interim Report.

On 1 May 2024, David Limbrick MLC moved a production of documents motion in the Legislative Council. The motion sought documents that were listed in Appendix D of the first interim Report.

Mr Limbrick's motion required documents be provided within 30 days of being agreed to. The motion was agreed to on the same day without division.

On 31 May 2024, the Clerk tabled a letter received from the Attorney-General in response to the 1 May 2024 resolution. In the response, the Attorney-General stated that:

- the Government identified 353 documents that fall within the scope of the Order (which were provided in a schedule)

- the Government made a claim of executive privilege over 350 of the documents, and a part claim over 3 further documents.

The Attorney-General also referred to letters of former Attorneys-General and Premiers that:

- note the Government's view on the limits on the Legislative Council's power to call for documents, which centre on protection of the public interest
- state the factors the Government would consider when assessing whether the release of documents would be prejudicial to the public interest.

In accordance with Standing Order 10.03, documents that claim to be covered by executive privilege are required to be delivered to the Clerk by the date and time specified in the resolution of the House and will be available for examination by the mover of the motion only. The documents cannot be published or copied without an order of the House.

If the mover disputes the claim of executive privilege, they may notify the Clerk in writing, who in turn will authorise the release of the documents to an independent legal arbiter. This arbiter is appointed by the President and will evaluate and report within 7 days. The process under this Standing Order has not been utilised since its adoption in 2014.

### 5.2.2 Tabling of the second interim Report

In response to the tabling of the Committee's second interim Report, David Davis MLC gave notice of motion that required the documents outlined in Appendix D of the Committee's first interim Report to be lodged with the Clerk by 12 noon on 15 October 2024.

If the documents were not produced, a non-Government member would have precedence to move the following motion without leave, at the conclusion of formal business on 15 October 2024:

That this House notes the failure of the Leader of the Government to comply with Standing Orders in relation to the resolution of the Council on 1 May 2024 for the request for documents relating to the 2026 Commonwealth Games bid.

Mr Davis's motion was debated in the House on 11 September 2024. Melina Bath moved an amendment requiring the debate on the failure to comply with Standing Orders to take place at the start of Government business on 16 October 2024. The motion was agreed to in an amended form.

### 5.2.3 Debate on failure to produce documents

**FINDING 62:** At almost every point, the Victorian Government has not fully cooperated with the work of the Committee in providing evidence in the form of documents or the appearance of relevant witnesses. These actions are an avoidance of parliamentary scrutiny and public accountability.

The documents ordered by the House were not lodged with the Clerk by the deadline. At the commencement of Government business on 16 October 2024, David Limbrick moved without leave the motion on the failure to comply with Standing Orders. The motion was debated and agreed to on the same date, however, no further proceedings have occurred since that time.

**Adopted by the Select Committee on the 2026 Commonwealth Games Bid  
55 St Andrews Place, East Melbourne  
21 March 2025**

# Appendix A

## About the Inquiry

### A.1 Establishing resolution

On 2 August 2023, the Legislative Council agreed to the following motion:

**SELECT COMMITTEE ON THE 2026 COMMONWEALTH GAMES BID** — Georgie Crozier moved, That —

1. a Select Committee of nine members be appointed to inquire into, consider and report on the 2026 Commonwealth Games and the progress of the regional infrastructure build, including but not limited to —
  - a. the potential failures in governance, probity and procurement processes in the Victorian Government’s bid, contract, and termination of the 2026 Commonwealth Games;
  - b. the impacts of the contract termination of the Commonwealth Games on Victoria’s reputation, business community, tourism, and major events;
  - c. the Victorian Government advice received from government departments, councils, agencies, consultants, and contractors;
  - d. the potential of undue influence by the executive on the independence of the public service;
  - e. the timeline, progress and budget of the Victorian Government’s regional infrastructure and housing build;
  - f. the impact on community, social, amateur, and professional sport in Victoria;
  - g. any other relevant matter;
2. the Committee provide an interim report by 30 April 2024 and a final report by April 2025;
3. the Committee will consist of three members from the Government nominated by the Leader of the Government in the Legislative Council, three members from the Liberal-National Coalition nominated by the Leader of the Opposition in the Legislative Council and three members from among the remaining members in the Council;
4. the members will be appointed by lodgement of the names with the President within seven calendar days of the Council agreeing to this resolution;
5. the first meeting of the Committee will be held within one week of members’ names being lodged with the President; and

6. the Committee may proceed to the despatch of business notwithstanding that all members have not been appointed and notwithstanding any vacancy.

The motion passed after division: Ayes 25, Noes 15.

The committee held its first meeting on 16 August 2023 and elected David Limbrick MLC as Chair and Joe McCracken MLC as Deputy Chair.

## A.2 Submissions

The Committee issued a call for submissions on 25 August 2023 with a closing date of 23 October 2023.

The Committee made a further call for submissions on 9 September 2024, with a closing date of 4 October 2024.

The Committee accepted 44 submissions which are listed below:

1	Michael Gavaghan	24	Western Homelessness Network
2	Vito Guzzardi	25	Macedon Ranges Shire Council
3	Paul Hadden	26	Tourism Greater Geelong and The Bellarine
4	Raelene Nevill	27	Confidential
5	David Connolly	28	Latrobe City Council
6	Toby Baldwin	29	Enjoy Church
7	Fabrizio Gulino	30	Athletics Australia
8	Eriks Velins	31	Athletics Victoria
9	Event Pty Ltd	32	Bendigo Tourism Board Incorporated
10	Patricia Hosking	33	Parliamentary Budget Office
11	Victoria 2026	34	Paul Barker
12	Annette Stone	35	John O'Brien
13	Amanda Gilbert	36	Brian Cavagnino
14	Commonwealth Games Federation	37	Central Goldfields Shire Council
15	Rural Councils Victoria	38	Warranambool City Council
16	Commonwealth Games Australia	39	Greater Shepparton City Council
17	Committee for Geelong	40	Indigo Shire Council
18	Vicsport	41	Surf Coast Shire Council
19	Moyne Shire Council	42	Central Highlands and Wimmera Homelessness Alliance
20	Ballarat City Council	44	DON KR
21	Dominic Cooney	44	Darren Simm
22	Bass Coast Shire Council		
23	Sporting Shooters Association of Australia		

## A.3 Public hearings

The Committee held 47 public hearings over 12 days.

### 9 October 2023

Davui Room, 55 Saint Andrews Place, East Melbourne, 3002

Name	Position	Organisation
Tim Ada	Secretary	Department of Jobs, Skills, Industry and Regions
Peter Betson	Deputy Secretary, Sports and Experience Economy	Department of Jobs, Skills, Industry and Regions
Heather Ridley	Deputy Secretary, Corporate Services	Department of Jobs, Skills, Industry and Regions
Brad Ostermeyer	Chief, Infrastructure Delivery, Sports and Experience Economy	Department of Jobs, Skills, Industry and Regions
Allen Garner	Former Chief Executive Officer	Office of the Commonwealth Games
Jeremi Moule	Secretary	Department of Premier and Cabinet
Jason Loos	Deputy Secretary, Economic Policy and State Productivity	Department of Premier and Cabinet
Peggy O'Neal AO	Chair	Victoria 2026
Jeroen Weimar	Chief Executive Officer	Victoria 2026

### 13 October 2023

Davui Room, 55 Saint Andrews Place, East Melbourne, 3002

Name	Position	Organisation
Brendan McClements	Chief Executive Officer	Visit Victoria
David Martine	Secretary	Department of Treasury and Finance
Kate O'Sullivan	Acting Deputy Secretary, Commercial	Department of Treasury and Finance
Heidi Meehan	Acting Executive Director, Budget and Finance	Department of Treasury and Finance
Lee Mieziš PSM	Chief Executive Officer	Environment Protection Authority
Con Lolis	Director Permissioning and Development	Environment Protection Authority
Suzy Neilan	Executive Director, Strategy	Environment Protection Authority
Peta McCammon	Secretary	Department of Families, Fairness and Housing
Simon Newport	Chief Executive Officer	Homes Victoria

## 23 October 2023

Davui Room, 55 Saint Andrews Place, East Melbourne, 3002

Name	Position	Organisation
Craig Phillips AM	Chief Executive Officer	Commonwealth Games Australia
Andrew Dee	Chief Executive Officer	Volleyball Australia
Cori Wilder	Chief Executive Officer	Volleyball Victoria
Simon Thewlis	Director	Event Pty Ltd
Jason Hellwig	Chief Executive Officer	Swimming Victoria
Hayden Collins	President	Swimming Victoria

## 26 October 2023

Davui Room, 55 Saint Andrews Place, East Melbourne, 3002

Name	Position	Organisation
Hon Shaun Leane MLC	Former Minister for Commonwealth Games Legacy	-
Hon Harriet Shing MLC	Former Minister for Commonwealth Games Legacy	-

## 5 December 2023

Davui Room, 55 Saint Andrews Place, East Melbourne, 3002

Name	Position	Organisation
Dean Yates	Partner	EY
Leigh Walker	Oceania Risk Management and Independence Leader	EY
Dale Wood	-	DHW Ludus
Michelle Morris	Principal	MI Associates
Tom Sloane	Principal	MI Associates
Jane Flemming	President	Athletics Australia
Steve Moneghetti	Director	Athletics Australia
Lisa Hasker	Chief Executive Officer	Vicsport
Tim Ada	Secretary	Department of Jobs, Skills, Industry and Regions
Heather Ridley	Deputy Secretary, Corporate Services	Department of Jobs, Skills, Industry and Regions
Peter Betson	Deputy Secretary, Sports and Experience Economy	Department of Jobs, Skills, Industry and Regions



## 13 February 2024

Rydgdes Geelong, Myers Street & Gheringhap Street, Geelong, 3220

Name	Position	Organisation
Ali Wastie	Chief Executive Officer	City of Greater Geelong
Michael Johnston	Chief Executive Officer	Committee for Geelong
Jeremy Crawford	Chief Executive Officer	Geelong Chamber of Commerce
Robyn Seymour	Chief Executive Officer	Surf Coast Shire Council
Liz Pattison	Mayor	Surf Coast Shire Council
Matt Taylor	Manager Economic Development	Surf Coast Shire Council
Tracy Carter	-	Tourism Greater Geelong and The Bellarine
Alan Climpson	President	Geelong Hockey Association
Tim Woods	Vice President	Geelong Swimming Club

## 14 February 2024

Mecure Hotel, 613 Main Road, Golden Point, 3350

Name	Position	Organisation
Evan King	Chief Executive Officer	Ballarat City Council
Tim Matthews	Chair	Central Highlands Regional Partnership
Hon. John Pandazopoulos	Chair	Tourism Midwest Victoria
Matt Jenkins	Chairperson	Ballarat Regional Athletic Centre
Ashley Anderson	Llanberris Athletics Reserve Manager	Ballarat Regional Athletic Centre
Michelle Twigger	Coordinator	Central Highlands Homelessness Alliance
Jerry Ham	Chair	Central Highlands Homelessness Alliance
Adam Liversage	Member CHHA and Chair	Wimmera Homelessness Alliance

## 27 February 2024

All Seasons Hotel Bendigo, Mclvor Highway, Bendigo, 3550

Name	Position	Organisation
Mark Mcloughlan	President	Bendigo Motel Association
Stacie Wright	Chair	Bendigo Stadium Limited (Red Energy Arena)
Glenn Harrison	Secretary	Bendigo and District Cycling Club
Andrew Cooney	Chief Executive Officer	City of Greater Bendigo

Name	Position	Organisation
Alana Thomson	Senior Lecturer	La Trobe Business School
Ashleigh-Jane Thompson	Senior Lecturer	La Trobe Business School
Millicent Kennelly	Senior Lecturer	Griffith University
Anthony Nicolaci	Manager, Economic Development	Greater Shepparton City Council

## 14 March 2024

Century Inn Traralgon, 5 Airfield Road, Traralgon, 3844

Name	Position	Organisation
Steven Piasente	Chief Executive Officer	Latrobe City Council
Barry Howlett	-	Sporting Shooters Association VIC
Tony Salvatore	President	Falcons 2000 Soccer Club
Garry Silvester	-	Latrobe Valley Badminton Association
Adam Glass	General Manager	Silverwater Resort
Katie Reardon	-	Farnham Court Motel
Ken Balcombe	-	Morwell Gun Club

## 9 August 2024

Davui Room, 55 Saint Andrews Place, East Melbourne, 3002

Name	Position	Organisation
Sandra Cherro Osorio	Head of Program, Hospitality Management and Business	Melbourne Polytechnic
Ana Delevska	Lecturer	Melbourne Polytechnic
Van K Nguyen	Lecturer	Melbourne Polytechnic
Professor Hans Westerbeek	Professor of International Sport Business	Victoria University
Michael Malakellis	Senior Economist & Principal Director	KPMG
Marcus McArdle	Risk Management Partner, Audit	KPMG
Tim Ada	Secretary	Department of Jobs, Skills, Industry and Regions
Peter Betson	Deputy Secretary, Sports and Experience Economy	Department of Jobs, Skills, Industry and Regions
Anthony Schinck	Executive Director, Regions	Department of Jobs, Skills, Industry and Regions

## 29 November 2024

Davui Room, 55 Saint Andrews Place, East Melbourne, 3002

Name	Position	Organisation
Chris Barrett	Secretary	Department of Treasury and Finance
Kate O'Sullivan	Deputy Secretary	Department of Treasury and Finance
Chris Hotham	Deputy Secretary	Department of Treasury and Finance
Heidi Meehan	Executive Director	Department of Treasury and Finance
Michelle Twigger	Network Coordinator	Central Highlands and Wimmera Homelessness Alliance
Adam Liverage	Chair	Wimmera Homelessness Alliance
Jerry Ham	Chair	Central Highlands Homelessness Alliance
Sarah Toohey	Chief Executive Officer	Community Housing Industry Association Victoria

## 7 February 2025

Davui Room, 55 Saint Andrews Place, East Melbourne, 3002

Name	Position	Organisation
Hon Harriet Shing MLC	Minister for Housing and Building	-
Simon Newport	Chief Executive Officer	Homes Victoria
Madeline Di Pietrantonio	Director	Homes Victoria

### A.4 Questionnaire

On 25 August 2023, the Committee resolved to issue a questionnaire to a range of government departments and agencies. The questionnaire sought information about how the terms of reference affects each department or agency including budget allocations, infrastructure projects and assets, and other key economic, financial management and emerging issues.

The Committee received 25 responses from the following departments and agencies:

- Department of Education
- Department of Energy Environment and Climate Action
- Department of Families Fairness and Housing
- Department of Government Services
- Department of Health
- Department of Justice and Community Safety

- Department of Premier and Cabinet
- Department of Transport and Planning
- Midland Delegation Plan
- Department of Treasury and Finance
- Development Victoria
- Environment Protection Authority Victoria
- Kardinia Park Stadium Trust
- Victoria 2026
- Victoria Police
- Visit Victoria.

Copies of the responses are published on the Committee's website at [www.parliament.vic.gov.au/get-involved/inquiries/inquiry-into-the-2026-commonwealth-games-bid/other-documents](http://www.parliament.vic.gov.au/get-involved/inquiries/inquiry-into-the-2026-commonwealth-games-bid/other-documents).

## A.5 Published documents

The Committee resolved to publish a range of documents, committee resolutions, correspondence, and other material during the inquiry. This is available at [www.parliament.vic.gov.au/get-involved/inquiries/inquiry-into-the-2026-commonwealth-games-bid/other-documents](http://www.parliament.vic.gov.au/get-involved/inquiries/inquiry-into-the-2026-commonwealth-games-bid/other-documents).

## A.6 Interim reports

The Committee tabled two interim reports during the Inquiry.

The first interim report was required under the terms of reference and was tabled on 30 April 2024. The report analysed the timeline and Victorian Government's decision-making process that led to the withdrawal from hosting the Commonwealth Games.

The Committee made 23 findings on the key events during the Games process and themes that emerged in inquiry evidence. The Committee also highlighted barriers it faced in collecting evidence from the Victorian Government due to executive privilege claims over documents.

The Committee tabled a second interim report on 10 September 2024. This report was used to highlight to the Legislative Council the Victorian Government's continued non-compliance with a production of documents order made by the House in May 2024.

Both reports are available on the Committee's website at <https://www.parliament.vic.gov.au/get-involved/inquiries/inquiry-into-the-2026-commonwealth-games-bid/reports>.

# Appendix B

## Applications approved under the \$2 billion Regional Support Package

### B.1 Regional Tourism and Events Fund

#### Enabling Tourism Fund

##### Stream 1: testing the concept recipients

Recipient	Project
Sustainable Earth Network	Village Bowl Geelong permanent fresh food market Feasibility Study and Business Case
Southern Grampians Shire Council	Greater Hamilton Volcanic Trail Business Case
Eastern Maar Aboriginal Corporation RNTBC	Eastern Maar Cultural Tourism Business Case development strategy
Walhalla Goldfields Railway Inc	Rails to Gold Feasibility Study
East Gippsland Shire Council	Unlocking the Omeo Justice Precinct Business Case
Reptile Encounters	Development of a new Phillip Island Zoo Masterplan
City of Ballarat	Art Gallery of Ballarat Masterplan
Stawell Underground Physics Laboratory	Dark Matter Experience Centre
Taungurung Land and Waters Council	Taungurung Cultural Centre
The Great Stupa of Universal Compassion	Great Stupa Masterplan and Feasibility Study
Puffing Billy Railway	Puffing Billy Railway Belgrave Precinct Key Area Plan
District Agency Pty Ltd	Geelong Immersive Experience Project
Nine Stalks Pty Ltd	Luxury Farmstay Feasibility Study
Hepburn Shire Council	Hepburn Mineral Springs Reserve Masterplan
Alpine Shire Council	Dinner Plain Business Case and Visitor Economy Impact Study
The Green Olive at Red Hill	Green Olive Retreat

## Stream 2: preparing for investment recipients

Recipient	Project
COESR Pty Ltd	Detailed design progression of the CORA Masterplan
Wandilla Estate Trust	Wandilla South Gippsland luxury tourism villas, epicurean, conference and wellness precinct investment readiness project
Shizukana Pty Ltd	Japanese Bath House Detailed Design Plan
Eagle Ridge Event Park	Park Development Project Phase 2
Reddrop Management Group Pty Ltd	Hotel Eildon Development Plan
Castlemaine-Maryborough Rail Trail Inc	Castlemaine-Maryborough Rail Trail Pre-Construction Project
Campaspe Port Enterprise Pty Ltd	Port of Echuca Wharf Revitalisation
Loco Shed Echuca Inc	Echuca Loco Shed Restoration Development Plan
The Bendigo Trust	Central Deborah Gold Mine Revitalisation Detailed Design
The Ranch Mornington Peninsula	The Ranch World Class Action Sports Facility Design Development, Business Planning and Funding Strategy
The Trustee for Experience Grampians Trust	The Bathhouse Pomonal
The Sovereign Hill Museums Association	Sovereign Hill Gold Pavilion Schematic Design

Source: Department of Jobs, Skills, Industry and Regions, *Enabling Tourism Fund*, 6 February 2025, <<https://tourism.vic.gov.au/grants-and-support/enabling-tourism-fund>> accessed 6 February 2025.

## B.2 Council Support Package

Project	Grant	Region	Description
Greater Bendigo City Council: Bendigo Low Line	\$5,000,000	Loddon Campaspe	An extension to the Bendigo Creek channel walkway between Golden Square, White Hills and the Bendigo town centre, providing an active and safe off-road transport corridor and connecting many of Bendigo's major recreational, business and tourism attractions.
Ballarat City Council: Ballarat Major Events Precinct - Community Sporting Facilities Upgrade	\$5,000,000	Central Highlands	New modular buildings at Frank Bourke Oval, including player change rooms and amenities, umpires change rooms, administration/scorers' box, veranda, and storage in line with the AFL Facility Guidelines.
Latrobe City Council: Initiatives across Latrobe City	\$5,000,000	Gippsland	A range of activities across Latrobe City including upgrades to sporting facilities and streetscapes, improved volunteer and sports participation, accessibility and inclusion programs, and increased support for Aboriginal owned businesses.
Greater Shepparton City Council: Community Booster Package	\$3,000,000	Goulburn	Expansion to the Yahna Gurtji Shared Path between Gemmill's Swamp (Mooroopna) and KidsTown (Shepparton), as well as enhancements to the Shepparton Sports City Precinct.

Project	Grant	Region	Description
Greater Geelong City Council: John Landy Athletics Field Facility Upgrade	\$5,000,000	Barwon	Major upgrade of the pavilion, grandstand, and immediate surrounds at John Landy Athletics Field, consolidating all functions into one facility, including competition office, public toilets, change rooms, canteen/kiosk, a social and community room, meeting room and uniform store.
Warrnambool City Council: Civic Green Event Space Upgrade	\$100,000	Great South Coast	Infrastructure upgrades to the Civic Green stage and event space in Warrnambool to make it more accessible, safe and user friendly for event holders.
South Gippsland Shire Council: Great Southern Rail Trail Activation Project	\$100,000	Gippsland	Activation initiatives along the Great Southern Rail Trail (GSRT), including public art, signage, brochure and map, development of a passport activity and a major endurance public event.
East Gippsland Shire Council: Lakes Entrance Water Sports Pavilion	\$100,000	Gippsland	A new Lakes Entrance Water Sports Pavilion at Cunningham Arm to safely house water sport equipment, enhancing the tourism product offering and complementing the Krauatungalung Walk.
Northern Grampians Shire Council: Universal access to Stella Young statue in Cato Park	\$100,000	Wimmera Southern Mallee	A new fully accessible path to the statue of disability rights campaigner, Stella Young, at Cato Park, Stawell, supporting community cohesion and civic pride.
Mitchell Shire Council: Growing Visitor Services	\$75,592	Goulburn	Improvements to facilities at the Seymour Visitor Information Centre, located in the Seymour Old Courthouse, enhancing the visitor experience and community facilities.
Indigo Shire Council: Barnawartha Recreation Reserve Playground	\$99,050	Ovens Murray	An all-abilities play space at the Barnawartha Recreation Reserve, enhancing the liveability of the growing township.
Wodonga City Council: Gateway Island Trail Activation Project	\$98,892	Ovens Murray	Activation activities for the Gateway Island Trail, including an extension to trails, accessible river access, installation of signage and seating, public art and marketing.
Murrindindi Shire Council: Sustainable Streetscape, Alexandra	\$50,000	Goulburn	A more sustainable streetscape in Alexandra with new garden beds, street trees and signage to enhance civic pride, liveability and community cohesion.
Murrindindi Shire Council: Sign up Murrindindi	\$20,118	Goulburn	Upgrades to signage in small towns across the Murrindindi Shire, directing tourists to local attractions and supporting increased visitation.
Macedon Ranges Shire Council: Black Hill Reserve – Infrastructure Repair and Community Cultural Engagement	\$99,600	Loddon Campaspe	Upgrades to Black Hill Reserve at Kyneton, including repairs to damaged trails, drainage, signage and facilitation of cultural content, supporting civic pride and visitation to the area.
Central Goldfields Shire Council: Creative Station – engage and inspire	\$100,000	Loddon Campaspe	Activation activities for the Creative Station at Maryborough Railway Station which includes a pilot program for artists and creative practitioners to develop and showcase their work.

Appendix B Applications approved under the \$2 billion Regional Support Package

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Project	Grant	Region	Description
Swan Hill Rural City Council: Community Fixed LED Screens	\$99,201	Mallee	Fixed LED screens for the Civic Clock Tower in the Swan Hill central business district, providing a forum for promotional, community and cultural information, and livestreaming state and national events of importance.
Mount Alexander Shire Council: Mostyn Street Crossing Safety Upgrade	\$80,000	Loddon Campaspe	A new pedestrian crossing on Mostyn Street, improving pedestrian and road user safety and transforming the main retail strip in Castlemaine.
Surf Coast Shire Council: Torquay Town Centre to Surf World Shared Pathway Connection	\$100,000	Barwon	Footpath extension and crossing along the Surf Coast Highway, providing a missing link in the shared pathway system that connects the Surf World precinct to Torquay Town Centre and foreshore.
Colac Otway Shire: Digital Wayfinding and Tourism Signage Project	\$79,880	Barwon	Digital signage across Colac that will provide 24 hour access to visitor information, wayfinding, event information and Council information.
Horsham Rural City Council: New Horsham City Oval and Sawyer Park playground	\$100,000	Wimmera Southern Mallee	A new playground area at Horsham City Oval with open access to the adjacent Sawyer Park and Wimmera River foreshore, providing visitation benefits for the surrounding facilities and participation in community sport by families.
Golden Plains Shire Council: Smythesdale Public Gardens Upgrade Project	\$100,000	Central Highlands	Upgrade works at the Smythesdale Public Gardens, including drainage, street/park furniture and signage. The project aims to increase camp sites and visitation, increase the use of surrounding facilities, and provide visitor information.
Hepburn Shire Council: Creswick Trails Activation	\$100,000	Central Highlands	Activation activities for the Creswick Mountain Bike Trails and Hammon Park Trailhead, including signage, photographic/videographic development, visitor collateral, marketing and a public event.
Moorabool Shire Council: Ballan Civic Centre Activation and Revitalization	\$100,000	Central Highlands	Enhancements and upgrades to the McLean Reserve at Ballan, activating and revitalising the McLean Reserve Open Space, Ballan Library and Joining Civic Space.
Rural City of Wangaratta: Wangaratta Wayfinding – Building awareness of the Bullawah Cultural Trail	\$100,000	Ovens Murray	Public artwork and wayfinding to connect pedestrians in Reid Street, Wangaratta, to the Riverside Square on Faithful Street and the Bullawah Cultural Trail.
Mansfield Shire Council: Lake Path Link – Mountain Bay/Goughs Bay shared footpath	\$100,000	Ovens Murray	A new separated footpath along Piries-Goughs Bay Road and Howes Creek-Goughs Bay Road at Goughs Bay and Mountain Bay in the Mansfield Shire, providing increased safety for cyclists and pedestrians.
Moyne Shire Council: Smart City Technology	\$93,791	Great South Coast	Integrated smart technology across Moyne Shire to leverage the power of the Internet of Things, along with the provision of free Wi-Fi in towns. The smart technology will enable an enhanced volunteer and visitor experience at locally run events and data sharing with local partners, clubs, businesses and groups.
<b>Total funding allocated:</b>	<b>\$24,996,124</b>		

Source: Regional Development Victoria, *Council support package*, 2024, <<https://www.rdv.vic.gov.au/grants-and-programs/council-support-package>> accessed 4 February 2025.



## B.3 All Abilities Sport Infrastructure Fund

### Regional Community Sports Infrastructure Fund

#### Round 1

Stream	Local Government Authority	Project Name
Indoor Stadiums and Aquatic Facilities	Northern Grampians Shire Council	St Arnaud Swimming Pool Aquatic and Changeroom Redevelopment
Indoor Stadiums and Aquatic Facilities	Yarriambiack Shire Council	Hopetoun Swimming Pool Upgrade Project
Community Facilities	Bass Coast Shire Council	Cowes Recreation Reserve Cricket Nets
Community Facilities	Baw Baw Shire Council	Drouin Recreation Reserve Oval Redevelopment
Community Facilities	Benalla Rural City Council	Fawckner Drive Pump Track – Benalla
Community Facilities	Campaspe Shire Council	Accessibility upgrade for Kyabram Wilf Cox Facility
Community Facilities	Corangamite Shire Council	Simpson Recreation Reserve Changeroom Upgrades
Community Facilities	Golden Plains Shire Council	Woody Yaloak Recreation Reserve Netball & Tennis Court Upgrade
Community Facilities	Greater Bendigo City Council	North Bendigo Recreation Reserve Redevelopment Stage 1 – Shadforth Park Pavilion
Community Facilities	Greater Shepparton City Council	Tatura Park Western Oval Lighting Upgrade
Community Facilities	Latrobe City Council	Multi-Use Pavilion at Gaskin Park, Churchill
Community Facilities	Macedon Ranges Shire Council	New Gisborne Tennis Club LED Lighting Infrastructure
Community Facilities	Mildura Rural City Council	Irymple Knights Soccer Club Lighting Upgrade
Community Facilities	Mitchell Shire Council	Seymour Tennis Centre Complex Courts and Lighting Upgrade project
Community Facilities	Moyne Shire Council	Port Fairy Skate and Play Precinct
Community Facilities	Rural City of Wangaratta	Wareena Park Oval Reconstruction
Community Facilities	Towong Shire Council	Tallandoon Community Tennis Courts Facility
Community Facilities	West Wimmera Shire Council	Edenhope Recreation Reserve Changerooms Upgrade
Community Facilities	Yarriambiack Shire Council	Murtoa Recreation Reserve Netball & Tennis Courts Upgrade Project
Women and Girls Facilities	Bass Coast Shire Council	Wonthaggi Recreation Reserve Netball Pavilion
Women and Girls Facilities	Baw Baw Shire Council	Lighting for pitches 3 & 4 at Bellbird Park, Drouin
Women and Girls Facilities	Central Goldfields Shire Council	Deledio Recreation Reserve Pavilion Upgrade

Stream	Local Government Authority	Project Name
Women and Girls Facilities	Moira Shire Council	Waaia Hardcourt Redevelopment Project
Women and Girls Facilities	Strathbogie Shire Council	Female Friendly Change Room Facility Longwood Recreation Reserve
All Abilities Infrastructure (including Participation Initiative)	City of Ballarat	BALC Changing Places and All Abilities Upgrades
All Abilities Infrastructure (including Participation Initiative)	City of Greater Geelong	Wallington Reserve – All Abilities Pavilion Redevelopment

Source: Sport and Recreation Victoria, *Regional Community Sports Infrastructure Fund: round 1 approved applicants – July 2024*, July 2024, <[https://sport.vic.gov.au/\\_data/assets/word\\_doc/0010/2288350/Regional-Community-Sports-Infrastructure-Fund-Round-1-Approved-Applicants.docx](https://sport.vic.gov.au/_data/assets/word_doc/0010/2288350/Regional-Community-Sports-Infrastructure-Fund-Round-1-Approved-Applicants.docx)> accessed 10 February 2025.

## B.4 Regional Community Sport Development Fund

### Strengthening Regional Community Sport Program

Applicant organisation	Local Government areas benefitting	Project name
Victorian Skateboard Association Inc	Greater Geelong City Council, Wodonga Rural City Council, Mitchell Shire Council, Wellington Shire Council	Strengthening and Developing Regional Skateboarding Communities
Hockey Victoria	Greater Geelong City Council, Surf Coast Shire Council	Surf Coast Hockey Growth and Implementation Plan
Life Saving Victoria Limited	Bass Coast Shire Council, East Gippsland Shire Council, South Gippsland Shire Council	Building sustainable sporting pathways – Gippsland Hub
AusTriathlon	Baw Baw Shire Council, Greater Shepparton City Council, Wodonga Rural City Council, Ballarat City Council, East Gippsland Shire Council, Central Goldfields Shire Council	Active Regional Communities through Triathlon and Multisport Engagement
Australian Sailing Limited	Colac-Otway Shire Council, Warrnambool City Council, Moyne Shire Council, Glenelg Shire Council, Northern Grampians Shire Council, Mount Alexander Shire Council, Surf Coast Shire Council, Swan Hill Rural City Council	Regional Discover Sailing Centres Participation Development Program
Badminton Victoria	Bass Coast Shire Council, Baw Baw Shire Council, Campaspe Shire Council, Greater Bendigo City Council, Greater Shepparton City Council, Horsham Rural City Council, Macedon Ranges Shire Council	Regional Badminton Revitalisation Program
Ultimate Victoria Inc	Baw Baw Shire Council, East Gippsland Shire Council, Latrobe City Council, Wellington Shire Council	DIY Ultimate Frisbee for Gippsland

Source: Sport and Recreation Victoria, *Strengthening Regional Community Sport 2024 to 2027*, <<https://sport.vic.gov.au/funding/strengthening-regional-community-sport-2024-to-2027>> accessed 10 February 2025.

## Sustainable Volunteer Workforce Program

Applicant Organisation	Local government areas Benefitting	Project Name
CHSA Sports Central Inc	Ararat, Ballarat, Golden Plains, Hepburn, Moorabool and Pyrenees	Lead Connect Grow
Touch Football Australia (Victorian Branch)	Ballarat, Greater Geelong, Wellington, Glenelg, Warrnambool, Greater Bendigo	Touch Football Regional Victoria Volunteer Education Program
GippSport Inc	Latrobe, Baw Baw	Gippsland Regional Community Sport Hubs
South West Sport Inc	Corangamite, Glenelg, Moyne, Southern Grampians, Warrnambool	Transforming grassroots community sport in the south west, through volunteer workforce reform, and digital innovation
Swimming Victoria Inc	Colac-Otway, Corangamite, Glenelg, Greater Geelong, Moyne, Queenscliffe, Southern Grampians, Surf Coast, Warrnambool	Diving into the Future of Swimming
Tennis Victoria	Benalla, Campaspe, East Gippsland, Greater Shepparton, Horsham, Latrobe, Moira, Northern Grampians, Wellington, Yarriambiack	Regional Club Services Officer
AusCycling Ltd	Ararat, Ballarat, Central Goldfields, East Gippsland, Greater Bendigo, Latrobe, Mildura, Northern Grampians, Wangaratta, Wodonga, Greater Geelong	Collaborative Club Capacity Building Program
Netball Victoria	Central Goldfields, Greater Shepparton, Latrobe	Netball Victoria Administration Program (NVA)
Hockey Victoria	Ballarat, Benalla, Corangamite, Glenelg, Greater Bendigo, Greater Geelong, Greater Shepparton, Horsham, La Trobe, Mildura, Northern Grampians, Warrnambool, Wellington, West Wimmera	Regional Coach and Umpire Workforce Reform
Goulburn Valley Sports Assembly Inc	Benalla, Greater Shepparton, Mansfield, Mitchell, Moira, Murrindindi, Strathbogie	Goulburn Valley Club Hubs Pilot
Golf Victoria	Central Goldfields, Greater Shepparton, Hindmarsh, Mildura, Swan Hill, Latrobe, East Gippsland, Ballarat, Wangaratta	Australian Golf Governance Program
The Centre for Continuing Education Inc	Alpine, Indigo, Towong, Wangaratta, Wodonga	Sport and Active Recreation Volunteer Matching Scheme

Source: Sport and Recreation Victoria, *Sustainable Volunteer Workforce Program 2024 to 2027*, 10 February 2025, <<https://sport.vic.gov.au/funding/sustainable-volunteer-workforce-program-2024-to-2027>> accessed 10 February 2025.

