

Attachment B – Responses to Questions on Notice

Question on notice	DTF response
<p>Question 1: Were the 2026 Commonwealth Games assessed under the process outlined in the Department’s Investment Lifecycle and High Value High Risk Guidelines? If not, why not?</p>	<p>The March 2022 business case for the 2026 Commonwealth Games primarily sought operating funding (as opposed to asset funding) to stage the Games, with a relatively smaller asset component including the village housing program, which was originally proposed to be privately financed rather than State budget funded.</p> <p>For this reason, the March 2022 business case for the 2026 Commonwealth Games was not classified as a High Value High Risk (HVHR) asset project when submitted for consideration by the Government and was not assessed under these guidelines.</p> <p>However, the business case was assessed consistent with the Investment Lifecycle Guidelines. The Guidelines are applicable to any investment proposal (output or asset) and support the development of business cases.</p>
<p>Question 2: Did the business case for the 2026 Commonwealth Games by DJSIR comply with the business case component of the Investment Lifecycle and High Value High Risk Guidelines? If not, why did the Department support a project with a non-compliant business case?</p>	<p>The 2026 Commonwealth Games business case complied with the Investment Lifecycle Guidelines. As stated above the business case was not classified as High Value High Risk and was not assessed under these guidelines.</p>
<p>Question 3: Did the Commonwealth Games go through the Gateway process that is required under the Investment Lifecycle and High Value High Risk Guidelines?</p> <ul style="list-style-type: none"> • If not, why not? • If yes, please provide the Committee with a copy of the documents. 	<p>Gateway Gate 2 (business case) reviews were conducted on the Villages delivery case and Major Competition Venues business case.</p> <p>DTF has taken the request for the documentation under consideration and will endeavour to provide an update to the Select Committee as soon as possible.</p>
<p>Question 4: Did the 2026 Commonwealth Games have a project assurance review?</p> <ul style="list-style-type: none"> • If not, why not? • If yes, please provide the Committee with a copy of the documents. 	<p>A Project Assurance Review (PAR) was not conducted for the 2026 Commonwealth Games. PARs are usually conducted shortly before a key milestone is reached or during construction.</p> <p>Gateway Gate 2 (business case) reviews were conducted on the Villages delivery case and Major Competition Venues business case.</p>

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	Pre-contract stage assurance reviews were planned for the Villages and Major Competition Venues but procurement processes for these facilities did not proceed.
<p>Question 5: Did the 2026 Commonwealth Games have a HVHR Delivery Assessment?</p> <ul style="list-style-type: none"> • If not, why not? • If yes, please provide the Committee with a copy of the documents. 	The business case for the 2026 Commonwealth Games was not classified as a High Value High Risk (HVHR) asset project when the business case was submitted for consideration by the Government.
<p>Question 6: The final version of the business case for the 2026 Commonwealth Games was submitted to DJSIR on 9 March 2022, cabinet approved \$2.6b in funding for the games on 10 March 2022. Was DTF's advice to Government on whether to support the cabinet submission based on an incomplete business case?</p> <ul style="list-style-type: none"> • If so, is it regular practice to provide advice to Government based on an incomplete business case? • If not, was one day enough to assess the final business case before providing advice to cabinet on approving the Games? 	<p>There was a complete business case provided for the 2026 Commonwealth Games for ERC consideration on 10 March 2022.</p> <p>As identified in the Auditor-General's report, Withdrawal from 2026 Commonwealth Games, DJSIR provided DTF with a draft of the report back submission around 3 days before its consideration on 10 March, with key attachments to the host contract, including attachments on the state's undertakings and guarantees, not being provided until late on 9 March.</p> <p>This resulted in DTF having little time to comprehensively review complex documents with potentially significant implications for the state before finalising its advice to the government.</p>
<p>Question 7: According to the Auditor-General's report, Withdrawal from 2026 Commonwealth Games, the cabinet submission for the Games in March 2022 sought funding of \$3.2 billion, which would have returned a cost to benefit ratio of 0.7. The report further states that the Department advised Government in March 2022 that the benefit-cost ratio was likely below 1.0.</p> <ul style="list-style-type: none"> • Why did the Department support a project with a projected benefit-cost ratio of below 1.0? • Was the Department influenced by the executive or any other agency to support the cabinet submission? 	<p>As noted by the former Secretary of DTF when he appeared before the Committee on 13 October 2023, the cost-benefit analysis undertaken was complex, as benefits assessment included both short- and long-term benefits, which have increasingly uncertain assumptions. Short-term benefits include jobs created, the investment in the economy for construction, and interstate/international tourism during the Games.</p> <p>The long-term legacy benefits are much more difficult to identify and measure, and included housing and health benefits. While these are more speculative in nature, it does not mean they should be excluded from consideration of policy.</p> <p>DTF was not influenced by the executive or any other agency to support the cabinet submission.</p>