

TRANSCRIPT

SELECT COMMITTEE ON THE 2026 COMMONWEALTH GAMES BID

Inquiry into the 2026 Commonwealth Games Bid

Melbourne – Friday 9 August 2024

MEMBERS

David Limbrick – Chair

Joe McCracken – Deputy Chair

Melina Bath

David Davis

Jacinta Ermacora

Michael Galea

Sarah Mansfield

Tom McIntosh

Rikkie-Lee Tyrrell

WITNESSES

Dr Sandra Cherro Osorio,

Ana Delevska, and

Dr Van Khanh Nguyen.

The CHAIR: I declare open the committee's public hearings for the Inquiry into the 2026 Commonwealth Games Bid. Please ensure that mobile phones have been switched to silent and that background noise is minimised. I welcome any members of the public in the gallery or watching via live broadcast. I remind those in the room to be respectful of proceedings and please remain silent at all times.

All evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and provisions of the Legislative Council standing orders. Therefore any information you provide during this hearing is protected by law. You are protected against any action for what you say during this hearing, but if you go elsewhere and repeat the same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded, and you will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website. For the Hansard record, can you please state your names and the organisation that you are appearing on behalf of.

Sandra CHERRO OSORIO: My name is Sandra Cherro Osorio, and I am the head of program for the bachelor of hospitality management at Melbourne Polytechnic.

Ana DELEVSKA: Ana Delevska, a lecturer at Melbourne Polytechnic.

Van Khanh NGUYEN: My name is Van Nguyen, a lecturer at Melbourne Polytechnic.

The CHAIR: Thank you very much. I would like to welcome you to make opening comments, whatever you like, for about 10 minutes, and then the committee will ask you some questions, if that is all right. Thank you.

Sandra CHERRO OSORIO: Thank you very much for the invitation. We would like to state that the research represents our own work and viewpoints and not those of the institution where we work.

The CHAIR: Understood.

Sandra CHERRO OSORIO: We sent a copy of our presentation. Do you have it?

The CHAIR: We have the report. Please proceed.

Visual presentation.

Sandra CHERRO OSORIO: This is some background about the case study that we are presenting today. This was published in late 2023, and it came as a result of a call for a special issue on tourism in the Asia-Pacific, and this was a call by CABI. It followed the usual process of peer review, and the aim of publishing this case study was for use in class exercises for assessment in higher education institutions. We used data for the research that is publicly available, and we are not involved in the organisation or planning of the event.

David DAVIS: You are independent.

Sandra CHERRO OSORIO: Yes, that is right. Next slide, please. As academics we always look at the literature, and the literature about megaevents is saying to us that hosting a big event will stimulate economic growth because there will be significant visitation and that will result in spending and employment opportunities in the regions where this takes place. However, when planning and organising a megaevent there are complexities. There are a bunch of considerations to look at, like logistical, infrastructural, financial and political.

Next, please. Some of the factors you can see there are listed in the literature. And we now go to the main reason in our case study for the cancellation of the Victorian Commonwealth Games 2026, which was cited as the cost increase from the initial projection of \$2.6 billion to \$6 billion. There was a multihub regional model planned that included five cities, but that was going to require substantially more resources than the traditional model of running a megaevent in major cities.

We looked into previous Commonwealth Games. Gold Coast 2018 generated \$2.5 billion, whereas Birmingham 2022 contributed \$2.33 billion. So as we can see, the cost of running these Commonwealth Games was going to be quite high. The decision to cancel the Victorian Commonwealth Games relied on a bunch of economic, political and logistical considerations.

Ana DELEVSKA: Next slide, please. We are academics, and we used a theoretical model on destination competitiveness and sustainability. This is an existing framework; it is not our original work. We used this framework to identify and to analyse some of the factors that may have contributed to the cancellation of the games. This is in fact a tourism framework. It is a holistic model used to evaluate a destination's capacity to attract visitors and generate economic benefits while maintaining a sustainable balance between the environmental, the sociocultural and the economic considerations and consequences for destinations. We examined this framework, and we determined that it is suitable and that it could be valuable to guide our analysis in this case, so we actually did take a structured and systematic approach to our analysis.

The framework is quite complex. It consists of many elements grouped in five main dimensions. We have the core and supporting factors and resources. We have destination management; destination policy, planning and development; and qualifying and amplifying determinants. For the purposes of today's hearing we will only focus on those elements that we found most relevant to this case or the factors that we found played the greatest role in influencing the decision.

We started by examining the foundational dimensions, so that is the core and supporting factors and resources, of Victoria, and one of the elements that quite clearly stood out was infrastructure. Our research found that in recent years the organisation of megaevents has favoured sustainability – this is in terms of re-using or adapting existing infrastructure rather than building new venues. As we understand, that was the original plan for the games in 2026. The original plan was to take advantage of existing sport venues and facilities. However – and obviously that was done for the purpose of controlling costs – as more sports were included in the games, the venue plan was modified quite significantly, and that meant that it also required extensive further capital works and additional facilities to be constructed at an additional expense.

The next elements we looked at – and I will come back to infrastructure again because these are all interrelated – were logistics and accessibility. Before we talk about them, we need to acknowledge this multihub model that Victoria intended to run. Like everything in life, this model also had some advantages and disadvantages. On one hand, theoretically this model could have allowed many benefits. It could have created a number of strategic advantages in terms of efficiency, in terms of contingencies and the reduction of the level of socio-economic and spatial uncertainty while dispersing the benefits across the whole state. However, on the other hand, we know that this is a megaevent, this is a very large scale event with numerous stakeholders involved, from event organisers to athletes and their teams, to employees and volunteers and of course we also have the audience. This model would have likely presented a huge logistical challenge for the movement of these groups and individuals across the regions as well, which would have just added to the complexity of managing the event.