## Regional Community Sport Development Fund

Applicant organisation	Local government areas benefitting	Project name
Victorian Skateboard Association Inc	Greater Geelong City Council, Wodonga Rural City Council, Mitchell Shire Council, Wellington Shire Council	Strengthening and Developing Regional Skateboarding Communities
Hockey Victoria	Greater Geelong City Council, Surf Coast Shire Council	Surf Coast Hockey Growth and Implementation Plan
Life Saving Victoria Limited	Bass Coast Shire Council, East Gippsland Shire Council, South Gippsland Shire Council	Building sustainable sporting pathways – Gippsland Hub
AusTriathlon	Baw Baw Shire Council, Greater Shepparton City Council, Wodonga Rural City Council, Ballarat City Council, East Gippsland Shire Council, Central Goldfields Shire Council	Active Regional Communities through Triathlon and Multisport Engagement
Australian Sailing Limited	Colac-Otway Shire Council, Warrnambool City Council, Moyne Shire Council, Glenelg Shire Council, Northern Grampians Shire Council, Mount Alexander Shire Council, Surf Coast Shire Council, Swan Hill Rural City Council	Regional Discover Sailing Centres Participation Development Program
Badminton Victoria	Bass Coast Shire Council, Baw Baw Shire Council, Campaspe Shire Council, Greater Bendigo City Council, Greater Shepparton City Council, Horsham Rural City Council, Macedon Ranges Shire Council	Regional Badminton Revitalisation Program
Ultimate Victoria Inc	Baw Baw Shire Council, East Gippsland Shire Council, Latrobe City Council, Wellington Shire Council	DIY Ultimate Frisbee for Gippsland

Source: Sport and Recreation Victoria, *Strengthening Regional Community Sport 2024 to 2027*, <<https://sport.vic.gov.au/funding/strengthening-regional-community-sport-2024-to-2027>> accessed 10 February 2025.

## B.5 Regional Worker Accommodation Fund

Project	Region
Colac Area Health – Colac Key Worker Accommodation	Barwon
Timboon & District Healthcare Service – Timboon Key Worker Accommodation	Great South Coast
Warrnambool City Council – Warrnambool Key Worker Accommodation	Great South Coast
Bass Coast Health – Wonthaggi Key Worker Accommodation	Gippsland
Omeo District Health – Omeo Key Worker Accommodation	Gippsland
Bairnsdale Regional Health Service – Bairnsdale Key Worker Accommodation	Gippsland
Latrobe Valley Village Inc – Newborough Key Worker Accommodation	Gippsland
Respect Group Limited – Nhill Key Worker Accommodation	Wimmera Southern Mallee
Rural Northwest Health – Hopetoun Key Worker Accommodation	Wimmera Southern Mallee
Pyrenees Shire Council – Beaufort Key Worker Accommodation	Central Highlands
Vaughan Street Enterprises Pty Ltd – Shepparton Key Worker Accommodation	Goulburn

Project	Region
Seeka Australia Pty Ltd – Mundoona Key Worker Accommodation	Goulburn
Goulburn Valley Health – Stage 2 Doctor Key Worker Accommodation	Goulburn
Northeast Health (Wangaratta Hospital) – Key Worker Accommodation	Ovens Murray
Altiset Development Management Pty Ltd (A Grollo Group Company) – Mount Buller Key Worker Accommodation	Ovens Murray
Altiset Development Management Pty Ltd – Bogong Village Key Worker Accommodation	Ovens Murray
Altiset Development Management Pty Ltd – Hotham Airport Key Worker Accommodation	Ovens Murray
Murrindindi Shire Council – Eildon Key Worker Accommodation Project	Goulburn
George Weston Foods Limited – Don Smallgoods Castlemaine Key Worker Accommodation	Loddon Campaspe
Kyabram & District Health Services – Kyabram Key Worker Accommodation	Loddon Campaspe
Kerang District Health – Kerang Key Worker Accommodation	Mallee
Buloke Shire Council – Key Worker Accommodation at Wooroonook Lake, Charlton, Sea Lake, Wycheproof, Watchem Lake, Tchum Lake and Green Lake	Mallee
MCBG Karadoc Pty Ltd – Irymple Key Worker Accommodation	Mallee
Swan Hill Rural City Council – Robinvale Key Worker Accommodation	Mallee

Note: funding amounts not published due to commercial-in-confidence arrangements.

Source: Regional Development Victoria, *Regional Work Accommodation Fund*, 2024, <<https://www.rdv.vic.gov.au/grants-and-programs/regional-worker-accommodation-fund>> accessed 6 February 2025.



# Appendix C

## First interim report

Inquiry into the 2026 Commonwealth  
Games bid | Interim report

April 2024

C





# Chapter 1

## Introduction

### 1.1 Scope of the Interim Report

The Terms of Reference for this Inquiry require the Committee to table two reports, an Interim Report by 30 April 2024 and a Final Report by April 2025.

This Interim Report is intended to give an overview of the evidence received by the Committee so far. The Inquiry is still in progress and the Committee continues to gather evidence. At this stage, it would be premature for the Committee to conduct a detailed analysis of all the evidence and to make a large number of recommendations as new information is still coming to light.

As a result, some of the information presented in this Report is a high-level summary of the issues presented to the Committee. However, there are parts of the Report where the Committee is confident there is enough information to conduct a detailed analysis and make findings.

Chapter 2 discusses the barriers faced by the Committee in accessing information about the 2026 Commonwealth Games from the Victorian Government and key individuals with knowledge of the Games.

Chapter 3 looks at the timeline of Victoria's Commonwealth Games bid, from its inception to its cancellation, according to the information received by the Committee. It analyses governance processes and probity in relation to the Games at key stages. Most notably in the lead up to the Cabinet approval for the Games, and later when it was decided the Games should be cancelled.

Chapter 4 provides a summary of the evidence received so far about the impact of the cancellation of the Games. This includes the impact on sporting organisations, participants, and the cities and regions that were due to host the Games. A list of themes and issues the Committee may explore in the Final Report is also included.

### 1.2 The Inquiry process so far

#### 1.2.1 Submissions

Submissions to the Inquiry opened on 28 August 2023. The call for submissions was promoted on the Parliament's website, Facebook and YouTube pages.

On 2 October 2023, the Committee wrote to 302 individuals and organisations inviting them to put in a submission.

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Submissions closed on 23 October 2023, however the Committee has continued to accept late submissions on a case by case basis.

At the time of writing, 33 submissions had been received.

### 1.2.2 Questionnaire for government agencies

The Committee resolved to send a questionnaire to government agencies to find out how much they had spent on the cancelled Games. The questionnaire asked questions about budget allocations, infrastructure projects and assets, and other key economic and financial management issues. The following agencies and departments provided a response:

- Department of Education
- Department of Energy, Environment and Climate Action
- Department of Families, Fairness and Housing
- Department of Government Services
- Department of Health
- Department of Jobs, Skills, Industry and Regions
- Department of Justice and Community Safety
- Department of Premier and Cabinet
- Department of Transport and Planning
- Department of Treasury and Finance
- Development Victoria
- Environment Protection Authority Victoria
- Kardinia Park Stadium Trust
- Victoria 2026 Commonwealth Games Organising Committee
- Victoria Police
- Visit Victoria.

### 1.2.3 Public hearings

The Committee has conducted 9 days of public hearings so far, on the following dates:

- Monday 9 October 2023, Melbourne
- Friday 13 October 2023, Melbourne
- Monday 23 October 2023, Melbourne
- Thursday 26 October 2023, Melbourne

- Tuesday 5 December 2023, Melbourne
- Tuesday 13 February 2024, Geelong
- Wednesday 14 February 2024, Ballarat
- Tuesday 27 February 2024, Bendigo
- Thursday 14 March 2024, Morwell.

At these hearings, the Committee heard from 68 witnesses. This includes government departments, sporting bodies, consultancy firms, local councils, tourism organisations and local business representatives. Transcripts of the hearings can be found on the Committee's website.

It is likely the Committee will hold further hearings before it tables its Final report in April 2025.

#### 1.2.4 The Victorian Auditor-General's Report on the *Withdrawal from 2026 Commonwealth Games*

The Victorian Auditor-General tabled a report titled *Withdrawal from 2026 Commonwealth Games* in the Parliament on 20 March 2024.

The report examined the costs associated with securing, planning for and exiting from the 2026 Commonwealth Games and assessed the quality of relevant advice to the Government.<sup>1</sup>

The content of the Auditor General's report overlaps with the matters examined in this Interim Report. Particularly Chapter 3, which analyses the key events surrounding the bid and cancellation of the Games.

The Auditor-General has powers under the *Audit Act 1994* (Vic) to access information that is subject to cabinet confidentiality.<sup>2</sup> As outlined in Chapter 2 of this Report, the Committee has not been provided such information by the Government. As a result of the Auditor-General's wider evidence gathering powers, the *Withdrawal from 2026 Commonwealth Games* report features information that the Committee was not privy to.

The information contained in the Auditor-General's report which the Committee was not privy to has been included in Chapter 3 of this Interim Report where appropriate, to fill gaps in the Committee's evidence base.

The Auditor-General's report also raises a number of issues that the Committee may follow up during the remainder of its Inquiry.

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1 Victorian Auditor General's Office, *Withdrawal from 2026 Commonwealth Games*, 2024, Appendix C-1.

2 *Audit Act 1994* (Vic), s.40 (3).

### 1.2.5 Terminology – the Department of Jobs, Skills, Industry and Regions

Throughout the Report the term Department of Jobs, Skills, Industry and Regions (DJSIR) is used to refer both to that department and its predecessor, the Department of Jobs, Precincts and Regions (DJPR).

DJSIR was created on 1 January 2023, replacing its predecessor DJPR.

The evidence collected during the Inquiry refers at times to the old department. DJPR dealt with the bid for the Games, including the business case, as well as the early stages of Games preparation. DJSIR was created on 1 January 2023, as the increases to the projected budget for the Games were coming to light.

To simplify the reading and understanding of the Report, the acronym of the current department, DJSIR, is used.

# Chapter 2

## Barriers faced by the Committee

### 2.1 Overview

So far during this Inquiry, the Committee has faced significant barriers in meeting its requirements as outlined in its Terms of Reference. Certain individuals with knowledge of the Games have declined to attend public hearings and the Government has declined to provide key documents about the Games on the grounds of executive privilege (see Section 2.3).

The reasons given by some individuals and the Government for not giving evidence at public hearings or providing documents have been grounded in conventions, rather than a parliamentary committee's specific powers to call for documents and persons.

### 2.2 Individuals declining to give evidence at public hearings

Receiving evidence from key witnesses in a public hearing is an essential power and investigative process for a parliamentary committee.

Throughout this Inquiry, the Committee has had the benefit of hearing from government departments, agencies, sporting bodies, business and community organisations. All of whom voluntarily gave up their time to contribute to the Inquiry.

However, some key individuals declined to give evidence to the Committee. These individuals were important decision makers in the 2026 Commonwealth Games Bid and cancellation due to their ministerial responsibilities. They are:

- the Hon Jacinta Allan, former Minister for Commonwealth Games Delivery and current Premier (the Premier)
- the Hon Daniel Andrews, former Premier
- the Hon Martin Pakula, former Minister for Tourism, Sport and Major Events.

In addition, two advisors to the former Premier declined invitations to appear at a public hearing.

The reasons given by these individuals for declining to attend are examined below.

## 2.2.1 Request for the Premier to give evidence

On 9 October 2023, the Committee resolved to request that the Premier, the Hon Jacinta Allan, attend a public hearing to give evidence about her role as the former Minister for Commonwealth Games Delivery.

As the Premier is a member of the Legislative Assembly and the Committee is a Select Committee of the Legislative Council, a procedure set out in the Legislative Council Standing Orders was followed to request the Premier give evidence. Under Standing Order 17.04, if a Legislative Council Committee requests a member of the Legislative Assembly to attend its proceedings as a witness, it must send a message to the Legislative Assembly requesting that leave be granted for the member to attend. The member may then attend if they see fit.<sup>1</sup> The same procedure is mirrored for Legislative Assembly committees who wish to invite members of the Legislative Council to give evidence at public hearings.<sup>2</sup>

On 18 October 2023, the Legislative Council resolved that:

this House requests that the Legislative Assembly grant leave to the Premier, the Hon. Jacinta Allan MP, to appear before the Legislative Council Select Committee on the 2026 Commonwealth Games Bid to provide evidence in her capacity as the former Minister for Commonwealth Games Delivery.<sup>3</sup>

The Legislative Council formally advised the Assembly of this resolution later that day. The Legislative Assembly subsequently resolved, by a Government majority vote, to refuse leave for the Premier to give evidence to the Committee.

The process by which each House can consider permission for its members to attend the proceedings of the other House, is common amongst Westminster parliaments.<sup>4</sup> It is part of the convention of exclusive cognisance, whereby each house has exclusive control over its own affairs. A key resource on Westminster procedure, *Erskine May: Parliamentary Practice*, states that ‘Each House has exclusive cognisance of its own proceedings and of certain matters related to the precincts’.<sup>5</sup>

While it is the prerogative of the Legislative Assembly to pass a motion that refused permission for one of its members to appear before a Legislative Council committee, this did not prevent the Premier from volunteering to give evidence to the Committee. There have been a number of examples of members of the Legislative Assembly giving evidence to committees of the Legislative Council, with and without the formality of a message being sent. These include opposition and backbench members discussing

<sup>1</sup> Legislative Assembly Standing Order 198(1).

<sup>2</sup> Legislative Assembly, Standing Order 189.

<sup>3</sup> Parliament of Victoria, Legislative Council, Minutes of Proceedings, Wednesday 18 October 2023, p. 291.

<sup>4</sup> See for example: House of Commons, *Standing Orders: Public Business*, Standing Order 138; *House of Lords, Standing Orders of the House of Lords Relating to Public Business*, Standing Order 23; House of Representatives, Standing Order 252; New South Wales Legislative Assembly, Standing Order 327. It should be noted that both houses of the Parliament of the United Kingdom automatically grant leave for members of one house to attend the other, but the member may decline if they wish.

<sup>5</sup> Macolm Jack (ed), *Erskine May: Parliamentary Practice (24 edition)*, Lexis Nexis, London, 2011.

matters relevant to their electorates,<sup>6</sup> as well as more limited examples of government ministers attending Legislative Council committee inquiries into specific legislation.<sup>7</sup>

A significant amount of taxpayer funds was expended as a result of the cancellation, including compensation to the Commonwealth Games Federation, and Victoria's reputation as a host of major events may have been impacted. It is the Committee's view that these issues are of sufficient importance for the Premier to have volunteered to attend a public hearing. This would have been invaluable in helping the Committee to understand the decisions surrounding the bid and cancellation of the 2026 Commonwealth Games.

### 2.2.2 The Hon Daniel Andrews and the Hon Martin Pakula declining to give evidence at a public hearing

The Committee resolved to request Mr Andrews, (the Premier between 2014 and 2023), and Mr Pakula, (Minister for Tourism and Sport and Major Events between 2018 and 2022)<sup>8</sup> to give evidence at the Committee's public hearing on 26 October 2023. Both declined the request. In doing so they provided a copy of letter to them from the Attorney General, the Hon Jaclyn Symes, which advised the former members that 'a committee cannot claim authority over a member of the other House and that members hold immunities based on this independence' (see Appendix B).<sup>9</sup> The letter stated that this 'immunity' included former members:

The immunity enjoyed by members must extend to any matter about which a former member could be questioned. If this were not the case, the immunity would be incomplete. It is the Government's view that former members are able to take account of this immunity in the face of any request by a committee from the other House.<sup>10</sup>

The Attorney General's letter also cited a precedent where another former Premier, the Hon Steve Bracks, declined to give evidence to the Legislative Council's Select Committee on Gaming and Licencing in 2007.<sup>11</sup> In that case, Mr Bracks also cited 'the independence of the houses' when declining the invitation.<sup>12</sup>

The Committee notes areas of contention in the arguments made by Mr Bracks and in turn, the Attorney General. The assertion that a 'committee cannot claim authority over a member of the other House and that members hold immunities based on this independence' is, in the Committee's view, somewhat overstated. It is accepted that

6 These members include Andrew McIntosh MP, Heidi Victoria MP and Neale Burgess MP: Select Committee on Public Land Development, Interim Report, 2008, pp. 21 and 23; Suzanna Sheed MP, Legislative Council Legal and Social Issues Committee, *Inquiry into Homelessness in Victoria*, 2021, p. 335.

7 The Legislative Assembly gave leave for the Minister for Consumer Affairs, Anthony Robinson MP appeared before the Legislative Council Legislation Committee to give evidence in relation to the Liquor Control Reform Amendment Bill 2007.

8 Parliament of Victoria, *The Hon Daniel Michael Andrews*, <<https://www.parliament.vic.gov.au/members/daniel-andrews>> accessed 13 March 2023; Parliament of Victoria, *The Hon Martin Philip Pakula*, <<https://www.parliament.vic.gov.au/members/martin-pakula>> accessed 13 March 2023.

9 Correspondence from the Hon Jaclyn Symes MLC, Attorney General, to the Hon Daniel Andrews, 16 October 2023, p. 1.

10 Ibid.

11 Legislative Council, Select Committee on Gaming Licencing, *Final Report*, 2007, pp. 166–167.

12 Ibid.

Committees cannot, and should not, compel a member of another house to appear before them. However, as noted previously, the Standing Orders of both houses require committees to seek the permission of the other House if they wish a member of that House to attend a hearing. A requirement to seek permission should not be read as a complete immunity, even when in practice permission is rarely granted.

Another key area of contention is whether *former* members of Parliament can claim to be subject to the same procedures as sitting members of Parliament. Mr Andrews, in his letter to the Committee argued that as the matters under consideration related to the dispatch of his duties as a member of the Legislative Assembly, the limitation should still apply. He said:

In a context where the matters that I would be questioned about relate solely to my role as Premier and a member of the Legislative Assembly, this limitation must persist following my resignation. My appearance would undermine the very purpose of the principle and therefore, the independence of each House.<sup>13</sup>

This is in line with advice provided to Mr Andrews by the Attorney General.<sup>14</sup>

The Committee observes that unlike for sitting members, there is no avenue outlined in the Standing Orders for the Committee to seek the permission of the Legislative Assembly to grant permission for a former member to appear before the Committee. Both Houses, as expressed through their standing orders, have agreed for a mechanism to seek permission for a member of another House to attend committee proceedings. If the Attorney General's interpretation were to be accepted in full, both Houses would be left without a clear avenue to have a former member appear before their committees in connection with their former duties.

The Commonwealth Senate Select Committee for an inquiry into a certain maritime incident addressed this issue in 2002. The matter of whether a former member is subject to the same procedures as sitting members was considered by the Clerks of both the House of Representatives and the Senate. The Clerks provided differing views as to whether the Select Committee could summons a former member to attend.<sup>15</sup> The Committee accepted the opinion of the Clerk of the Senate who advised it did have the power to summons a former minister. The Committee chose not to pursue the matter because it was of the view that would likely be contested in the courts and cause delay for the inquiry.<sup>16</sup>

The Victorian Legislative Council's Select Committee on Gaming Licencing, in reference to Mr Bracks declining the invitation to attend its hearings stated 'The Committee acknowledges there is no definitive answer as to whether former members are protected by immunity'.<sup>17</sup> No further action was taken to pursue Mr Bracks.

<sup>13</sup> Correspondence from the Hon Daniel Andrews, 16 October 2023, p. 1.

<sup>14</sup> Correspondence from the Hon Jaclyn Symes MLC, Attorney General, to the Hon Daniel Andrews, 16 October 2023, p. 1.

<sup>15</sup> Commonwealth Senate, *Select Committee for an Inquiry into a certain maritime incident*, 2002, p. xv.

<sup>16</sup> *Ibid.*

<sup>17</sup> Legislative Council, Select Committee on Gaming Licencing, *Final Report*, 2007, p. 29.



This is a contested space. It is a matter that may be dealt with by the Houses or require the ruling of a court to be resolved, if the issue is justifiable.<sup>18</sup>

The Committee notes that like the Premier, both former members could have volunteered to attend. Mr Pakula volunteered to attend a public hearing for the Commonwealth Senate Committee inquiring into this issue on 28 August 2023. At that hearing, Mr Pakula stated he was appearing ‘as a courtesy to the Senate’.<sup>19</sup> The Committee believes that both former members should have afforded the same courtesy to the Victorian Legislative Council, so that the decisions surrounding the 2026 Commonwealth Games could be better understood.

### 2.2.3 Advisors to the former Premier declining to give evidence at public hearings

The Committee also invited two advisors of the former Premier to appear before the Committee at a public hearing. Both invitations were declined. Again, both individuals received advice from the Attorney General, which they cited in their correspondence declining the invitation to appear (see Appendix C). The Attorney General’s advice invoked the independence of the Houses and the ‘immunities’ of members attending committees of another house. The advice claimed this extended to advisors of former members:

That immunity extends to Ministerial officers of members of the other House, including a former Ministerial officer of a former Member.<sup>20</sup>

The Committee notes the view put forward by the former Clerk of the Legislative Council to the Legislative Council’s Standing Committee on Finance and Public Administration in a letter to the Committee in 2010. The Clerk advised:

Ministerial staff, in the broadest sense of the term, have no immunity against being summoned to attend to give evidence as a matter of law. Like public servants, Ministerial Advisers should generally not be held accountable for matters of opinion on policy, which is the domain of Ministers.

From time to time in Australia Governments have made claims of a ‘convention’ that Ministerial staff not appear, but Parliaments do not generally recognise such a convention, let alone its inherent inconsistency with the powers of the Houses and their Committees.<sup>21</sup>

<sup>18</sup> Correspondence from Harry Evans, Clerk of the Commonwealth Senate to Senator Cook, Chair, Select Committee on a certain maritime incident, 26 August 2002, p. 1, <[https://www.aph.gov.au/-/media/wopapub/senate/committee/maritime\\_incident\\_ctte/report/e02e\\_pdf.ashx](https://www.aph.gov.au/-/media/wopapub/senate/committee/maritime_incident_ctte/report/e02e_pdf.ashx)> accessed 24 March 2024.

<sup>19</sup> Hon Martin Pakula, Senate Rural and Regional Affairs and Transport References Committee, public hearing, Melbourne, 28 August 2023, *Transcript of evidence*, p. 50.

<sup>20</sup> Correspondence from the Hon Jaclyn Symes MLC, Attorney General, to Lissie Ratcliff, 1 November 2023, p. 1.

<sup>21</sup> Legislative Council, Standing Committee on Finance and Public Administration, *Second Interim Report on Victorian Government Decision Making, Consultation and Approval Processes*, 2010, pp. 12–13.

Advice provided by Bret Walker SC to the Legislative Council's Select Committee on Gaming Licencing in 2007 also stated that:

A critical distinction is between compulsion to attend to give evidence, and compulsion to answer particular questions. Conventionally, and for good reason, Houses have not required public servants, or Ministerial advisers, to answer questions about policy, in such a way as to endanger the necessary confidence between Ministers and public servants.

Assuming there is no intention on foot in the Council to alter that conventional position, there is no reason why such persons should not be required to give evidence outside that conventionally proscribed area.<sup>22</sup>

Given this advice pertains to current ministerial staff, the Committee does not accept the Attorney-General's interpretation that any 'immunity' should also apply to former ministerial staff of former members.

The Attorney General, in her advice to the former advisors also cited a convention called the McMullan principle, 'which stipulates that ministerial advisers are not obligated to provide testimony before parliamentary committees' (see Appendix C). This principle relates to an argument put forward in 1995 in the Commonwealth Senate by Senator McMullan as part of debate on a motion which among other things highlighted the refusal of the then Minister of Finance to allow a ministerial staff member to appear at estimates hearings.<sup>23</sup> The argument put forward by Senator McMullan was that 'ministerial staff are accountable to the minister and the minister is accountable to the parliament and, ultimately, the electors'.<sup>24</sup>

The 2007 Select Committee also formed a view on the McMullan Principle. It noted that the principle is predicated on the Minister of the ministerial staff member in question being willing to be accountable to Parliament. In this case, the former member is no longer accountable to the Parliament and is unavailable to be questioned or held accountable for the information that has come to light during this Inquiry.

Again, it should be noted that the former advisors could have volunteered to attend to assist the Committee in its work. This did not occur.

In relation to the Attorney General's letters to Mr Andrews, Mr Pakula and the former advisors, the Committee notes Legislative Council Standing Order 17.10(b) states that a person may be in contempt of the House if they 'prohibit directly or indirectly endeavouring to deter or hinder any person from appearing or giving evidence'.<sup>25</sup> The Committee does not suggest that the Attorney General or the Government is in breach of the Standing Order. However, it has concerns that the advice provided by the Attorney General contained contested interpretations of parliamentary procedure

<sup>22</sup> Select Committee on Gaming and Licencing, *First Interim Report*, 2007, p. 47.

<sup>23</sup> Finlay, Lorraine, *The McMullan Principle: Ministerial Advisors & Parliamentary Committees*, 2016, UTasLawRw 5; (2016) 35(1), University of Tasmania Law Review, p. 69.

<sup>24</sup> Ibid.

<sup>25</sup> Legislative Council Standing Order 17.10(b).

which the Committee does not completely agree with. All of the individuals in question cited the Attorney General's advice when declining invitations to appear at public hearings.

## 2.3 Claims of executive privilege in relation to questions on notice, document requests and summons

The Committee sought written information from the Government in relation to a number of aspects concerning the Games. This includes questions on notice for witnesses at public hearings, document and information requests for departments, and a summons for papers and documents. A table of these requests and summons, and the status of the answers to them, is provided in Appendix D and is discussed in Section 2.3.3.

In response to a significant proportion of these requests, the Government claimed that the information or documents could not be provided due to executive privilege.

Executive privilege is the term given to the exemption claimed by Government for information requests by Parliament, where the information may be broadly prejudicial to the public interest.<sup>26</sup>

As will be discussed in the following Sections, the Committee believes the Government has been far too broad in determining the scope of where executive privilege should apply. It has also made its determination independently of the Parliament. This is troubling because the body which is supposed to be the subject of scrutiny should not dictate how scrutiny is applied. This principle has been recognised in the Legislative Council Standing Orders and will be discussed in Section 2.3.2.

### 2.3.1 The scope of the Government's claims of executive privilege

On 7 October 2023, the Premier wrote to the Committee to provide information about the Victorian Government's views on the application of executive privilege. This letter is included in Appendix E of this Report.

The Premier's letter outlined classes of evidence that the Government considers attracts executive privilege, namely evidence that would:

- reveal, directly or indirectly, the deliberative processes of cabinet
- reveal high-level confidential deliberative processes of the Government, or otherwise genuinely jeopardise the necessary relationship of trust and confidence between a Minister and public officials

<sup>26</sup> Victorian Government, *Guidelines for appearing before and producing documents to Victorian inquiries*, Appendix A: Executive Privilege, <<https://www.vic.gov.au/guidelines-appearing-and-producing-documents-victorian-inquiries>> accessed 6 March 2024.

- reveal information obtained by Government on the basis that it would be kept confidential, including because the documents are subject to statutory confidentiality provisions that apply to Parliament
- reveal confidential legal advice to the Government
- otherwise jeopardise the public interest on an established basis, in particular where disclosure would:
  - prejudice national security or public safety
  - prejudice law enforcement investigations
  - materially damage the State’s financial or commercial interests (such as ongoing tender processes, or changes in taxation policy)
  - prejudice intergovernmental and diplomatic relations
  - prejudice legal proceedings.

The Premier’s letter stated that this interpretation is in line with a letter tabled in the Legislative Council on 14 April 2015 (the 2015 letter) as a response to a production of documents resolution relating the Cranbourne Pakenham Rail Corridor Project (see Appendix F). In the 2015 letter, the then Attorney General the Hon Martin Pakula, outlined the above criteria for the first time. He stated that information in the classes listed would be prejudicial to the public interest if released.<sup>27</sup> The 2015 letter has been referred to on a number of subsequent occasions by the Government when giving an explanation about why certain documents have not been provided to Parliament as part of production of documents motions.

Importantly, the Legislative Council has never officially responded, nor accepted the Government’s criteria for executive privilege as set out in the Attorney-General’s letter. The scope of the type of documents for which the Government claims executive privilege is wide. Far wider than the scope of executive privilege ruled in a landmark case on the power of the New South Wales Legislative Council to order for government documents.<sup>28</sup> In *Egan v Chadwick*, the New South Wales Court of Appeal found that only cabinet documents could be withheld by the Government in such cases. Chief Justice Spiegelman’s view was that for the necessary function of responsible government, the New South Wales Legislative Council’s power to call for documents must ‘be restricted to documents which do not, directly or indirectly, reveal the deliberations of Cabinet’.<sup>29</sup>

The Committee notes that the powers of the Parliament of New South Wales are specified in common law and not codified in its constitution, unlike the powers of the Victorian Parliament.<sup>30</sup> These are codified in the *Constitution Act 1975* (Vic) as

<sup>27</sup> Correspondence from Hon Martin Pakula MP, Attorney-General, *Production of documents – Cranbourne Pakenham Rail Corridor Project*, to the Legislative Council, 14 April 2015, p. 1.

<sup>28</sup> *Egan v Chadwick and Ors* (1999) NSWCA 176.

<sup>29</sup> *Ibid.*

<sup>30</sup> *Ibid.*

‘such and like the privileges, immunity and powers... held, enjoyed and exercised’ by the House of Commons in 1855.<sup>31</sup> Greg Taylor, a leading academic on the Victorian Constitution noted in a 2008 paper, *Parliament’s Power to Require the Production of Documents: a Recent Victorian Case*, that the common law doctrine relied upon by the New South Wales Legislative Council only confers powers that are reasonably necessary to fulfil its role. As provided in *Egan v Chadwick*, the only class of documents that may be the subject to executive privilege under this arrangement are cabinet documents. Mr Taylor states that the Victorian Parliament, with its powers codified in the Constitution, cannot have less powers than those of the New South Wales Parliament:

It cannot be that the Victorian express provision for the conferral of Commons powers, which go beyond reasonable necessity in a number of areas, has the effect of reducing the powers of the Victorian Legislative Council [in comparison to the New South Wales Legislative Council].<sup>32</sup>

At the Committee’s request, the Clerk of the Legislative Council provided advice on ‘whether a claim of executive privilege is valid when a committee requests documents’.<sup>33</sup> The Clerk quoted legal advice on this question provided by Brett Walker SC to the Select Committee on Liquor and Gaming in 2007:

Executive privilege and public interest immunity (as distinct from Cabinet documents) are not sufficient claims for non-production of documents. Where a document is not to be regarded as a Cabinet document, there should be no public interest reason to keep it from the people’s representatives, the legislators, in the Council.<sup>34</sup>

This view is also shared by Greg Taylor who notes that unlike New South Wales, the applicability of executive privilege in relation to cabinet documents has not been the subject of a judicial ruling. He stated that:

No power on earth, or in Victoria at least, can resist a demand by Parliament for documents unless some valid statutes provide to the contrary...

... Certainly cabinet cannot, as it is a collection of ministers maintained in office by the grace of one House of Parliament. There are, however, very good arguments in favour of recognising a general immunity for cabinet documents as a matter of policy, rather than strict power, which have so far persuaded the Houses to refrain from pressing the point.<sup>35</sup>

The 2007 Select Committee on Gaming and Licencing came to the view that ‘the lack of an established judicial determination of this question in the State of Victoria

<sup>31</sup> *Constitution Act 1975* (Vic) s 19(1).

<sup>32</sup> Greg Taylor, *Parliament’s Power to Require the Production of Documents: a Recent Victorian Case*, 2008, p. 23.

<sup>33</sup> Correspondence from Robert McDonald, Clerk of the Legislative Council, to David Limbrick MLC, Chair of the Select Committee on the 2026 Commonwealth Games Bid 10 November 2023, p. 1.

<sup>34</sup> *Ibid.*

<sup>35</sup> Greg Taylor, *Constitution of Victoria*, 2006, p. 278.

has limited the capacity of the Committee to seek compliance with its summonses'.<sup>36</sup> This was also highlighted to the Committee in the Clerk's letter.<sup>37</sup>

The Committee does not accept the Government's wide definition of what is covered by the scope of executive privilege. The matter may be resolved by a court, such as was the case with *Egan v Chadwick*. It may also be resolved by the House through avenues such as the adoption of standing orders on this matter, passing a production of documents motion or the appointment of an independent legal arbiter under Standing Orders 10.01–10.06. This will be discussed further in Section 2.3.3.

### 2.3.2 Who determines what constitutes executive privilege?

Another key question in relation to the Government's claims of executive privilege is whether it is the government or the parliament who determines what constitutes executive privilege.

