

TRANSCRIPT

SELECT COMMITTEE ON THE 2026 COMMONWEALTH GAMES BID

Inquiry into the 2026 Commonwealth Games Bid

Melbourne – Friday 9 August 2024

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Professor Hans Westerbeek.

The CHAIR: Thank you for appearing today. We will now resume the committee's public hearings for the Inquiry into the 2026 Commonwealth Games bid.

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All evidence is been 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 name and the organisation that you are appearing on behalf of.

Hans WESTERBEEK: My name is Hans Westerbeek, and I represent Victoria University. At Victoria University I am a professor of international sport business.

The CHAIR: Thank you very much. I did not do this last time, so I apologise, but I will briefly introduce the committee. I am David Limbrick, a Member for South-East Metro.

David DAVIS: David Davis.

Michael GALEA: G'day. Michael Galea, Member for South-East Metro as well.

Tom McINTOSH: Tom McIntosh, Member for Eastern Victoria.

The CHAIR: I believe we have Dr Mansfield.

Sarah MANSFIELD: Sarah Mansfield, Western Victoria Region.

Joe McCracken: Joe McCracken, Western Victoria Region.

The CHAIR: Thank you very much. We welcome your opening comments, and after that we will have a discussion.

Hans WESTERBEEK: Thank you very much. Thank you to the committee for inviting me. I think this is not only a very interesting case but also a very important case from the perspective that I am coming from.

Maybe I will position myself first so that you have better contexts in which to place my comments and responses today. As a professor of international sport business I may have a broader based economic background, but really my bigger picture interest is international marketing, and the international perspective is one of comparison. My expertise and experience lies in the fact that I look at the comparison of different sporting systems, how culture affects the popularity of sports in one system and not in other sport systems, socio-economic differentiation between those contexts and also geopolitically – so why do certain cultures, or certain nations in this particular case, bid for events when others do not, and what are the reasons for bringing those events to their shores and organising them. That is the perspective where I can provide comments and insights. Where I can I will use evidence-based insights, but if it turns out to be an opinion, then that opinion is based on 30 years of work in the industry where I sometimes may bring together different insights that are evidence based but that I may not directly refer to.

In my preparation I have used a few big-picture perspectives: first, single city versus multicity; then the key consideration and question I think that drives us all – and that is the 'why' question – and I will relate that to value created by hosting events such as the Commonwealth Games; maybe a quick comment on tourism and trade; a quick comment on the participation argument in that major events may lead to certain participation behaviours that may not occur without the event; the facility legacy perspective; and then maybe some short

comments on the event itself and the value that it holds, or indeed may not hold, and the misperceived value that it may hold that is used as an argument for hosting the event.

So maybe first the single- versus multicity location – I think there are three driving arguments that I would like to put forward. First of all, the key issue is proximity to market, basically meaning: is the event hosted in a way that those who are prospective fans or spectators of the event can easily access the different event locations? I take that perspective particularly from the Australian or maybe even Victorian perspective versus events that are in locations where population density is a lot higher. I take my country of birth, the Netherlands, which is about a sixth of the size of the state of Victoria – the whole country – and simply placing the same events in those different locations has an immediate impact. The proximity-to-market argument I think is very important whenever you make a decision about where to host and locate an event, and proximity to market simply means that the easier it is to access the event, the higher the likelihood of people actually paying to come and watch the event.

That then leads into the second argument, and that is access and distance between host locations, both in terms of population locations but also facility locations. I think that argument has been at the core of the discussion about the Commonwealth Games 2026, where the regional locations were used in favour and against the argument of it being a very attractive opportunity for the state of Victoria.

And then the third argument, and this relates to the type of event as well, is the size of the potential. With potential I mean two things: the size of potential for media attendance, people actually buying or viewing the media product; and the size of potential for local attendance, how many people actually attend the event and are interested enough to either travel distance or fork out the money to attend the event. They are perspectives that directly, in my view, relate to the single- versus multilocation type of event and should have been – and some of them probably were – considered in the ultimate decision to bring the event to Victoria. Some of those decisions were also used to then eventually say, ‘Well, maybe we’ve misjudged some of those issues, which is a reason why we decided not to continue with the event.’ That is the single-city versus multilocation. I may in conversation come back to some examples of other events around the world where this has been either perfected or completely misjudged.