We also found that the government estimated that around 400,000 visitors would come to Victoria for the event – authorities actually urged people not to travel between regional cities in a single day due to accommodation and transport issues. We also found that in order to minimise some of the logistical difficulties the government and Commonwealth Games officials proposed the construction of new train stations in regional Victoria to cater for the anticipated increase in visitor numbers. So far our findings suggest that we had inadequate supply of event venues, accommodation and transportation, and all of these aspects would have quite significantly affected regional Victoria's ability to not only accommodate the event participants and audience but also the ability to provide them with a memorable and positive visitor experience.

The multihub concept would require in fact extensive collaboration and coordination between event stakeholders in the different regions as well, which means that there would have been interdependencies that

would be created here, meaning that these different stakeholders in the various regions would be jointly responsible for ensuring that there is a smooth experience for everyone involved in the event, and any issues such as conflict of interest or lack of communication would have resulted in further logistical complexities and difficulties in this case.

Next slide, please. Another supporting element that we found that could have contributed to this decision was political will and support. As we know, the decision to cancel the games was justified on the premise that running the games would cost more than was initially anticipated. We also found that the original bid documents did not estimate the cost of government services, such as police requirements to ensure safety, and these complex logistics involved in the movement of event participants between the regional hubs. So more careful planning may have potentially prevented the underestimation in terms of how much it would cost to run the games. Secondly, although the bid to host the games was initiated by the Victorian government, we found that it lacked additional funding from the federal government, which could have been a weakness in this case as well.

Our analysis revealed it was actually the combined impacts of these factors that we identified and discussed that led to a tipping point where simply the feasibility of hosting the event in Victoria became questionable. We had the load-carrying capacity of regional Victoria in terms of infrastructure, accommodation and transport. We had the logistical challenges of running a multihub concept. We had potential conflicting political will and the cost value perception of running the event in Victoria. So in a way the cancellation of the games could be seen as a decision to prevent potential losses and negative impacts on multiple players involved since the balance was tipped towards negative outcomes.

Van Khanh NGUYEN: Okay. So what is next for Victoria? In our research we considered two key aspects. The first one is the opportunity cost. Millions of dollars that were invested for the event were withdrawn from the government's funding, so those moneys can be spent in other sectors of the economy such as the improvement in health care as well as education and so on and affordable housing, and we are currently having a housing crisis.

The second aspect we considered was reputation. The Victorian economy, as well as Visit Victoria, have spent more than 30 years to build the brand as a global sporting destination, and Visit Victoria also emphasised that the state of Victoria is recognised as the event capital, and this would be the key recovery strategy in the post-pandemic period. However, the sudden cancellation of the Commonwealth Games might cause potential damage to the brand as a global sporting destination.

Next slide, please. For future bidding, international evidence shows that in order to host a megaevent or a major event one of the key aspects is to have a strong reputation for the host destination or the host country. Now when we look at the reputation of Victoria as a host, on the positive side, as you all know, last year we had the FIFA Women's World Cup. It was very, very successful in Victoria. It was also very successful in other states like New South Wales and Queensland. Second, we also have very strong expertise as well as experience in hosting so many major sporting events. For example, we have Formula One over the past few years; we attracted 400,000 people this year. And we have the MotoGP as well as many other sporting events annually like the AFL, the Rugby League and the A-League. On the positive side we have so many experiences. However, recently Victoria refused to host the AFC Women's Asian Cup 2026, and this is quite a contradiction of what I said before – we said that we want to use existing facilities, and we already have existing facilities. Because of the FIFA Women's World Cup everything was upgraded to the international standard. So we do have existing facilities, but we refused to host this particular cup that is upcoming.

So the question is whether the reputation we held before, and recently when there was the sudden cancellation of the Commonwealth Games and now the refusal to host the AFC Women's Asian Cup 2026, has had a significant potential impact on our future bidding. Our research aims to understand these issues, so further evidence as well as the data when it is available is required to help better assess and understand the issues for the future.

The CHAIR: Thank you very much for that presentation. I will start with Ms Delevska. You mentioned an assessment framework in your presentation. One of the things that this committee will be required to do is come up with recommendations for things to improve this type of assessment in the future. What sort of recommendations would you want to make to the government to improve this type of assessment process in the

future? Because we know that what happened here was that a decision was made based on information that was clearly incorrect and then at a later point they made the decision to stop that. That wasted a whole lot of money, and if we could have come to that decision earlier in the process, then we would have not wasted all that money. What sorts of things do you think the government could do to improve these processes?

Ana DELEVSKA: We did not actually look at the processes. We did this actually more from the perspective of 'Let's identify what went wrong so that we can actually teach our students in class on what lessons we can actually learn from this' so that we can educate the next generation to know how to do things, let us say, better. I think that a more carefully conducted cost-benefit analysis at the very early stages and a lot more involvement from the events industry – from the events management industry – would have been absolutely necessary before that decision was made to proceed. I actually do think that the decision to cancel the games was because the government realised that proceeding in this way, with all those gaps in planning and infrastructure and everything, would have likely resulted in negative outcomes. I think that decision was actually quite necessary, in fact. Of course the question is: how do we make sure that we do not do that again? I guess it is just that cost-benefit analysis and validation with all stakeholders involved, including the event management industry.