As noted, the powers held by the Victorian Parliament are codified in the Constitution Act as commensurate as those of the House of Commons in 1855. The Attorney General's 2015 letter states that in 1855:

the House of Commons' power to call for the production of documents was subject to clearly established exceptions. One of those exemptions was Crown Privilege (now known as executive privilege). If the Government asserted that documents were subject to executive privilege, then this was sufficient reason for refusing their production to the House of Commons.<sup>38</sup>

The letter concludes that as a result, with the Victorian Parliament's powers being commensurate with those of the House of Commons in 1855, it is for the Victorian Government to determine the application of executive privilege in relation to documents subject to a call for production.

This is a contested area. The present-day Legislative Council of Victoria is of the view that it, not the Government, has the power to adjudicate claims of executive privilege in relation to production of documents orders in the House. It has expressed this through its adoption of Standing Orders 10.03 to 10.06. Under these Orders, where a claim of executive privilege is made, the procedure is as follows:

- 'A return is to be prepared showing the date of creation of the document, a description of the document, the author of the document and reasons for the claim of Executive privilege'.<sup>39</sup>
- The documents are then required to be delivered to the Clerk and 'made available only to the mover of the motion for the order'.<sup>40</sup>

<sup>36</sup> Select Committee on Gaming and Licensing Interim Report, 2007, p. x.

<sup>37</sup> Correspondence, Clerk of the Legislative Council to David Limbrick, p. 2.

<sup>38</sup> Correspondence from Hon Martin Pakula MP, to the Legislative Council, 14 April 2015, p. 1.

<sup>39</sup> Legislative Council Standing Order 10.03(1)(a).

<sup>40</sup> Legislative Council Standing Order 10.03(1)(b).

- ‘The mover of the motion for the order may notify the Clerk, in writing, disputing the validity of the claim of Executive privilege in relation to a particular document or documents. On receipt of such notification, the Clerk is authorised to release the disputed document or documents to an independent legal arbiter, for evaluation and report within seven calendar days as to the validity of the claim’.<sup>41</sup>

The former Clerk of the Legislative Council, Andrew Young, discussed the standing orders above in relation to the Attorney General’s 2015 letter in a submission to a Select Committee of the Tasmanian Legislative Council on the Production of Documents. He said:

I do not agree with the Attorney-General’s assertion in the attached letter that the Council’s powers are trumped by a Government’s claim of Executive privilege. While there are legitimate reasons to withhold certain documents from publication, the powers and privileges of the Council mean that it is for the House to decide this on a case-by-case basis, aided by an independent arbiter.<sup>42</sup>

The Committee agrees with this interpretation and does not accept the validity of the wide-ranging claims of executive privilege set out in the Attorney General’s 2015 letter and in the Premier’s letter to the Committee on 9 October 2023.

### 2.3.3 A summary of the Committee’s requests and details of the Government’s claims of executive privilege

Below is a summary of the Committee’s requests for information via questions on notice, document requests and a summons, as well as the Government’s claims of executive privilege against them. A full list of these claims is included in Appendix D of the Report:

- Questions on Notice arising from the public hearing of 9 October 2023 for the Secretary of the Department of Jobs, Skills, Industry and Regions (DJSIR): 8 claims of executive privilege against 24 questions asked.
- Questions on Notice arising from the public hearing of 9 October 2023 for Allan Garner, answered by DJSIR: one claim of executive privilege against 11 questions asked.
- Questions on Notice arising from the public hearing of 13 October 2023 for the Secretary of the Department of Treasury and Finance (DTF): One claim of executive privilege against 10 questions asked.
- Questions on Notice arising from the public hearing of 5 December 2023 for the Secretary of DJSIR: one claim of executive privilege against four questions asked.
- Summons for documents and papers on 8 November 2023 for the Secretary of DJSIR that relate to briefings provided by the Department to ministers in relation

<sup>41</sup> Legislative Council Standing Order 10.03(2).

<sup>42</sup> Legislative Council of Tasmania, Select Committee on the Production of Documents, *Final Report*, 2021, p. 110.

to the 2026 Commonwealth Games. Documents provided in return: 204. A claim of executive privilege was made against an unknown number of documents.

- Summons for documents and papers on 8 November 2023 for the Secretary of the Department of Premier and Cabinet (DPC) that relate to briefings provided by the Department to ministers in relation to the 2026 Commonwealth Games. Documents provided in return: 6. A claim of executive privilege was made against an unknown number of documents.
- Summons for documents and papers on 8 November 2023 for the Secretary of DTF that relate to briefings provided by the Department to ministers in relation to the 2026 Commonwealth Games. Documents provided in return: 9. A claim of executive privilege was made against an unknown number of documents.
- A request for documents seeking a number of briefing papers provided by the Department of Jobs, Skills, Industry and Regions to the former ministers for Commonwealth Games Delivery and Legacy. Determination of executive privilege ongoing.
- A request for economic modelling by KPMG for DJSIR on the potential costs and benefits of the Games, for which DJSIR has made a claim of executive privilege.

The Committee highlights two matters in relation to the executive privilege claims against the summons for briefing notes from departments to ministers.

The first is a lack of information provided to the Committee about the documents which were identified as within the scope of the summons, but for which a claim of executive privilege was made. The Committee wrote to DJSIR and DPC on 8 December 2023, as well as DTF on 25 January 2024, seeking the following (see Appendix G):

For any documents which the Government determined should be subject to a claim of executive privilege, please provide a table with the following details:

- The document name or title
- The date of creation
- The date of completion/signoff
- A description of the document content
- The reason executive privilege is being claimed.

This is in line with the practice set out by the House in Standing Order 10.03. This information has only been provided so far by DPC. The other departments are yet to provide a response, although DTF have informed the Committee they are progressing the request. The Committee considers the delay in providing it with information regarding the documents is unreasonable.

The second matter is the presumed scope of the Government's claims of executive privilege. The scope of the Committee's summons relates to briefings by the departments to ministers concerning the Games. Of the 231 documents received by



the Committee, only nine documents were briefings to ministers. The other documents that were received in response to the summons consisted primarily of correspondence and a limited number of administrative documents. In the absence of information from DTF and DJSIR, the Committee can only speculate that either there were very few briefing notes on the Commonwealth Games or that a claim of executive privilege has been made on the briefings by those departments to Ministers in relation to the 2026 Commonwealth Games.

In the Committee's view, the Government's position, that all but nine briefings from departments to ministers on this matter are subject to executive privilege is a misuse of the principle. Even under the Government's very broad interpretation of where executive privilege should apply (which the Committee does not accept), it is hard to believe it could pertain to all but nine briefing documents about the Games. If the matter were considered under an *Egan v Chadwick* framework, whereby only cabinet documents were exempt, the Government's claim would be even less acceptable.

As illustrated above, the Committee has received a number of claims of executive privilege in relation to questions on notice and other documents. However, the claims in relation to the summons are particularly overstated and disregard the role the Legislative Council has tasked the Committee with undertaking, as outlined in its Terms of Reference.

The Committee has reached a point in its Inquiry where its ability and attempts to obtain key documents has been exhausted within its powers and functions. It must now report these matters to the House.

It finds that to progress the matter a production of documents motion would need to be agreed upon by the House. Such a motion could assist the Committee if it requested documents in line with the Committee's summons.

**FINDING 1:** The Committee has exhausted most avenues open to it in obtaining certain documents from the Victorian Government relevant to its Inquiry, for which the Government has made a claim of executive privilege. For the matter to be progressed further a production of documents motion would need to be agreed upon by the House. A motion at least in line with the Committee's summons for all documents held by the Department of Jobs, Skills, Industry and Regions, the Department of Premier and Cabinet and the Department of Treasury and Finance, or their predecessors, that relate to briefings provided by the Departments to a Minister or Ministers, would assist the Committee in this regard.



# Chapter 3

## An analysis of key events during the bid and cancellation of the Games

### 3.1 Introduction

This Chapter provides an analysis of key events from the inception to the cancellation of the Victoria 2026 Commonwealth Games (the Games). This includes an assessment of the governance processes and probity associated with the bid for the Games and its eventual cancellation.

A timeline of these events has been compiled using evidence received by the Committee at public hearings and in answers to questions on notice. As noted in Chapter 2 of this Report, the Committee was not provided with all the information it sought. As a result, this Chapter does not present a complete picture of all the events surrounding the bid and cancellation of the Games, just the information the Committee has been provided with.

The Committee has analysed three key areas in relation to governance processes for the Games, these are:

- the preparation of the business case for the Games and the decision to proceed with hosting
- the projected escalation in costs and the steps taken to reduce them
- the decision to cancel the Games.

The 2026 Commonwealth Games were cancelled in July 2023 because of projected cost escalations from the originally budgeted figure of \$2.6 billion. The original figure was based on a business case prepared by consultants between late December 2021 and early March 2022.

The Committee found there were limitations placed on the consultants who prepared the business case for the Games. There was not enough time provided to prepare a business case for such a large, complex event. In addition, the Government mandated confidentiality provisions which meant that there was no opportunity to consult with venues, local councils and businesses who might have provided better insight into the costings. These limitations had a bearing on the business case's underestimation of operational costs due to the multi-city model, and infrastructure costs. Once the

business case was completed, the Government did not allow enough time to consider its options. Moreover, despite full disclosure by the consultants who prepared the business case of the assumptions underpinning it, and clear recommendations to undertake early detailed costings, this work was not commenced until late 2022.

When work eventually began on detailed planning the delivery of the Games, it soon became clear that the costs would far exceed what had been predicted in the business case.

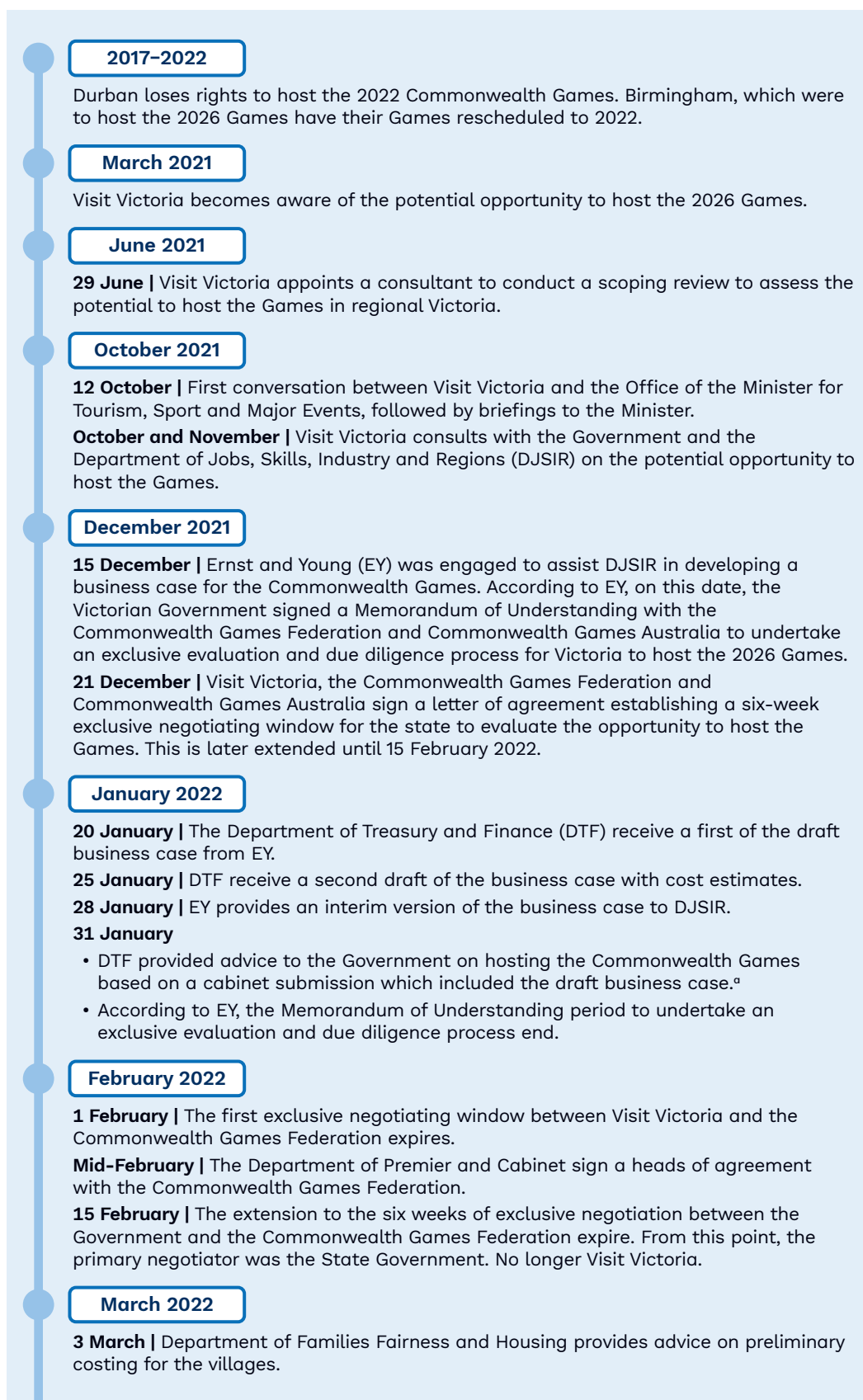
During this time, the Committee heard evidence that government agencies and departments provided advice to the Government to alert them to the fact that costs had escalated well beyond expectations, and either additional funding or revision of the scope of the project was required. While there are questions that have been raised about the quality of the advice and the adequacy of the communication processes within and between departments, agencies, and ministerial offices, it is clear that the relevant ministers were well aware of the cost pressures by early 2023.

The Ministers for Commonwealth Games Delivery and Commonwealth Games Legacy did not provide details of this advice, or give any indication of potential cost escalations, in the information they provided to Parliament's Public Accounts and Estimates Committee on the progress of the Games shortly before its cancellation.

## 3.2 A timeline of key events

Based on evidence collected during public hearings and information provided in response to questions on notice, the Committee has compiled a timeline of key events surrounding the bid and cancellation of the 2026 Commonwealth Games. Figure 3.1 below shows these key events between March 2021 and August 2023.

Figure 3.1 A timeline of key events in relation to the 2026 Commonwealth Games



**March 2022** (continued)

**7 March** | DTF received a subsequent draft submission, which included a top-down budget costing based on the 2018 Gold Coast event but escalated for inflation and to account for some of the estimated extra costs of the regional multi-hub delivery model for Victoria 2026.<sup>b</sup>

**9 March** | EY submitted the final version of the business case to the Government.

**10 March** | The Government approves a budget of \$2.6 billion for the hosting of the 2026 Commonwealth Games.

**April 2022**

**12 April** | The Government publicly announced that regional Victoria will host the 2026 Commonwealth Games.

**May 2022**

An interdepartmental committee is established to assist with the organisation of the Games, co-chaired by the secretaries of DPC and DJPR.

**September 2022**

**7 September** | Victoria 2026 is established to deliver the Games. This is the organising committee with the role of delivering the Victoria 2026 Commonwealth Games to the scope agreed by the Commonwealth Games Federation, Commonwealth Games Australia and the Victorian Government.

**December 2022**

**14 December** | The Hon Harriet Shing MLC is appointed Minister for the Commonwealth Games Legacy.

**February 2023**

**22 February**

- After carrying out a review of the operational requirements to deliver the Games, Victoria 2026 presented an updated budget to the Office of the Commonwealth Games for approval. The budget submission requested a \$722 million increase for operational funding.
- Victoria 2026 assumed the Office of the Commonwealth Games would have passed on information about the increased budget projections in their advice to the Government.

**March 2023**

**Early March**

- DJSIR briefs the Minister for Commonwealth Games Delivery, the Hon Jacinta Allan on revised budget requirements to deliver the Games.
- Jeroen Weimer started regular briefings with both the Minister for Commonwealth Games Delivery and the Minister for Commonwealth Games Legacy, the former CEO of the Office of Commonwealth Games Alan Garner, and DJSIR Secretary Tim Ada.

**April 2023**

**4 April** | A letter from Peggy O'Neal, Chair of Victoria 2026, is sent to the Minister for Commonwealth Games Delivery raising concern over the need to confirm the budget for the Games so that the organisation could continue with its delivery functions.

**5 April** | A cabinet submission is brought forward which seeks approval of a revised budget for the Games of \$4.5 billion.

**Mid-April** | The Government formally considered the new cost estimates and the budget estimate of \$4.5 billion was not approved. DJSIR and Victoria 2026 were asked to assess where cost savings could be achieved and lodge a new submission with a reduced budget.

**Between April and June** | DJSIR and Victoria 2026 reassessed the cost and reduced the budget from \$4.5 billion to \$4.2 billion.

### June 2023

**12 June** | The Department's revised budget submission was provided to the Minister for the Commonwealth Games Delivery.

#### 13 June

- The Hon Jacinta Allan MP, Minister for the Commonwealth Games Delivery gave evidence to the Inquiry into the 2023-24 Budget Estimates.
- DTF advised the Department of Premier and Cabinet that they will not support the latest Games cabinet submission as drafted, given the increasing costs to \$4.2 billion from the original budget along with additional costs for policing and transport.
- DPC Secretary advises the Premier that DPC and DTF would brief against the new estimate due to be considered by the cabinet in mid-June because estimated costs were 'close to 5 billion' and there was a 'very high probability' that the costs could blow out to \$7 billion.

#### 14 June

- DTF prepared advice to the Government on the cabinet submission made by the Office of the Commonwealth Games but submission was not formally considered at the time.
- DPC Secretary has a further discussion with the Premier on the future of the Games, and a decision is made to engage lawyers to explore the possibility of exiting the contract to host the Games.

**27 June** | Arnold Bloch Leibler (law firm) engagement letter (accepting the job).

### July 2023

**Early July** | DTF is provided with an updated draft submission from the Office of the Commonwealth Games at DJSIR, which included over \$2 billion in costed risks in addition to the proposed budget of \$4.2 billion plus additional policing and transport costs.

#### 14 July

- The Government formally considered the funding bid from the Office of the Commonwealth Games and Victoria 2026. DPC and DTF briefed against the submission.
- The decision to cancel the Games was discussed at Expenditure Review Committee (ERC).

**17 July** | Cabinet makes the final decision to withdraw from the Commonwealth Games.

#### 18 July

- DJSIR Secretary Tim Ada spoke to the DPC Secretary before calling the CEO of CGA.
- Press conference announcing the cancellation of the Games.
- Minister for the Commonwealth Games Delivery wrote to the Chair of Victoria 2026 to confirm the cancellation of the Games.
- The Government announces a \$2 billion regional package, equal to the original amount budgeted for the Games that will be spent on sporting infrastructure, regional development, and housing in regional Victoria.

### August 2023

**17-18 August** | The parties—State Government, Commonwealth Games Federation Partnerships (CGFP) and Commonwealth Games Australia (CGA)—met in Sydney for mediation discussions.

**19 August** | Premier announced the mediation outcome of \$380 million in compensation to the CGF.

- Cabinet submission from DJSIR.
- A draft cabinet submission from DJSIR.

Source: See Appendix H.

### 3.3 Identifying the opportunity to host the Games

The hosting of the 2026 Commonwealth Games was originally envisioned as an opportunity to showcase Victoria's regions and grow its visitor economy.<sup>1</sup> Visit Victoria, the State's tourism and events company,<sup>2</sup> was informed of the opportunity to host the Games by Commonwealth Games Australia (CGA) in March 2021.<sup>3</sup> According to the Auditor-General's report, the proposal by CGA included Melbourne and Geelong, with some events in regional cities. However, Visit Victoria saw the potential for a fully regional games.<sup>4</sup> Brendan McClements, CEO of Visit Victoria, told the Committee that having the Games in Victoria was seen as a platform to enhance market awareness and interest in regional Victoria:

Our major events team led the initial proposal development and initial engagement with the rights holders around the 2026 Commonwealth Games, after which the destination marketing team's role was to design and implement a destination marketing campaign to increase global awareness and interest in regional Victoria through the games.<sup>5</sup>

The Committee notes that the idea of a fully regional Commonwealth Games had previously been investigated by Shepparton City Council in 2017. At that time, it was envisaged that the concept would be developed for a 2030 or 2034 Games. A taskforce was established, and the Council received funding from Sport and Recreation Victoria for prefeasibility study, matched by \$50 000 from 14 other regional councils. The pre-feasibility study was completed in early 2020, however was not further progressed. Whether that work influenced Visit Victoria or the Government's decisions to pursue a regional games is unknown: no reference to the previous work by Shepparton has been made by the entities involved in the preparation of the business case or the bid for the 2026 Games, and Shepparton Council was not approached for input. Interestingly, the Committee heard that some of the problems that arose with the 2026 Games preparations had been identified in the Shepparton prefeasibility work.<sup>6</sup>

On 29 June 2021, Visit Victoria appointed sporting consultancy Global Media and Sports to conduct a scoping review to understand the impact of hosting the Games in Victoria in 2026.<sup>7</sup> The scope of the review was to understand:

- the possibility of including existing and proposed new sports
- options for competition venues
- estimated athlete numbers

1 Brendan McClements, Chief Executive Officer, Visit Victoria, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 1.

2 Visit Victoria, *Annual Report 2022–23*, 2022, p. 10.

3 Ibid.

4 Victorian Auditor General's Office, *Withdrawal from 2026 Commonwealth Games Report*, 2024, p. 12.

5 Brendan McClements, Chief Executive Officer, Visit Victoria, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 1.

6 Anthony Nicolaci, Manager, Economic Development, Greater Shepparton City Council, public hearing, Bendigo, 27 February 2024, *Transcript of evidence*.

7 Ibid., pp. 1, 17.



- non-competition venue requirements
- potential locations for the opening and closing ceremonies.<sup>8</sup>

### Box 3.1 Why the Commonwealth Games Federation didn't have a host for 2026

The timeline for hosting the 2026 games was shorter than usual. Victoria 2026 Chair Peggy O'Neal stated that it 'the shortest lead-in time ever'<sup>a</sup> for a Commonwealth Games. The conventional preparation time was at least six years,<sup>b</sup> and the Gold Coast Games in 2018 had seven years.<sup>c</sup> However, in 2017, Durban in South Africa, was stripped of the rights to hold the 2022 Games over missed financial and governance milestones.<sup>d</sup> Birmingham was chosen by the Commonwealth Games Federation as the preferred host after a second round of bids to host the Games. It delivered them in a compressed timeframe. The 2022 bid process led to a delay in awarding the 2026 host contract.<sup>e</sup> The COVID-19 pandemic also consumed the attention of governments during this period. Birmingham had originally intended to host the 2026 games, and now a candidate was sought by the Commonwealth Games Federation to host the 2026 Games.<sup>f</sup>

- Peggy O'Neal, Chair Victoria 2026, public hearing, 9 October Melbourne, 2023, *Transcript of evidence*, p. 67.
- Jeremi Moule, Secretary, Department of Premier and Cabinet, public hearing, 9 October 2023, *Transcript of evidence*, p. 47.
- Craig Phillips, CEO Commonwealth Games Australia, public hearing, 9 October Melbourne, 2023, *Transcript of evidence*, p. 4.
- 'Commonwealth Games: Durban stripped of right to hold 2022 Games over financial problems', *ABC News*, 14 March 2017, <<https://www.abc.net.au/news/2017-03-14/durban-loses-right-to-host-2022-commonwealth-games/8351396>> accessed 27 March 2024.
- Craig Phillips, CEO Commonwealth Games Australia, public hearing, 9 October Melbourne, 2023, *Transcript of evidence*, pp. 7–8.
- Ibid.

On 12 October 2021, Visit Victoria had a briefing with the Minister for Tourism, Sport and Major Events, outlining the opportunity for the Games.<sup>9</sup> The next day it sent a presentation deck on the Games to the Minister's Office.<sup>10</sup>

Following an exchange of emails between Visit Victoria and the Minister for Tourism, Sport and Major Events, the Department of Jobs, Skills, Industry and Regions (DJSIR) received information regarding the opportunity throughout October and November 2021.<sup>11</sup>

<sup>8</sup> Brendan McClements, Chief Executive Officer, Visit Victoria, response to questions on notice received 17 November 2023, p. 1.

<sup>9</sup> Brendan McClements, Visit Victoria, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 18.

<sup>10</sup> Brendan McClements, Chief Executive Officer, Visit Victoria, response to questions on notice received 17 November 2023, p. 1.

<sup>11</sup> Tim Ada, Secretary of the Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 2.

In November and December 2021, Visit Victoria engaged with the Commonwealth Games Federation to discuss the opportunity.<sup>12</sup> This included a meeting in London on 8 December 2021 between Brendan McClements, CEO of Visit Victoria, and Dame Louise Martin, Head of the Commonwealth Games Federation (CGF), ‘to have a conversation about whether our interests aligned’.<sup>13</sup>

The Committee heard evidence that the Government had made it clear that a fully regional games was a priority and served primarily as a vehicle to deliver infrastructure legacy projects to the regions:

From the outset the driving impetus of the state and the CGF parties were different, but for so long as they overlapped it was a solid partnership. The state wanted to deliver an event that would provide significant legacy outcomes in regional Victoria, such as sports infrastructure and housing, as well as some here-and-now benefits, such as economic activity and tourism. The government was adamant from the outset, and remained so, that it had no interest in and there was no benefit for the state to hosting events in Melbourne. The games presented as an opportunity to achieve legacy outcomes in regional Victoria, and while acknowledging the significance of the games, the event itself was not the primary motivating factor.<sup>14</sup>

According to information provided in response to a questionnaire from the Committee, DJSIR engaged consultancy firm Ernst and Young (EY) on 11 November 2021 to begin a contract providing hosting advice.<sup>15</sup> The advice included ‘infrastructure, events, commercial and financial advisory to inform a potential bid to host the 2026 Commonwealth Games’.<sup>16</sup>

On 15 December 2021, DJSIR escalated its work with EY and engaged them to begin developing a business case for the 2026 Commonwealth Games. Dean Yates, Partner at EY, explained:

On 15 December 2021 under strict confidentiality, EY was engaged to assist the department in developing its business case for the Commonwealth Games. The business case was focused on a regional delivery model for the Commonwealth Games, which had been the subject of a scoping paper developed by Visit Victoria and negotiations with the Commonwealth Games Federation.<sup>17</sup>

There were differing accounts from witnesses about the date of the next step in relation to an agreement between Visit Victoria, CGA and the CGF for a period of exclusive

<sup>12</sup> Brendan McClements, Chief Executive Officer, Visit Victoria, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 1.

<sup>13</sup> *Ibid.*, pp. 1, 14.

<sup>14</sup> Jeremi Moule, Secretary, Department of Premier and Cabinet, public hearing, Melbourne, 9 October 2023, *Transcript of evidence* p. 48.

<sup>15</sup> Department of Jobs, Skills, Industry and Regions, response to questionnaire received 2 October 2023, p. 19. DJSIR informed the Committee that a second contract, which began on 11 January 2022 was the substantive contract to EY for producing the business case for the Games; Department of Jobs, Skills, Industry and Regions, response to questions on notice received 27 October 2023, p. 17.

<sup>16</sup> *Ibid.*

<sup>17</sup> Dean Yates, Partner, Ernst and Young, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 2.

negotiation for the Government to conduct a due diligence process for hosting the Games. This will be referred to in the following sections as the exclusive negotiation period between Visit Victoria and the CGF, as the majority of evidence referred to it in this manner.

Visit Victoria informed the Committee that on 21 December 2021, it signed a letter of agreement for a six-week exclusive negotiating window, which expired on 1 February 2022. It was later extended to 15 February 2022. Brendan McClements told the Committee:

On 21 December Visit Victoria, the CGF and the CGA signed a letter of agreement establishing a six-week exclusive negotiating window for the state to evaluate the opportunity. This was later extended to 15 February. The Department of Jobs, Precincts and Regions, DJPR, around this time also began engaging with external consultants and led the work on developing the initial business case for the Government with input from Visit Victoria.<sup>18</sup>

The Department of Premier and Cabinet (DPC) described the Government entering a period of exclusive engagement with the Commonwealth Games Federation 'in late 2021'.<sup>19</sup> While DJSIR described the letter of engagement being signed in mid-2021.<sup>20</sup>

However, in the business case submitted by EY, the firm states that the period of exclusive evaluation began on 15 December 2021:

On 15 December 2021, the Victorian Government, CGF and CGA signed a Memorandum of Understanding (MOU) to undertake an exclusive evaluation and due diligence process for Victoria to host the 2026 CG. The MOU expired on 31 January 2022.<sup>21</sup>

During this period of evaluation and due diligence, EY worked with a small team of consultants to conduct an evaluation of the potential costs and benefits associated with hosting the Games. It produced the report in conjunction with DHW Ludus, who provided advice on facilities and infrastructure,<sup>22</sup> and MI Associates who provided advice on operational matters.<sup>23</sup>

### 3.4 Limitations and shortcomings with the business case

There were aspects of the costings in the business case which were considered to be underestimates, once detailed planning for the delivery of the Games was undertaken

<sup>18</sup> Brendan McClements, Chief Executive Officer, Visit Victoria, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 1.

<sup>19</sup> Jeremi Moule, Secretary, Department of Premier and Cabinet, public hearing, Melbourne, 9 October 2023, *Transcript of evidence* p. 47.

<sup>20</sup> Tim Ada, Secretary, Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 2.

<sup>21</sup> Department of Jobs, Skills, Industry and Region, *Regional Victoria - Commonwealth Games 2026 Business Case*, p. 10.

<sup>22</sup> *Ibid.*, p. 65.

<sup>23</sup> *Ibid.*

by the Government. The submission from the Parliamentary Budget Office provided an overview of these cost escalations:

The business case presented a cost estimate for the 2026 Commonwealth Games between \$2,494 million and \$3,005 million. The revised June 2023 estimates put the cost of the games at \$6,865 million, with \$2,005 million in additional cost pressures. The updated estimates are 128% higher than the business case's "worst case".<sup>24</sup>

DJSIR put limitations on EY when commissioning the business case that the Committee believes had a significant bearing on the cost underestimations. These limitations were a very short timeframe, and confidentiality provisions which prevented consultation. The business case contained a number of strong caveats warning of the risks to its cost estimates associated with these limitations. In addition, the business case did not align with all DTF guidelines for projects such as the Games.

DJSIR paid EY approximately \$3.1 million for its work on the business case and assisting the Department with the transition to Games delivery.<sup>25</sup>

The following sections outline the key issues the Committee heard about the business case. They are:

- Only six weeks were provided to EY to produce an initial business case.
- Confidentiality requirements were put on EY by DJSIR which prevented consultation with local stakeholders and venues. This led to a reliance on 'desktop research'.<sup>26</sup>
- There had never been a multi-city Commonwealth Games and there were many unknowns associated with the capital and operational costs of hosting a major event across five regional cities.
- There was underestimation of infrastructure costs, including the athlete's villages and sporting venues.
- The business case did not align with DTF guidelines on Investment Lifecycle and High Value High Risk projects.<sup>27</sup>

### 3.4.1 A lack of time

As noted in Section 3.3, on 15 December 2021, EY was engaged by DJSIR to develop the business case for hosting the Commonwealth Games. The consulting firm was only given six weeks to complete the business case. This was to ensure the Government could make a decision about whether to proceed with the Games before the six-week period of exclusive engagement with the CGF closed.<sup>28</sup> The Committee notes the work was undertaken over the Christmas period in 2021 and a number of public holidays may have reduced the time available.

<sup>24</sup> Parliamentary Budget Office, *Submission 33*, p. 10.

<sup>25</sup> Department of Jobs, Skills, Industry and Regions, response to questions on notice received 12 January 2024, p. 17.

<sup>26</sup> Dean Yates, Partner, Ernst and Young, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 14.

<sup>27</sup> Parliamentary Budget Office, *Submission 33*, pp. 12–28.

<sup>28</sup> Dean Yates, Partner, Ernst and Young, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 2.

Information provided to the Committee from DJSIR (see Appendix I) indicated that the scope of the business case was refined through consultation between EY and DJSIR through the early part of their engagement in December. EY confirmed the scope of works through their letter of engagement to the Department on 24 December 2021.<sup>29</sup> The scope included an:

- audit of venues/sporting infrastructure, accommodation and transport and assessment of necessary upgrades
- assessment of Commonwealth Games requirements and sports program including local government event capability
- economic analysis, benefit evaluation and cost benefit analysis
- assessment of the rights model, operating model and post games legacy.<sup>30</sup>

The Committee asked Dean Yates, Partner at EY whether six weeks was enough time to write the business case. He replied:

if we had more time, we would have spoken to more stakeholders, we would have visited a few venues, and I suppose summing it up we would have been able to do more due diligence than we were allowed to.<sup>31</sup>

Dale Wood from DHW Ludus, who provided input in relation to the infrastructure component of the business case, explained that if the timeframe was longer, more technical support could have been brought in:

The time frame was what it was. We worked on the sporting venues and yes, inspections of venues. Depending on the amount of extra support we could have got, we would have brought in potentially technical support – all stuff that subsequently has occurred, as we understand it, but just not prior to the business case being finalised by EY for the department.<sup>32</sup>

The Committee was told by DTF that it received drafts of the business case before the six-week period ended, the first on 20 January 2022, just 16 business days after EY confirmed the scope of works with DJSIR. A second draft with costings was provided on 25 January 2022.<sup>33</sup> This will be discussed further in Section 3.5.

A first version of the business case was submitted to DJSIR on 28 January 2022.<sup>34</sup> A second version was requested and provided to DJSIR on 9 March 2022. This will be discussed further in Section 3.5.

<sup>29</sup> Correspondence from Tim Ada, Secretary, Department of Jobs, Skills, Industry and Regions, to the Committee, 22 February 2024, p. 1.

<sup>30</sup> Ibid.

<sup>31</sup> Dean Yates, Partner, Ernst and Young, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 5.

<sup>32</sup> Dale Wood, DHW Ludus, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 5.

<sup>33</sup> David Martine, Secretary, Department of Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 23.

<sup>34</sup> Dean Yates, Partner, Ernst and Young, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 17.