To me as a marketer the key consideration is why – the simple question: why did we bid for the event in the first place? What were the key objectives of those who ultimately had the power to sign on the dotted line for the event? What were the key objectives in bringing this event to the state of Victoria and making a decision to spend taxpayer money on it, and how would that taxpayer money then have been used to multiply the investment and return it? That return of course is not an easy equation. If it simply would have been an economic return, we would need a room full of economists here to justify that particular perspective. But if it had only been an economic perspective, it probably would have been a very difficult case to actually justify bringing the event to Victoria. Having said that, in terms of the information that is publicly available, it was not only an economic argument, it was also very much a social argument and even an ecological or environmental argument in terms of the value that was created or could have been created by hosting the event.

The question still remains, and certainly from where I sit I would argue that the ‘why’ question was considered, but it could have been considered much more elaborately and could have been justified with hardcore numbers more extensively and elaborately. The ‘why’ question very much relates to what I am proposing to talk about in the end, and that is: what is the event itself? What does it represent as a brand? What does it represent as a community collective opportunity to achieve certain outcomes that other events cannot achieve? Or indeed do we need an event that has that inherent value to engage communities, to facilitate trade or tourism, to generate an economic return that other events do not have? Do you need a global or a regional event? Do you need a local event? The perspective that we only need global events to achieve certain outcomes is probably a little bit outrun. A lot of organisations, cities, regions increasingly also realise that a very good, locally organised event that does not necessarily have a global or even a national audience can achieve certain outcomes better and much cheaper than going for these big, very complex global events.

I will make one remark in regard to tourism and trade facilitation, in particular in regional regions, and that is, again, a marketing perspective. It will only facilitate tourism and trade if the event that you place in those regions is significantly popular. If you put events in the regions that would struggle to attract an audience in a major city and argue that, you know, it is small and we do not need massive facilities, then my question would be: so if the event is not popular, if people would not come in a major city, why would they come to the

regions? It is only harder and more difficult to go to the regions. Tourism and trade will only develop if you actually take the most popular events that people are willing to travel for and invest regionally – that will only work. Again, that is a marketing perspective.

The participation argument is a bit of a hot topic and probably one of my favourite discussions, because there is a fair bit of evidence that hosting a major event for two weeks is not necessarily going to increase participation. It is not going to stimulate people who are couch potatoes to suddenly jump up and say, 'I am going to take on this sport.' The evidence is not there.

David DAVIS: Run the marathon.

Hans WESTERBEEK: There is sufficient evidence that people who are physically inactive will not start playing sport by simply watching successful sport. The only people who may increase their level of participation are those who are already very active and are on the positive side of their daily diet of physical activity. So that argument again and again is being used, and it is just not standing up. Two weeks? You can use the AFL or regular competitions and a consistent effort where there is a weekly opportunity to communicate the benefits of active participation, have local programs like Auskick and implementation-type programs in communities – that may work. Two weeks of the Olympics in Paris – will it make the Parisians and the French play more sport? Probably not. Actually, most likely not.

David DAVIS: Swim the Seine. Will they swim?

Hans WESTERBEEK: Yes, swim in the Seine. Take antibiotics in preparation for your 10-kilometre swim in the Seine. That is what the gold medal winner did. She took antibiotics to make sure that she would not fall sick, so what does that tell you about healthy living?

I am not sure if I have used up my time. The facility legacy argument is another one. There are more examples of white elephants than successful facility usage. There were some plans of building 5000 extra seats in Ballarat. The point, again, is a marketing argument here: if there is no excess demand right now in those regions for such facilities, why will there be excess demand after two weeks of competition? Only if there is now excess demand and there are not sufficient facilities would you use the argument to say, 'We're going to build that facility on the back of the event, and then we can provide for all those who want to use the facility but there is no space.' There will not be excess demand after a two-week event.