The CHAIR: One of the complexities that we have heard around this particular model that they were looking at was this multihub model, which you have identified in your presentation. We have heard evidence already that this contributed greatly to things like security costs, obviously logistics and other transport costs, and these sorts of things. Have you seen a major event like this with this type of multihub model?

Ana DELEVSKA: I have not, and I was under the impression that this was the first time that this was done in a large-scale event.

The CHAIR: I think it was the first in the Comm Games; I am not sure whether it is the first at all of this type of thing.

Ana DELEVSKA: Normally we hear about Olympic villages, so everything congregated into one area for a certain reason – of course that could be security and to manage logistics. We were discussing this also when we were creating the case study – the multihub model sounds amazing in theory. In theory it sounds like it could have fantastic benefits for everyone, including all those local communities, because it would spread all the benefits across the state, but in practice the practicality of that model is very complex. Potentially at a smaller scale, maybe like a local event – if we had trialled that with a local event first and saw how it went, then maybe committing to a large-scale mega event would have made sense. I do understand that it probably was with good intentions, with positive intentions to contribute to these regions, as tourism and visitation in regional Victoria has been on the agenda. It has been a great strategic goal for Tourism Victoria and so forth, but it would have been just really difficult to implement.

The CHAIR: You mentioned before using this to teach students. What are you teaching students about this? I am very curious to know this. It might be helpful to the committee as well.

Ana DELEVSKA: We are teaching them to learn from mistakes and just plan –

The CHAIR: That is what we are trying to do as well.

Ana DELEVSKA: to ensure that they plan better. Also one of the things where we often find challenges – not just in event management but in any other subject, I would say – is a lot of things that sound really good in theory are not exactly that easily implemented in practice. It is that, I guess, fine line or gap between theory and practice that we need to bridge here, because as I said I think the intentions were really great, but it is just that bringing that to life and pulling it off would have been quite difficult, and I think that that is what really caused all the complexities. Plus, as we mentioned, more sports were added to the games, which was not done at the beginning, and the budget was not really considered fully comprehensively at the beginning as well. So making sure that you get that right first then moving on would have likely been – and we are not saying it is a linear process. It is not a linear decision; this is actually a cycle. Start planning and then start validating. Start asking industry stakeholders to validate the model first. Then go through many, many, many cycles and then decide, 'OK, this is now good enough. We can actually move forward with that.'

The CHAIR: You mentioned one other thing that we have also heard evidence on, which is around getting people from the events management industry involved earlier. In fact we have heard from people from the events management industry. What do you see as the benefit of doing that?

Ana DELEVSKA: They are the ones who actually practically would have likely known and identified gaps earlier than somebody who would have just theoretically maybe planned something on paper. I think that would have been a critical step, potentially, even just involving them in putting that bid together – I am not sure if that was actually done, I have to mention – just involving the people who have that expertise, who would have executed the event and would have been able to identify some of these gaps or maybe challenges and maybe even come up with solutions at the early stage. Maybe they would have said, ‘We can make this happen, and these would be our recommendations on how we could have made that happen.’ We never know. Maybe that would have happened. Always go to the people that would have that expertise to bring the event to life.

The CHAIR: Thank you. I will pass now to Deputy Chair Mr McCracken.

Joe McCracken: Thank you for your presentation. It was quite considered. You spoke about a lot of different aspects there – the multihub model. When it was made clear that there were not enough sporting facilities, the government committed to some quite expensive projects in order to fill that gap – and infrastructure projects as well. I will say it pretty plainly: do you think the Commonwealth Games were doomed before they were started?

Ana DELEVSKA: I do not know. What do you think?

Sandra Cherro Osorio: Considering what we just showed before, the revenue that other Commonwealths got, it was less than the planning – what it was going to cost to make this Commonwealth. I think we were not looking realistically at numbers, and they were just estimations and ended up being incorrect.

Ana DELEVSKA: I do not really know –

Joe McCracken: Sorry. You continue.

Ana DELEVSKA: I was actually going to say we did not really look into why, for example, more sports were added to the program. Maybe if things were simplified, it would have worked. Maybe there would not have been the need to construct additional facilities at an additional expense. We did not really look into that aspect, but it is also maybe something to consider.

Joe McCracken: Do you think that there should have been a more thorough assessment of the potential challenges before the games went ahead?

Ana DELEVSKA: Absolutely.

Joe McCracken: What do you think those challenges were? I know you talked about some before, but a thorough assessment of challenges obviously was not undertaken. What do you think should have happened?

Ana DELEVSKA: I mentioned earlier that I actually think that essentially the decision to cancel the games was because of the realisation that the risks of going forward with this event were going to be much higher than the potential benefit or value. I will actually just come back to the logistics aspects. I think that that was the primary reason, and – supported with everything else – the fact is that the carrying capacity of regional Victoria potentially would not have allowed this type of large-scale event to take place because we did not have the facilities and infrastructure needed. I think that it really boils down to that for me at least as an outsider using publicly available information.

Joe McCracken: It just seems a thorough assessment would have really helped in getting an understanding of what – I think you said 400,000 Victorians would be moving around regional Victoria. That is quite a significant amount.

Ana DELEVSKA: In one of our classes we actually did an assessment of how much accommodation was available out there. I actually cannot recall that number now, but I know that the students actually concluded that really it was not enough. It was not going to be enough, and this was before the cancellation decision actually came through. We gave our students projects to work on to figure out how we could construct

temporary accommodation and just brainstormed ideas on what we could do to overcome these challenges, and then the decision came to cancel the event. So it sort of proved our point that we identified those challenges and started to get the students to think about, 'Okay. How can we overcome this?' We do not know if any of that was done by any of the other stakeholders. Needless to say we were not really surprised when the decision to cancel the games was announced, because we were aware of the challenges. That is all.