### Why did the Government agree to such a short timeframe?

Some reasons were provided by stakeholders and were published in the Auditor-General's report as to why the Government agreed with the CGF to conduct its due diligence in such a short timeframe.

Mr McClements from Visit Victoria informed the Committee that he was asked to secure the six-week window,<sup>35</sup> although it is unclear whether this came from a department or the Government. Tim Ada, Secretary of DJSIR, outlined some of the reasons for the short timeframe, including pressure from the CGF:

I understand that there was time pressure from a number of perspectives during this period, including from the desire and long lead times for the CGF to have a 2026 host city confirmed by the time of the 2022 games, held in Birmingham in July to August last year, and the short lead time, if the games were secured, for Victoria to be ready to host the 2026 games.<sup>36</sup>

The business case itself also stressed the tight timeframe and the need for as much time as possible to build infrastructure if a bid was accepted.<sup>37</sup> It said: 'there is no opportunity for the State Government to delay making a decision [to host the games]'.<sup>38</sup> It also expressed urgency in delivering infrastructure such as competition venues and athlete's villages, which it said 'can be delivered by 2026 but already require compressed timeframes to achieve this'.<sup>39</sup>

The Auditor General's report examined the period after the Government signed a heads of agreement with the CGF in February 2022. It stated that since the Government was the sole bidder for the Games, it could have sought more time to conduct a more comprehensive business case:

All agencies involved in the Games were under extreme time pressure, especially between February and April 2022. This is when the government considered the business case and signed the host contract. However, as Victoria was the sole bidder for the Games, the government (through DJSIR) could have used its position to seek more time from the Games Federation to conduct comprehensive due diligence. The Games Federation faced pressure of its own because it had not identified a host yet. Instead, DJSIR, with the government's agreement, worked within the Games Federation's stated timeframe, even though DTF advised DJSIR that there were serious delivery risks and unresolved issues with the host contract.<sup>40</sup>

<sup>35</sup> Brendan McClements, Chief Executive Officer, Visit Victoria, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 20.

<sup>36</sup> Tim Ada, Secretary, Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 3.

<sup>37</sup> Department of Jobs, Skills, Industry and Region, *Regional Victoria - Commonwealth Games 2026 Business Case*, p. 32.

<sup>38</sup> *Ibid.*

<sup>39</sup> *Ibid.*

<sup>40</sup> Victorian Auditor General's Office, *Withdrawal from 2026 Commonwealth Games Report*, 2024, p. 8.

Dean Yates, Partner at EY, explained that it was understood the costs in the business case would need to be validated, and that in the normal course of events there would be a period of testing and validation before the host contract was signed:

it was understood widely that these costs would need to be validated, tested and refined by the Office of the Commonwealth Games and the organising committee once the bidding and planning process for the games commenced in detail. In the normal course of events this validation, testing and refinement would have occurred as part of a more formal bidding process well in advance of the signing of the host city contract, which, as you have heard, contains specific requirements for the delivery of the games.<sup>41</sup>

The business case included caveats about these time limitations, as well as caveats about confidentiality (discussed in the following Section):

the business case contained several important limitations that posed risks to the business case, which I will read into the record now and are available on page 18 of the business case: a lack of time to undertake due diligence prior to the head of agreement being signed could create a commercial or delivery risk; a lack of time to prepare for the games could impact cost, quality and benefits realisation.<sup>42</sup>

The Committee understands there were time pressures associated with building infrastructure on time, and pressure from the CGF to secure a host. However, these should have been balanced against the necessity of allowing sufficient time for the completion of a considered business case, particularly with a multi-city model that has never been tried before.<sup>43</sup>

In the Committee's view, if more time was allowed for the completion of the business case, a more accurate picture of the costs and benefits of the Games would have been presented to the Government before a decision was made to proceed with the Games.

**FINDING 2:** The timeframe agreed upon between the Victorian Government and the Commonwealth Games Federation to negotiate the hosting the 2026 Commonwealth Games was too short.

<sup>41</sup> Dean Yates, Partner, Ernst and Young, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 2.

<sup>42</sup> Ibid.

<sup>43</sup> Jeroen Weimer, Chief Executive Officer, Victoria 2026, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 68.

**FINDING 3:** The short negotiating period between the Victorian Government and the Commonwealth Games Federation resulted in the Government initially allowing six weeks for the completion of a business case for the 2026 Commonwealth Games. Key dates in this timeline include:

- The Department of Jobs, Skills, Industry and Regions (formerly DJPR) engaging Ernst and Young to prepare the business case on 15 December 2021.
- Ernst and Young confirming the scope of the business case on 24 December 2021.
- The submission of the first draft of the business case to the Department of Treasury and Finance on 20 January 2022.
- The submission of a second draft of the business case to the Department of Treasury and Finance on 25 January 2022.
- The submission of the initial business case to the Department of Jobs, Skills, Industry and Regions (formerly DJPR) on 28 January 2022.
- The submission of a final version of the business case on 9 March 2022.

**FINDING 4:** The timeframe agreed upon by the Victorian Government to conduct due diligence and negotiate with the Commonwealth Games Federation on hosting the 2026 Commonwealth Games was too short. The tight timeframe did not allow for appropriate consideration of the costs, benefits, and risks of hosting a large, complex, multi-city event and contributed to an underestimation of the costs.

### 3.4.2 Confidentiality provisions

In addition to time pressures, the Committee heard that EY was restricted from seeking advice and information on costings for the Games from anyone outside of a small circle of trusted consultants. This was due to strict confidentiality requirements on the part of DJSIR to protect the State's commercial interests.<sup>44</sup> EY Partner Dean Yates explained extensively in his public hearing opening statement that the confidentiality provisions limited the ability of the firm to consult and attain more accurate costings:

I should emphasise here again that the highly confidential nature of this engagement meant that no fieldwork, such as formal inspection of the potential venues, for example, could be undertaken by EY, DHW Ludus or MI Associates, nor could any consultation take place with any potential suppliers, partners or other departments.<sup>45</sup>

As a result of the provisions, the business case and its costings were compiled using desktop research. Dean Yates explained:

<sup>44</sup> Dean Yates, Partner, Ernst and Young, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 2.

<sup>45</sup> Ibid.



So the scope that we were working against was very tightly defined by the department. Particularly the confidentiality aspect of it basically led to a situation where desktop research was all that we could do in the time frame.<sup>46</sup>

Because of the confidentiality provisions, EY was prevented to speaking with a number of stakeholders who could have provided more insight into costings for the games,

**Dean YATES:** Well, we would have spoken to a whole bunch of stakeholders, which would have added to our information set.

**The CHAIR:** So people like transport operators, security operators –

**Dean YATES:** Absolutely – sporting bodies, local governments.

**The CHAIR:** So you just had to make do with whatever you could do without asking people about it? It is very limiting, isn't it?

**Dean YATES:** It is.<sup>47</sup>

Mr Yates explained, however, that it was not a unique situation, and that the consultancy firm often undertook work for clients on a confidential basis.<sup>48</sup>

A result of the confidentiality provisions was that the business case included strong caveats on the accuracy of the costings. This includes infrastructure and operating budgets:

The nature of this project is highly confidential, this has meant there is limited opportunity to engage with venue operators (and confirm capital works required), work with other funding partners (and confirm alternative sources of funding), verify operating budgets and so on.<sup>49</sup>

It also noted that it was unable to assess the condition of venues, and detailed design was not undertaken on venue upgrades and new infrastructure:

Given the confidential nature of the investment, a desktop assessment was undertaken. Consultation was not possible with venue operators to assess the current state of venues. Further, detailed design has not been undertaken on the permanent upgrades and new infrastructure required.<sup>50</sup>

Mr Yates told the Committee he considered it important to flag the costing uncertainties and risks that were a result of the confidentiality provisions in the report:

[...]we had very little ability to consult, talk to stakeholders, visit communities, visit venues et cetera, so the extent to which some of these risks could be mitigated or tested or validated – we were not in a position to do that, so our job therefore was to flag them

<sup>46</sup> Ibid., p. 3.

<sup>47</sup> Ibid., p. 5.

<sup>48</sup> Ibid.

<sup>49</sup> Department of Jobs, Skills, Industry and Region, *Regional Victoria - Commonwealth Games 2026 Business Case* p. 65.

<sup>50</sup> Ibid.

and to make sure that those receiving our report did the best they could to manage those factors.<sup>51</sup>

The Auditor-General's report identified a missed opportunity in relation to the confidentiality provisions. It noted that subsequent to the first version of the business case being submitted to DJSIR on 28 January, the Government publicly announced it was in exclusive negotiations with the CGF for the Games. Given the bid was public knowledge, wider consultation could have happened to improve the costings. This did not eventuate:

on 10 February the Games steering committee, which included officials from DJSIR and Visit Victoria, decided to only engage with architectural firms and an economic modeller. The steering committee made this decision to maintain the bid's confidentiality. However, we note that the bid was made public by the government 6 days later.<sup>52</sup>

The Committee is of the view that the confidentiality requirements prevented appropriate consultation and contributed to an underestimation of the costs in the business case.

**FINDING 5:** Strict confidentiality requirements imposed on consultants who compiled the business case for the Games prevented them from conducting site visits and engaging with organisations and individuals who may have had experience or knowledge of aspects of the business case, including costings. This contributed to an underestimation of the costs.

### 3.4.3 The multi-city regional model and operational costs

Jeroen Weimar, CEO of Victoria 2026—the organising committee for the Games—explained the pioneering task the organisers had ahead of them to deliver a multi-city Games. He noted it was 'the first time any major multigame sporting event has tried to operate across five different venues and locations.'<sup>53</sup>

A document was released by the Government showing the estimated escalations in cost between the final submission of the business case in March 2022 and July 2023.<sup>54</sup> This showed that alongside infrastructure, operating costs were a large contributing factor to the purported cost blow-outs. There was a \$1.18 billion difference between the worst-case scenario estimate in the business case, and the projected operational costs in July 2023.<sup>55</sup> Table 3.1 below shows the cost increases.

<sup>51</sup> Dean Yates, Partner, Ernst and Young, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 17.

<sup>52</sup> Victorian Auditor General's Office, *Withdrawal from 2026 Commonwealth Games Report*, 2024, p. 45.

<sup>53</sup> Jeroen Weimer, Chief Executive Officer, Victoria 2026, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 68.

<sup>54</sup> Victorian Government, *Commonwealth Games Budget July 2023*, <<https://content.vic.gov.au/sites/default/files/2023-08/CommonwealthGames2026Costings.pdf>> accessed 22 March 2024.

<sup>55</sup> Ibid.

**Table 3.1 Projected increases in operational costs for the Games between March 2022 and July 2023**

Operations	Original business case (\$ million)		July 2023 estimate (\$ million)
	Worst case scenario	Best case scenario	
General operations	1,149	1,124	1,440
Temporary overlay	291	257	499
Transport	110	110	306
Police and security	201	201	492
Contingency	250	163	450
<b>Total</b>	<b>2,001</b>	<b>1,855</b>	<b>3,187</b>

Source: Victorian Government, *Commonwealth Games Budget July 2023*, <<https://content.vic.gov.au/sites/default/files/2023-08/CommonwealthGames2026Costings.pdf>> accessed 22 March 2024.

The Committee heard that the unique multi-city model was one of the key challenges in estimating accurate operational costs in the business case.<sup>56</sup>

Mr Ada from DJSIR told the Committee that ‘the Games operations cost largely relied on top-down estimates and benchmarking against known amounts from the 2018 Gold Coast games’.<sup>57</sup>

The submission from the Parliamentary Budget Office quotes a DTF technical guidance document for projects, which states that ‘top-down’ estimates involve an overall project estimate, with adjustments made in relation to project duration or sub tasks. It warned top-down estimates are not accurate and should only be used in some cases:

A top-down estimate sets a forecasted cost/duration for a project, usually without undertaking a detailed cost analysis. This implies the overall project estimate is made first, and then the estimated project duration or budget value is allocated to the sub-tasks required to complete the project. This type of estimate is not accurate and is typically only employed:

- early in the project lifecycle for option selection (before the business case) or for preliminary business cases
- where there is a fixed budget or duration, and scope is made to fit a budget or timeframe
- where there is enough data available on an analogous project to know that the funds/time allocated top-down to the lower levels are realistic.<sup>58</sup>

<sup>56</sup> Jeroen Weimer, Chief Executive Officer, Victoria 2026, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 68.

<sup>57</sup> Tim Ada, Secretary, Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 3.

<sup>58</sup> Parliamentary Budget Office, *Submission 33*, pp. 15–16.

This top-down approach was applied to the operational costs for the Games based on the 2018 Gold Coast Commonwealth Games, with adjustments made for the proposed Victorian multi-city model. Dean Yates said:

the operating cost of the Gold Coast, for example, was \$1.4 billion and the operating cost of Birmingham was \$1.8 billion. In that sense we felt the numbers that we produced, albeit within a very tight time frame and adjusted for the delivery model, were reasonable.<sup>59</sup>

This was echoed by Michelle Morris from MI Global Partners who said the Gold Coast Games were a baseline and adjustments were made to accommodate the regional model:

adjustments were made for the unique model of what was being proposed for 2026. The estimated budget assumes that the baseline is a valid budget to deliver a Commonwealth Games in Australia in a semi-regional context.<sup>60</sup>

David Martine, Secretary of DTF, noted the adjustments made to take into account the multi-city model.<sup>61</sup> However, he cautioned that the success of those efforts would depend on the level of adjustment made and that the consultants were constrained by confidentiality requirements:

I guess the real question becomes the adjustments that the consultants then made to reflect the different delivery model, which is acknowledged in the report. But also I think they acknowledged that it was very much a desktop review at that stage.<sup>62</sup>

Simon Thewlis, a professional in the event industry, indicated the flaws in the model were clearly evident.

It took only a 10-minute read to see the deep flaws in the business case. To quickly touch on a few things, it was based on the Gold Coast and not on regional Victoria. While lack of construction people was identified as a serious risk, the lack of event industry people was not, despite our industry having been decimated during COVID. In fact the business case suggests that locals in the regions could be trained in 'major event delivery'. This showed little understanding of the skills and experience needed from major events. The chair of Victoria 2026 in evidence said that their organisation had never seen or read the business case. How could this be if half of their senior leadership team oversaw putting it together at DJPR, ran the bid and then nailed down the deal based on the business case and were part of the organising committee up until they joined Victoria 2026?<sup>63</sup>

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<sup>59</sup> Dean Yates, Partner, Ernst and Young, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, pp. 3–4.

<sup>60</sup> *Ibid.*, p. 4.

<sup>61</sup> David Martine, Secretary, Department of Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 24.

<sup>62</sup> *Ibid.*

<sup>63</sup> Simon Thewlis, Director, Event Pty Ltd, public hearing, 23 October Melbourne, 2023, *Transcript of evidence*, p. 43.

Jeroen Weimar, CEO of Victoria 2026, told the Committee that once his staff began planning the operational aspects of the multi-city model, it soon became apparent that the business case had underestimated the costs of a dispersed Games:

What drove these costs were having not one but five host cities, requiring significant duplication of infrastructure and services; the use of smaller, regional cities, which meant less existing infrastructure and service capacity, including things like labour force, accommodation and hospitality options; significant transport and security costs arising from such a large geographical footprint; and the sheer scale of the sporting and cultural program agreed to in the host contract.<sup>64</sup>

Mr Weimar gave an example of the duplication in services and infrastructure associated with multiple host cities, which added to the costs:

If you were arriving as Team Wales, you would be arriving at Melbourne Airport and then breaking your team into four components depending on sport, moving them to four different villages and then having to support those teams in four quite different locations. What that meant for the organising committee, but also for the individual teams, was a significant duplication of costs. We would have had to have four or five uniform and accreditation centres. We needed five volunteer centres to manage the volunteering process. We needed additional resources to support the teams and country delegations. None of that is impossible, and we had a plan to deliver that, but that sheer duplication does introduce additional cost.<sup>65</sup>

The Committee acknowledges that a Commonwealth Games with a multi-city model had never been undertaken before. The unknown nature of hosting such an event produced significant barriers to understanding the costs. Although adjustments were made in the business case to account for the operational costs associated with a regional multi-city model, they proved to be inadequate.

**FINDING 6:** Hosting the Commonwealth Games across multiple cities in regional areas had never been done before and led to significant operational cost increases. Adjustments for the multi-city model were made in the business case, but they proved to be inadequate.

#### 3.4.4 Underestimation of infrastructure costs

Another aspect of the business case that proved to be inadequate was the costs associated with constructing infrastructure, including competition venues and the athlete's villages.

Tim Ada from DJSIR informed the Committee that competition venue costs outlined in the business case 'were derived from Commonwealth Games Federation requirements,

<sup>64</sup> Jeroen Weimer, CEO Victoria 2026, public hearing, 9 October Melbourne, 2023, *Transcript of evidence*, p.69.

<sup>65</sup> Ibid.

as well estimates benchmarking against known amounts from the 2018 Gold Coast games'.<sup>66</sup>

However, between the completion of the business case in January 2022 and July 2023 the estimates for infrastructure costs have escalated significantly. A document released by the Government showed projected increases, estimating a \$669 million dollar difference between the worst-case costing scenario in the business case and the July 2023 estimate.<sup>67</sup> Table 3.2 below provides these figures.

**Table 3.2 Projected increases in infrastructure costs for the Games between March 2022 and July 2023**

Infrastructure	Original business case (\$ million)		July 2023 estimate (\$ million)
	Worst case scenario	Best case scenario	
Athletes Villages	250	200	1,023
Competition venues	745	430	650
Other capital investments	9	9	0
<b>Total</b>	<b>1,004</b>	<b>639</b>	<b>1,673</b>

Source: Victorian Government, *Commonwealth Games Budget July 2023*, <<https://content.vic.gov.au/sites/default/files/2023-08/CommonwealthGames2026Costings.pdf>> accessed 22 March 2024.

David Martine described the difference in the costs of the athlete's villages as 'a big differential – huge differential'.<sup>68</sup>

Allen Garner, former CEO of the Office of the Commonwealth Games at DJSIR, explained that the Department worked with Development Victoria to arrive at the updated costings for the villages. He said the costs for constructing the villages escalated due to the costs of finding appropriately skilled labour, dispersed across four regional sites and the logistics of getting materials to these areas:

One of the challenges with that would be that it did not really anticipate doing it in regional Victoria and it did not anticipate that there would be four village sites, if we are talking about the villages for a minute, so that changes the nature and the complexity. The cost challenges come in the regions from availability of contractors and their resources to be able to do that. There is a potential risk that you actually have to bring people into the regions to do the construction to meet the time line because of the urgency of the time line. Then that presents accommodation problems, so there is a balance between how you pull that together. Labour costs were a potential challenge

<sup>66</sup> Tim Ada, Secretary of the Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 3.

<sup>67</sup> Victorian Government, *Commonwealth Games Budget July 2023*, <<https://content.vic.gov.au/sites/default/files/2023-08/CommonwealthGames2026Costings.pdf>> accessed 22 March 2024.

<sup>68</sup> David Martine, Secretary, Department of Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 33.

and emerged more strongly later on as the discussion about the games agreement transpired – getting materials, and satisfactory materials, to each of the areas, given there were also challenges with, you might recall, the bushfires and the floods.<sup>69</sup>

The submission from the Parliamentary Budget Office noted the differential in the costs of the athlete’s villages. It stated that it appeared to relate to an assumption of a development agreement with the private sector in the business case, which would have reduced the costs.<sup>70</sup> However, David Martine explained because of the time pressure, an agreement with private developers was not possible and cost assumptions for the villages were increased to reflect the Government directly commissioning the construction of the villages itself:

... the very compressed time frame meant that some of the earlier views about how you would deliver those, particularly involving more of the private sector, meant that with that compressed time frame, the only way to meet the time lines would be government doing a lot more of the construction itself. So a lot of that increase was really driven by – the compression of the time line meant what may have been desired in early 2022 of more of a private sector approach was just not going to work.<sup>71</sup>

Allen Garner, CEO of the Office of Commonwealth Games, noted that inflationary pressures associated with a number of large ongoing public sector projects may have added to competition for labour and materials, inflating prices:

There is no doubt on the eastern seaboard of Australia there are a significant load of projects – not just in Victoria but in New South Wales and Queensland. The big contractors obviously are across the lot, so they do influence each other. Supply of big materials – steel in particular is a massively unpredictable product – the cost of fuel and all of those things work together to drive the cost up in basically a supply-and-demand situation.<sup>72</sup>

The Parliamentary Budget Office noted that the provision for inflation in the business case was inadequate, with provision for 2.5% per year for the operational budget and 2.3% per year for the capital budget, per year until 2026/27.<sup>73</sup> Inflation was already rising sharply while the business case was being prepared in late 2021 and 2022, and continued to rise in 2022 and 2023 with the monthly CPI indicator reaching 8.4% in July 2023.<sup>74</sup> The inflation provisions in the business case proved inadequate.

69 Allen Garner, Chief Executive Officer, Office of Commonwealth Games, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 28.

70 Parliamentary Budget Office, *Submission 33*, pp. 20–21.

71 David Martine, Secretary, Department of Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 33.

72 Allen Garner, Chief Executive Officer, Office of Commonwealth Games, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 40.

73 Parliamentary Budget Office, *Submission 33*, p. 19.

74 Australian Bureau of Statistics, *Monthly Consumer Price Index Indicator*, January 2024, <<https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/monthly-consumer-price-index-indicator/jan-2024>> accessed 22 March 2024.

David Martine, from DTF, said that the immovable deadline to complete construction for both competition venues and the athletes villages, also added to costs:

there was a lot of activity and construction and other activity that needed to be done over 2½ years. You were effectively dealing with an absolutely fixed deadline. So there is a big difference, I think, between a fixed deadline where it has to be 100 per cent operational versus just a government commitment, where it is not unusual for a government to say, 'By a certain date something will be open.' You know, it might be a new school or something. So that put, I think, a lot of pressure on both delivery and also costs, because you were operating and trying to deliver to that particular point.<sup>75</sup>

The final cabinet submission for the Games (discussed in Section 3.5) indicated risks that an extra \$2 billion would be added to the final cost of the Games. Some of this was driven by infrastructure spending due to a tight timeframe. David Martine explained he thought that it was extremely likely the \$2 billion in added costs would be realised. In answers to questions on notice, DTF gave some of the reasons why it believed the costs would be realised, much of them relating to infrastructure:

The July 2023 estimate also included significant additional cost pressures that could amount to approximately \$2 billion. The additional cost pressures included but were not limited to: hyper-escalation driven by compressed timelines, regional supply constraints and broader inflationary pressures across the economy, accommodation shortfalls in the regions increasing cost, and major sporting code displacement costs.<sup>76</sup>

The Auditor General's report provided a table which gave examples of cost escalations in relation to infrastructure and noted other causes, including adding more sports, building larger or additional venues and temporary infrastructure. The Auditor-General had access to documents relating to the Games, which the Committee has asked for, but has not been granted access to (see Chapter 2). Figure 3.2 below shows these examples.

<sup>75</sup> David Martine, Secretary, Department of Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 28.

<sup>76</sup> David Martin, Answers to questions on notice, p. 4.



**Figure 3.2 Cost escalations and the reasons for them as shown in the Auditor-General's report**

The business case assumed that ...	But ...	This meant that the expected cost of ...
the Games would include at least 16 sports and up to 5 more sports to be decided.	an additional 4 sports and 3 cycling disciplines were added in October 2022, which required changes to villages and venues.	the Games increased by \$247 million.
private developers would build the villages and sell the dwellings after the Games.	there was not enough time to find, negotiate with and appoint developers. So the state needed to develop the villages itself (and take on the risk of selling them after the Games).	villages increased from \$212 million to a net cost of \$576 million, based on a total cost of \$1.0 billion to build the villages.
<ul style="list-style-type: none"> <li>Eureka Stadium in Ballarat would host the athletics events using mainly temporary infrastructure</li> <li>aquatics and gymnastics would be co-located in the same existing venue.</li> </ul>	the scope for the athletics venue at Eureka Stadium was expanded to provide more lasting benefit to the community. The government decided to build 2 new separate venues for aquatics and gymnastics.	major competition venues increased by \$220 million from \$222 million to \$442 million.
temporary infrastructure, such as portable buildings and temporary grandstands, would cost around \$283 million.	this initial estimate was unrealistic and additional sports and venue changes increased costs.	temporary infrastructure increased by \$216 million to an estimated \$499 million when the government withdrew from the Games.

Source: Victorian Auditor General's Office, *Withdrawal from 2026 Commonwealth Games Report*, 2024, p. 9.

The Committee heard evidence from a number of sources that raised questions about the basis for the decision to build a temporary aquatics facility in Armstrong Creek, contrary to the business case modelling and preferences of key stakeholders, such as the City of Greater Geelong and Swimming Victoria, to use the existing facility at Kardinia Park.<sup>77</sup>

**FINDING 7:** The business case underestimated the potential infrastructure costs for the 2026 Commonwealth Games due to a number of factors including:

- a lack of time
- a lack of appropriately skilled labour in regional areas
- inflation
- changing development models
- constraints on labour and building materials as a result of large ongoing public sector infrastructure projects.

<sup>77</sup> Ali Wastie, Chief Executive Officer, Greater Geelong City Council, public hearing, Geelong, 13 February 2024, *Transcript of evidence*, p. 6; Jason Hellwig, Chief Executive Officer, Swimming Victoria, public hearing, Melbourne, 23 October 2023, *Transcript of evidence*, p. 6.

### 3.4.5 A lack of alignment with some Department of Treasury and Finance guidelines

The submission from the Parliamentary Budget Office outlined how the business case did not align with some Department of Treasury and Finance guidelines. The submission explained that for projects with a total estimated investment over \$250 million, such as the proposed 2026 Commonwealth Games, the DTF's *Investment Lifecycle and High Value High Risk guidelines* (the Guidelines) should be applied. The Guidelines include specifications on the content of business cases.

The Committee was informed by EY that it adhered to DTF's *Economic Evaluation for Business Cases Technical guidelines*. However, these guidelines are a technical subset of the larger *Investment Lifecycle and High Value High Risk guidelines*. According to the Parliamentary Budget Office, this means the business case differs to the guidelines that should have been applied in a number of ways, including in relation to:

- scope
- alternative project options
- operating budget methodology
- capital budget methodology
- cost escalation assumptions
- cost estimate range
- a sensitivity analysis
- poor project planning risks
- risk estimates.

The impacts of not adhering to the guidelines were provided by the Parliamentary Budget Office and have been referenced in this Chapter where appropriate.

**FINDING 8:** The business case used to make the decision to commit to hosting the 2026 Commonwealth Games did not align with the Department of Treasury and Finance's *Investment Lifecycle and High Value High Risk* guidelines.

## 3.5 The decision to proceed with the Games

As discussed in Section 3.4.1, given the limitations around time pressure and confidentiality, the business case contained strong caveats about the reliability of the costings it was presenting. The first substantive page of the business case contained a warning that the costings were early-stage estimates and that they would need to be further developed and refined:

These are early stage cost estimates (no consultation with venue operators and councils has been able to be undertaken, similarly detailed site visits and design work has not

been possible at this early stage). Costs will further be developed and refined as the State moves through the bidding and planning process.<sup>78</sup>

The Department of Treasury and Finance received the first draft of the business case on 20 January 2022 so they could provide advice to a cabinet submission on 31 January 2022:

DTF first received a draft business case on 20 January 2022 and a further draft with cost estimates on 25 January 2022. DTF provided advice to the government on hosting the Commonwealth Games on 31 January based on a submission that included the draft business case.<sup>79</sup>

It speaks to the tight timeframe that DTF received two draft versions of the business case before it was delivered to DJSIR; the Department that commissioned the work. DTF implied that they received the business case early so they could provide advice on a cabinet submission for 31 January.<sup>80</sup>

The Committee asked DTF for a copy of their advice on the business case, including for the first cabinet submission, however, it was not provided due to a claim of executive privilege. However, the Auditor-General was able to access this advice and published a summary. Both DTF and DPC gave their support for the Games to proceed at this stage, although they warned about risks in the costings. The report said:

DTF's and DPC's advice to the government about the Games was clear about the risks. But their advice was not always sufficiently comprehensive and frank. This is because, at key stages, both departments formally recommended that the government proceed with the Games despite significant and unresolved concerns.<sup>81</sup>

According to the Auditor-General's report, DTF suggested that 'the actual costs were likely to exceed the quantifiable benefits from the Games'<sup>82</sup> and that it 'identified material concerns and risks for the state relating to the reliability of DJSIR's estimated costs for the Games'.<sup>83</sup>

The exclusive negotiating window agreed between Visit Victoria and the Commonwealth Games was due to close on 1 February 2022.<sup>84</sup>

The Committee notes that the first cabinet submission (31 January) on this issue was considered just two days after the first version of the business case was submitted to DJSIR on 28 January. The Commonwealth Games was a large and complex event, and there were strong caveats in the business case about uncertainties around the costings.

<sup>78</sup> Department of Jobs, Skills, Industry and Region, *Regional Victoria - Commonwealth Games 2026 Business Case* p. 6.

<sup>79</sup> David Martine, Secretary, Department of Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 23.

<sup>80</sup> Ibid.

<sup>81</sup> Victorian Auditor General's Office, *Withdrawal from 2026 Commonwealth Games Report*, 2024, p. 7.

<sup>82</sup> Ibid.

<sup>83</sup> Ibid.

<sup>84</sup> Brendan McClements, Chief Executive Officer, Visit Victoria, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 1.

The Committee considers that two days after the submission of the business case was not long enough to make an informed decision on the merits of hosting the Games.

Mr Ada from DJSIR stated the 31 January cabinet submission with the business case supported the approval of entering into a heads of agreement with the Commonwealth Games Federation. He said:

The draft of the business case was considered by government at the end of January 2022, which supported the subsequent entering into of a heads of agreement with the CGF in around mid-February 2022 that bound both parties to work in good faith to explore the opportunity in more detail and to consider whether a contract could be agreed upon.<sup>85</sup>

Visit Victoria informed the Committee that it was the Victorian Government who entered into the heads of agreement with the Commonwealth Games Federation and at this point, Visit Victoria's role changed to a support role.<sup>86</sup> According to the Auditor-General, at this point the Government publicly announced it was in exclusive talks with the CGF to host the Games in regional Victoria.<sup>87</sup>

The exclusive negotiating window was extended to 15 February 2022.<sup>88</sup> At this point it appears that more information and advice was sought by the Government in relation to the Games. David Martine, the Secretary of DTF, said:

In that period between, let us call it, 20 January through to government making the actual decision to proceed, which was in March, we were heavily involved in analysing what was being presented, forming our views and briefing government. So there was a lot of work happening in the department in that period.<sup>89</sup>

As noted in Section 3.4.2, the Auditor-General believes this period was a missed opportunity to remove the confidentiality requirements. This would have been a chance for the Government or EY to consult with local stakeholders with more detailed knowledge of venues and operational requirements.<sup>90</sup>

On 17 February, DJSIR engaged KPMG to conduct Computable General Equilibrium modelling, which is a form of economic modelling that looks at how economies may react to policy changes.<sup>91</sup> According to correspondence provided to the Committee by DJSIR, (Attachment I) the modelling provided another reference point for the assessment of the potential impact and benefits of hosting the 2026 Games.<sup>92</sup>

<sup>85</sup> Tim Ada, Secretary of the Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 3.

<sup>86</sup> Brendan McClements, Visit Victoria public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 1.

<sup>87</sup> Victorian Auditor General's Office, *Withdrawal from 2026 Commonwealth Games Report*, 2024, p. 8.

<sup>88</sup> Brendan McClements, Visit Victoria public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 1.

<sup>89</sup> David Martine, Secretary Department Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 23.

<sup>90</sup> Victorian Auditor General's Office, *Withdrawal from 2026 Commonwealth Games Report*, 2024, p. 8.

<sup>91</sup> Deloitte, CGE Modelling, <<https://www.deloitte.com/au/en/services/economics/services/cge-modelling.html>> accessed 15 March 2024.

<sup>92</sup> Correspondence, Tim Ada to Committee, 21 December 2024.

Peter Betson, Deputy Secretary of Sports and Experience Economy at DJSIR, described KPMG's work as a 'peer review' and noted that DTF supported their work on modelling the potential benefits of the Games:

the Department Treasury and Finance also support extra consultancy support from KPMG to run a peer review of those benefits. So the department, in forming the business case and in forming advice to government, relied on those two sources, including an independent peer review of those benefits.<sup>93</sup>

The Committee asked DJSIR for a copy of KPMG's advice, but it was not provided due to a claim of executive privilege.

On 3 March 2022, the Department of Families Fairness and Housing provided advice to DJSIR on preliminary costings for the athlete's villages.

On 7 March 2022, DTF received an updated cabinet submission regarding the costs of the Games which included a top-down budget costing based on the 2018 Gold Coast Commonwealth Games but with increased cost estimates to reflect inflation and other projected cost pressures. DTF provided advice on this submission to the Government.<sup>94</sup> The Committee was not able to see the content of this advice due to a claim of executive privilege. However, the Auditor-General's report revealed it was supported by DTF and DPC.

On 9 March 2022, EY submitted a second and final version of the business case to DJSIR.<sup>95</sup> Dean Yates informed the Committee that the updates in the second version 'related to the fact that the State Government, by that stage, had had some further discussions with the CGF, and any information that came out of that that was relevant to the business case was provided'.<sup>96</sup>

The day after the final version of the business case was submitted, on 10 March 2022, the Government approved a \$2.6 billion budget to host the 2026 Commonwealth Games in regional Victoria.<sup>97</sup>

**FINDING 9:** The Government approved the \$2.6 billion budget to host the Games the day after it received the final version of the 2026 Commonwealth Games business case. This was not enough time to adequately consider the merits of hosting the Games.