And then, maybe my final statement is – I will just use the example of the Euro football championships a couple of weeks ago, which to me is the ultimate example of how you would bring major events to a location. Germany is football-mad, all the facilities are there, a well-integrated community structure in terms of volunteer participation in sport, a big marketing machine and a multicity event that is relatively simple because it is one sport, one set of rules, one marketing machine, one blueprint that can be copied and pasted across the different regions but first and foremost a super-popular sport with facilities already there that financially can be organised in a sustainable way. And the marketing machine as such is one that allows for creating all those other benefits that go beyond the economics. I was there myself, and I was massively impressed with how the Germans did it. In 2020 the same event was organised across 12 different European nations. So multicity and multilocation can work, but it has a few underpinnings that you need to carefully consider before you argue your case about multicity. That is where I will stop.

The CHAIR: Thank you, Mr Westerbeek. One thing that you mentioned just now in your presentation was around the purported benefits, long-term health benefits, of having a short-term event. I am paraphrasing, but you questioned whether the evidence base is there to support that. In fact I am not sure if you are aware, but actually one of the significant benefits stated in the business case was these long-term health benefits – it was I think one of the major components of the benefits. What drives your scepticism around the long-term benefits of having an event for only two weeks? You just do not think that there is evidence that people will participate in sport more?

Hans WESTERBEEK: There are research papers related to Sydney 2000 and London 2012 that outline how people may have had a short-term boost in terms of their enthusiasm to pick up a sport or to start participating. The real benefit you are looking for is an increase in physical activity levels. That is where health benefits are generated, less so about sport participation. At Victoria University in fact we run an annual sport participation monitor across 15 sports – and we have a lot of events in this state of course. The state prides itself

on the major events strategy. Even with that monitor there is no evidence of certain sports coming to town and those sports then suddenly seeing a peak in their participation.

The Australian Open is a good example. After the Australian Open there is a peak in sales of tennis equipment and there is a peak in the number of people that will go out and play tennis on courts, and after two or three weeks that just goes back to levels prior to the open being hosted. So in terms of tennis, it might be that if we did not have the Australian Open, the baseline participation would be here, and now that we have had the open for so long that baseline of tennis is here. But it is here because every year – and increasingly the Australian Open is not about two weeks of tennis. Tennis Australia is very aware of the fact that in order to create an annual narrative you cannot simply rely on the open – you have the tournaments before; you have the tournaments after. Tennis Australia engages in community-based and club-based participation programs that link the Australian Open brand to participation. The heroification, if you like, of those who play the open. What I am saying is it takes a long-term concerted, strategic, committed effort that is difficult to achieve within one sport to actually achieve health and wellbeing benefits. If you then cut that across 10, 20 or 28 sports as an Olympic or a Commonwealth Games brand, there is no way that that brand, that communication – the Olympic Games – will facilitate increased participation in sport. Some sports may have more resources and do a better job and say, ‘Okay, now we need to capitalise on the amazing exposure that our swimmers have had in Paris. Now let’s capitalise on this and bring this back to the clubs.’ But it is not the Olympics that achieve that. It is the Olympics that provide a platform, and now Swimming Australia needs to take that on and say, ‘How are we going to make this work for us across the next four years?’

The CHAIR: Thank you. I think in a radio interview you described this whole saga as being like an episode of *Utopia*. What leads you to come to that conclusion? Because I note that you said that about the objectives of the games, and it is actually not quite clear what the objectives were because if you look at the business case, you would think that the objectives were around health benefits, but if you heard the communications from the government, the objectives were about regional Victoria, which is a totally different objective, to my mind, which is quite different to the business case. What led you to make that sort of comment?

Hans WESTERBEEK: It was an unplanned expression, but very true still. And I stand by it because it basically triggered in my mind that the Commonwealth Games – the announcements, the short-term perspective that was taken in terms of collecting the evidence – it was more about the ‘announceable’, a typical term that is used in the *Utopia* TV program. What can we do? How can we quickly achieve something that is broadly based on some evidence but more based on bigger picture communication benefits than it is on hardcore community returns? This is where I am departing from the academic and objective perspective and where I provide a personal opinion that I still think is grounded in the bigger picture, but the *Utopia* remark was very much I see something happening in real life that is like a parody in a TV program, with reasons outlined very similar to what I saw on the screen.

The CHAIR: Thank you. Mr McCracken.

Joe McCracken: Thank you very much. I really enjoyed your presentation, Professor. Thank you so much for that. There are a couple of things I want to talk about. I might appear like I am jumping from here to there, but bear with me. I note that you said before that the government had – I wrote down ‘misjudged some of those issues’ in terms of the planning and the preparation for the Commonwealth Games. Can you expand a bit on what you mean by that?