Joe McCracken: It sounds like the government should have consulted you guys on this then. You could have done a lot of work.

Ana Delevska: No problem at all. Our students would have been happy. They were actually working on a project for VTIC, the Victorian Tourism Industry Council. That was where they were coming up with ideas on how we could actually increase the supply of accommodation in regional Victoria. So we already actually collaborated with another body to work out what could have been done.

Joe McCracken: I think that is my time, is it, Chair?

The Chair: No, you have got a few more minutes.

Joe McCracken: Oh, really? Excellent. Wow.

The Chair: It is your call. We can move on.

Joe McCracken: I was going to ask about the original bid documents. As you said before, they did not include costs such as policing and those sorts of services. That seems to be a pretty big error, wouldn't you think?

Ana Delevska: Absolutely. Police and security is one of the absolute most important factors that you should consider in the planning of any event, even a smaller scale one, let alone a large event like the Commonwealth Games. It is one of the most important topics with the event management class, right, Van?

Van Khanh Nguyen: Yes.

Ana Delevska: So that should have been accounted for.

Joe McCracken: Yes. And I know you mentioned before very specifically – you said it tipped the balance more in favour of negative outcomes. Can you just expand on that?

Ana Delevska: I think that the combined impact of all the factors that we identified and discussed simply just meant that all these aspects would have negatively affected the overall success of the event if the state proceeded with it, so that simply necessitated this decision.

Joe McCracken: And what you are saying is that a lot of this information could have been known quite early on in the piece when the initial planning could have happened.

Ana Delevska: Yes, I would have to agree with that. I think that it is not that difficult to actually figure out what could have been these potential challenges that we would be dealing with.

Joe McCracken: Yes. Okay. Well, I appreciate your time. Thanks so much.

Ana Delevska: That is okay.

Joe McCracken: I am probably done. Thanks, Chair.

The Chair: Thank you, Mr McCracken. Ms Tyrrell.

Rikkie-Lee Tyrrell: Thank you. I have got a quick question before I have to duck off. You just mentioned before that your students were working on accommodation issues.

Ana Delevska: Yes.

Rikkie-Lee Tyrrell: What did they come up with? Were there any findings from that?

Ana DELEVSKA: They came up with, like, mobile capsules. So again, it was with the view for sustainability. They were looking at how they could come up with an idea of, you know, temporary accommodation that could also be reused in future for festivals or concerts or other sorts of events. They actually participated at a competition with that idea, but I think –

Van Khanh NGUYEN: We got third place.

Rikkie-Lee TYRRELL: Do you know what the costing is of those? Did they come up with the costings and all?

Ana DELEVSKA: Yes, they did. They did develop a thorough financial plan, but I am not able to recall it now.

Rikkie-Lee TYRRELL: Okay. All right. Thank you. Can we ask on notice –

David DAVIS: Just on that, I just think it would be very helpful to see some of that, if they were so minded to allow us to look at it.

Rikkie-Lee TYRRELL: Yes.

Ana DELEVSKA: They have already graduated, but –

Rikkie-Lee TYRRELL: Yes, can we take that on notice?

Sandra CHERRO OSORIO: Yes, if needed we could send it to you.

Rikkie-Lee TYRRELL: Thank you very much. Provide that on notice – that would be great. Thank you very much.

The CHAIR: Thank you. Mr Galea.

Michael GALEA: Thank you, Chair. Thank you, all, for joining us today, for your presentation and also for the paper. It was quite an interesting read. We very much appreciate your time today. Just to start with, I am sure you would agree that in Victoria we very much see ourselves as the sporting capital of Australia, indeed one of the sporting capitals of the world. In particular your paper has gone into a few of those major blockbuster events too. You have cited Formula One; of course the domestic competitions, AFL and soccer; international cricket; as well as of course the Australian Open. I am wondering if you can give us a bit of a perspective on the economic value of these sorts of recurring events and how that compares to what you would have estimated for the Commonwealth Games.

Van Khanh NGUYEN: In Victoria, as we know, we have so many events every year. We have the AO, and then we had the FIFA women's world cup. We are going to host the Rugby World Cup in 2027. So we have a very good reputation, and the success of those events I think gives confidence to people to come to the destination as a safe, secure, wonderful destination – very safe. We never have any issues with those events. That is the long-term reputation. However, with the sudden cancellation of the Commonwealth Games, it might influence not only the smaller events but also maybe the bigger events, like the large business events. They might see Victoria as a risky destination when they want to bid to host particular events in Victoria. So I think the long-term reputation might not be enough with the current cancellation. And the work was done; it was so sudden.

Michael GALEA: Yes. I think you made an interesting point: the success of the events that we do host, whether sporting or otherwise, set up that reputation. Would you say that is the predominant factor in terms of reputation?

Van Khanh NGUYEN: Yes. Reputation is always important.

Michael GALEA: And that is set by the success of the events that are delivered, and people have those good experiences when they are here, as you say. I might come back to the Women's World Cup – that was a great event last year – and those other various things that we do host. Just on the question of reputation, and this is something that is discussed in the paper, you have discussed those potential reputational impacts as a result of

the Commonwealth Games cancellation. I note, though, that there is no evidence or any data to show that there is actually any reputational impact from the games decision. Is that correct? I am assuming that if there was evidence, you would have shown that.