<sup>93</sup> Peter Betson, Deputy Secretary of Sports and Experience Economy, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 6.

<sup>94</sup> David Martine, Secretary Department Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 23.

<sup>95</sup> Dean Yates, Partner Ernst and Young, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 14.

<sup>96</sup> *Ibid.*, p. 13.

<sup>97</sup> Tim Ada, Secretary of the Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 3; and David Martine, Secretary Department Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 23.

The Auditor-General's report provided further information on the final budget approved to deliver the Games. According to the report, the Office of the Minister for Tourism, Sport and Major Events proposed funding of \$3.2 billion in the first cabinet submission for the Games. However, the final submission to cabinet on the same day was altered at the request of the Minister's office:

In early March 2022 DJSIR briefed the Minister for Tourism, Sport and Major Events (the Minister) and recommended that they seek approval from the government for a gross budget of up to \$3.2 billion.

This reflected the high-cost scenario in the business case. The Minister accepted DJSIR's advice and approved the submission recommending this funding amount on 10 March 2022.

However, the final submission, which was dated the same day, recommended that the government approve a Games budget consistent with the low-cost option, which was a gross budget estimate of \$2.7 billion.

DJSIR has given us evidence that suggests this change was made at the request of the Minister's office. The 2022–23 state Budget, which was released in May 2022, disclosed \$2.6 billion of approved funding for the Games. This was slightly less than the \$2.7 billion approved in March 2022 because the government agreed to remove funding of around \$51 million allocated for additional sports that had not been selected yet.<sup>98</sup>

This information was not revealed to the Committee during its evidence gathering process. The Auditor-General outlined that DJSIR sought funding of \$3.2 billion even though it would result in a cost to benefit ratio of 0.7, meaning the Games would bring less benefits than the costs to stage them.<sup>99</sup> Projects with a cost to benefit ratio of less than 1.0 usually do not proceed.<sup>100</sup>

**FINDING 10:** Despite the Department of Jobs, Skills, Industry and Regions requesting a budget of \$3.2 billion for the hosting of the Commonwealth Games, the then Minister for Tourism, Sport and Major Events ultimately approved a budget of \$2.6 billion for the 2022/23 State Budget. The reasoning behind the final budget allocation is unclear.

**FINDING 11:** If it were approved, a \$3.2 billion budget to host the Commonwealth Games would have resulted in a cost to benefit ratio of 0.7, meaning it would have cost more to host the Commonwealth Games than the expected benefit. The approved budget of \$2.6 billion would have significantly improved this cost to benefit ratio.

The Committee notes that according to the Auditor-General's evidence, the Minister's office requested changes to the cabinet submission on the same day an earlier version was approved. The changes stripped \$500 million out of the Games budget and was

<sup>98</sup> Victorian Auditor General's Office, *Withdrawal from 2026 Commonwealth Games Report*, 2024, p. 6.

<sup>99</sup> *Ibid.*, p. 45.

<sup>100</sup> *Ibid.*, p. 6.

contrary to the advice the Department had given.<sup>101</sup> This is a matter the Committee may follow up in the remainder of its Inquiry.

**FINDING 12:** The Committee notes with gratitude the speed and comprehensive nature of the Auditor-General's report.

The Committee recognises that there were considerable time pressures associated with delivering the 2026 Games (see Section 3.4.1). It also acknowledges that work had been done by DJSIR and DTF to analyse and provide advice to the Government about the costings in the interim business case before the final business case was submitted. Nevertheless, it is concerning that a decision to go ahead with the Games was made just one day after the final business case was submitted. This is not enough time for the Departments to give considered advice to Cabinet on the merits of hosting such a large and complex event, based on the final costings.

## 3.6 Planning the Games

### 3.6.1 Establishment of the Games delivery agencies

Following the decision to proceed with the Games, the Government entered into further negotiations with the Commonwealth Games Federation to finalise and execute a host contract.<sup>102</sup>

On 12 April 2022, the Government made the official public announcement on hosting the Games in Victoria in 2026.<sup>103</sup> Following the announcement, new ministerial portfolios, agencies, offices and working groups were created to deliver the Games.

Two new ministerial portfolios related to the Games were created. The Hon Jacinta Allan MLC was appointed Minister for the Commonwealth Games Delivery in June 2022<sup>104</sup> and the Hon Harriet Shing MLC was appointed as the Minister for Commonwealth Games Legacy in December 2022.<sup>105</sup>

Victoria 2026 was established on 7 September 2022.<sup>106</sup> Its role was to oversee and implement the operational delivery of the Victoria 2026 Commonwealth Games. Victoria 2026 was declared a public body under pt 7 of the *Financial Management Act 1994* (Vic) which provides for governance and accountability arrangements.<sup>107</sup>

<sup>101</sup> Ibid.

<sup>102</sup> Tim Ada, Secretary, Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 3.

<sup>103</sup> Ibid.

<sup>104</sup> Parliament of Victoria, *The Hon Jacinta Allan*, 2024, <<https://www.parliament.vic.gov.au/members/jacinta-allan>> accessed 27 March 2024.

<sup>105</sup> Hon Harriet Shing MLC, former Minister for Commonwealth Games Legacy, public hearing, Melbourne 26 October 2023, *Transcript of evidence*, p. 19.

<sup>106</sup> Jeroen Weimer, Chief Executive Officer, Victoria 2026, public hearing Melbourne, 9 October 2023, *Transcript of evidence*, p. 68.

<sup>107</sup> Ministerial Brief, Treasurer, *Declaring Victoria 2026 Pty Ltd a public body*, B22/1681, 10 October 2022.



The Committee received evidence that Victoria 2026 applied for, and was granted, an exemption from the Financial Management Act standing directions for the 2022–23 financial year while it fully developed its financial systems, policies and processes.<sup>108</sup>

The Office of the Commonwealth Games was created within DJSIR to oversee the infrastructure component of the Games, which included the construction of competition venues and athlete’s villages. Allen Garner was appointed as the CEO of the office in November 2022.<sup>109</sup>

In addition, an Interdepartmental Committee was established to keep key stakeholders informed and steer departmental planning and delivery of the Games. The members of the Committee included all department secretaries and representatives from Victoria Police and the Games delivery agencies. Beginning in May 2022, the Interdepartmental Committee met regularly—14 times, until the cancellation of the Games in July 2023.<sup>110</sup>

The Committee has listed in this Report the planning and delivery agencies it was informed of as part of the evidence collected so far. The Auditor-General’s report outlines additional agencies and organisations such as the Commonwealth Games Oversight Group established in February 2023. This group included CEOs of the Games Office and Victoria 2026 and relevant deputy secretaries from DPC and DTF. The responsibilities of this group included reviewing budget planning and related processes prior to submissions to the Government.<sup>111</sup>

## Consultation

While the confidentiality provisions during the preparation of the business case at least in part explain failures to consult at the early stages, subsequent to the awarding of the contract to host the Games, there continued to be a lack of meaningful consultation with key stakeholders. The Committee heard from many of these stakeholders that had they been engaged properly at an early stage, problems relating to cost, feasibility or implementation could have been identified and potentially addressed at the outset.

Many of these stakeholders continue to express concerns about the nature of consultation that has taken place regarding legacy projects and funding following the cancellation of the Games, an issue that the Committee will address further as its work continues.

<sup>108</sup> Ministerial Brief, Treasurer, *Victoria 2026’s request for a Standing Directions exemption*, B23/510, 17 May 2023.

<sup>109</sup> Allen Garner, Chief Executive Officer, Office of Commonwealth Games, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 23.

<sup>110</sup> Department of Jobs, Skills, Industry and Regions, Select Committee into the 2026 Commonwealth Games Bid hearings, response to questions on notice received 27 October 2023, p. 5.

<sup>111</sup> Victorian Auditor General’s Office, *Withdrawal from 2026 Commonwealth Games Report*, 2024, p. 48.



**FINDING 13:** A consistent theme that arose in the evidence provided by various stakeholders, including councils, tourism and events groups, accommodation providers, and sporting groups, was that there was a general lack of consultation from the Victorian Government, departments, and other entities responsible for preparing for the Games.

### 3.6.2 Discovery of projected cost escalations

The Committee heard that throughout 2022 escalations in the projected budget were discovered. Both Victoria 2026, who oversaw the operational component of the Games, and the Office of the Commonwealth Games, who oversaw the infrastructure component of the Games,<sup>112</sup> began detailed costings. Their updated budget projections amounted to far more than had been approved by the Government in March 2022.

Victoria 2026 started working on the delivery of the Games on 7 September 2022. Jeroen Weimar, CEO of Victoria 2026, and his team first put together a bottom-up costing of the Games, based on the host contract agreed with the CGF. Mr Weimar gave an explanation of the process:

The work we did really from the back end of last year, November, December, working with CGF and working with CGA was how do we make this model work? We have never had a Commonwealth Games where teams have been asked to operate across four cities that are so far apart from each other. How do we actually operationalise that and still run a 12-day competition program that looks integrated and coherent, and how does that work from a spectator point of view and a media point of view? We had a reasonable level of fidelity around how we wanted our operating model to work by January, February, and then we costed that.<sup>113</sup>

By mid-February 2022, Victoria 2026 had arrived at a budget forecast in excess of its' share of the \$2.6 billion approved by cabinet. DTF informed the Committee that a cabinet submission was sought in April 2022 for \$4.5 billion.<sup>114</sup> Mr Weimar explained at this point he sought a net operational budget of \$1.768 billion, an increase of \$722 million.<sup>115</sup>

Mr Weimar gave the Committee an overview of the factors that led to an increase in the projected operational costs:

What drove these costs were having not one but five host cities, requiring significant duplication of infrastructure and services; the use of smaller, regional cities, which meant less existing infrastructure and service capacity, including things like labour force, accommodation and hospitality options; significant transport and security costs

<sup>112</sup> Tim Ada, Secretary, Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 2.

<sup>113</sup> Jeroen Weimar, Chief Executive Officer, Victoria 2026, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 70.

<sup>114</sup> *Ibid.*, p. 68.

<sup>115</sup> *Ibid.*

arising from such a large geographical footprint; and the sheer scale of the sporting and cultural program agreed to in the host contract.<sup>116</sup>

In relation to infrastructure costs, the Committee heard from Allen Garner, CEO of the Office for the Commonwealth Games, who explained the factors that led to the projected costs increases:

The costs were built up by Development Victoria, and they had been tasked with doing that. We were overseeing that. But from what we could see and where it came from, the building costs themselves were going to be more expensive, particularly given the cost in construction that had happened over the previous 12 to 18 months – costs were rising substantially. The sites themselves – each site was different and had a different challenge. There was cultural heritage in some areas that had to be worked through that constrained what you might be able to build on or not build on. There was contamination in another area. And then there was what made up the villages and the content of the villages. The goal was to have a certain amount of them able to be resold for community social housing and also private housing. The balance was then to be made up with temporary accommodation, or relocatable accommodation, if you like, that would be relocated elsewhere into regional Victoria post the games. So all of those constraints sort of feed in and change the shape and the nature, and there was a constant iterative process by DV as we tried to work the costs down as to what that optimal mix might be.<sup>117</sup>

On 22 February 2023, Victoria 2026 completed the updated costings and provided them to the Office of Commonwealth Games, assuming they would pass the updated estimates on to the Government.<sup>118</sup>

The Minister for Commonwealth Games Delivery was briefed by DJSIR on the revised budget requirements to deliver the Games in early March.<sup>119</sup>

The Committee heard that by April 2023, the Victoria 2026 CEO and Board became concerned over the lack of response from the Minister regarding the revised budget. For this reason, the Chair of the Victoria 2026 Board, Peggy O’Neal, wrote to the Minister for the Commonwealth Games Delivery on 4 April 2023 seeking clarity from the Government as to whether the increased budget submission would be approved before beginning procurement processes:

We just wanted to be clear with the minister about what we were planning to do, and what our next steps were. We were getting ready to launch our procurement process; we needed some clarity about the budget. At that time we were still thinking it was going through the normal government budget process. It was something for the record – that, you know, we had our conversations. In fact what was included in that letter were the same things that went into the 27 February last budget submission. So it was more

<sup>116</sup> Ibid.

<sup>117</sup> Allen Garner, Chief Executive Officer, Office of Commonwealth Games, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 24.

<sup>118</sup> Jeroen Weimer, Chief Executive Officer, Victoria 2026, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 68.

<sup>119</sup> Tim Ada, Secretary, Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 3.

something for the record. It was not demanding anything, except to say, 'This is what we're about to do next and time is of the essence, and so we hope to get an answer very soon.'<sup>120</sup>

**FINDING 14:** During March and April 2023, the Victorian Government were advised from multiple sources that costs were significantly more than the business case projected.

During the public hearing, Ms O'Neal confirmed she met with the Minister for the Commonwealth Games Delivery on 19 June 2023, and a discussion was had about when a decision would be made regarding the funding request. A formal reply to the letter was never received.<sup>121</sup>

In April 2023, DTF became aware of the potential escalation of the costs and on 5 April 2023, a cabinet submission was brought forward which sought approval for a revised budget of \$4.5 billion.<sup>122</sup> This new budget was considered by cabinet in mid-April 2023, and it was not approved.<sup>123</sup> At this point the Auditor-General's report revealed that while the new budget of \$4.5 billion was not approved, the Cabinet did agree to an increase in the Games budget from \$2.6 billion to \$3.6 billion. It then asked the Minister for Commonwealth Games Delivery to find cost reductions in the Budget to deliver the Games for \$3.6 billion:

On 20 April 2023 the minister for Games delivery presented a submission to the government that DJSIR drafted to inform the government about the Games budget and expected costs. This submission sought approval for a revised gross budget of \$4.5 billion. The government did not accept this request and agreed to a revised gross budget of \$3.6 billion. It requested further advice from the minister by June on how the Games could be delivered in regional Victoria for that budget.<sup>124</sup>

The Committee was informed that after the April cabinet submission was not approved, the Office of Commonwealth Games and Victoria 2026 were asked to investigate cost reduction plans.<sup>125</sup>

Between April and June 2023, the Office of the Commonwealth Games and Victoria 2026 worked to identify opportunities to reduce costs. Jeroen Weimar explained the progress his team had made in reducing operational costs by May 2023:

We then submitted a final submission later in May of \$1626 million, and that reflected essentially some mitigations on cost that we had been asked to consider, which we did, and a further \$50 million cost pressure that we accepted to take across the whole

<sup>120</sup> Jeroen Weimar, Chief Executive Officer, Victoria 2026, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 72.

<sup>121</sup> *Ibid.*, p. 74.

<sup>122</sup> David Martine, Secretary, Department Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 23.

<sup>123</sup> Tim Ada, Secretary, Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 3.

<sup>124</sup> Victorian Auditor General's Office, *Withdrawal from 2026 Commonwealth Games Report*, 2024, p. 9.

<sup>125</sup> David Martine, Secretary, Department Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 23.

category. That reduced our requirement to \$579 million as a delta, which I think the organising committee recognised at all times. That was a significant challenge for government as a funding party in all this. It is not a small amount of money, and we were very alive to the realities of those costs.<sup>126</sup>

Allen Garner informed the Committee the work his office did to reduce costs in this period:

there was more work requested to be done across a range of areas to look at alternative strategies – how could you squeeze the lemon so to speak – to improve the cost and then what strategies might you be able to put in place to mitigate the costs.<sup>127</sup>

In early June, DJSIR provided the Minister for the Commonwealth Games Delivery with a cabinet submission that included the savings found by Victoria 2026 and the Office of Commonwealth Games. \$300 million in cost reductions had been found and the new budget was \$4.2 billion.<sup>128</sup>

The Department's June submission was provided to the Minister's Office on 12 June 2023,<sup>129</sup> the day before the Minister for the Commonwealth Games Delivery gave evidence at a Public Accounts and Estimates Committee (PAEC) public hearing in relation to the 2022–23 budget estimates inquiry.

DJSIR and Victoria 2026 advised the Minister and central agencies that a decision regarding the scope and budget for the Games was urgently required. Despite the urgency, this decision was not made in June.<sup>130</sup>

In the meantime, DTF informed the Committee they were becoming increasingly concerned about the escalating costs. David Martine explained that the Department formed a view they would not support the revised budget for the Games:

The \$4.5 billion was essentially the Office of the Commonwealth Games's ask at that point, which at that point was a significant increase from the original consideration of \$2.6 billion. As I indicated in my opening statement, it was at that point that we were taking the view that we were not going to support the revised budget at that level. That was not just taking into account the original business case but also an aggregate budget point of view. As I mentioned earlier, part of our job is to be cognisant of the aggregate budget. At that point we formed the view that we were not in a position to recommend approval of a revised budget at that level.<sup>131</sup>

<sup>126</sup> Jeroen Weimer, Chief Executive Officer Victoria 2026, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 77.

<sup>127</sup> Allen Garner, Chief Executive Officer, Office of Commonwealth Games, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 31.

<sup>128</sup> Tim Ada, Secretary, Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 3.

<sup>129</sup> Department of Jobs, Skills, Industry and Region, Select Committee on the 2026 Commonwealth Games Bid hearings, response to questions on notice received 27 October 2023, p. 6.

<sup>130</sup> Tim Ada, Secretary, Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 4.

<sup>131</sup> David Martine, Secretary Department Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 28.

On 13 June 2023, DTF advised the Department of Premier and Cabinet that they were not supporting the submission as drafted, given the increasing costs to \$4.2 billion from the original budget along with additional costs for policing and transport. DTF prepared advice to the Government on 14 June 2023, but the submission was not formally considered at the time.<sup>132</sup>

**FINDING 15:** In June 2023, Government departments and agencies, including the Department of Jobs, Skills, Industry and Regions and Victoria 2026 advised the then Minister for Commonwealth Games Delivery, that a decision regarding scope and budget was urgently required. Despite the urgency, no decision was made in June.

The Committee heard from Allen Garner at the Office of Commonwealth Games that a revision in scope—such as reducing the number of host cities or sports—in order to contain costs had been explored, but ultimately was not accepted by the Government:

We worked with the organising committee and with central agencies to develop a range of scenarios for consideration, scenarios such as combining events closer together to minimise the number of different sites you had to establish and set up. The temporary set-up of each site was quite expensive, and there was a lot of that. Could we reduce the number of hubs from four to three? What impact might that have?<sup>133</sup>

### 3.7 Information provided to the Public Accounts and Estimates Committee

In June 2023, the Minister for the Commonwealth Games Delivery and the Minister for the Commonwealth Games Legacy appeared at the PAEC public hearings for its *Inquiry into the 2023–2024 budget estimates*. In their evidence to that Committee, neither Minister gave an indication that the projected cost of the Games had increased substantially since the Games were approved, despite both being aware.

As mentioned in Section 3.6.2, the Minister for the Commonwealth Games Delivery was particularly aware of the projected cost increases.<sup>134</sup> According to the evidence provided, the Minister was briefed as follows:

- DJSIR briefed the Minister for Commonwealth Games Delivery on the revised budget requirements to deliver the Games on 6 March 2023.<sup>135</sup>
- Peggy O’Neal, Chair of Victoria 2026, sent a letter to the Minister on 4 April 2023 outlining cost increases.<sup>136</sup>

<sup>132</sup> Ibid., p. 23.

<sup>133</sup> Allen Garner, Chief Executive Officer, Office of Commonwealth Games, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 31.

<sup>134</sup> Department of Jobs, Skills, Industry and Region, Select Committee on the 2026 Commonwealth Games Bid hearings, response to questions on notice received 27 October 2023, p. 6.

<sup>135</sup> Department of Jobs, Skills, Industry and Region, Select Committee on the 2026 Commonwealth Games Bid hearings, response to questions on notice received 16 November 2023, p. 6.

<sup>136</sup> Peggy O’Neal, Chair, Victoria 2026, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 72.

- The Minister took a submission to Cabinet in April 2023 requesting a budget increase for the Games of \$4.5 billion.<sup>137</sup>
- The Minister was asked by Cabinet to find savings in the Games budget and report back on how the Games could be delivered for \$3.6 billion.<sup>138</sup>
- DJSIR's June submission of \$4.2 billion was provided to the Minister's office on 12 June 2023.<sup>139</sup>

Minister Shing was also informed of the budget increases. In response to questions on notice, DJSIR indicated that both Ministers were briefed on the progress of the Games, including the escalating budget projections 10 times between March and June 2023.<sup>140</sup> This was also confirmed by Allen Garner, CEO of the Office of Commonwealth Games who said in the lead up to the Minister's appearances at PAEC 'There were briefings in regard to the increasing costs'.<sup>141</sup>

In the days before the hearings, both Ministers were briefed by the Office of the Commonwealth Games in the first week of June on the progress of the Games:

- Minister Allan was verbally briefed about the progress of the Games organisation on 5 June 2023
- Minister Shing was verbally briefed about the progress of the Games organisation on 6 June 2023.<sup>142</sup>

On 8 June 2023, Minister Shing provided an update on the progress of the Commonwealth Games in relation to the legacy portfolio at PAEC public hearings for the *Inquiry into the budget estimates for 2023–2024*. During the hearing, the Minister did not raise any concerns or flag any issues regarding the Games budget and the delivery of her portfolio on legacy.<sup>143</sup> The Minister was not asked any specific questions on the matter.

On 13 June 2023, the Minister for Commonwealth Games Delivery appeared before PAEC as part of the same inquiry. On this occasion, the Minister did not volunteer information to PAEC about the escalating cost estimates, including in her preliminary presentation. However, the Minister was not asked any specific questions on the matter. It cannot be established that the Minister had read DJSIR's submission, received by her office the day before, at the time of her attendance.

<sup>137</sup> Victorian Auditor General's Office, *Withdrawal from 2026 Commonwealth Games Report*, 2024, p. 9.

<sup>138</sup> Ibid.

<sup>139</sup> Department of Jobs, Skills, Industry and Region, Select Committee on the 2026 Commonwealth Games Bid hearings, response to questions on notice received 27 October 2023, p. 6.

<sup>140</sup> Ibid.

<sup>141</sup> Allen Garner, Chief Executive Officer, Office of Commonwealth Games, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 30.

<sup>142</sup> Department of Jobs, Skills, Industry and Region, Select Committee on the 2026 Commonwealth Games Bid hearings, response to questions on notice received 16 November 2023, p. 6.

<sup>143</sup> Hon Harriet Shing MLC, former Minister for the Commonwealth Games Legacy, Public Accounts and Estimates Committee, public hearing, Melbourne, 8 June 2023, *Transcript of evidence*.

The Victorian Ministerial Code of Conduct states that Ministers are required to maintain the confidence of cabinet discussions, decisions, and papers.<sup>144</sup> The Victorian Cabinet Handbook similarly states that:

... all Cabinet information (including verbal and written) must be kept strictly confidential and secure at all times. Unauthorised or premature disclosure of Cabinet deliberations may be prejudicial to the proper consideration of an issue by government and can be damaging to the public interest.<sup>145</sup>

However, the Ministerial Code of Conduct also outlines the principle that 'Ministers are answerable to Parliament and through the Parliament to the people.'<sup>146</sup> Moreover, Ministers have a duty not to mislead the Parliament:

Ministers are expected to be honest in the conduct of public office and take all reasonable steps to ensure that they do not mislead the public or Parliament. It is the Minister's responsibility to ensure mistakes or misconceptions are corrected as soon as possible, and in a manner that is appropriate to the issues and interests involved.<sup>147</sup>

The Committee believes that both Ministers, but particularly the Minister for the Commonwealth Games Delivery, should have been more forthcoming in providing updates on the challenges faced in delivering the Games within budget. Indeed, the Minister for Commonwealth Games Delivery had been tasked with finding cost reductions and was due to report back to Cabinet that month. Providing this important information to Parliament on the progress of the Games could have been achieved without divulging specific cabinet deliberations.

**FINDING 16:** In June 2023, the then Minister for Commonwealth Games Delivery and the then Minister for Commonwealth Games Legacy were aware that there were cost escalations and concerns.

**FINDING 17:** Despite knowing of the projected budget increases to deliver the 2026 Commonwealth Games, the Minister for Commonwealth Games Delivery and the Minister for the Commonwealth Games Legacy did not volunteer this information at the Public Accounts and Estimates Committee hearings for the *Inquiry into the 2023–24 budget estimates*.

<sup>144</sup> Victorian Government, *Ministerial Code of Conduct*, December 2023, p. 2.

<sup>145</sup> Victorian Government, *Cabinet Handbook*, 2023, p. 9.

<sup>146</sup> Victorian Government, *Ministerial Code of Conduct*, December 2023, p. 2.

<sup>147</sup> *Ibid.*



### 3.8 The cancellation of the Games

On 13 June 2023, the same day as Minister Allan appeared at the PAEC public hearing, DTF gave advice to DPC that it was not supporting the submission made by Victoria 2026, given the increasing costs to \$4.5 billion along with the additional costs for policing and transport.<sup>148</sup>

Following DTF's advice, on the same day (13 June 2023) DPC Secretary advised the Premier that DPC and DTF would brief against the new estimate.<sup>149</sup> Based on this decision, on 14 June 2023, DPC Secretary had further a discussion with the Premier on the future of the Games. On the same day, DPC decided to engage lawyers to explore options on the delivery of the Games.<sup>150</sup>

On 19 June 2023, the two Ministers with portfolios related to the Commonwealth Games were verbally briefed but the Committee was not told what they were briefed on.<sup>151</sup> On the same day, DPC Secretary briefed DJSIR Secretary that the Government was considering all the options based on the increased budget requirements to deliver the Games.<sup>152</sup>

After receiving this information, DJSIR Secretary Tim Ada was expected to inform the Ministers about the brief received by DPC as part of his Secretary duties. However, the Secretary did not brief Minister Shing, Minister for the Commonwealth Games Legacy. During the public hearings, he was asked why he did not brief the Minister, Tim Ada replied:

When I was apprised by the secretary of DPC on around the 19th – I have shared that testimony previously here with the committee – he informed me that Minister Shing would be told by the Premier or a senior member of the government, and that that was the direction that he had received from the Premier. I understand that the *Public Administration Act* requires a person in my role to advise ministers on matters related to the department, but I would also note that the obligations set out in section 13 of the Act do not operate in isolation. Rather, it operates alongside other duties which bind secretaries, including the terms of their employment contract and the Victorian Public Sector Commission's *Secretaries Guide for Informing and Advising Ministers*. Under the terms of my employment contract as set out in the VPSC *Secretaries Guide for Informing and Advising Ministers*, I am subject to separate duties to obey lawful and reasonable directions made by the Premier. These duties operate alongside my duties under section 13 of the *Public Administration Act*.<sup>153</sup>

<sup>148</sup> David Martine, Secretary, Department of Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 23.

<sup>149</sup> Jeremi Moule, Secretary, Department of Premier and Cabinet, public hearing, Melbourne, 9 October 2023, *Transcript of evidence* p. 48.

<sup>150</sup> Jeremi Moule, Secretary, Department of Premier and Cabinet, public hearing, Melbourne, 9 October 2023, *Transcript of evidence* p. 52; Department of Premier and Cabinet, Select Committee on the 2026 Commonwealth Games Bid, response to questions on notice received 27 October, p. 12.

<sup>151</sup> Department of Jobs, Skills, Industry and Region, Select Committee on the 2026 Commonwealth Games Bid hearings, response to questions on notice received 16 November 2023, p. 6.

<sup>152</sup> Tim Ada, Secretary, Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 17.

<sup>153</sup> *Ibid.*, p. 60.



The decision to consider all the options in relation to the Games was also not shared with other stakeholders. Peggy O’Neal, the Chair of Victoria 2026, met with Minister Allan on 19 June 2023 for an informal chat and, on that occasion, the Minister did not raise the possibility of cancelling the Games.

On 22 June 2023, Minister Allan advised Minister Shing that cancelling the Games was a matter under consideration.<sup>154</sup> On the following day, DJSIR engaged the law firm, Arnold Bloch Leibler.<sup>155</sup>

In the meantime, in early July DJSIR updated the submission made to Cabinet with the new budget estimate to deliver the Games which included over \$2 billion in costed risks in addition to the proposed budget of \$4.2 billion plus additional policing and transport costs.<sup>156</sup> David Martine, DTF Secretary, explained:

DTF noted that if the costed risks as advised by the Office of the Commonwealth Games were to eventuate, this would result in a gross budget cost of between \$6 billion and \$7 billion. DTF’s advice at the time was to not support the submission, given the significant increase in costs.<sup>157</sup>

On 13 July 2023, DTF was advised that the Government was seeking alternative options to host the Games.<sup>158</sup> The following day, on 14 July, the Government formally considered the cabinet submission from Victoria 2026 and the Office of the Commonwealth Games. DTF and DPC advised against the submission.<sup>159</sup> As a result of this decision, on 15 July 2023, the Government formally started considering a submission on a strategy to withdraw from hosting the Games.<sup>160</sup>

On 17 July, the Cabinet made the final decision to withdraw from hosting the Commonwealth Games.<sup>161</sup> On the same day, DPC, DTF and DJSIR secretaries were notified about the cancellation as well as Victoria 2026.<sup>162</sup> Moreover, on the same day, the DPC Secretary held a meeting in London to inform the Commonwealth Games Federation that the Victorian Government was exiting its agreement to host the Games.<sup>163</sup>

<sup>154</sup> Hon Harriet Shing MLC, former Minister for Commonwealth Games Legacy, public hearing, Melbourne, 26 October 2023, *Transcript of evidence*, p. 23.

<sup>155</sup> Department of Premier and Cabinet, Select Committee on the 2026 Commonwealth Games Bid, response to questions on notice received 27 October 2023, p. 12.

<sup>156</sup> David Martine, Secretary, Department of Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 23.

<sup>157</sup> *Ibid.*

<sup>158</sup> *Ibid.*

<sup>159</sup> Jeremi Moule, Secretary, Department of Premier and Cabinet, public hearing, 9 October 2023, *Transcript of evidence* p. 48.

<sup>160</sup> *Ibid.*, p. 49.

<sup>161</sup> David Martine, Secretary, Department of Treasury and Finance, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 23.

<sup>162</sup> *Ibid.*; Jeroen Weimer, Chief Executive Officer, Victoria 2026, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 68; Tim Ada, Secretary, Department of Jobs, Skills, Industry and Regions, public hearing, Melbourne, 9 October 2023, *Transcript of evidence*, p. 4.

<sup>163</sup> Jeremi Moule, Secretary, Department of Premier and Cabinet, public hearing, 9 October 2023, *Transcript of evidence* p. 49.

On 18 July 2023, a press conference was held to announce the cancellation of the Commonwealth Games and any activity related to the Games was suspended immediately.

Mediation negotiations were held in Sydney on 17 and 18 August 2023 and an announcement was made on 19 August stating that the parties finalised a mediation outcome of \$ 380 million in compensation.<sup>164</sup>

Media reports in March 2024 stated that \$200 million in funding to host the 2026 Games was offered by the CGF to Malaysia from the compensation payout it received from the Victorian Government.<sup>165</sup> Malaysia later decided it would not proceed with the opportunity to host the Games.<sup>166</sup>

According to the Auditor-General report released in March 2024, the Games cost Victoria over \$589 million to cancel, with no public benefit.<sup>167</sup>

**FINDING 18:** The Department of Jobs, Skills, Industry and Region's Secretary Tim Ada indicated he did not brief the Minister for Commonwealth Games Legacy, following receipt of information from the Department of Premier and Cabinet's Secretary that the cancellation of the Games was being considered on 19 June 2023.

**FINDING 19:** The decision that the Games cancellation was under consideration was also not shared with important stakeholders including Peggy O'Neal, Chair of Victoria 2026, despite the Minister for Commonwealth Games Delivery meeting with her on 19 June 2023.

### 3.9 \$2 billion regional package

On the 18 July 2023, the same day that the Government announced the cancellation of the Games, it announced a \$2 billion regional package. The Government stated that the purpose of the package was to ensure regional Victoria still received legacy benefits as a result of the Commonwealth Games, even though the Games were no longer going ahead.

The media release made by the former Premier on 18 July 2023 explained the allocation of the \$2 billion as follows:

- A new \$1 billion Regional Housing Fund to deliver more than 1,300 new homes across regional Victoria.

<sup>164</sup> Duncan Murray, 'Victoria to pay \$380m for cancelled Games', *Australian Financial Review*, 19 August 2023, <<https://www.afr.com/politics/victoria-to-pay-380m-to-commonwealth-games-for-cancelled-event-20230819-p5dxt2>> accessed 26 March 2024.

<sup>165</sup> Glenn More, 'Malaysia fancied as host for 2026 Commonwealth Games', *Australian Associated Press*, 12 March 2024, <<https://www.aap.com.au/news/malaysia-offered-100m-to-host-2026-commonwealth-games>> accessed 27 March 2024.

<sup>166</sup> 'Malaysia rejects offer to host 2026 Commonwealth Games, placing the event in doubt', *ABC News*, 23 March 2024, <<https://www.abc.net.au/news/2024-03-23/malaysia-rejects-offer-to-host-2026-commonwealth-games/103623382>> accessed 27 March 2024.

<sup>167</sup> Victorian Auditor General's Office, *Withdrawal from 2026 Commonwealth Games Report*, 2024, p. 1.

- A new \$150 million Regional Tourism and Events Fund to ensure regions have the best of everything on offer with new events, new attractions and more accommodation.
- A new \$60 million Regional Community Sport Development Fund to deliver new projects – including aquatic centres, indoor stadiums, lighting upgrades and walking and cycling paths – for regional communities across Victoria.
- \$40 million for an All Abilities Sport Fund to remove the barriers of entry for people with a disability.<sup>168</sup>

In addition, a \$25 million Council Support Package was announced, to be distributed amongst the five local councils who were to be host cities for the purpose of co-financing significant local projects. The projects set to be funded by the Council Support Package are yet to be finalised, however at its regional hearings the Committee heard from council CEOs on their priorities for the funding. These priorities included upgrades to athletics tracks (e.g., Landy Field, Greater Geelong), and active transport projects to encourage more people to walk and cycle in their cities (e.g., Greater Bendigo and Greater Shepparton).