Hans WESTERBEEK: To me it comes back to the ‘why’ question. Let me first say that I have been in Victoria since 1994, when I came over for a couple of years and things got out of hand and I am still here. One of the reasons is that my wife and I and our kids love living here. We are proud Victorians, and it was the Kennett era when we came here when there was this transition from a localised approach to major events to a truly global, bipartisan approach to using major events to put Melbourne and later all of Victoria on the map. I still think that was a stroke of brilliance. I still think it works. I still hope and believe that it is a bipartisan approach. We also spoke about how that should supersede the difference between political viewpoints, because I think it is a massively important perspective on making Melbourne, Victoria, a better place – a place for others to come and visit, a place for people to come and live in, a place for generating economic trade et cetera. That is the context in which I am trying to answer your question. I completely missed that brilliant strategic perspective in terms of the decision that was made about the Commonwealth Games.

It comes back to I think something that has been raised, and that I have expressed in the media as well, and that is: is the Commonwealth Games still the iconic, world-beating international event that can answer the ‘why’ question? Why would they have that event service the strategic needs of the city of Melbourne and the state of Victoria, and would it deliver on the local needs of those who attend and the international needs of those who would pay for the right to broadcast the event or to travel to Victoria and come here and enjoy the event? My impression would be that I think the Commonwealth Games is not that type of event anymore.

Joe McCracken: I note that you said before, as you say now, the question about the why. You said before that it could have been justified with more hardcore numbers. Would it be fair to say that the Victorian government probably failed to understand the full scope of the games and did not include key considerations in its initial bid? It has obviously led to a lot of issues up to this point and eventually the cancellation.

Hans Westerbeek: Yes. There was definitely a lack of looking at both sides of the coin, the cost–benefit analysis, the costs perspective, in terms of both predicting the hosting and construction costs, but more importantly – the one thing that I have openly criticised and still would criticise – the cost of actually paying off the Commonwealth Games Federation for not hosting the event. That was a financial cost – the potential reputation damage that was done internationally to this brand that we have built for 30 years as a location where we basically have everything to make every event possible and they can be hosted in the shortest period of time.

David Davis: In Melbourne.

Hans Westerbeek: In Melbourne, yes. I mean, the CBD precinct around the MCG I know for a fact is second to none in the world. There is no place in the world where you have access to so many high-quality facilities in the middle of a city, with green space and public transport access to them. In terms of competitive position, competitive advantage to other locations, Melbourne is second to none.

That brings me back to the ‘why’ question. Okay, why then the Commonwealth Games? We have done it in 2006. It was probably – well, it was successful. But 2006 is not 2026. Since then the Olympics have had a major identity crisis. Brisbane was one of one bidder, LA was one of one bidder, and only now are the Olympics kind of reinventing themselves. I still think they are not out of their identity crisis. It might be a completely different value proposition come Brisbane, and when India eventually takes on the event, probably in 2036. That brings me back to hopefully providing you some kind of answer to the ‘why’ question: it was simply not considered in the context of that perspective that Melbourne so successfully has pushed for 30 years.

The Chair: Thank you, Mr McCracken.

Joe McCracken: I think that is my time. Thanks.

The Chair: Thank you, Mr McCracken. Mr Galea.

Michael Galea: Thank you, Chair. Thank you, Professor Westerbeek, for joining us. Just to start with, in your opening remarks you talked about the two aspects of the audience: the local audience and the media, the media product being a big part of it. I would be curious as to your perspective on what the value of that media exposure is and how it compares over time with previous Commonwealth Games events, if there have been any trends, but also how it compares to some of those other major sporting events that we have discussed, like the Australian Open, Formula One, the women’s world cup.

Hans Westerbeek: Look, I think it is fair to say that the inherent value in particular for the media product has declined for the Commonwealth Games. Again, this is a very simple marketing perspective where you ask the questions: what is the potential size of the market? Where do those people who are potentially interested in this particular event reside? What is their ability to pay? What is the access to media products that they have? If we take the simple perspective that this started as the Empire Games, you know, with the underpinnings of hardcore colonialism, that was rebranded and reset by becoming the Commonwealth Games in a time when increasingly nations who were part of the Commonwealth started to fight for, even if it was ideological, independence.