Van Khanh NGUYEN: You could say that it is a delayed effect. We do not see it now, but we might see it in the future – whether we still can successfully win a bid in the future.

Michael GALEA: So it is hypothetical; there is nothing to show. Thank you. Indeed you mentioned as well in the presentation – or it might have been in answer to an earlier question – the other example of the AFC, I think it was. It was actually the opposite. It was not Victoria being excluded from that; it was that Victoria made a decision, but there was still an opportunity there irrespective of other –

Van Khanh NGUYEN: It was from the media. We as the public have a view that we do not want to co-host the AFC even though we have all the facilities available. At that time we are not even too busy, because it is after the AO. The reason was, they said, that we have so many events in that particular year and it might be too busy for Melbourne to host another event. But it is not overlapping any big event in that year, because it is after the AO and our facilities are available. We have just upgraded the stadium at AAMI Park. They are all fully upgraded to FIFA standard, and it was a significant amount of money that was invested in the upgrade of the stadium. So we already have an existing facility, and in February it is not a really busy period for sporting events. So the question is whether we want to host the Matildas. They are like the pride of our nation with how successful they have been, and the majority of the audience who are going to those kinds of games, the women's cup game, are families with kids. So it is very important to promote those for the social aspect, not just the economic aspect.

Michael GALEA: Yes. I will come back to women's soccer in particular in just a moment, because it is very exciting space at the moment. Just to clarify then, you are not aware of any events that have been not offered to Melbourne or to Victoria as a result of this, apart from obviously the media articles at the time that we are aware of. But there is no other evidence of any reputational damage?

Van Khanh NGUYEN: No, not yet.

David DAVIS: Yet.

Michael GALEA: Thank you. Would you have expected to have seen that by now? It has been more than 12 months since the decision. Surely if there was to be such evidence, it would have come up by now, wouldn't it?

Sandra CHERRO OSORIO: I guess we academics always wait for a lot of data to show us certain patterns, because we are not directly investigating the Commonwealth Games.

Michael GALEA: Yes. You are waiting to see the evidence or not. We will leave it at that – that you have not seen any such evidence. Thank you.

I did just want to then – indeed as you did as well, Ms Nguyen – touch on the Women's World Cup last year. I note your paper was done in the relatively short aftermath of that world cup, so you did not have any data on the economic impact at that time. Do you have any economic data now on the impacts that the world cup had on Australia and Victoria?

Van Khanh NGUYEN: We did not investigate further after that. We finished the paper and we moved on to a different project –

Michael GALEA: Onto the next project, yes.

Van Khanh NGUYEN: So we did not go further. But the only thing we paid attention to was, okay, we have \$7.6 billion contributed to the Australian economy as a whole. We were looking for some evidence from Victoria, because we were teaching some subjects that were relevant. I could not find evidence. I saw the evidence from New Zealand. They had an entire report about the economic impact of the event, which made a significant contribution of a few billion dollars. But in Victoria, back to three months ago, I did not see any real report about it.

Michael GALEA: Sure. Perhaps the New Zealand one could be a useful comparator. Maybe I can ask if you can send us those details for that report on notice, thank you, if that is something you found to be a good source. Specifically on women's sport and the world cup too, the economic impact is one very big part of it, but of course the social impact is a huge impact, especially what we saw from Tillies fever. I have been out to a number of soccer clubs in my region in the last few months, as I tend to do, and the amount of demand from all quarters but especially from young girls to play soccer in the wake of the world cup last year is just huge. They are good problems to have of course, but we are dealing with many clubs that do not have the capacity or space and we are trying to help them to facilitate as many young girls' teams as possible. What sort of data, if you have any, on the cultural impacts of events such as the women's world cup on women's sport in particular do you have, or in women's engagement in sport?

Van Khanh NGUYEN: We do not have any data –

Ana DELEVSKA: But it would be interesting research to conduct.

Van Khanh NGUYEN: The only thing we know is that the majority of the audience attending the women's soccer games were families with kids, in comparison to those who go to the male games, who are mostly male.

Michael GALEA: Yes.

Van Khanh NGUYEN: So that is more of a social impact.

Ana DELEVSKA: It is almost like the females are more inspiring.

Michael GALEA: Certainly based on their performances I might even agree at the moment.

Van Khanh NGUYEN: And it is always sold out when the Matildas play, but not the Socceroos, if you pay attention.

Ana DELEVSKA: Yes, we actually did go to a couple of games of the Matildas as well.

Michael GALEA: I did not get to go, so I am very jealous. That is my time, so thank you very much.

The CHAIR: Thank you. Mr Davis.

David DAVIS: Can I thank the three of you first for your presentation and the background paper, which I think is very useful indeed. I want to take you to the end of that, one of the last paragraphs:

Existing research has emphasised a strong reputation as one of the key success factors in bidding to host a mega or major sports event such as the Olympics and the Commonwealth Games

You quote a number of people, including one we will see later in the day. So it is your considered opinion that it is not going to help the state to have cancelled the games and then to be in future – now, five years, 10 years – bidding for various events? It is just not going to help us reputation-wise.

Ana DELEVSKA: It might make it a little bit more risky. Look, we are talking about the future, so we do not really know which way it will go. That is why we said we would normally need a lot more data to be able to draw conclusions.

David DAVIS: But it cannot enhance the reputation, that we have cancelled them?

Ana DELEVSKA: It cannot enhance it.

Michael GALEA: But you have got nothing to show any negative impacts either?

Ana DELEVSKA: Yes, but we also –

David DAVIS: Well, there is actually some other bit that –

Michael GALEA: That is why I am asking for that.