The \$1 billion Regional Housing Fund has earmarked projects in each of the five regional host cities but is also expected to deliver projects beyond those five cities, with other projects in other parts of regional Victoria which would not have been sites of the Games' athlete villages.

The \$150 million Regional Tourism and Events Fund is broken down accordingly:

- \$70 million for attracting events to regional Victoria, including international music acts and art exhibitions
- \$60 million for regional tourism infrastructure, which will assist tourism businesses to add accommodation facilities for visitors
- \$10 million for growing food and fibre exports, and promoting local produce to Victorians
- \$5 million for regional tourism industry development programs
- \$5 million for regionally-based multicultural festivals.

On the day of announcement, the Government announced a range of legacy community sporting infrastructure projects in the five regional host cities which would be proceeding despite the cancellation of the Games. They are outlined in Box 3.2 below.

<sup>168</sup> Commonwealth Games Costs Too High At Over \$6 Billion, 2023, <<https://www.premier.vic.gov.au/commonwealth-games-costs-too-high-over-6-billion>> accessed 26 March 2024.

### **Box 3.2 Legacy Community Infrastructure Projects announced by the Government**

#### **Geelong**

- Stead Park, Corio (upgrade of hockey pavilion, a new pitch and additional permanent seating).
- New Armstrong Creek Aquatics Centre (a civic plaza, an enclosed swimming pool, 4 indoor recreational sports courts and associated car parking).
- New Indoor Sporting Complex, Waurin Ponds (multipurpose sports centre with 6 courts, with regional level gymnastics and dance studio, associated car parking).
- Banyul-Warri Fields, Torquay (a new training pitch and new seating).

#### **Ballarat**

- Eureka Stadium (a new athletics track, stadium expansion by 5,000 permanent seats, with improved accessibility access).
- Miners Rest (construct all-new facility, including competition-grade oval and sports pavilion with carparking, amenities and changerooms).
- Ballarat Sports and Events Centre (updates to the show court and accessibility works).
- Ballarat train station (passenger lifts on both platforms and a connecting pedestrian overpass).
- Creswick Mountain biking (delivering 60 kilometres of world-class mountain bike trails).

#### **Bendigo**

- Bendigo Bowls Club (redevelop five existing bowls and croquet greens, and refurbishment of the existing pavilion).
- Bendigo Showgrounds (additional exhibition shed).
- Bendigo Stadium (four additional sports courts).

(continued)

**Box 3.2 (continued)****Latrobe Valley**

- Gippsland Regional Indoor Sports Stadium, Traralgon (refurbishment of court facilities and other amenity upgrades).
- Gippsland Sports and Entertainment Park (redevelop two pitches and redevelop two pavilions).
- Morwell Gun Club (new shotgun trap shooting range, all equipment required for Air Rifle and Air Pistol, and new security fencing).
- Ted Summerton Reserve, Moe (refurbish oval and wicket, redevelop and expand terraces, and accessibility upgrades).

**Shepparton**

- BMX facilities (upgrade facilities to attract more state, national and international competition).

Many projects under the regional package are in the early stages, and there are still some projects yet to be announced. Some of the initial responses by local government, sporting clubs and other stakeholders is outlined in Chapter 4.

The Committee will undertake a more comprehensive analysis of the regional package in its Final Report, by which time the Committee will have had more time to assess the rollout and associated decision-making processes of the package.



# Chapter 4

## Themes arising from the impact of the cancellation

### 4.1 Overview

This Chapter provides a high-level summary of the evidence collected regarding the impacts of the cancellation of the 2026 Commonwealth Games (the Games). This includes an overview of some of the key themes raised by stakeholders during the Committee's public hearings so far, including the impacts on:

- sports clubs and organisations
- the tourism and hospitality sector
- social and affordable housing
- Victoria's reputation as a host of major events.

The evidence below is intended as a snapshot only. An in-depth analysis of these issues will be provided in the Committee's Final Report.

### 4.2 Sports clubs and organisations

The cancellation of the Games affected sports clubs and athletes who were looking forward to hosting the Games on home soil. Steve Moneghetti, Director of Athletics Australia, defined the Commonwealth Games a pinnacle event for some sports and described the impact of the cancellation as a missed international opportunity for athletes and para athletes:

Pinnacle events, international events such as the Comm Games are critical to the structural pathway development of our athletes. Before its cancellation, the 2026 Commonwealth Games in Victoria was the only fully integrated multisport event that was to be hosted in Australia prior to Brisbane 2032. It would have been the perfect pathway accelerator to a home games ahead of Brisbane. For our Para athletes, the cancellation has taken away their one opportunity to be part of an integrated team and build their profile leading into those 2032 games. In terms of classification, which enables them to compete at international events, the cancellation removes a critical international opportunity.<sup>1</sup>

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<sup>1</sup> Steve Moneghetti, Director, Athletics Australia, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 31.

Vicsport explained how sporting organisations, athletes and volunteers felt let down by the decision:

I think for the disappointment – you know, obviously everyone feels some disappointment, but the main disappointment was around the athletes, particularly the Paralympians. It is the only games where they are integrated into the major event and obviously not as a separate standalone, so that is quite shattering for them as a unique thing in their home state. And that close to the games, that is right in your preparation pathways, so that is a big dent in how we then replan for an elite athlete. So it is really disappointing for them. For the younger athletes, as you alluded to, it is a taste of a smaller games in the lead-up to an Olympics and world champs, depending on the sport, so it is a big disappointment. That would have been a first taste that would have created some opportunities and success for some of the younger athletes.<sup>2</sup>

The biggest disappointment felt by some sporting organisations was the missed opportunity to grow their sport and showcase it on the international stage. The Sporting Shooters Association Australia (Vic) told the Committee:

The missed opportunities created through the cancellation of this event for Victoria directly impacts the regions and the corresponding facilities that were to hold the events and our athletes who were about to compete on a global stage from their very own backyard. These missed opportunities extend to the development and support of those that work within the sport as coaches and officials, particularly as the Brisbane 2032 Olympic and Paralympics will need these resources down the track. Experience at an international level is key to ongoing development for these individuals and opportunities at this level of competition are few and require costly travel.<sup>3</sup>

According to Athletics Australia, the cancellation of the Games represents a missed opportunity to foster emerging talent.<sup>4</sup> It noted that some of Australia's most successful athletes made their debut at the games:

Many of our Australian stars first launched onto the international scene via the Commonwealth Games including 16- year-old Cathy Freeman, the first Indigenous Australian person to become a Commonwealth Games gold medallist in Auckland in 1990, and then little-known 23- year-old Steve Hooker who secured gold in his first major international competition at the Melbourne 2006 Commonwealth Games.<sup>5</sup>

Latrobe Valley Badminton Association President, Garry Silvester, explained how the Games cancellation impacted the club and the growth of badminton as a sport in the region. He spoke of the Government's lack of understanding about its decision to cancel the Games:

So, I have been around for quite some time and have experienced many highs in the badminton field – and a very big low with the cancellation of the Commonwealth Games in my backyard. I am very proud of Latrobe Valley resident. I have lived here all my life in

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2 Vicsport, *Submission 8*, p.1

3 Sporting Shooters Association of Australia, *Submission 23*, pp. 1-2.

4 Athletics Australia, *Submission 30*, p. 6.

5 *Ibid.*, p. 6.



Traralgon, so the cancellation of the Commonwealth Games personally hurt very deeply. I am still not over it, as so much work and effort had been put in. The powers that be do not seem to acknowledge this, yet it is the volunteers that make or break the success of sports at the grassroots in the local community.<sup>6</sup>

According to the Association, the Games cancellation was a lost opportunity to grow the sport and for local players to have a facility that could accommodate and grow the sport in regional Victoria:

The hope for badminton was that because of the advertising and everything and the spotlight being put on it we would be able to take that to schools and provide coaching and everything else. Now, this is all done on a volunteer basis and everything, and it needs the enthusiasm of children as such. Now that they are not going to see that, that enthusiasm will not be there.<sup>7</sup>

Mr Silvester further commented:

... A strategic plan? As I say, we are fighting for lines. We cannot increase juniors too much, or try to, because of the reason that I cannot leave the four courts and go out onto another four courts because the children would be left unattended sort of thing.<sup>8</sup>

Ken Balcombe from the Morwell Gun Club spoke about the loss of athlete development and training opportunities for emerging athletes through the development of international standard facilities:

Well, it is great to see Lucas. Lucas started off as a down-the-line trapshooter. Like I said before, the pinnacle is Olympic trap and universal trap. Lucas has gone very well at down-the-line stuff. He has moved up to universal trench stuff. He is now shooting overseas and all that sort of stuff, yet he is still I think only 16 years old, so he has still got a lot in front of him. He is a great example. We had another really good young guy called Troy Grimes, who was a down-the-line shooter. He made the Australian team a few years ago. They shot a record for the shoot-off to make the team up in Roma, which was probably five or six years ago. I just wonder – if we had these facilities then, we would have had more than one. One other thing that comes to mind is we have got the Brisbane Olympic Games coming up. So to have this sort of infrastructure ready for these young people to really hit the ground – that would be the pinnacle for me.<sup>9</sup>

Mr Balcombe further commented that the cancellation of the Games had both a financial and personal impact on volunteers who spent a lot of time preparing for its delivery:

Like I said, to accommodate the Olympic trench layouts – we are a small community club, so we are not flush with a heap of money – we actually made our road entry a bit bigger. We had to build our DTL trap layouts, because we extended all the material

<sup>6</sup> Garry Silvester, Latrobe Valley Badminton Association President, public hearing, Morwell, 14 March 2024, *Transcript of evidence*, p. 26.

<sup>7</sup> *Ibid.*, p. 28.

<sup>8</sup> *Ibid.*, p. 34.

<sup>9</sup> Ken Balcombe, Secretary, Morwell Gun Club, public hearing, Morwell, 14 March 2024, *Transcript of evidence*, p. 61.

with the dirt out further. We had to build our DTL track house layouts – we had to build them into the ground instead of sitting at the ground with the dirt coming up to the back of them. Between those two projects we had to spend another \$35,000 to make that happen, out of our own funding. We got that done because we wanted to finish our project and deliver our project to our club members and all that sort of stuff. We committed to that, but what that did was make us run virtually on the bone of finances where we were. When we got going some club members had to actually put some money forward to buy all the old targets and all that sort of stuff to get the club off the ground. Club members put in about \$8000 to get the club going originally. That 35-odd grand that we had there ready to go to get the club going, we already had to spend that because of the Commonwealth Games stuff, if that makes sense. In that meeting we brought that up with Harriet (SHING). When we went in there she said, ‘Well, we can make that happen, and we’ll look after you in regard to that.’ But that did not happen. I sent a few emails off backwards and forwards and all that sort of stuff, and it got to the point where we hit the brick wall.<sup>10</sup>

Both, Hayden Collins and Jason Hellwig from Swimming Victoria also expressed disappointment at the cancellation and noted that the Games are an important pathway for swimmers competing on the international stage:

I think it goes back to Jason’s point earlier around an element of disappointment around that kind of opportunity not being there. I suppose to Jason’s [Hellwig] point, the Comm Games is a pathway for Australian swimming. It is likely not as important as some of the other sports will see it, but it is still an important piece of the international sporting landscape.<sup>11</sup>

Moreover, the cancellation of the Games generated concerns over the future improvement of sporting infrastructure. Ali Wastie, Chief Executive Officer of Greater Geelong City Council explained that despite the disappointment generated by the decision to cancel the Games, the city still hopes for the delivery of some infrastructure projects:

The city continues to hold regular discussions with state government on the delivery of legacy infrastructure projects. Our priority is to advocate for infrastructure that delivers for our community now and for the future. The city has worked well with the state government throughout conversations associated with the games, both pre and post cancellation, to ensure that key infrastructure investments and assets delivered to the city provide the best outcomes for the community now and into the future.<sup>12</sup>

**FINDING 20:** The overwhelming response from sporting clubs and associations is a feeling of disappointment due to the cancellation of the 2026 Commonwealth Games.

<sup>10</sup> Ibid., p. 56.

<sup>11</sup> Hayden Collins Director Swimming Victoria, public hearing, Melbourne, 23 October 2023, *Transcript of evidence*, p. 17.

<sup>12</sup> Ali Wastie, Chief Executive Officer, Greater Geelong City Council, public hearing, Geelong, 13 February 2024, *Transcript of evidence*, p. 1.

**FINDING 21:** For elite athletes, the Commonwealth Games is often a pathway event for larger international events, such as the Olympics. The cancellation of the Commonwealth Games will have a negative impact on the ability of elite athletes to gain experience.

### 4.3 The tourism and hospitality sector

Hosting the Games in regional Victoria would have increased the presence of visitors in regional cities, boosting the tourism and hospitality sectors. As explained by Brendan McClements, Chief Executive Officer of Visit Victoria, who first identified the opportunity to host the Games (see Chapter 3), the Games had the opportunity to raise awareness of regional Victoria as a tourism destination:

Tourism that relates from people becoming aware of the fact that that venue exists. That is an ongoing opportunity for the state to ensure that people are aware of the sorts of experiences they can have outside of Melbourne.<sup>13</sup>

In its submission, Event Pty Ltd, believed there would have been benefits for tourism in regional areas related to community events during the Games:

There are also normally a vast range of community events linked to the Games. And this would have been especially the case with the regional areas - so that they can further involve their communities and leverage the tourism opportunities of the Games.<sup>14</sup>

Local councils expressed they were looking forward to welcoming visitors for the Games. Surf Coast Shire Council was expecting a positive impact on tourism during what is usually a quiet tourism period. Liz Pattison, Mayor of Surf Coast Shire Council, explained:

Our role in the Commonwealth Games – understandably, as we just talked about wanting to have slow and purposeful tourism, council was excited about the prospect of the 2026 Commonwealth Games and the immediate and long-term tourism benefits that this would deliver. Having a major event in March is also beneficial as it connects the Christmas period with the Easter period; March is typically a bit of a lull.<sup>15</sup>

The Committee heard from stakeholders in regional Victoria who were disappointed with the lost opportunity to showcase their regions and grow the visitor economy. The submission from Tourism Greater Geelong and the Bellarine explained:

The cancellation is about more than the economic impact of a Commonwealth Games-scale event, although that's important. More significant is the lost opportunity associated with branding the region and driving development of the tourism industry to a world-class level of performance and experience delivery.<sup>16</sup>

<sup>13</sup> Brendan McClements, Visit Victoria, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 3.

<sup>14</sup> Event Pty Ltd, *Submission 9*, p. 15.

<sup>15</sup> Moyne Shire Council, *Submission 19*, p. 2.

<sup>16</sup> Tourism Greater Geelong and the Bellarine, *Submission 26*, p. 2.

General Manager of Silverwater Resort, Adam Glass elaborated on the potential benefit to tourism for the Bass Coast:

You know, this was going to put us all on the map. You have got people that probably do not necessarily come to regions, but you can guarantee once they see the likes of England, Wales, Scotland all staying in this nice little pocket, the flow-on effects for families and the sponsorship – I do not even know you can measure the indirect costs.<sup>17</sup>

The Games were also an opportunity to increase the profile of towns that may have been overlooked by visitors. Katie Reardon, Owner of the Farnham Court Motel and Restaurant, explained how the Games could have put Morwell in a new light as its economy transitions after the closure of local coal-fired power stations:

Morwell was the star. Finally, we got a guernsey. We got the ‘dirty old coal town’ label taken off, and we were going to be hosting the Commonwealth Games. And I think that is the biggest kick in the guts that we could have. Forget about the individuals or the individual businesses like us – it is the town. You know, we are back to being, ‘Oh, right, okay, so we’re just the dirty old coal town again,’ and even then, that is going to be shut down. So we lost more than business. It is motivation; it is incentive; it is the legacy; it is the volunteers that get trained; the community; the children; the excitement of meeting athletes, holding their hands, walking them to podiums. The florist wins. The beauty salons win. The hairdressers win. The masseuses win. The physios win. Everybody does everything in a town when an event comes to town. I know that for a fact. The legacy of the Commonwealth Games is what we are missing, and now we are back to being Struggle Town again. In a heartbeat it was given to us; in half a heartbeat it was taken away.<sup>18</sup>

Despite the impact of the cancellation, stakeholders welcomed the support the tourism sector will receive as part of the \$2 billion regional package. Visit Victoria said:

We look forward to the benefits that will be delivered through the Victorian government’s \$2 billion package, including \$170 million for regional tourism and the visitor economy in initiatives such as regional events and regional marketing.<sup>19</sup>

In discussing the new funding opportunities related to tourism as a result of the \$2 billion regional package, Tracy Carter, Executive Director of Tourism Greater Geelong and the Bellarine, said:

Tourism Greater Geelong and the Bellarine have been pleased to participate in sessions to contribute to the conversations about how regional package funding programs will be designed and have put forward our key priorities to the Department of Jobs, Skills, Industry and Regions. We understand those funding programs are not far away, and we

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17 Adam Glass, General Manager, Silverwater Resort, public hearing, Morwell, 14 March 2024, *Transcript of evidence*, p. 41.

18 Katie Reardon, Owner, Farnham Court Motel and Restaurant, public hearing, Morwell, 14 March 2024, *Transcript of evidence*, p. 41.

19 Brendan McClements, Chief Executive Officer, Visit Victoria, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 2.

look forward to capitalising on the opportunities with our members and the region more broadly.<sup>20</sup>

Ms Carter also provided the Committee with positive appraisals of visitor economy trends in the Geelong region:

On that comparison to prior to the pandemic, we were at \$1.1 billion (tourism) spend per annum and we are now at \$1.7 billion.<sup>21</sup>

This evidence was echoed by City of Ballarat Chief Executive Officer Evan King:

We are certainly seeing significant uplift in attendance at events post COVID. ... At our first begonia festival after COVID we had in excess of 50,000 people turn up, which is a really, really significant volume of people.<sup>22</sup>

**FINDING 22:** The tourism and hospitality sector are disappointed at the lost opportunity that the 2026 Commonwealth Games would have provided, in particular for regional businesses, but also the opportunity to showcase and market the regions.

## 4.4 Social and affordable housing

Another opportunity generated by hosting the Commonwealth Games in regional Victoria was to convert athlete's villages into social and public housing to meet the significant demand for housing in regional Victoria.

The cancellation of the Games caused concern amongst some regional stakeholders that much needed social and affordable housing would not be built.<sup>23</sup> However, according to the Western Homelessness Network, the cancellation could be beneficial to tackle the homelessness issue quicker because funding will be directly allocated to the construction of social housing.<sup>24</sup>

Following the cancellation, the Government established the \$2 billion regional package with \$1 billion allocated specifically on social and affordable housing.<sup>25</sup> The Hon Harriet Shing MLC, Minister for Regional Development and former Minister for Commonwealth Games Legacy, explained that at least 1,300 social and affordable homes will be built across rural and regional Victoria:

<sup>20</sup> Tracy Carter, Executive Director, Tourism Greater Geelong, public hearing, Geelong, 13 February 2024, *Transcript of evidence*, p. 46.

<sup>21</sup> Ibid.

<sup>22</sup> Evan King, Chief Executive Officer, Ballarat City Council, public hearing, Ballarat, 14 February 2023, *Transcript of evidence*, p. 6.

<sup>23</sup> Enjoy Church, *Submission 29*, pp. 1-2.

<sup>24</sup> Western Homelessness Network, *Submission 26*, p. 4.

<sup>25</sup> Adeshola Ore and Sarah Basford Canales, 'Timing of \$2bn housing and sports package uncertain after Victorian Commonwealth Games pullout', *The Guardian*, 3 August 2023, <<https://www.theguardian.com/australia-news/2023/aug/03/victoria-government-mayors-social-affordable-housing-sports-facilities-commonwealth-games>> accessed 27 March 2024.

When the regional package was announced, that includes, as you would know, \$1 billion for at least 1300 social and affordable homes across rural and regional Victoria, and that does not just go to those hub locations, it is across the entire state, but also that \$150 million worker accommodation fund. So that then came squarely within the remit of housing for that \$1 billion fund and regional development for that workforce accommodation fund.<sup>26</sup>

Peta McCammon, Secretary of Department of Families, Fairness and Housing, explained that homes had already been committed in some areas and that planning and consultation was underway for the rest:

Early projects announced under the Regional Housing Fund include up to 70 dwellings to support communities impacted by the 2022 floods, up to 50 homes in Colac and up to 50 public homes in Wodonga. Homes Victoria is in discussions with Development Victoria on options for delivering a proportion of the target on the former Commonwealth Games village sites. What we may do on these sites will also depend on the overall plans for the program and what we hear from regional communities through the consultation process.<sup>27</sup>

The expectation is to continue investing in social and affordable housing across regional Victoria including the proposed host cities for the Games: Geelong, Bendigo, Ballarat, and the Latrobe Valley.<sup>28</sup>

The Latrobe City Council welcomed the allocation of new funding to build social housing:

LCC [Latrobe City Council] welcomes the committed investment to social and affordable housing. It is understood that state government intends to develop housing at the previously identified Commonwealth Games Athletes Village site at English Street, Morwell and welcomes the opportunity to engage with the state government to ensure that the masterplan developed is consistent with the Latrobe Planning Scheme, and ultimately delivers design outcomes that are appropriate for the area.<sup>29</sup>

Regional charity organisation, Enjoy Church highlighted the desperate and growing need for social and affordable housing in regional Victoria in its submission, stating:

Our team have been assisting participants that have multiple families living in the one home due to rising rental costs and the inability to afford their own rental properties. The lack of social housing and rental properties in the region continues to cause housing insecurity for many of our service participants. It is fair to say more social housing was needed yesterday! We have seen an increase in those who are requiring emergency food parcels due to lack of funds for groceries, and we are seeing a rise in the “working

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26 Hon Harriet Shing MLC, Minister for Regional Development and former Minister for Commonwealth Games Legacy, public hearing, Melbourne, 26 October 2023, *Transcript of evidence*, p. 32.

27 Peta McCammon, Secretary Department of Families, Fairness and Housing, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 63.

28 Ibid., p. 63.

29 Latrobe City Council, *Submission 28*, p. 3.

poor” needing to use our service due to rent increases and general cost of living increases. Eighteen months ago, we were seeing 10 households using our service, now we are seeing 80–90 households coming to use our service on a weekly basis. Gippsland needs help! The families we are assisting need to see the promised social housing plan for the region commence and be delivered in a timeframe which addresses the demonstratable need.<sup>30</sup>

Greater Shepparton City Council Economic Development Manager, Anthony Nicolaci echoed the need for affordable housing:

Housing is obviously one of the community’s key priorities here, from lots of different things. Affordable housing is a real challenge and critical need within our region, and we are constantly advocating for that.<sup>31</sup>

While welcoming the funding allocated to housing, Michelle Twigger, Network Coordinator for Central Highlands Homelessness Alliance, was concerned about the urgent need for housing and noted that the number of dwellings was not enough to meet growing demand:

Ballarat was one of the regional hubs where housing was originally planned to be built, and therefore the region would benefit from the games legacy infrastructure programs. To quote the original games pledge, the package is made up of a \$1 billion regional housing fund that the government says will deliver 1300 new social and affordable homes. [...] However, we are concerned about the time line, progress and budget of the Victorian government’s regional infrastructure and housing build. 1300 homes statewide are simply not enough. At the end of September 2023 the Homes Victoria website showed that the VHR priority waiting list had over 3500 people in the Central Highlands, with 385 priority-listed in the Wimmera. The stated 211 planned builds are insufficient for the existing waitlist, and 1300 homes would barely meet the shortfall in the Central Highlands and Wimmera regions, let alone the state. We need the rapid provision of adequate and appropriate new homes now, not in a couple of years.<sup>32</sup>

At the time of the hearings, Homes Victoria was unable to provide the Committee with any indication of how many of the 1,300 homes would be affordable, community or public housing, where they will be located, or how many will be purchased from Development Victoria.

Going forward, the Committee will seek information from the Victorian Government about the location and number of affordable and social housing, amongst other details.

<sup>30</sup> Enjoy Church, *Submission 29*, pp. 1–2.

<sup>31</sup> Anthony Nicolaci, Economic Development Manager, Greater Shepparton City Council, public hearing, Bendigo, 27 February 2024, *Transcript of evidence*, p. 32.

<sup>32</sup> Michelle Twigger, Network Coordinator, Central Highlands Homelessness Alliance, public hearing, Ballarat, 14 February 2024, *Transcript of evidence*, p. 53.

## 4.5 Victoria's reputation as a host of major events

The reputation of Victoria as a host of major events emerged as a theme when discussing the impact of the Games cancellation. A number of stakeholders were concerned that Victoria's reputation as a reliable host of major events would be damaged. According to Athletics Australia, the cancellation of the Games has harmed Victoria's reputation, and its ability to attract elite athletes to compete at major events:

the Vic 2026 cancellation has impacted the reputation of Victoria and Australia as an event host and therefore our ability to attract elite athletes to Australia to participate in our domestic competitions, including the highest profile event in the Southern Hemisphere, the Maurie Plant Meet in Melbourne, a World Athletics continental gold meet.<sup>33</sup>

According to Alana Thomson from Latrobe University, cancelling the event could have an impact on reputation and be a missed opportunity for Victoria and Australia to increase their visibility:

If I say, anecdotally – did it impact on reputation? Yes, because we know from the event literature and the event research that hosting events is a powerful signal for things like international trade, politics and sports diplomacy. You know, China's recent hosting of events is not an accident; there is a substantial positioning strategy that is going on behind that. So cancelling an event, I think, definitely sends a signal to the world that event governance in Australia, not just Melbourne and Victoria, may be somewhat problematic and uncertain. I know people working on the Brisbane Olympic Games were quite nervous at the time that this broke.<sup>34</sup>

Witness Simon Thewlis, Director of Event Pty Ltd, said that lessons had gone unheeded by the Government:

This is very telling, because in mid-2021 there was a Legislative Council inquiry to look into the event industry, because again the Victorian government did not value or respect our industry. Had the Victorian government taken notice of the 2021 inquiry, perhaps we would not need to be here today. This is a story of astonishing arrogance and hubris that has seen Victoria go from having once been a leading event state to one responsible for the biggest debacle in the history of events in Australia.<sup>35</sup>

Witnesses Adam Glass spoke directly to the reputational damage to Victoria:

Getting back to what we have done in our whole career, I had 15 years overseas with international chains and reporting to a group of investors, and I can assure you that if I said to my investors today, 'Look, I'm sorry. I am that kind of money out,' not only would I be immediately fired for the fact that I am out that much, but the fact I had been hiding it. That would even be me. That credibility has gone. How do you get that back? It is very hard.<sup>36</sup>

<sup>33</sup> Jane Flemming, President, Athletics Australia, public hearing, Melbourne, 5 December 2023, *Transcript of evidence*, p. 30.

<sup>34</sup> Dr Alana Thomson, Latrobe University, public hearing, Bendigo, 27 February 2024, *Transcript of evidence*, p. 55.

<sup>35</sup> Simon Thewlis, Director, Event Pty Ltd, public hearing, Melbourne, 23 October 2023, *Transcript of evidence*, p. 41.

<sup>36</sup> Adam Glass, General Manager, Silverwater Resort, public hearing, Morwell, 14 March 2024, *Transcript of evidence*, p. 50.



In addition, Katie Reardon from Farnham Court Motel stated:

Well, the English, they were just gobsmacked. The people that we were negotiating with said, 'That can't be true. It just simply can't happen.' It was embarrassing, and it was awful to have to tell them. We were actually on a Zoom with them, as I said, so we told them before they heard on the news. They were shattered. And their words were, over time, because we kept in touch with them for a week, it was kind of like ripping a bandaid off, you know, you just had to keep making sure that they were okay. They were just 'Well, we'd never trust an Aussie again' – not a Victorian, an Aussie. It damaged the country as well as Victoria. I mean, Victoria, forget it – they will never do business with us ever again. But they really just said, 'Well, you guys, your handshake's not worth anything.'<sup>37</sup>

However, Brendan McClements from Visit Victoria was of the view that the cancellation of the Games did not have an impact on Victoria's reputation as a host of major events. When asked if the cancellation harmed Victoria's reputation, he replied:

I have visibility on our reputation in international markets with those people who control similar events. Having had extensive conversations since 18 July, my professional advice is: no, it has not.<sup>38</sup>

**FINDING 23:** Whilst many industries, businesses, sporting clubs and community organisations believe that the cancellation of the Commonwealth Games has negatively impacted Victoria's reputation as a future host of major events, government agency Visit Victoria does not share this view.

## 4.6 The Committee's Final Report

This Interim Report has provided an in-depth analysis of the procedural barriers faced by the Committee in accessing information, as well as the key events surrounding the bid and cancellation of the 2026 Commonwealth Games.

The Committee is required to table a Final Report by April 2025.

The Final Report will explore in depth all of the evidence the Committee has received, including at its public hearings in regional Victoria. Some of the aspects the Committee expects to address include:

- a further examination of the impacts of the cancellation, including on regional communities, grassroots sporting organisations and businesses
- governance failures in the Victorian Government's bid for the 2026 Commonwealth Games

<sup>37</sup> Katie Reardon, Owner, Farnham Court Motel and Restaurant, public hearing, Morwell, 14 March 2024, *Transcript of evidence*, p. 51.

<sup>38</sup> Brendan McClements, Chief Executive Officer, Visit Victoria, public hearing, Melbourne, 13 October 2023, *Transcript of evidence*, p. 6.

- the potential of undue influence by the executive on the independence of the public service
- consultation between the Victorian Government, local governments, sporting organisations and regional communities ahead of the Games
- the timeline, progress and budget of the Victorian Government's \$2 billion regional infrastructure and housing build
- the ongoing trends in Victoria's regional visitor economy in the wake of the decision to cancel the Commonwealth Games

The viability of funding models and government assessments used by states/cities to host major events such as the Commonwealth Games, and whether alternate models with lower risk for hosts may be viable.

**Adopted by the Select Committee on the 2026 Commonwealth Games Bid  
55 St Andrews Place, East Melbourne  
8 April 2024**

# Appendix D

## Second interim report

**Inquiry into the 2026 Commonwealth Games bid | Second interim report**  
Failure to provide documents under  
Legislative Council Standing Orders

September 2024

D



# Report on failure to provide documents under Legislative Council Standing Orders

**FINDING 1:** The Government has not complied with the process for claiming executive privilege under Legislative Council Standing Orders 10.03 to 10.05 for documents that were ordered for production by the Legislative Council on 1 May 2024. These documents are relevant to the Committee's Inquiry and the Government's failure to engage with the process for claiming executive privilege, including the process for disputing the validity of a claim of executive privilege, may impede the Committee's ability to properly carry out its functions as set out in its Terms of Reference.

On 28 August 2024, the Committee agreed to the following motion:

That the Select Committee on the 2026 Commonwealth Games bid —

1. notes:
  - a. the Legislative Council passed a motion on 1 May 2024 requiring the production of documents that were summonsed or requested by the Select Committee outlined in Appendix D of the Committee's interim report
  - b. the Government's response to the House outlined that it had identified 353 documents that fell within the scope of the order and made a claim of executive privilege on 350 of those documents in full and 3 in part
  - c. the Government did not make the documents available to the mover of the motion as outlined in Legislative Council Standing Order 10.03(1)(b)(i), preventing the mover from disputing the validity of the claims of executive privilege and requesting the appointment of an independent legal arbiter to make an evaluation of the claim, as outlined in Legislative Council Standing Order 10.03(2)
2. reports this matter to the House by tabling an interim report on the issue
3. calls on the Government to comply with the processes for claiming executive privilege on production of document returns as outlined in Legislative Council Standing Orders 10.03 to 10.05 within two weeks of the tabling of the Committee's interim report.

The Committee resolved to table this Report to highlight the Government's failure to comply with the process of resolving disputes regarding claims of Executive privilege against documents ordered by the Legislative Council.

The claims were made in response to an order for the production of documents made by the House on 1 May 2024. The documents ordered were outlined in the Committee's previous interim report and are relevant to the Committee's ongoing inquiry.

The process for resolving disputes over claims of Executive privilege is prescribed in the Legislative Council Standing Orders. The Standing Orders also prescribe the process to appoint an independent legal arbiter to assess the validity of any disputed claims. The process is detailed further in the sections below.

When there is a claim of Executive privilege over documents that were ordered by the Legislative Council, the documents must be provided to the Clerk for inspection by the mover of the motion only. The mover of the motion may dispute any claims of Executive privilege, which will then be resolved through the appointment of an independent legal arbiter to evaluate and report on the validity of the claims.

However, the Government has not provided any of the documents required under the Legislative Council's order of 1 May 2024 and as a result the independent review process cannot be initiated. This is in direct contravention of the Legislative Council Standing Orders.

In the Committee's view, the Government's own self-assessment of Executive privilege without independent review is not only a contravention of the Standing Orders but a direct impediment on the Committee's ability to conduct a thorough and transparent inquiry.

The Committee noted in its previous interim report that it does not accept the Government's wide definition of what is covered by the scope of executive privilege.<sup>1</sup> Although the Committee acknowledges that the Government has a different view, there is a prescribed process to resolve such disputes and the Government has not complied with this.

## **Legislative Council production of documents order and Government's response**

On 1 May 2024, David Limbrick moved a production of documents motion in the Legislative Council. The motion sought documents which had been the subject of claims of executive privilege when the Committee sought them during the course of its Inquiry. The Committee reported these matters to the House in its interim report. Mr Limbrick's motion required that documents to be provided within 30 days of being agreed to.