So the connotations of the Commonwealth Games as a brand have become increasingly complex. Again, that is a marketing perspective. If we talk about successful brands, they are singular, unified, simple, and they talk to

the broadest possible audience. The Commonwealth Games brand does not do that. And then at the same time it has three or four very distinct markets that potentially offer media value – the UK, South Africa, Canada, India, Australia and that is about it. If you then infuse that with the types of sports that are platformed at the Commonwealth Games, the majority of those sports are also not globally attractive sports and the level of competition is not necessarily at the level we see at the Olympic Games. In other words, does it matter if you score a Commonwealth Games record? The rest of the world probably would say no. As a matter of fact, if you go to mainland Europe and ask what the Commonwealth Games are, people would not be able to tell you.

Michael GALEA: Interesting. Thank you. You said just before it is not that type of event anymore – it is not the same iconic event that it was. We have seen, aside from the issues that even lead to the direct approach to Victoria after the Durban games fell through for 2022 and Birmingham moving forward, we also do not even have a confirmed host for the 2030 games, with the two Canadian bids failing to come through. Does that point to – with what you were saying as well with that sense of branding – an intrinsic issue in the future of the Commonwealth Games, or is there a way which they can be reinvented, a smaller model? How would you see that problem being solved? Is there a solution?

Hans WESTERBEEK: Yes. I think there is always a solution for products or services that fail, and it requires a few underpinnings. First of all, those who are in charge of it need to have or buy in innovation and modern-day views – if that is a way of putting it. If I was on the advisory committee to the Commonwealth Games Federation to say, ‘Can we reinvent ourselves?’, then it would be a quite significant and radical reinvention. It would start with what is the identity and base proposition that remains relevant to the history of the event but then tries to unify and conglomerate a big enough audience for it to be attractive, and that then relates to the content that you produce. If the content is predominantly formed around sports that then also bring together those athletes who are top of their trade in the world – like I said in the beginning, my perspective is one of, first of all, international comparison, then of marketing. You can hear in my responses that this is very much a commercial business perspective, a marketing perspective. How do you make something attractive that does not appeal to an audience anymore? That is the question.

Michael GALEA: And as you say, just lastly – you talked about the lack of knowledge or awareness of the games even in continental Europe and I am sure similarly in USA and other such large centres. Is that an increasing trend? I know India is very much growing of course. We also have China that is growing that is outside the Commonwealth. Does that make the games less and less relevant when you have such major players outside?

Hans WESTERBEEK: Well, relevance is a function of who you define as your key audience. You can be a small operator, be highly profitable and be happy with that. I think the Commonwealth Games Federation and those who manage it need to be clear about what they want their audience to be. And if you then focus on that audience and say, ‘Okay, we’re not going to be the Olympics and not aspiring to be the second biggest multisport event in the world,’ then you can reset. But do not be unrealistic about what your identity is and how others perceive you.

Michael GALEA: Thank you. Thank you, Chair.

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

Sarah MANSFIELD: Thank you. And thank you for appearing today. It is interesting to hear your thoughts on the relevance of the games. I guess that was not necessarily a consideration – I do not know, but it did not seem to have been a consideration in anything we have heard so far for the government or department when they made the decision to host the games, and it was not necessarily something they cited in the cancellation either. What do you think the appeal was of hosting the games, given what you have presented about the declining relevance of the games and the challenges with hosting this event that we have seen in recent years?

Hans WESTERBEEK: I think it might have had something to do with the fact that in order to stay relevant as Melbourne and as Victoria we on occasion also need to have one of those global events here. We already have the grand prix and the Australian Open, but Brisbane got the Olympics – it is the old story – and Sydney has got other stuff, so let us also try to get something back to Melbourne as well. And then a bit of complacency comes in and maybe lack of focus when it comes to what it actually takes to bring such a big event to a host location.

For Melbourne it was more like ‘Oh, yeah, been there, done it before. We can do it.’ It gives us the nice little shiny opportunity to say that we have got another big one – ‘Let’s go for it!’ Rather than really and deeply – and some of the media comments were clear on that – engaging in what it actually is that we are buying. You know, what is the value of this exclusive watch from Switzerland that we pay a mega amount of money for that turns out to be just a copy of the real thing? That is the perspective we are talking about here. Was the value still the value that even in 2006 we bought? I do not think that that was ever considered. It was much more an operational consideration of what it will cost to build the facilities and to host the event and what will bring tourists and other generated revenues back to Victoria in order to justify it.