David DAVIS: But in terms of the witnesses here – you had said there is a delayed effect in this. I think you said that, Ms Nguyen. So the delayed effect could be over years –

Van Khanh NGUYEN: Yes, years, because usually –

David DAVIS: or even decades.

Van Khanh NGUYEN: So we won the bid – I think it was in 2021, right, for 2026, so that is five years. Usually you bid a long time before that particular event happens, so there should be a delayed effect of at least three years until we know it.

David DAVIS: Until we know, and perhaps even longer than that.

Van Khanh NGUYEN: Yes, longer than that. But again, another issue is that I think they still have not found the host for Commonwealth Games 2026, so we cancelled and there is nobody taking over. According to the media I found, I think we still have not found a new host for the Commonwealth Games in 2026. Nobody wants to take it. I think Malaysia refused it, Singapore refused it –

Ana DELEVSKA: Which actually identifies a whole other issue of the actual feasibility of hosting the Commonwealth Games in that format as it is, and maybe they should be scaled back or simplified because it simply might not be worth –

David DAVIS: But we did it quite well in 2006. It was a very successful games. I raise this because –

Van Khanh NGUYEN: Those were in Melbourne.

David DAVIS: That is right.

Van Khanh NGUYEN: Not in regional.

David DAVIS: No, no. It was in Melbourne, and it was highly successful. If they had changed the model to a single hub, or maybe a single hub with a few spokes, there could have been something – it may well have been quite –

Ana DELEVSKA: Yes. It may well have been.

Van Khanh NGUYEN: Like, if we have a centre and then we have a little bit of regional surrounding –

David DAVIS: And there are amazing stadiums here already, as you are pointing out, with some stadiums that are up to world standard.

Van Khanh NGUYEN: Yes, all are FIFA standard. We already upgraded everything, even the training facilities for the Matildas and some of the other clubs that have been playing here, like Germany. All of the facilities are already up to FIFA standard.

David DAVIS: When confronting this very difficult decision to go chop and cancel – in a harsh chop – are you aware whether they looked at the option of moving to a Melbourne-based games?

Ana DELEVSKA: I am not aware. I am not sure. Maybe they have done that, maybe they have not.

David DAVIS: You are not aware of that, no. You have not seen any evidence of that.

Ana DELEVSKA: Logically, if it was me making that decision or if I were at a crossroad, I would consult with the industry. In any case there would have been somebody disappointed. In this case, as I said, even if the event actually proceeded, even if it went forward all the same, it would still have been really risky, and it could have been an unsuccessful event.

David DAVIS: There is no reason to believe it would be unsuccessful in Melbourne, though, because we had obviously done it in 2006.

Ana DELEVSKA: It would have been less risky and potentially cheaper to run it in Melbourne, because as my colleague mentioned a couple of times, we would have taken advantage of at least existing infrastructure instead of having to build new train stations and new –

David DAVIS: Accommodation.

Ana DELEVSKA: Yes. I remember once watching I think it was a tourism video of Melbourne being promoted as the events capital and saying it is a 10-minute walk from all stadiums. It was just promoting the accessibility in Melbourne, which is something that could easily be leveraged. Unfortunately, that advantage was not there if we were going to do the multihub model.

David DAVIS: Yes. You cannot walk from Ballarat to the Latrobe Valley.

Ana DELEVSKA: You could try!

David DAVIS: That is right. It is a major undertaking, put it that way. The other thing I want to get to is you mentioned the cost–benefit analysis and the earlier assessment. One of the things that we can do and recommend is better assessment processes for the future. Even not now we are interested in any thoughts you have on best practice in that regard. You might want to comment on that.

Ana DELEVSKA: We could even send more information on that afterwards.

David DAVIS: I think that would be valuable.

Ana DELEVSKA: Yes, we can send some recommendations for this.

David DAVIS: One of the outcomes of this inquiry is we are looking backwards and we can see blunders and mistakes –

Ana DELEVSKA: We want to learn from them.

David DAVIS: We want to learn so that this is never repeated again.

Ana DELEVSKA: As I mentioned earlier, we do not actually know what processes there are in place currently, but we can –

David DAVIS: Should that be more transparent, these assessment processes?

Ana DELEVSKA: I would think so, yes. I think so.

David DAVIS: Rather than secretive processes that are not transparent.

Ana DELEVSKA: They should be transparent. Given that it is taxpayers money, right, that is technically funding these types of events, there should be transparent, yes.

David DAVIS: And just on the assessment and the cost–benefit analysis, it seems to me that blind Freddy could have seen that these policing costs should have been included. Am I missing something here? Should this have been obvious? Is that right?

Ana DELEVSKA: I honestly think so, yes. We did this analysis based on information that is publicly available. We did not even have to collect any other data or information. Anybody really making these decisions also would have not even had to do any other substantial research.

David DAVIS: The lightest examination, yes.

Ana DELEVSKA: If it was anybody with expertise in event management, they should not have really overlooked that.

David DAVIS: So is that a culpable mistake? I mean, what do you say to that?

Ana DELEVSKA: There were quite a few mistakes, quite a few gaps. I think that the combined impact of those gaps would have likely contributed to this.

David DAVIS: I mean, we are watching the Olympics now and we see the enormous security presence of the French police – correctly. I just do not understand how the Victorian authorities did not imagine they were going to have to have a very significant additional police presence. That is a fair point. They are my main points, I think, the accommodation –

The CHAIR: You are just about out of time, Mr Davis.