The motion was agreed to on the same day without division. The motion in full is provided in Appendix A.

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<sup>1</sup> Select Committee on the 2026 Commonwealth Games Bid, *Inquiry into the 2026 Commonwealth Games bid: Interim Report*, Parliament of Victoria, pp. 13-17.

On 31 May 2024, the Clerk tabled a response he received from the Attorney-General relating to the 1 May 2024 resolution. In the response, the Attorney-General stated:

- the Government identified 353 documents the fall within the scope of the Order (which were provided in an attached schedule)
- the Government makes a claim of executive privilege over 350 of the documents, and a part claim over 3 further documents.

The Attorney-General also referred to letters of former Attorneys-General and Premier that:

- note the Government's view on the limits on the Legislative Council's power to call for documents, which centre on protection of the public interest
- state the factors the Government would consider when assessing whether release of documents would be prejudicial to the public interest.

The response is provided in Appendix B.

Since the Attorney-General's response was tabled, the Government has not provided the documents with a claim of Executive privilege to the Clerk for inspection by Mr Limbrick as required under the Standing Orders.

The non-provision of these documents has impeded Mr Limbrick as mover of the motion from progressing the process to resolve claims of Executive privilege through an independent legal arbiter.

## **Process for resolving disputes relating to claims of Executive privilege over documents**

The Legislative Council has a prescribed process for resolving disputes relating to Executive privilege claims. This was established in the current form in 2014 at the end of the 57th Parliament.

Standing Order 10.03 details the process where the Government makes a claim of Executive privilege over documents. This includes:

- preparing a return that shows:
  - the date of creation of the document
  - a description of the document
  - the author of the document
  - the reason for each of the claims of executive privilege
- delivering the documents to the Clerk by the time required under the resolution and:
  - made available to the mover of the motion only
  - not published or copied without an order of the Council.

The mover of the motion may then notify the Clerk to dispute the validity of executive privilege claims on the documents. In such an event, Standing Orders 10.04 and 10.05 further detail a process to establish an independent legal arbiter to evaluate the claims and provide a report to the Council.

The Committee notes that to date, successive Governments have never provided documents with claims of Executive privilege to the Clerk as required under Standing Order 10.03. This non-compliance has meant that the independent legal arbiter process under Standing Orders 10.04 to 10.05 has never been used.

The Committee also notes that failure to properly comply with orders of Parliament or its committees to provide documents may be considered a contempt.

**Adopted by the Select Committee on the 2026 Commonwealth Games Bid  
Parliament of Victoria, East Melbourne  
2 September 2024**



# Extracts of proceedings

Legislative Council Standing Order 23.20(5) requires the Committee to include in its report all divisions on a question relating to the adoption of the draft report. All Members have a deliberative vote. In the event of an equality of votes, the Chair also has a casting vote.

The Committee divided on the following questions during consideration of this report. Questions agreed to without division are not recorded in these extracts.

## Committee Meeting—14 March 2025

### Chapter 1 – Inquiry summary

Sarah Mansfield moved, in finding 1 after ‘This was primarily due to’ insert: ‘inadequate planning and consultation, failures in departmental processes and communication, poor ministerial oversight and accountability,’.

Question — put.

#### The Committee divided.

Ayes 6	Noes 3
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

#### Question agreed to.

David Davis moved, in section 1.1 insert the following finding:

The Victorian Government’s decision to withdraw from hosting the 2026 Games was a result of a series of failures at a departmental and ministerial level. A hasty political decision was made by the then Andrews Labor Government to support the Commonwealth Games in the proposed multi-city model, but the Government did not undertake proper due diligence.

Question — put.

#### The Committee divided.

Ayes 6	Noes 3
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

**Question agreed to.**

David Davis moved, in section 1.1 insert the following finding:

The Committee concludes that proper processes were truncated or not undertaken at all, and warnings were not heeded by the Victorian Government and government agencies.

Question — put.

**The Committee divided.**

Ayes 6	Noes 3
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

**Question agreed to.**

David Davis moved, in section 1.1 insert the following finding:

The modelling relied upon by the Andrews Labor Government was inadequate and clearly flawed and the processes and analysis relied upon by government were also hopelessly flawed. The Committee concludes this had the consequence of exposing the state government and thereby the Victoria people (including taxpayers) to a disastrous financial loss and severe reputational damage.

Michael Galea moved, delete the word ‘hopelessly’ and delete the words ‘The Committee concludes this had the consequence of exposing the state government and thereby the Victoria people (including taxpayers) to a disastrous financial loss and severe reputational damage.’

Question — put.

**The Committee divided.**

Ayes 6	Noes 3
Jacinta Ermacora	Melina Bath
Michael Galea	David Davis
David Limbrick	Joe McCracken
Sarah Mansfield	
Tom McIntosh	
Rikki-Lee Tyrrell	

**Question agreed to.**

Question, as amended — put and agreed to.

David Davis moved, in section 1.1 insert the following finding:

The officers in the Department of Premier and Cabinet, Department of Jobs, Skills, Industry and Regions and Department of Treasury and Finance do bear a share of the responsibility for the decision to withdraw. However, ultimately the responsibility must be directly shouldered by the key ministers, Hon Daniel Andrews, Hon Jacinta Allan MP, Hon Martin Pakula, Hon Tim Pallas, as well as members of the Expenditure Review Committee and the Cabinet. These senior people did not properly manage the process of obtaining the Commonwealth Games and the associated due diligence.

Question — put.

**The Committee divided.**

Ayes 6	Noes 3
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

**Question agreed to.**

David Davis moved, in section 1.1 insert the following finding:

Noting that Cabinet was the ultimate decision maker, the Cabinet process, including the role of the Expenditure Review Committee, has been shown to be inadequate and flawed.

Question — put.

**The Committee divided.**

Ayes 6	Noes 3
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

**Question agreed to.**

David Davis moved, in section 1.1 insert the following finding:

Visit Victoria is shown to have been a body that was found by the Committee to be unreliable, secretive and evasive. Brendan McClements was an unreliable witness.

Question — put.

**The Committee divided.**

Ayes 3	Noes 6
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
Joe McCracken	David Limbrick
	Sarah Mansfield
	Tom McIntosh
	Rikki-Lee Tyrrell

**Question negated.**

Michael Galea moved, in section 1.1 insert the following finding:

The Victorian Government’s decision to withdraw from hosting the Commonwealth Games in July 2023 was the right decision at the time.

David Davis moved, after ‘at the time’ insert ‘although the Government did not investigate a Melbourne based games option’.

Question — put.

**The Committee divided.**

Ayes 4	Noes 5
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
Joe McCracken	David Limbrick
Rikki-Lee Tyrrell	Sarah Mansfield
	Tom McIntosh

**Question negated.**

Original question — put.

**The Committee divided.**

Ayes 5	Noes 4
Jacinta Ermacora	Melina Bath
Michael Galea	David Davis
David Limbrick	Joe McCracken
Sarah Mansfield	Rikki-Lee Tyrrell
Tom McIntosh	

**Question agreed to.**

David Davis moved, in section 1.1 delete:

However, the Committee accepts that withdrawing from hosting the Games in July 2023 was the right decision at the time, given the untenable financial impact on the State to continue. The Department of Treasury and Finance gave the advice to withdraw from hosting due to escalating costs before the Government entered into major contracts.

Question — put.

**The Committee divided.**

Ayes 4	Noes 5
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
Joe McCracken	David Limbrick
Rikki-Lee Tyrrell	Sarah Mansfield
	Tom McIntosh

**Question negated.**

David Davis moved, in section 1.3.2 insert the following finding:

The announcement of the decision to withdraw from the Commonwealth Games dealt a body blow to Victoria’s reputation internationally damaging the respect in which our state had previously been held. It will take years to restore full confidence in Victoria’s word internationally.

Question – put.

**The Committee divided.**

<b>Ayes 4</b>	<b>Noes 5</b>
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
Joe McCracken	David Limbrick
Rikki-Lee Tyrrell	Sarah Mansfield
	Tom McIntosh

**Question negated.**

David Davis moved, in section 1.3.2 insert the following finding:

A change of government would assist in resetting perceptions of Victorian trustworthiness.

Question – put.

**The Committee divided.**

<b>Ayes 4</b>	<b>Noes 5</b>
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
Joe McCracken	David Limbrick
Rikki-Lee Tyrrell	Sarah Mansfield
	Tom McIntosh

**Question negated.**

Joe McCracken moved, in section 1.4.2, finding 17 before ‘impact on the morale’ insert ‘negative’.

Question – put.

**The Committee divided.**

Ayes 6	Noes 3
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

#### Question agreed to.

David Davis moved, in section 1.4.3 insert the following finding:

The reputational damage to Victoria considered in the next section undoubtedly had economic impacts beyond the \$589 million lost, although these are hard to quantify in full.

Question — put.

#### The Committee divided.

Ayes 4	Noes 5
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
Joe McCracken	David Limbrick
Rikki-Lee Tyrrell	Sarah Mansfield
	Tom McIntosh

#### Question negatived.

Joe McCracken moved, in section 1.4.3 insert the following finding:

The Committee agrees with the Victorian Auditor-General that the \$6.9 billion cost estimate to justify the cancellation of the commonwealth games was overblown and not transparent. The Committee notes that the Victorian Government was not forthcoming with accurate and timely information.

Question — put.

#### The Committee divided.

Ayes 6	Noes 3
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

**Question agreed to.**

Joe McCracken moved, in section 1.4.4, finding 19 delete ‘However, there is no immediate evidence to suggest significant harm to Victoria’s reputation in the short term.’.

Question — put.

**The Committee divided.**

Ayes 4	Noes 5
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
Joe McCracken	David Limbrick
Rikki-Lee Tyrrell	Sarah Mansfield
	Tom McIntosh

**Question negated.**

David Davis moved, in section 1.4.4 insert the following finding:

Brendan McClements was an unconvincing witness and should resign from his position at Visit Victoria. He is not the best person to lead Visit Victoria forward as we seek to heal the damage done through the cancellation of the Commonwealth games.

Question — put.

**The Committee divided.**

Ayes 3	Noes 6
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
Joe McCracken	David Limbrick
	Sarah Mansfield
	Tom McIntosh
	Rikki-Lee Tyrrell

**Question negated.**



## Chapter 2 – Inherent issues associated with a multi-city regional Games

David Davis moved, in section 2.2.2 insert the following finding:

At a later point an option to ‘save the Games’ by swiftly exploring a different model was not taken. For example, it appears a model that saw many, perhaps most events moved, to Melbourne was not explored.

Question – put.

### The Committee divided.

Ayes 4	Noes 5
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
Joe McCracken	David Limbrick
Rikki-Lee Tyrrell	Sarah Mansfield
	Tom McIntosh

### Question negated.

David Davis moved, in section 2.2.2 insert the following finding:

The Cabinet and departmental officers should have explored wider options to ‘save the Games’ or to modify the Games to make them financially viable. After all a highly successful Commonwealth Games had been conducted in Melbourne in 2006, and many facilities were in place.

Question – put.

### The Committee divided.

Ayes 3	Noes 6
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
Joe McCracken	David Limbrick
	Sarah Mansfield
	Tom McIntosh
	Rikki-Lee Tyrrell

### Questioned negated.

### Chapter 3 – Governance and decision-making processes

Sarah Mansfield moved, in section 3.1 insert the following recommendation:

That the Victorian Government undertake a comprehensive review of the use of consultants and develop a plan to:

- a. reduce spending on external consultants, and
- b. increase capacity and skills within the Victorian Public Service.

Question – put.

#### The Committee divided.

Ayes 1	Noes 8
Sarah Mansfield	Melina Bath
	David Davis
	Jacinta Ermacora
	Michael Galea
	David Limbrick
	Joe McCracken
	Tom McIntosh
	Rikki-Lee Tyrrell

#### Question negatived.

Sarah Mansfield moved, in section 3.1 insert the following finding:

Ministers and departments have avoided accountability for failures in decision-making and governance regarding the decision to host the Commonwealth Games, and subsequent decisions that led to the Games' cancellation. This is evidenced by:

- failure of Ministers responsible to appear before the Committee,
- failure to produce documents requested by the Committee and the Parliament,
- questionable use of claims of executive privilege and failure to follow the Legislative Council Standing Orders with respect to such claims, and
- refusal of departments to accept the findings of the Victorian Auditor-General.

Question – put.

#### The Committee divided.

Ayes 6	Noes 3
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

**Question agreed to.**

Sarah Mansfield moved, in section 3.1 insert:

While the Committee accepts that there is a need to ensure that certain cabinet processes and deliberations remain confidential, at least for a period, there is scope for greater transparency regarding the decisions made by cabinet particularly after they have been finalised.

Question — put.

**The Committee divided.**

Ayes 6	Noes 3
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

**Question agreed to.**

Sarah Mansfield moved, in section 3.1 insert the following recommendation:

In line with recommendations from the Victorian Ombudsman's report *Alleged politicisation of the public sector Investigation of a matter referred from the Legislative Council* and the Centre for Public Integrity's report *Achieving Integrity: a roadmap for transparency, oversight and accountability in Victoria*, that the Victorian Government requires all Cabinet decision papers be published within 30 days of a final Cabinet decision being made, subject to specified reasonable exceptions

Question — put.

**The Committee divided.**

Ayes 1	Noes 8
Sarah Mansfield	Melina Bath
	David Davis
	Jacinta Ermacora
	Michael Galea
	David Limbrick
	Joe McCracken
	Tom McIntosh
	Rikki-Lee Tyrrell

**Question negated.**

David Davis moved, in section 3.3 insert the following finding:

Department of Treasury and Finance failed to provide fully accurate and reliable advice which the Expenditure Review Committee and Cabinet itself could rely upon. However, Cabinet must ultimately accept full responsibility for the failure to properly analyse the costs of committing to the Games.

Question — put.

**The Committee divided.**

Ayes 6	Noes 3
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

**Question agreed to.**

David Davis moved, in section 3.3 insert the following finding:

The members of the Expenditure Review Committee during the decision-making on the Commonwealth Games bid should be published. These members should be held responsible given the significance of the errors.

Question — put.

**The Committee divided.**

Ayes 6	Noes 3
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

### Question agreed to.

Sarah Mansfield moved, in section 3.4.4 insert:

The Parliament plays a key role in providing oversight and holding the government to account, including through joint investigatory committees such as the Public Accounts and Estimates Committee. However, as noted by multiple integrity experts, this role is hampered in Victoria due to significant structural problems as these Committees are dominated by Government members. Had the Public Accounts and Estimates Committee been able to apply appropriate scrutiny to the Commonwealth Games project and cancellation, the Parliament or that Committee itself may have been able to establish an inquiry into it. The decision of the Parliament to establish a Select Committee indicates that limited confidence it has in the existing joint investigatory committees to apply appropriate scrutiny

Question — put.

### The Committee divided.

Ayes 6	Noes 3
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

### Question agreed to.

Sarah Mansfield moved, in section 3.4.4 insert:

The Committee notes that the failures of governance and decision-making point to a broader need for strengthened parliamentary oversight and scrutiny of major projects. Currently, this oversight should be provided by the Public Accounts and Estimates Committee (PAEC), but the Committee notes that PAEC has a majority of government members and a government chair, limiting effective interrogation of government projects. A reformed committee structure of PAEC may have avoided the need to establish this Select Committee.

Question — put.

**The Committee divided.**

<b>Ayes 5</b>	<b>Noes 4</b>
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
Sarah Mansfield	David Limbrick
Joe McCracken	Tom McIntosh
Rikki-Lee Tyrrell	

**Question agreed to.**

Sarah Mansfield moved, in section 3.4.4 insert the following recommendation:

That the Victorian Government implements a non-government chair and majority on all joint investigatory committees, including the Public Accounts and Estimates Committee.

Question — put.

**The Committee divided.**

<b>Ayes 1</b>	<b>Noes 8</b>
Sarah Mansfield	Melina Bath
	David Davis
	Jacinta Ermacora
	Michael Galea
	David Limbrick
	Joe McCracken
	Tom McIntosh
	Rikki-Lee Tyrrell

**Question negated.**

**Chapter 4 – Regional funding package**

Michael Galea moved, in the paragraph commencing ‘Despite these funding packages being announced in June 2023,’ the words ‘This is concerning because’ be omitted and replaced with ‘The programs have the benefit of not having the same fixed deadline as was posed by the Games, however the Committee notes that’.

Question — put.

**The Committee divided.**

Ayes 3	Noes 6
Jacinta Ermacora	Melina Bath
Michael Galea	David Davis
Tom McIntosh	David Limbrick
	Sarah Mansfield
	Joe McCracken
	Rikki-Lee Tyrrell

#### Question negated.

Joe McCracken moved, in section 4.2.3 insert the following finding:

The Committee found that there was general concern amongst some housing providers that the per unit cost for dwellings provided under the Regional Housing fund were excessive, above current market valuations, with no conclusive reason justifying the variance.

Question – put.

#### The Committee divided.

Ayes 6	Noes 3
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

#### Question agreed to.

## Chapter 5 – Impediments to the Inquiry

David Davis moved, in section 5.1.1 insert the following finding:

The Committee is of the view that given the gravity of the errors by government on the Commonwealth Games bid the current Premier Hon Jacinta Allan MP and former Premier Hon Daniel Andrews should have appeared at the Inquiry to give public evidence.

Question – put.

#### The Committee divided.

Ayes 6	Noes 3
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

**Question agreed to.**

David Davis moved, in section 5.1.2 insert the following recommendation:

Given the failure of the key ministers and staff to appear before the Legislative Council inquiry on the Commonwealth Games the Legislative Assembly Economy and Infrastructure Committee should be referred an inquiry (or self-reference if necessary) for the purpose of holding public hearings with the relevant ministers and former ministers and report to the Legislative Assembly these being:

- Hon Daniel Andrews
- Hon Jacinta Allan MP
- Hon Tim Pallas
- Hon Martin Pakula.

Question — put.

**The Committee divided.**

Ayes 6	Noes 3
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

**Question agreed to.**

Joe McCracken moved, in section 5.2.4 insert the following finding:

At almost every point, the Victorian Government has not fully cooperated with the work of the Committee in providing evidence in the form of documents or the appearance of relevant witnesses. These actions are an avoidance of parliamentary scrutiny and public accountability.

Question — put.



**The Committee divided.**

<b>Ayes 6</b>	<b>Noes 3</b>
Melina Bath	Jacinta Ermacora
David Davis	Michael Galea
David Limbrick	Tom McIntosh
Sarah Mansfield	
Joe McCracken	
Rikki-Lee Tyrrell	

**Question agreed to.****Appendices**

Michael Galea moved, that Pages 1 to 74 of the Committee's first Interim Report be inserted as a new appendix.

Question – put.

**The Committee divided.**

<b>Ayes 5</b>	<b>Noes 4</b>
Jacinta Ermacora	Melina Bath
Michael Galea	David Davis
Sarah Mansfield	David Limbrick
Tom McIntosh	Joe McCracken
Rikki-Lee Tyrrell	

**Question agreed to.**



# Minority reports





# Select Committee on the 2026 Commonwealth Games Bid: Minority Report

Victorian Greens



Dr Sarah Mansfield MLC

21st March 2025

# Foreword

From the conception of the 2026 Commonwealth Games, the approach taken by the Victorian Government was riddled with failures in transparency, oversight, and governance.

The value of this Select Committee inquiry was not so much in identifying what went wrong with respect to the Commonwealth Games in isolation, but in demonstrating systemic failures and how similar patterns likely contribute to poor government decision-making regarding other significant policies and investments.

These systemic issues were not newly discovered through this inquiry; rather, the inquiry reinforced findings of various agencies including the Victorian Ombudsman, the Victorian Auditor General, and a range of integrity experts.

**This was ultimately yet another demonstration of Victoria's public integrity failures.**

Victoria will not be faced with an identical situation, but it is incumbent on the Victorian Government to heed the lessons from this episode in our history and undertake the necessary reforms to strengthen integrity and begin to restore trust in government.

I broadly support the findings and recommendations of the majority report; the purpose of this minority is to make several recommendations that take a wider view of systemic issues underpinning the Commonwealth Games' process failures. These relate primarily to:

1. Use of consultants and diminution of the role of the public service
2. Parliamentary oversight
3. Transparency of government decision-making

# 1. Use of consultants and diminution of the role of the public service

A key omission from the majority report is the question of whether there are adequate measures in place to ensure that major government investment decisions are being made in the broader public interest.

In the case of the Commonwealth Games, it would appear that the decision to proceed with hosting the Games was demonstrably not in the general public interest. While the Government's commentary regarding the potential benefits to regional Victoria dominated the original announcement, we now know that these benefits were unrealistic and never going to eventuate because there was no solid policy or financial basis to the claims.

A rushed, secretive, poorly analysed business case - outsourced to consultants - formed the basis of the decision to proceed with the Games. To their credit, the consultants' report was filled with caveats given the time pressure and their limited ability to collect information, and they provided a very clear outline of the significant risks associated with hosting the Games - including budget blowouts and failure to deliver the Games.

However, the reliance on the use of consultants at this early stage meant the public service were largely cut out of this process, denying them opportunity for greater input and preventing them from having a clear overview of all the key assumptions underpinning the business case.

Serving the broad public interest is (or should be) foundational for the public service. This is not the case for private consultants, who are at their core, commercial entities financially dependent on obtaining contracts, and there are major regulatory gaps in relation to their performance and conduct<sup>1</sup>. This is not to say that external consultants don't have a role to play in informing government decision-making, but the differences in purpose and oversight are worth noting.

Ongoing failures by departments and ministers to test assumptions underpinning the business case, or to address the well-articulated risks, meant that an inability to deliver on the Victorian Government's vision for the Games was inevitable from the outset. Why they didn't do so remains an unanswered question of this inquiry, but one possible contributor is the early sidelining of the public service as a result of outsourcing the business case to consultants.

As noted in the majority report, the Victorian Ombudsman observed that the secretive nature of the business case and use of private consultants potentially restricted the ability of the public service to do its job properly - that is, provide frank, impartial and timely advice to ministers.

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<sup>1</sup> Senate Inquiry Report: Management and assurance of integrity by consulting services, June 2024

Issues with the reliance on consultants and the diminution of the role of the public service is not restricted to Victoria, and has been the subject of much commentary including a Senate inquiry.

**This inquiry serves as yet another prompt to the Victorian Government to rethink its use of consultants, and look to increase capacity in the public service in order to ensure their decisions better serve the public interest.**

**Recommendation:**

That the Victorian Government undertake a comprehensive review of the use of consultants and develop a plan to:

- a) increase capacity and skills within the Victorian Public Service;
- b) reduce reliance on external consultants; and
- c) develop stronger regulatory frameworks to ensure stronger accountability and public interest focus of any work contracted to consultants.

## 2. Parliamentary oversight

The establishment of the Select Committee to undertake this inquiry demonstrates the lack of faith the Parliament has in its investigatory committees. The role of these committees should be to hold governments to account by scrutinising their decision-making, but in Victoria, all of these committees - apart from the Integrity and Oversight Committee - are unable to do so. Integrity experts have repeatedly identified that this role is hampered in Victoria due to significant structural problems, as these committees are currently dominated and chaired by government MPs.

As noted in the majority report, the need for this inquiry may have been avoided if our investigatory committees, particularly the Public Accounts and Estimates Committee (PAEC), were able to meaningfully interrogate Ministers and department heads. They could have asked more questions about the Commonwealth Games earlier in the process following the decision to proceed, and if an inquiry was necessary, establish one themselves.

**The failure to reform our investigatory committees prevents Parliament from undertaking one of its core functions, and undermines integrity in government decision-making. Oversight and accountability is critical to reduce the risk of decisions being made that are counter to the broader public interest.**

**Recommendation:**

That the Victorian Government introduce legislation to establish non-government chairs and majorities on all joint investigatory committees, including the Public Accounts and Estimates Committee.



### 3. Transparency of government decision-making

Poor decisions were made from the very outset - prior to the commissioning of the business case for the Commonwealth Games bid, through to when it became apparent the Games needed to be cancelled. Due to a lack of transparency regarding the nature of advice provided to ministers, the committee was unable to draw definitive conclusions about whether these failures were on the part of the departments or ministers. However, based on the evidence available, it appears that both ministers and departments bear responsibility.

Ministers and departments avoided accountability for failures in decision-making and governance regarding the decision to host the Games, and subsequent decisions that led to the Games' cancellation. This is detailed in the Committee's interim report, including failure of ministers responsible to appear before the committee, refusal of The Victorian Government to produce documents requested by the committee and the Parliament, the Victorian Government's questionable use of claims of executive privilege and failure to follow the Legislative Council's Standing Orders with respect to such claims, and refusal of departments to accept the findings of the Victorian Auditor General.

Many of these issues are addressed in the majority report. Further to the majority report findings and recommendations, while there is a need to ensure that certain cabinet processes and deliberations remain confidential, at least for a period, there is scope for greater transparency regarding the decisions made by cabinet particularly after they have been finalised.

The Victorian Ombudsman<sup>2</sup> and the Centre for Public Integrity<sup>3</sup> have recommended that the government require all Cabinet decision papers be published within 30 days of a final Cabinet decision being made, subject to specified reasonable exceptions. In the case of the Commonwealth Games, being able to see these documents would have provided the Parliament the opportunity to apply greater scrutiny to Cabinet decisions from the time they were considering hosting the Games.

**More broadly, a requirement to publish Cabinet decisions would provide increased capacity for the Parliament to hold the government to account, thereby incentivising better governance and rigour by Cabinet.**

#### Recommendation:

That the Victorian Government require all Cabinet decision papers be published within 30 days of a final Cabinet decision being made, subject to specified reasonable exceptions.

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<sup>2</sup> Victorian Ombudsman, Alleged politicisation of the public sector Investigation of a matter referred from the Legislative Council on 9 February 2022 – Part 2 December 2023, p251

<sup>3</sup> Centre for Public Integrity, ACHIEVING INTEGRITY A roadmap for transparency, oversight and accountability in Victoria





SELECT COMMITTEE ON THE 2026 COMMONWEALTH GAMES BID

REPORT OF THE LIBERALS and NATIONALS



Prepared by the Liberals and Nationals

March 2025

*"In a heartbeat it was given to us; in half a heartbeat it was taken away."*

Owner, Farnham Court Motel and Restaurant, Morwell.

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26<sup>th</sup> March 2025



Melina Bath



Melina Bath MP

J McCracken



Deputy Chair, Joe McCracken MP

## 1. Overview and Background

The authors of this Minority Report the Hon David Davis MP, Melina Bath MP and Joe McCracken MP support most of the recommendations, findings and positions adopted in the full report and thank the staff, submitters and witnesses for their contributions.

We believe however that a small number of sections are not direct enough in ascribing responsibility to key Ministers and certain senior departmental officers.

The Andrews Labor Government's Commonwealth Games bid, and ultimate withdrawal was a fiasco. It will likely go down in the history of botched government projects and decision making in a special category. This case was one far beyond the cost blowouts, time delays and general incompetence regularly observed with this Labor Government, it is much worse.

The TV series *The Games* could not have thought up the chaotic decision and flawed approach, bereft of any proper governance, to making decisions and spending taxpayers' money. The deep incompetence of the Andrews Labor Government is spiced with the tinge of arrogance of a long term and tired government that believes it is in government as of right.

Of particular significance is the central role of Hon Jacinta Allan, the current Premier. She was through this period the key Minister. She must accept her central role in the fiasco but appears not to and seeks to evade the totality of her responsibility.

Premier Allan should have resigned immediately after the Commonwealth Games debacle became public. The humiliation of our once proud state, which once easily wore the title of the Sporting Capital of Australia, and the ignominy of the position exposed when Victoria announced its unilateral withdrawal from the Games, have seen great damage done that will be difficult and take time and attention to repair.

Premier Allan has also presided over massive cost and time blowouts on a long list of major projects. In these circumstances Victorians cannot have confidence in her ability to lead the state.

### **We make the following additional points:**

## 2. Conclusion from the Inquiry and the Commonwealth Games fiasco

The Minority agrees with the Majority Report findings that the Commonwealth Games process was deeply flawed.

### Majority Finding

The Victorian Government's decision to withdraw from hosting the 2026 Games was a result of a series of failures at a departmental and ministerial level. A hasty political decision was made by the then Andrews Labor Government to support the Commonwealth Games in the proposed multi-city model, but the government did not undertake proper due diligence.

### Majority Finding

The Majority concludes that proper processes were truncated or not undertaken at all and warnings were not heeded by the Victorian Government and government agencies.

### **Minority Finding**

**The Minority concludes that the modelling relied upon by the Andrews Labor Government was inadequate and clearly flawed and the processes and analysis relied upon by government were also hopelessly flawed.**

**The Minority also concludes this had the consequence of exposing the state government and thereby the Victorian people (including taxpayers) to a disastrous financial loss and severe reputational damage.**

### Majority Finding

Department of Treasury and Finance failed to provide fully accurate and reliable advice, which the Expenditure Review Committee and Cabinet itself could rely upon. However, Cabinet must ultimately accept full responsibility for the failure to properly analyse the costs of committing to the 2026 Games.

### Majority Finding

The officers in the Department of Premier and Cabinet, Department of Jobs, Skills, Industry and Regions and Department of Treasury and Finance do bear a share of the responsibility for the decision to withdraw. However, ultimately the responsibility must be directly shouldered by the key Ministers, Hon Daniel Andrews, Hon Jacinta Allan MP, Hon Martin Pakula, Hon Tim Pallas, as well as members of the Expenditure Review Committee and the Cabinet. These senior people did not properly manage the process of obtaining the Commonwealth Games and the associated due diligence.

### Majority Finding

Noting that Cabinet was the ultimate decision maker, the Cabinet process, including the role of the Expenditure Review Committee, has been shown to be inadequate and flawed.

### Majority Finding

The members of the Expenditure Review Committee during the decision-making on the Commonwealth Games bid should be published. These members should be held responsible given the significance of the errors.

It should be noted that the business case used to justify the commencement and hosting of the commonwealth games were severely limited. The Government restricted those preparing the business case from accessing good, accurate information. The business was prepared under these constraints, with significant caveats noted regarding the information it contained.

Those preparing the business case were prohibited from properly consulting:

- Local government authorities (despite their significant role in games delivery)
- Health professionals (particularly regarding claims of health benefits)
- Event management specialists, sporting professionals, or others with expertise in hosting large international sporting events

Despite the consultants clearly highlighting these caveats, the government still chose to rely on this limited business case to justify supporting the initial (and successful) bid to host the 2026 Commonwealth Games. Evidence indicates a lack of collaboration, consideration, and communication between government departments, agencies, and Ministers in properly assessing the business case.

Cabinet supported the Commonwealth Games bid with a regional model and bears responsibility for this decision. The failure of responsible Ministers to conduct proper due diligence initiated a chain of events that ultimately resulted in the cancellation of the Commonwealth Games at a cost of almost \$600 million.

#### **Minority Finding**

**The Minority concludes that if key Ministers at the time, especially Hon. Jacinta Allan (Commonwealth Games Delivery) and Hon. Harriet Shing (Commonwealth Games Legacy) had done their due diligence, a different and likely more positive outcome could have been achieved.**

### **3. Visit Victoria**

The conduct and poor analysis of Visit Victoria was a contributor to the failures of government decision making on the Commonwealth Games fiasco.

Brendan McClements was an unconvincing witness and should resign from his position at Visit Victoria. He is not the best person to lead Visit Victoria forward as we seek to heal the damage done through the cancellation of the Commonwealth Games.

#### **Minority Finding**

**The Minority finds Visit Victoria was an unreliable and secretive organisation and should be reviewed, including governance, after its role in the Commonwealth Games fiasco. The Minority also finds that Brendan McClements was an unreliable witness.**

### **4. Decision to withdraw for the Commonwealth Games**

There is no doubt the Victorian Government was in a difficult position as the cost of the games escalated, particularly after the Department of Treasury and Finance gave the advice to withdraw from hosting due to escalating costs before the government entered major contracts.

The Games process was botched, flawed from the start, however, there was insufficient examination of other alternatives at a timely point. This included a significant scaling back or moving the Games to Melbourne which had successfully hosted the 2006 Commonwealth Games and had all the infrastructure required to host Games.

#### **Minority Finding**

**The Minority concludes the Victorian Government's decision to withdraw from hosting the Commonwealth Games in July 2023 was not the right decision noting that the government did not properly examine other options including a scaled back regional version or a Melbourne based games.**

The consequences of cancelling the games unilaterally were not examined closely or deeply enough, including examination of the risks to the state's reputation internationally.

The Committee heard significant evidence concerning the negative impact of the withdrawal on Victoria's reputation and position.

The submission from Tourism Greater Geelong and the Bellarine explained:

*The cancellation is about more than the economic impact of a Commonwealth Games-scale event, although that's important. More significant is the **lost opportunity associated with branding the region and driving development of the tourism industry to a world-class level of performance and experience delivery.***

Tourism Greater Geelong and the Bellarine, Submission 26.



The Games were also an opportunity to increase the profile of towns that may have been overlooked by visitors. Katie Reardon, Owner of the Farnham Court Motel and Restaurant, explained how the cancellation was yet another blow to the township of Morwell.

*Morwell was the star. Finally, we got a guernsey. We got the 'dirty old coal town' label taken off, and we were going to be hosting the Commonwealth Games. And I think that is the biggest kick in the guts that we could have. Forget about the individuals or the individual businesses like us – it is the town. You know, we are back to being, 'Oh, right, okay, so we're just the dirty old coal town again,' and even then, that is going to be shut down. So, we lost more than business. It is motivation; it is incentive; it is the legacy; it is the volunteers that get trained; the community; the children; the excitement of meeting athletes, holding their hands, walking them to podiums. The florist wins. The beauty salons win. The hairdressers win. The masseuses win. The physios win. Everybody does everything in a town when an event comes to town. I know that for a fact. The legacy of the Commonwealth Games is what we are missing, and now we are back to being Struggle Town again. In a heartbeat it was given to us; in half a heartbeat it was taken away.*

Katie Reardon, Owner, Farnham Court Motel and Restaurant, Morwell, 14 March 2024, Transcript of evidence.