Sarah MANSFIELD: And you are saying that the consideration of that broader value of the games more generally was not necessarily considered.

Hans WESTERBEEK: Yes, that is my view. I mean, it is beautiful to see so many Australians win all the medals during the Commonwealth Games and be top of the medal table, but from a value perspective the question is: who cares? We all do care when we see it on television for a couple of weeks, but does it bring money to the table or does it bring social benefits to the table? Do people start participating more? Do we leave facility legacies that are actually actively being used? The answer probably is no.

Sarah MANSFIELD: We have heard through this hearing and other evidence that has emerged since the cancellation of the games that the business case upon which the decision to host the games was based was undertaken by consultants. They justified the methodology that they used as a standard one for assessing the costs-benefit and overall value of a games like this. They said that they basically used standards that are widely accepted. What is your view of those standards and that assessment framework, and does that need a rethink, perhaps?

Hans WESTERBEEK: If you look at nine out of 10 examples of major events around the world and the estimations of what they will cost and then what the real costs are, you will see that nine out of 10 events go over budget and are grossly underestimated in terms of what they will cost. Three out of four of the last Olympics – you would have better spent the money on consultants. If the methodologies are accepted, if that is what the consultants argue, then they should be thrown out and we should start from scratch. Having said that, that is also in the context of a significantly changing environment in which value can be created. We still deliver those estimates based on traditional analog media. Actually, just before this inquiry I had a long interview with the *Australian Financial Review* on how TikTok and some other platforms are taking over as production facilities for individual athletes and how individual athletes are now becoming the value drivers of those major events, rather than the events themselves. So if you still base your economic estimates on traditional models, which is what most of these consultants do, then the danger is that you also continue to misjudge the actual costs – and benefits, for that matter.

Sarah MANSFIELD: Thank you.

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

Tom McINTOSH: Thank you. It is very interesting to hear your contribution, considering you decided to come to Melbourne and settle your life here, and with those reflections on the European market and European sports and that side of things. It is also good to hear someone say something positive about the Kennett government for a change. That was interesting, so thank you for that. Sorry, I am being a little bit cheeky there. I think to go into local needs and international needs is an interesting angle on things. When you talk about the Commonwealth Games reinventing itself, how does that tangibly look to you? Is it a smaller event? Obviously it is a lower cost event. What does it look like from your perspective?

Hans WESTERBEEK: Let me first personally state that if I had a million dollars and I was asked to invest it in reinventing the Commonwealth Games, I would not do it. Personally, I do not think there is the obvious value there that can be reset and repackaged in order to become relevant again – which is not to say that it cannot be created into something valuable. I do not think the Commonwealth Games Federation will basically cease to exist. But the key question is yet again: what is the proximity to market and what is the size of the potential? From a business perspective, if I were to reinvent the Commonwealth Games, I would basically bring the five key markets and stakeholders together and say, ‘Okay, guys, how can we create something that celebrates our collective history, that pinpoints what are the positives of that –’

David DAVIS: The commonalities.

Hans WESTERBEEK: Yes, the collectiveness of it – ‘and turn that into something that appeals to a wider audience, in which they also find themselves?’ And then what makes me salivate as a marketer is the size of the Indian market, for example. So you have to be relevant to these up-and-coming powers –

David DAVIS: It works for cricket.

Hans WESTERBEEK: Yes, that is right. And cricket, for example, is one of those sports that at an event such as the Comm Games would bring the best of the best together.

Tom McINTOSH: I suppose if you are looking for that underpinning, that fundamental thing that can glue it together, is there a problem – we just talked about India, and Australia has become a more and more multicultural country where perhaps more of our residents and perhaps some of those other nations no longer see their identity in England or the United Kingdom. So as that gap becomes bigger, it gets harder to draw that fundamental glue to hold it together or to draw people back.