David DAVIS: Yes, that is all right. I am done. Thank you.

The CHAIR: Thank you, Mr Davis. Mr McIntosh.

Tom McINTOSH: Thanks all for being here, and thanks for the discussion so far and the presentation. I just want to come back to parts of the conversation over the last 5 or 10 minutes. I think there was some commentary perhaps from Van Nguyen around the challenges facing the games. Obviously we saw Durban withdraw their collapsed bid, and Birmingham came forward. I think you rightly pointed out earlier that future locations are not being found going forward. Mr Davis talked about 2006 – I am not sure if Facebook had just been created at that point, and there was certainly no TikTok or the variety of other digital platforms we see around the world. Given the very different media markets and given I think most people around the world would not compare the Olympics to the Commonwealth Games from a commercial perspective, do you think hosting the Commonwealth Games is viable going forward?

Van Khanh NGUYEN: In my own opinion, I do not. I think the Commonwealth Games is not a good opportunity to generate economic impact for Australia. You can see the Olympics – we cannot compare that; Olympics is too big. With the Commonwealth, you can see with the countries that participate in the Commonwealth Games, we have a few developed countries which would be likely travel to Australia to attend that, but our geographical location is far away from other destinations, so then we might not be able to attract a lot of people flying to Australia to attend the games.

David DAVIS: The Pacific –

Van Khanh NGUYEN: Yes, Pacific, the islands – I do not think they will make a trip to Australia.

David Davis interjected.

The CHAIR: Mr McIntosh has the call, thank you.

Tom McINTOSH: Yes. So it not necessarily a good economic opportunity for host countries.

Van Khanh NGUYEN: Yes. If you consider the cost from the past and the economic impact – so our initial cost is \$2.6 billion, estimated, and then after that, \$6 billion – from the past the Gold Coast only generated \$2.5 billion, so the economic impact was less than the cost, so we only have a loss. In Birmingham they had \$2.3 billion – again, revenue generated was less than the cost that we have to pay.

Tom McINTOSH: And then that does not factor in –

Van Khanh NGUYEN: It is not very promising to host it.

Tom McINTOSH: And we did not have factored in what we have seen globally in inflation, in material shortages, and of course we have had record low unemployment, so costs have risen. If there was a further delay of, let us say, six or 12 months to make the decision not to proceed with the games as all those additional costs became obvious, do you think delaying the decision could have created more reputational damage the longer it was left?

Van Khanh NGUYEN: Yes.

Ana DELEVSKA: Certainly, particularly as the regions started actually preparing for it, people started investing and hoping that there would be some return on that investment during the games. So letting them proceed with something like that would have been pretty cruel.

Tom McINTOSH: So it was the right call to make?

Ana DELEVSKA: Yes, as early as possible. The moment they decided that, ‘Okay, this is not feasible; either way we decide to go is going to be negative consequences, so let’s call it a day,’ the moment that decision was made, the right thing was to communicate to the public.

Tom McINTOSH: Yes, and given that global environment and given no-one is stepping in to pick up the Commonwealth Games, do you think there would be a level of understanding, sort of a sophisticated understanding, around the world that could understand – as Durban did not proceed, as others are not stepping into the space – a reason why Victoria chose not to proceed with the games?

David DAVIS: It is very late in the process, isn’t it, for them and someone else too.

Tom McINTOSH: Well, Mr Davis, again, I have the call.

The CHAIR: Mr McIntosh has the call, Mr Davis.

Tom McINTOSH: The call was made years out, so the question I am trying to make is that there would have been an understanding as to why the decision was made and an understanding that the games were obviously – there does not seem to be a city or a country in the world that sees the games as being financially viable at the moment.

Ana DELEVSKA: Correct.

Sandra CHERRO OSORIO: There would be that perception.

Ana DELEVSKA: I do actually believe that might be the understanding given that nobody really wants to pick it up. Clearly nobody is really seeing enough of a benefit versus the cost involved in hosting it.

Michael GALEA: That is not just these games; it is the 2030 and 2034 proposed games. There is also no interest – is that fair?

Tom McINTOSH: I think that sort of answers it because the last question I was going to ask – we are just about out of time – was going to be ‘Do you see a future for the games?’, but I think that basically answers it, because nobody is –

Ana DELEVSKA: Maybe in a scaled-back version, in a simplified version potentially. We have not really looked into that, I have to be honest. I do not have data to support that, but my personal opinion is if it was scaled back and if it was simplified, maybe it would have even worked here in regional Victoria. But again, way too many –

David DAVIS: Or in the city.

Ana DELEVSKA: Or in the city as well.

Tom McINTOSH: That is probably a decision for the Commonwealth Games bodies, to try and find that model. That will do me. Thanks, Chair.

The CHAIR: Thank you, Mr McIntosh. Dr Mansfield.

Sarah MANSFIELD: Thank you. Thank you for appearing today. I am interested, from your submission – you make reference to the issue of political will being a supporting factor. I am just wondering if you could elaborate on what you mean by that.

Ana DELEVSKA: The political will was simply just one other element that we identified from that framework that we used to analyse the issue. This was data that was publicly available that we looked into. Mainly it was that the bid that was initiated by the Victorian government lacked additional funding from the

federal government, which would have been a weakness. This is a potential interpretation of this, but you would expect that if a state would like to host something, it would at least have the backing or maybe some potential funding from the federal government as well, which was not the case in this situation. We thought that that might be something that has contributed to this decision, given that the cost was increasing but there was no additional funding. We are not really saying that that was the main reason why the decision was made to cancel the games, but it could have been one of the aspects that contributed.