Months after the cancellation announcement Silverwater Resort San Remo, General Manager, Adam Glass stated how the community still suffered a sense of loss:

*Most definitely. I heard for the first time on the news, as probably did a lot of people. My team was obviously extremely disappointed, as was I and as were my investors, who I constantly keep updated. Then to turn around and say, 'Well, guess what guys, that is not happening now', you can imagine how embarrassing that is as well. But yes, it was a real let-down, and you could feel it in the town; and I guess the region, as well as close to the San Remo area and Phillip Island. **It was really like someone had just let the air out of the tyre – and it is still talked about now, and certainly not in a positive way.***

Adam Glass, General Manager, Silverwater Resort, Morwell, 14 March 2024, Transcript of evidence.

To the question of reputational impact, Dr Alana Thomson, Senior Lecturer, Senior Lecturer, La Trobe University said the following:

*Yes, because we know from the event literature and the event research that hosting events is a powerful signal for things like international trade, politics and sports diplomacy. You know, China's recent hosting of events is not an accident; there is a substantial positioning strategy that is going on behind that. So cancelling an event, I think, definitely sends a signal to the world that event governance in Australia, not just Melbourne and Victoria, may be **problematic and uncertain**. I know people working on the Brisbane Olympic Games were quite nervous at the time that this broke.*

Dr Alana Thomson, Senior Lecturer, La Trobe University, Bendigo, Tuesday 27, 2024, Transcript of evidence.

While Anthony Nicolaci, added:

*Following its cancellation, it has left a major hole which will significantly affect the visitor economy, impacting the state's brand reputation, along with the loss of significant marketing and regional exposure in the lead-up to and as **our legacy from hosting the games that we will never, ever be able to replace.***

Anthony Nicolaci, Greater Shepparton City Council. Bendigo, Tuesday 27, 2024, Transcript of evidence.

The Committee heard evidence regarding positive plans with international bodies which soured at the announcement of the cancellation:

*We were to the point where we had met with Team England on several occasions. They flew out, they came, they stayed with us, they touched and felt the environment, made sure it was where they wanted to be. We were right through to them wanting to install flagpoles to put up flags.*



Compared to:

*Well, the English, they were just gobsmacked. The people that we were negotiating with said, 'That can't be true. It just simply can't happen.' It was embarrassing, and it was awful to have to tell them... They were just 'Well, we'd never trust an Aussie again' – not a Victorian, an Aussie. It damaged the country as well as Victoria. I mean, Victoria, forget it – they will never do business with us ever again. But they really just said, 'Well, you guys, your handshake's not worth anything.'*

Katie Reardon, Owner, Farnham Court Motel and Restaurant, Morwell, 14 March 2024, Transcript of evidence.

### **Minority Finding**

**The Minority finds the announcement of the decision to withdraw from the Commonwealth Games dealt a body blow to Victoria's reputation internationally damaging the respect in which our state had previously been held. It will take years to restore full confidence in Victoria's word internationally.**

The Victorian Government paid a total of \$589 million to cancel the 2026 Commonwealth Games, including \$380 million in compensation to the Commonwealth Games Federation, with \$200 million of that amount going to Glasgow to host the Games.

Victoria has been left with a lingering perception among other jurisdictions and other bodies that the Victorian Government may not be trustworthy and may not honor deals and agreements it enters.

A change of government would assist in resetting negative perceptions of Victorian Government trustworthiness.

### **Majority Finding**

The Committee agrees with the Victorian Auditor-General that the \$6.9 billion cost estimate to justify the cancellation of the commonwealth games was overblown and not transparent. The Committee notes that the Victorian Government was not forthcoming with accurate and timely information.

### **Minority Finding**

**The Minority finds that the reputational damage to Victoria considered in the main report undoubtedly had economic impacts beyond the \$589 million lost as quantified by the Victorian Auditor General, although these are hard to quantify in full.**

## **5. Regional Victoria and the poor outcomes achieved**

Evidence given to the inquiry indicated that many regional stakeholders learnt of the commonwealth games cancellation at the same time as it was publicly announced. There were a small number that discovered the truth on the same day, albeit an hour or so before the cancellation announcement.

It was extremely disappointing, given that the Victorian Government had taken the "Regional Commonwealth Games" as a key 2022 election commitment.

The Committee heard how regional councils were intimidated and threatened, and some CEO's were forced to sign non-disclosure agreements. This prohibited them from relaying key information to their councilors and ratepayers. The Victorian Government was heavy handed and undemocratic in bullying Councils to sign non-disclosure agreements and should be avoided at all costs in the future.

The disappointment expressed by witnesses and experts who gave evidence from regional cities was significant. For example, the promised “Athletes Village” at the former Saleyards site in Ballarat was supposed to provide 1,200 homes, whilst also decontaminating the site and ensuring it had a productive use. The fact that this land still sits vacant and unused is an extreme disappointment to the Ballarat community.

The \$1bn regional housing package lacks details and appears to provide poor value for money.

Under this package, the allocation of homes does not fairly represent the need in many rural and regional communities. For example, the Victorian Government allocated 34 homes to the Central Highlands Region, however there are over 5,500 people on the public housing waiting list in Central Highlands alone. When probed about the allocation during the inquiry, the Minister for Housing was evasive.

The average cost of a home under the governments regional housing package was approximately \$800,000. During the inquiry the Minister for Housing was shown new house and land packages in regional areas, many of which were significantly cheaper than the government own projected costs. The Minister did not give a clear indication of why this variance exists, citing “more work” that needed to be completed to ensure housing came online.

The Minister for Housing also confirmed only a paltry 10 social houses are scheduled to be built on the repurposed Commonwealth Games village Morwell site:

*There is work happening with Development Vic to potentially allocate up to 10 additional lots at the Morwell former Commonwealth Games village site, and that is in addition to the numbers I referenced before. You take 10 off that, and we talk about inner Gippsland and outer Gippsland – that is 175 homes..*

Hon Harriet Shing, Minister for Housing. February 7, 2025, transcript of evidence.

### **Minority Finding**

**The Minority concludes that regional Victorian communities were shocked and disappointed by the sudden cancellation of the Regional Commonwealth Games.**

### Majority Finding

The Committee found that there was general concern amongst some housing providers that the per unit cost for dwellings provided under the regional housing fund were excessive, above current market valuations, with no conclusive reason justifying the variance.

### **Minority Finding**

**The Minority concludes that the \$1bn regional housing package is not value for money, with excessive ‘per unit’ costs per dwelling, well above market rate.**

## **6. Impediments to the Inquiry**

The Minority and the Committee is of the view that given the gravity of the errors by government on the Commonwealth Games bid the current Premier Hon Jacinta Allan MP and former Premier Hon Daniel Andrews should have appeared at the Inquiry to give public evidence.

### Majority Recommendation

Given the failure of the key ministers and staff to appear before the Legislative Council inquiry on the Commonwealth Games the Legislative Assembly Economy and Infrastructure Committee should be referred an inquiry (or self-reference if necessary) for the purpose of holding public hearings with the relevant ministers and former ministers and report to the Legislative Assembly these being:

- Hon Daniel Andrews
- Hon Jacinta Allan MP
- Hon Tim Pallas
- Hon Martin Pakula.

### Majority Finding

At almost every point, the Victorian Government has not fully cooperated with the work of the Committee in providing evidence in the form of documents or the appearance of relevant witnesses. These actions are an avoidance of parliamentary scrutiny and public accountability.

### Minority Recommendation

**The Minority strongly encourages the Legislative Assembly Committee with responsibility to follow up on the failure of these Ministers to explain their actions that caused so much damage to Victoria by establishing an inquiry and demanding Premier Jacinta Allan and the relevant ministers already listed be asked to come and explain, over several days their decision making and to accept responsibility.**

The Allan Labor Government's failure to provide legitimately sought and critical documents to the Committee is well documented in the interim and final reports.

### Minority Finding

**The Allan Labor Government's open and flagrant defiance of the Legislative Council and the Legislative Council Standing Orders is arrogant, unacceptable and undemocratic.**

## 7. Glasgow 2026

The Minority wish the people of Glasgow and the City of Glasgow well in hosting the Commonwealth Games for 2026 noting it is in large measure being funded by Victorian taxpayers and express regret that Victoria is not hosting the Games.



# Inquiry into the 2026 Commonwealth Games Bid

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## Minority report

April 2025



Michael Galea MLC



Tom McIntosh MLC



Jacinta Ermacora MLC

# Chapter 1: Foreword and Executive Summary

M

The Labor members of the Committee welcome the opportunity to contribute this minority report on the Inquiry into the 2026 Commonwealth Games Bid. The Inquiry was established by a resolution of the Legislative Council to examine the cancellation of the 2026 Games as well as the \$2 billion regional package announced in its place by the Victorian Government.

The decision by the Victorian Government to cancel the 2026 Commonwealth Games was the right decision at the right time.

The implementation of the \$2 billion regional package ensured that the legacy benefits of the Games for regional Victorian communities remained assured. In some cases, the legacy benefits which are now being delivered are more beneficial than would have been the case had the Games proceeded.

Victoria continues to attract major events of world-renown. Our regional visitor economies continue to thrive, and are benefitting from continued Government investment. And the regional Big Housing Build is providing more housing opportunities for more Victorians.

This minority report does not seek to challenge or affirm every point made in the majority report. We trust however that it will add important context to the majority report. Points of major contention with the majority report are detailed, as are some points of concurrence.

We discuss particular concerns in relation to this Committee's overreach in matters of both executive privilege and exclusive cognisance.

Finally, we wish to sincerely thank all stakeholders who wrote submissions to this Inquiry and appeared before one of our many public hearings. We wish to thank the Committee staff who worked tirelessly on this Inquiry, and the Chair for his stewardship.

# Chapter 2: Context to the 2026 Commonwealth Games

## 2.1 Background to the Commonwealth Games Federation's approach to Victoria

M

In September 2015, the Commonwealth Games Federation (CGF) unanimously voted for Durban, South Africa to be awarded the 2022 Commonwealth Games. By this point, Durban were the only bidders for the Games. This was to be the first time the Games would be held on the African continent.

Before long however, significant challenges emerged. Certain financial commitments were unable to be fulfilled, in part due to a reticence of the national government to guarantee the financial commitments. A number of deadlines were missed, including of contractual payments to the CGF. Additionally, there were disagreements between government and the South African Sports Confederation and Olympic Committee (SASCOC) over who would be in charge of the games, which led to further delays.

It has been reported by the then president of SASCOC Gideon Sam that, to ameliorate some of these issues, Durban had proposed to scale down the Games. This is understood to have included a reduction in the number of events held. The proposal was rejected by the CGF.

This is notable in the context of a question which was raised repeatedly during this Committee's inquiry, as to whether the Victoria 2026 Games could have continued if they were scaled back.

The CGF would ultimately strip Durban of its hosting rights in March 2017.

**FINDING 1:** Whilst the primary reason for Durban being stripped of the 2022 Commonwealth Games was its inability to meet contractual payments to the Commonwealth Games Federation (CGF), it is notable that the CGF rejected options for scaling down the event.

Later that year, it was announced that Birmingham - who were by this point announced as the hosts of the 2026 Games - would bring forward its Games to 2022. This then created a vacancy for the 2026 Games.

The CGF was scheduled to announce the new hosts of the 2026 Commonwealth Games in 2019. However this was repeatedly delayed. Bids from Adelaide, Calgary, Cardiff, Edmonton and Kuala Lumpur were withdrawn during this time.

As established in the majority report, Visit Victoria was first approached by the CGF in relation to hosting the 2026 Games in March 2021, a full four years after the collapse of Durban 2022, and more than three years after the Birmingham Games were moved forward to 2022.

**FINDING 2:** The CGF approached Victoria about the 2026 Games four years after stripping Durban of the 2022 Games.

Following Victoria's withdrawal from hosting the Games in July 2023, it was announced in September 2024 that Glasgow would host the 2026 Games. The Games are to be significantly scaled down as compared with recent previous Games and the proposed Victoria 2026 Games, with only 10 sports set to feature.

## 2.2 The financial model of the Commonwealth Games

Major multi-disciplinary sporting events such as the Olympics and Commonwealth Games have long been beset by criticism over the financial models which underpin them and place major financial risk on the host jurisdiction.

This compares with other major international sporting events such as the FIFA World Cup, where the sporting bodies themselves carry the financial risk (as well as potential for financial reward).

It is notable that the 2026 Glasgow Games will now be primarily financed directly by the CGF, and as noted above will be significantly smaller in scale than other recent Games.

Of the 72 member associations of the CGF, just seven have hosted a Commonwealth Games in its entire history. As shown in Table 2.1 on the next page, four of those nations have hosted multiple Games.

At the time of writing, there is just one confirmed bid for the 2030 Commonwealth Games (Ahmedabad, Gujarat). Canada's Commonwealth Sport body has also proposed a multi-city country-wide bid to host the Games. There are no bids for the 2034 Games.

Whilst outside the scope of this inquiry, the ongoing financial viability for Commonwealth Games events is a matter which should be considered by the CGF, as should as the capacity and potential for a wider number of Commonwealth nations to host future Games.



**Table 2.1 Countries that have hosted the Commonwealth Games**

Host nation (and host cities)	Number of Games hosted
<b>United Kingdom</b> London, Cardiff, Edinburgh (x2), Manchester, Glasgow, Birmingham	7
<b>Australia</b> Sydney, Perth, Brisbane, Melbourne, Gold Coast	5
<b>Canada</b> Hamilton, Vancouver, Edmonton, Victoria	4
<b>New Zealand</b> Auckland (x2), Christchurch	3
<b>India</b> Delhi	1
<b>Jamaica</b> Kingston	1
<b>Malaysia</b> Kuala Lumpur	1

*as at April 2025*

### 2.3 Putting Regional Victoria first - and why not *Melbourne 2026?*

When the Victorian 2026 Commonwealth Games were announced, the Victorian Government was clear that the Games would be regionally hosted so as to maximise the economic and legacy benefits to regional Victoria.

Melbourne most recently hosted the Commonwealth Games in 2006, an event which remains proclaimed as one of the best, if not the best, Commonwealth Games events.

Melbourne also already has an extremely busy major sporting events calendar, with a track record of delivering world class recurrent and one-off sporting events. This includes the AFL Grand Final, Formula 1, the Australian Open, and the FIFA Women’s World Cup among many more.

With Melbourne already well established on the global sporting calendar, the Victorian Government viewed the Games as an opportunity to promote major regional Victorian cities and boost their visitor economies.

These opportunities presented more potential for Victoria than Melbourne merely repeating an event it successfully held 20 years earlier.

Most importantly however, a regional Games offered the opportunity to invest in legacy infrastructure, including housing, local infrastructure and sporting facilities for community clubs.

Another question which was repeatedly raised during the Inquiry was whether, when faced with the rising costs presented by the multi-city model, the Games could have been relocated to Melbourne.

This particular idea was proposed numerous times in hearings and in report deliberations (as seen in the extract of proceedings) by Liberal party members.

However, this ignores the fact that the core purpose of hosting the Games was to deliver legacy benefits for regional Victoria. Shifting the Games to Melbourne would have resulted in the \$2bn that was redeployed into the regional package instead being spent in Melbourne. In turn, this would deprive regional cities and communities of the legacy benefits which the Government is currently delivering.

Given international experiences (see Chapter 2.1 of this minority report), there is also no guarantee that the CGF would have agreed to a relocation to Melbourne or any associated de-scoping of events to fit the Games within the budget limits.

**FINDING 3:** Moving the 2026 Games to Melbourne would have deprived regional Victoria of legacy infrastructure projects, including those that were among the key reasons Victoria agreed to host the Games in the first place.

## 2.4 Changing economic conditions

When the Victorian Government committed to hosting the 2026 Games, it did not commit to hosting them at any price.

Cost escalations to the Games were driven by a number of factors which are discussed in the majority report. These included rising interest rates, international wars driving up construction prices, and challenges posed by the multi-city model.

When the costings were revised to take into account these factors in mid-2023, it became evident that the Games were no longer worth the expense to deliver the benefits for regional Victoria. With the Games now presenting a very different cost-benefit ratio, it became sensible to fund the regional legacy benefits directly and without the increased cost of the Games themselves.

**FINDING 4:** The Victorian Government was right not to proceed with the Games at any price.

# Chapter 3: Key Decision Points

## 3.1 Limited decision making time

As noted in Chapter 2.1 of this minority report, the CGF withdrew the 2022 Games hosting rights from Durban in March 2017 and then brought Birmingham's 2026 Games forward to 2022 in December 2017.

With cities from the UK, Canada, Australia and Malaysia then withdrawing their bids for the 2026 Games, the CGF missed its announced deadline of announcing the new host in 2019, a delay which would eventually extend to three years.

The CGF initiated discussions with the Victorian Government in 2021, which accelerated into late 2021 and early 2022. As noted in the majority report, a six week negotiating window was entered into in December 2021. This narrow timeframe is understood to have been stipulated by the CGF to enable the announcement to be made by the time of the Birmingham 2022 Games.

**FINDING 5:** The CGF's delay in finding a host after the Durban failure and its insistence on announcing the 2026 host ahead of the 2022 Games limited the decision making timeframe for the 2026 Games.

## 3.2 High Value High Risk Guidelines

The Department of Treasury and Finance (DTF) use a model known as *Investment lifecycle and high value high risk guidelines* (HVHR) to assess major asset initiatives. The HVHR model is applied to projects which meet certain criteria. These criteria are discussed in more detail in the majority report.

At the time of preparation of the business case, the Commonwealth Games did not require HVHR consideration under the guidelines. As noted in the majority report, certain elements assumed under the business case (such as who would be responsible for athletes village construction) changed after the time of consideration.

Had these later changes been known at the time, it is reasonable to expect that the Games would have been considered under HVHR.

However it should be noted that there was no breach of the HVHR guidelines at the time the project would have otherwise been considered under the guidelines.

**FINDING 6:** There was no breach of the High Value High Risk guidelines by DJSIR or DTF during the evaluation of the Games proposal.

In light of the events of the Commonwealth Games, it is evident that there is a need for the guidelines around HVHR to be adjusted. For that reason we concur with Recommendation 2 of the majority report.

We do note however that Finding 55 of the majority report is contradicted by Recommendations 2 and 3. If Finding 55 were accurate and output initiatives were already covered by HVHR, this would (at least in part) negate the need to expand the coverage of the guidelines.

**FINDING 7:** Recommendation 2 of the majority report, which proposes the High Value High Risk guidelines be modified to capture all projects with a costing of over \$250 million, is a sensible recommendation.

### 3.3 The decision to cancel the Games

In light of the revised budget estimates which were put to Cabinet in mid-2023, it is evident that it was from this point unviable to proceed with the Games. Whilst some in the tourism sector had started to make plans and commitments, many more had yet to enter into commitments, and it was still three years away from the proposed Games.

The Cabinet made the right decision in cancelling the Games rapidly once the new costings became clear. A delayed decision would have put extra unnecessary pressure on the tourism sector and other stakeholders.

**FINDING 8:** Cancelling the Games was the right decision to make, at the right time.

# Chapter 4: Impacts and Reactions

## 4.1 The \$2bn regional package

In order to ensure the legacy benefits of the Games for regional Victoria were retained, the Victorian Government announced the \$2bn regional package at the same time as announcing Victoria's withdrawal from the Games.

The details of the package, including a breakdown of various projects funded under it, are elaborated on in Chapter 4 and Appendix B of the majority report.

As discussed in this minority report (in chapter 2.3) as well as in the majority report, the principal reason for Victoria agreeing to host the Games was the potential for it to deliver benefits to regional Victoria. In light of the cancellation, the package ensured that the majority of these benefits would continue to be delivered.

**FINDING 9:** Withdrawing from the Games allowed the majority of the original budget to be spent on legacy projects for regional Victoria, including the five host cities.

It also allowed for the benefits to be extended across the entirety of regional Victoria, and not just the five host cities. For example, whilst the Council Support Package delivered significant funding to the affected host cities, it also provided smaller funding amounts to projects in 21 other regional councils.

Similarly, the Regional Worker Accommodation Fund has funded projects in towns and cities as diverse as Timboon, Omeo, Kyabram, Irymple, Castlemaine and Warrnambool, along with more than a dozen other towns across Victoria.

**FINDING 10:** The \$2bn regional package includes projects which provide benefits across all of regional Victoria, including beyond the five host cities.

Another benefit of the \$2bn regional package is the way in which it allows the projects to be directly tailored to the needs of regional communities. For example, there is no need for athletes villages to be retrofitted to support permanent housing. Instead, permanent housing projects are currently being planned and delivered which are responsive to the various needs of different communities.

The removal of the fixed time deadline of the Games themselves also allows for the more efficient delivery of projects, and also prevents regional package projects competing with other private and public projects in regional areas for labour, thus avoiding adding unnecessary cost pressure to projects.

**FINDING 11:** The \$2bn regional package is able to be delivered without a fixed Games deadline. It also avoids the need for potentially costly retrofitting of housing and sporting infrastructure after the Games event.

## 4.2 Reactions to the \$2bn regional package

The \$2bn regional package has been met with excitement amongst regional communities.

Robyn Seymour, CEO at Surf Coast Shire Council told the Committee how the regional package would benefit the Surf Coast.

In addition to the legacy infrastructure – the hockey pitch in our case – the funding programs, such as the council support package, are important opportunities, and we are intending to make applications for those to ensure that we get some local legacy benefits that we had originally anticipated.

One of the really great things about the legacy and the funding opportunities is the really good ratio that is being delivered as part of that – a ratio of four to one – which for rural councils is really beneficial. Another positive impact is the capacity to apply for some of the planning funding. Often we get delivery-related funding, but actually the work that is needed to be taken to have investment-ready projects can be sometimes challenging for smaller rural councils.

The other part of the funding opportunity that we are really enthusiastic about relates to housing. Housing affordability and availability on the Surf Coast is a really significant challenge, especially in the coastal townships.

Other stakeholders, such as Michael Johnston from the Committee of Geelong, emphasised that their focus moving forward was on the regional package and on securing the best outcomes for their region.

The Committee for Geelong's focus turned quickly after the cancellation towards the regional package, maximising this opportunity for Geelong.

This viewpoint was shared by regional community sporting associations, with Glenn Harrison of the Bendigo & District Cycling Club noting:

Notwithstanding the decision to cancel the games, the government's commitment to invest in community sporting infrastructure is welcome, particularly given the cost barrier for the growth and development of cycling in regional Victoria.

Matt Jenkins, Chair of the Ballarat Regional Athletics Centre, told the Committee how the Centre is placing itself to take advantage of future investment.

Whilst the Commonwealth Games themselves are no longer in play, we firmly believe the opportunities and the benefits surrounding them can still very much be a reality. With strong support from the athletics community, Ballarat Regional Athletic Centre Inc. have already undergone significant change, moving to a seven-person skill-based board and adopting a comprehensive strategic plan, positioning them well to capitalise into the future.

We also note the Committee did not conduct hearings in regional areas which are benefitting from the package outside of the host cities. If this had occurred, we believe the Committee would have heard valuable perspectives on the regional package from these communities as well.

Additionally, we note that this Committee's regional hearings were conducted in February and March 2024. This was prior to many of the funding announcements under the \$2bn regional package being made.

**FINDING 12:** Regional stakeholders expressed clear support of the \$2bn regional package during hearings.

**FINDING 13:** The major focus of regional community sporting groups is on delivery of the \$2bn regional package, and not the Commonwealth Games.

### 4.3 Regional Victoria's tourism economy

As part of the Committee's round of regional hearings in early 2024, we had the opportunity to pulse-check the state of regional Victoria's tourism sector. Regional hearings were held in Geelong, Ballarat, Bendigo and Traralgon.

An additional hearing proposed for Shepparton did not proceed, with witnesses from that region appearing at the Bendigo hearing instead. Other potential regional hearings also did not proceed. It is not for this minority report to speculate on whether this was due to a lack of interest in the Commonwealth Games amongst regional communities by this point, so we will not do so.

Witnesses who attended the regional hearings spoke in near universally-positive terms about the state of their local and regional tourism sectors. Tracey Cater from Tourism Greater Geelong and the Bellarine noted significant growth in the Geelong region's tourism and visitor economy.

Prior to the pandemic, we were at \$1.1 billion spend per annum and we are now at \$1.7 billion.

Greater Bendigo City Council CEO Andrew Cooney told the Committee of the various events occurring in the region.

We are seeing a shift in tourism away from what used to be just around visiting family and friends, 10 years ago, to people actually coming to Bendigo and our region as a destination, and we have been able to build that on a number of fronts. We have got wonderful natural resources here, and we are seeing our First Nations people really take advantage and promote that. People come visit us for our natural features, people come for the arts and culture, people come for the art gallery, people come for our wonderful venues and people come because we are a UNESCO City of Gastronomy. We have hosted over the last few weeks AFL teams for community camps. We have hosted one of Melbourne's strongest netball teams, the Melbourne Vixens. We hosted the Australian Boomers last Thursday night. We have got a really diverse range of tourism opportunities as well as direct flights to and from Sydney every day, so tourism for our city and our region is really booming.

Ballarat City Council CEO Evan King gave numerous examples of successful local events occurring in Ballarat, and expanded on the economic benefit they gave given the city and the region.

Ballarat does events well. Each year tens of thousands of visitors come to our city to attend major events. While they are here they boost the local economy by spending on accommodation and food and through a bit of retail therapy. Local businesses profit too and are involved in setting up and supplying events. The City of Ballarat has a proud history of attracting, hosting and running major events, predating the 1956 Olympic rowing, kayaking and canoe events, which we are deservedly well known for. The City of Ballarat continues to have an incredibly full calendar of events covering sport, music, performance, arts, culture and community events. In recent months we hosted Spilt Milk for the third time, with an amazing line-up of artists including an international headline act, attracting more than 40,000 music lovers to Ballarat. People come from around the state and from around the country to make a weekend of it. Accommodation was at capacity, and hospitality sectors boomed. We are still to receive this year's numbers; however, the 2022 Spilt Milk contributed an estimated \$5 million into the economy.

The road national cycling event was held in January, attracting international and national television audiences as well as the thousands of spectators who attend this event in person. The Ballarat International Foto Biennale, held over two months in the last quarter of 2023, welcomed more than 30,000 visitors, many of whom stayed in Ballarat for multiple nights. The Art Gallery of Ballarat hosts over 30 exhibitions and 150 programs and events annually, including international exhibitions. With 10,500-plus artworks, the Art Gallery of Ballarat's collection is one of the top five in the country and the best in regional Australia. In 2024 Ballarat will host the Begonia festival, the Ballarat Marathon and White Night. Events bring people to Ballarat, who choose to stay, eat and spend locally. It is great for our economy.



Mr King also noted that Victoria's withdrawal from the Commonwealth Games had no impact on Ballarat's tourism economy.

To reiterate, we have not seen any impact on this sector as a result of cancellation of the games.

A consistent theme was a focus on pursuing future opportunities, and on responding to the challenges faced by the success of the sector. This included infrastructure projects big and small facilitated by the \$2bn regional package.

**FINDING 14:** Witnesses reported on the strong performance of local tourism economies in regional Victoria's cities.

#### 4.4 Reputational impacts

A major topic of discussion in this Committee's hearings has been the question of whether Victoria's reputation as a host of major sporting events has been damaged as a result of its withdrawal from the Commonwealth Games.

Chapter 1.4.4 of the majority report discusses this question in some detail. We concur with the latter part of Finding 19 that "there is no immediate evidence to suggest significant harm to Victoria's reputation in the short term".

We further note that there is no evidence of Victoria experiencing a significant reputational impact of any kind whatsoever. To the contrary, it should be noted that since the withdrawal, Victoria has successfully procured multiple major events including as a host for Rugby World Cup matches in 2027 and US National Football League regular season games in 2026.

**FINDING 15:** There is no evidence of any adverse reputational impacts inhibiting Victoria's ability to draw in major international events in the wake of the Games cancellation.

**FINDING 16:** Since the Games withdrawal, Victoria has successfully secured multiple international sporting events.

We note that these events often come following extensive advocacy on the part of the Victorian Government. This is important work which boosts Victoria's economy and culture, and should be continued vigorously by the Government.

The success in bringing such events to Victoria also debunks a narrative which Liberal members of the Committee have tried to concoct throughout this Inquiry,

as seen in hearings and in extracts of deliberation proceedings. Though they have been eager to portray the Games withdrawal as a major blow to the state's reputation, and highlight comments alluding to potential reputational damage, they do not have any evidence of any actual reputational damage to back these claims up.

Whilst acknowledging the Opposition's absolute right and role to oppose decisions of government, we caution Liberal members against talking the state of Victoria down. Instead we encourage them to join with the Government in enthusiastically encouraging more major sporting and cultural events to come to this great state.

**FINDING 17:** Victoria continues to enjoy a world-leading reputation as a host of major events. The Victorian Government is right to continue pursuing such events.

# Chapter 5: Comments on the Inquiry

## 5.1 Considerations of executive privilege

Executive privilege is the right of governments not to disclose certain information or documents from public release where the government deems there are reasonable grounds for such information to be kept confidential.

Grounds for executive privilege being claimed include the need to protect sensitive information, Cabinet-in-confidence documents or information related to Cabinet deliberations, and the need to avoid jeopardising legal proceedings, diplomatic relationships or the State's financial position.

These principles also in effect support the provision of frank and fearless advice of the public service to government.

The application of privilege in the *Victorian Constitution* relies on the practices observed in the British House of Commons in 1855. Under these practices, questions over "Crown privilege" as it was then termed were to be determined by the Crown, or in other words the executive.

Claims in the majority report surrounding executive privilege ignore this foundational principle as set out in the constitution.

Recommendation 4 of the majority report proposes a referral to the Procedure Committee to resolve the question of assessing executive privilege. This recommendation ignores both the constitutional basis and precedent for the current application of executive privilege.

Accordingly, we submit that any such referral, if accepted, must give weight to the constitutional basis under which executive privilege is currently claimed in Victoria.

**FINDING 18:** Executive privilege is a matter to be determined by the executive, as per the Constitution.

## 5.2 Considerations of exclusive cognisance

Exclusive cognisance is the distinction which each chamber, or House, of a Parliament holds itself independent of the other chamber. For one such example,

the Legislative Assembly in Victoria maintains the exclusive right to introduce spending bills to the Parliament.

This concept is a foundational principle of the Westminster system of government, and it affords each House the privilege to conduct its affairs without the interference of the other. This privilege extends to afford members of each House the right not to be subject to the demands and interferences of the other House.

As a select committee established by and under the standing orders of the Legislative Council, this Committee has the right to request and compel members of the Council to appear before it. It has no such right to compel members of the Assembly.

We note that no attempt was made by the movers of this select committee's referral, nor by any other member in either chamber, to either establish a joint select committee into the Commonwealth Games withdrawal or seek to refer an inquiry to the Public Accounts and Estimates Committee (an existing joint committee), as has been discussed in the majority report.

In either of the two scenarios above, the Committee would have had the opportunity to compel attendance of Legislative Assembly Ministers connected with the Games.

This Committee extended invitations to the former Premier, Hon Daniel Andrews, the former Minister for Tourism, Sport and Major Events, Hon Martin Pakula, the former Minister for Commonwealth Games Delivery, Hon Jacinta Allan, and two former advisors to the former Premier to appear before the Inquiry. The Committee was within its rights to extend these invitations.

Each of the above declined to attend on the grounds of exclusive cognisance. They were entirely within their rights to do so.

Though not discussed in the majority report, the Committee also resolved to invite the former Parliamentary Secretary for the Commonwealth Games, Darren Cheeseman, to appear before the Inquiry. This invitation was also refused. Exclusive cognisance applies in this matter as well, however we also note that parliamentary secretaries hold no ministerial accountabilities under the General Orders. This exemplifies the overreach this Committee attempted to exercise.

The majority report notes that one of the witnesses who declined to appear before the committee, Hon Martin Pakula, voluntarily appeared before a Senate committee on the same topic. This is then used as the basis for Finding 61, which implies that because one person agreed to waive exclusive cognisance once, he and others should choose to waive exclusive cognisance in other forums.

This is not a good faith argument. It also represents a further attempt by this Committee to undermine exclusive cognisance.

**FINDING 19:** The fact that a member may elect to appear as a witness at another House or Parliament's inquiry does not set any precedent for that member or any other member to appear at another inquiry.

In Recommendation 5, the majority report attempts to further erode the cognisance between the two Houses by demanding that a committee of the Legislative Assembly establish its own inquiry, with the intent of compelling four witnesses to appear.

Any credibility the majority report holds with respect to its demands on executive privilege and exclusive cognisance must be weighed against its demonstrated willingness to subvert these important Westminster principles.

**FINDING 20:** Recommendation 5 of the majority report is an attempt by this Committee to undermine the exclusive cognisance of the Legislative Assembly.

### 5.3 Conduct of the Inquiry

We wish to reiterate our thanks and those of the broader Committee to all stakeholders who wrote submissions to and appeared before this Inquiry.

Despite repeated attempts by some Opposition members to turn this Inquiry into a political witch-hunt, we note with appreciation the fair-minded yet diligent leadership of the Committee's Chair, David Limbrick MLC.

The majority report proposes some areas in which government processes may be improved, such as the expansion of coverage of the High Value High Risk guidelines. However, the report also threatens overreach in matters of executive privilege and exclusive cognisance which, if followed, would undermine these two important Westminster traditions.

We hope and trust that this minority report adds valuable context to the broader majority report.