Hans WESTERBEEK: A hundred per cent, yes. Like I said, 30 years here, but any one of my family who is still in the Netherlands still does not know what the Comm Games are, and those in particular in smaller nations who are increasingly striving for independence will not want to be associated with the old Empire, the underpinnings of colonialism et cetera. From a brand perspective they are the perspectives that you would like to push aside as much as possible, and the reinvention is about a collective future. What presents a perspective that is not only a collective future but also something that can be celebrated and where success has a platform and makes people put their hand in their back pocket and put money on the table? I mean, that is the business perspective that ultimately decides if a venture is successful.

Tom McINTOSH: I suppose with the Olympics you are bringing the whole world together, but the Commonwealth games is a –

Hans WESTERBEEK: Well, the Olympics have an identity crisis, but it is a good one to have, because their fundamental principle is bringing the youth of the world together in a ‘Sport for all’ context and in a peaceful and engaged competition that puts all the problems that we have aside. That is a lovely brand perspective that I would love to sell to anyone. You know, it is an old, predominantly, white men group of people who fail to really realise what innovation really is. So that is their challenge. Their identity crisis will eventually pass when old, white, pale men are replaced with younger, diverse, inclusive board members, and I think that is a challenge for the Comm Games as well. But it will not be called or known by the Commonwealth Games.

Tom McINTOSH: Yes. I suppose the only constant is change, and some people do not want to see change, and the world is changing quicker and quicker. Yes. Look, I am just about out of time, so I will leave it there. Thanks, Chair.

The CHAIR: Thank you, Mr McIntosh. I do have a couple of other questions. You have spoken a lot about the Commonwealth Games product and said that that product has a number of big problems with marketing it. I think in one of your articles you said how it is difficult to market it as an elite sports event because some of the best nations in the world in certain events are not included, and so you have to market it as something different or something other than that; maybe it is about bringing countries of the Commonwealth together or whatever it might be. What did you feel was the government’s view on the product that they had and that they were trying to effectively sell? Do you think that they had a good understanding of it? Because when the government were talking about it, they were talking about the regional games, and so they were selling something in regional Victoria. It was not quite clear to me exactly how they were trying to pitch that to a Commonwealth global market. But how did you see the product that they were trying to sell? Was that something that could be marketed?

Hans WESTERBEEK: In all honesty, the first time I heard about the regionalisation of the Commonwealth Games I thought there was something in there. I initially thought, ‘Yep, spread the love and spread the benefits.’ It had an initial inherent appeal in that it is not about Melbourne again, it is about Victoria; it is about all of us. It is about cities that are big enough to be a city but not big enough to have serious events being hosted there. It had an initial appeal. But I think it comes back to a few of the things that we have spoken about, and

that is: have we really considered the inherent value, the deeper value, of the event? I think that is where it starts crumbling down. When you talk about Traralgon and say, 'We're going to put X, Y and Z in Traralgon, and we're going to build facilities, and then when we leave after a week or two weeks, those facilities will suddenly be picked up by those who never saw that sport before,' or we go, 'We'll build 5000 extra seats in Ballarat –'

David DAVIS: Caber throwing.

Hans WESTERBEEK: 'and then maybe bring a few Western Bulldogs games there so that we justify the expense of building 5000 very expensive seats.' That was never thought through, as far as I can see.

The CHAIR: Thank you. Mr Davis.

David DAVIS: Look, I had a few questions, and I will perhaps start at that back end, where some of your discussion has been just now. It does seem to me that there is a value proposition for the Commonwealth Games in the future. As you have outlined, there are some very large markets – the UK, Canada, Australia and especially India and perhaps South Africa too – media markets that could build it forward. I am paraphrasing here, but my understanding is that your suggestion is that if that focus was the basis, you may well be able to craft something that is able to find resonance. Cricket is a classic example – I mean, the huge Indian market underpins a lot of cricket, which is a Commonwealth sport, as it were.

Hans WESTERBEEK: Yes. From a sporting point of view, it is the heritage of hardcore colonialism. It is the sport that was exported from the shores of England to all corners of the world.

David DAVIS: But loved in those five markets.

Hans WESTERBEEK: Absolutely.

David DAVIS: All five markets have got that commonality. I mean, I talk to my Indian friends, and they love cricket.

Hans WESTERBEEK: Yes.

David DAVIS: What I am saying is with your understanding of those big media markets, is there perhaps a way forward that can bring –

Tom McINTOSH: There was a cricket world cup.