Sarah MANSFIELD: Your reference to political will is around a factor that led to the cancellation or perhaps the lack thereof.

Ana DELEVSKA: It could have potentially – if there was more support, maybe it would have been better. We are not saying that that was the only factor. It may have been the smallest factor that led to the cancellation, but we are just saying that there is a possibility that that was also one of the things that contributed to this whole heap of factors that we identified.

Sarah MANSFIELD: In the business case that was used to make the initial decision to host the games, the business case that was relied on, the consultants were very clear to emphasise that it was a desktop-only review. It was very limited due to time constraints and confidentiality requirements, so they were not able to talk to anyone about it. Two questions around that would be: is a desktop review for an event like this ever – is that the right way to go about it? If not, what standards should the department have aimed for?

Ana DELEVSKA: My answer would be: absolutely not. A desktop plan is not how an event of this kind can be planned. I made it clear earlier that consultation with stakeholders is one of the most important things. Validating your concept, validating your model first before you commit to it should have been something that was done. And the only way to validate it is to get out of the building and actually talk to people, not do it behind a screen. There could have been focus groups maybe, who could be employed in future, and focus groups that would represent different event stakeholders. But I do understand – you did mention confidentiality, so maybe there was a limit here to what could be done. It might be a matter of processes that need to be reviewed. In general anything that you do just on a desktop behind a screen without talking to other people is based on assumptions, not necessarily real evidence, I would say.

Sarah MANSFIELD: Yes. I guess further to that, though, and accepting that you should be actually talking to people, if you are going to do a desktop review, what you are saying is that from the publicly available information that you had, the adequacy of the desktop review is questionable as well.

Ana DELEVSKA: There definitely could have been more factors that should have been included in that desktop review than currently.

David DAVIS: Policing, transport.

Ana DELEVSKA: Yes, basics really. Anybody involved in planning an event or event management I think should have known that. I will be honest: if I was teaching somebody event management and they graduated with an event management degree and missed some of these things –

David DAVIS: You would fail them.

Ana DELEVSKA: I did not want to say that. But if a student submitted this as an assignment missing these aspects, they would fail. I am just trying to say that it does not take a genius to realise that there were big omissions that should have really been taken into consideration, because otherwise we would not be here today. That is all. Thank you.

Sarah MANSFIELD: Thank you for answering my questions.

The CHAIR: Thank you, Dr Mansfield. I believe Mr McCracken has another question. Mr McCracken.

Joe McCracken: Yes, thanks very much. I was just very interested in listening to the discussion there. I heard the discussion, it was about the Commonwealth Games and that it was known that it probably was difficult to stack up. Is that a fair thing to say? It is probably difficult to get a return on that sort of thing.

Ana DELEVSKA: Yes. Based on the data we have looked at, it does seem that that is the case.

Joe McCracken: Yes. I guess if that is a well-established, known sort of situation amongst those in your sphere and perhaps others in event management and international games and the Victorian government still signed up to it anyway, it suggest to me that obviously due diligence was not done, as you sort of alluded to before. Have you had a chance to look at the business case at all?

Ana Delevska: I have not looked at the business case, no.

Joe McCracken: No. Evidence that we heard – I am paraphrasing here a bit – suggests that the business case was not comprehensive, and I think Ms Mansfield referred to it before, in the sense that only a desktop review essentially was able to be completed. Would it be your assessment that the decision to initially sign up for the games was not conducted with due diligence and proper process in place, given the costs that have come out, that have been revealed, such as the policing, as you said before?

Ana Delevska: As I said, I cannot really comment on the process because we did not ever review what sort of processes were followed, but it does seem like there should be some improved processes in place.

Joe McCracken: It just seems really funny to me that the discussion has been that everyone knows that the Commonwealth Games have been very challenging – as you guys have said, it does not get much of a return on the investment – but the Victorian government were very quick to sign up to it and run a multihub model. I mean, just on the face of it, wouldn't you think that the due diligence in the lead-up to the signing up of the games was not done?

Ana Delevska: I actually do not know what the justification was back then from the government when they decided to sign up for this, but I would be interested to hear that, because I am assuming –

Joe McCracken: Yes, we have not really got any strong answers on that.

Ana Delevska: Okay, because I am just trying to make sense of it. I am sort of thinking that whoever decided that this is potentially a good project would have a justification in mind, but I am personally not aware of it. If you have it, please do forward it.

Joe McCracken: Look, it sounds as though your students could do a better job than what we have seen from the government so far. I guess I am saying, as you say, this perception that there were difficulties with running the Commonwealth Games and yet the government still signed up to it knowing that, doesn't that seem odd?

Ana Delevska: Yes, you could look at it that way. That is why I said I would need to know what the rationale was back then for the committee or whoever that made the decision at that point. Maybe they had something in mind. I actually do genuinely believe that there were positive intentions with this, and that is why I said even with a multihub model I think that theoretically it sounds amazing. It sounds like it is something that could generate a lot of benefits, so I do think there was a good intention behind all this. It is just –

Joe McCracken: Yes, I do not doubt the good intentions, it is just the poor execution.

Ana Delevska: Yes, the planning that did not even allow the execution – that was the issue.

Joe McCracken: Okay, thanks for that.

The Chair: Thank you, Mr McCracken. That brings us to the end of this session. Thank you very much for appearing today and giving evidence. You will receive a copy of the transcript of our discussion for review in about a week, before it is published on our website.

The committee will now take a break to reset and will reconvene at 11:30.

Witnesses withdrew.