David DAVIS: No, but the same – I am using that as an analogue.

Hans WESTERBEEK: Quickly thinking outside the box here, if you have five or six major media markets but there are 50 nations that are part of the current Commonwealth Games federation, why not bring 45 of them together in the collective of X, Y, Z and give it a nice name and make all of their athletes compete against those five bigger nations, and rather than 50 nations have six or seven entities and make them proud to be part of a grouping of nations that can actually compete against those bigger ones?

David DAVIS: And there are a few sort sports, like cricket, but also netball and others, that are particular to the Commonwealth, I think. We would be getting the most elite.

Sorry; I am digressing. My key point was to actually ask about the assessment process. I notice your articles referred to by our previous presenters from Melbourne Polytechnic, *Key Success Factors in Bidding for Hallmark Sporting Events*. Those articles, I think, draw attention to reputation as a key factor. Do Victoria and Melbourne have work to strengthen or rehabilitate our reputation in this light, and how should we go about that?

Hans WESTERBEEK: One of the key factors in bidding for major sporting events is if reputation is a key driver and, as in previous answers to questions as well, if that had been a key value that was identified as the reason for bringing the Commonwealth Games back to Melbourne, then my response would have been, 'No, you don't need that, because your reputation is already there – you don't need the Commonwealth Games.'

David DAVIS: I am talking about now. This has happened. We have suffered a bit of a slap. What do we do to build forward?

Hans WESTERBEEK: The next stage would be, 'Okay. We have now picked the wrong event and we have cast it off, and we actually have some reputation damage.'

David DAVIS: How do we repair that?

Hans WESTERBEEK: There are immediate opportunities to do so with what we already have and what we will continue to deliver, and I am thinking about the grand prix and tennis – much advertised as the only city in the world who has those two events in one city. There is plenty of evidence, real evidence, regular evidence, that we can do it all. The reputation is there. I think the major reputational damage was done simply because of the ill-considered reason for bringing the event here, which is why I said if reputation was an issue and if there was a cost–benefit or a risk analysis, then first of all you would have identified that we do not need the Commonwealth Games to further build our reputation. On the other side what would it do if we do not do it. The damage to reputation would be much bigger and financially probably much more impactful. To answer your question – maybe I cannot answer the question other than saying there are an increasing number of major hallmark events that talk to specific markets. If we now identify that our major reputation damage is concentrated in certain national markets or in certain spheres of sports governance, then that is where we also focus our attention in bringing events here that would satisfy those who find that our reputation is damaged – satisfied that we can actually do it.

David DAVIS: Very quickly, the analysis that was done at the time was flawed. I think that is widely accepted now. Is there a matrix that you would put forward or is there a best case analytical method that you would put forward that should be used for future events? You have referred to items of it. Is that written up anywhere?

Hans WESTERBEEK: I think what Victoria did really well in the 90s and through the 2000s was to have organisations like the Melbourne major events company and the Victorian Major Events Company that then became part of different iterations of Tourism Victoria.

David DAVIS: Did Visit Victoria lose its way?

Hans WESTERBEEK: I think this decision was too political. We have a range of not only specialist bureaucrats in government but we also have a range of experts, like many of the people that you may hear from in this inquiry, that free of charge could have given a wideranging perspective on what to do. I think if there is a way to go back to having a dedicated agency with the sole purpose of identifying what value needs to be generated for which purpose and then make a selection of potential targets and then backbone that with information from the wider range of experts, it would be something really good. I use one example – I am a member of Club Melbourne. Club Melbourne is an entity is set up by MCEC, but it is also a government organisation that basically says, 'Bring together a whole bunch of guys and girls who have connections in different parts of industry who can bring major value events to this city – knowledge events in particular.' That is how I viewed and saw the Melbourne major events and Victorian Major Events Company, but use what you have rather than make singular decisions that are myopic.

David DAVIS: Political decisions.

Hans WESTERBEEK: Political, yes. Political first and business second.

The CHAIR: Thank you very much for appearing today, Mr Westerbeek. We are out of time. You will receive a copy of the transcript for review in about a week before it is published on our website.

The committee will now reset and will reconvene after lunch. Thank you very much.

Witness withdrew.