

# **TRANSCRIPT**

## **SELECT COMMITTEE ON THE 2026 COMMONWEALTH GAMES BID**

### **Inquiry into the 2026 Commonwealth Games Bid**

Geelong – Tuesday 13 February 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**

Michael Johnston, Chief Executive Officer, Committee for Geelong; and

Jeremy Crawford, Chief Executive Officer, Geelong Chamber of Commerce.

**The CHAIR:** Thank you very much 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 being recorded. You will be provided with a proof version of the transcript following the hearing, and 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 organisations that you are appearing on behalf of.

**Jeremy CRAWFORD:** Jeremy Crawford, CEO of Geelong Chamber of Commerce.

**Michael JOHNSTON:** Michael Johnston, CEO, Committee for Geelong.

**The CHAIR:** Pleased to meet you. And thank you for appearing. I will briefly introduce the committee. I am David Limbrick, Chair and Member for South-East Metro.

**Michael GALEA:** Michael Galea, Member for South-Eastern Metropolitan.

**Tom McINTOSH:** Tom McIntosh, Member for Eastern Victoria.

**Jacinta ERMACORA:** Jacinta Ermacora, Western Victoria Region.

**Sarah MANSFIELD:** Sarah Mansfield, Western Victoria Region.

**Joe McCRACKEN:** Joe McCracken, Western Victoria Region.

**Melina BATH:** It is David Davis that sits right there, and I am Melina Bath, Eastern Victoria Region.

**Rikkie-Lee TYRRELL:** And Rikkie-Lee Tyrrell, Member for Northern Victoria Region.

**The CHAIR:** Thank you. We welcome your opening comments and ask that they be kept to a maximum of around 10 minutes to ensure time for questions. Please proceed.

**Michael JOHNSTON:** Thank you. Thank you for the opportunity and invitation to speak today. I represent the Committee for Geelong, which is an independent member-based organisation representing approximately 130 business and community organisations in the Geelong region. Our mission is to design Geelong's best future.

In terms of the response among our members to the cancellation of the games, generally there has been disappointment at the missed opportunity to showcase Geelong on an international stage along with the lost opportunities for local businesses. Our city is booming and has so much to offer. It is the fastest growing region in Australia for a reason, and this event could have amplified the story. We absolutely have the talent locally to deliver major events and provide an alternative to Melbourne, and this opportunity has been lost. Most of our members have taken the pragmatic view that the games were not worth delivering at any cost. There is a sense of frustration and confusion over the costings being so far off. Some members have expressed a sense of relief, having held genuine concerns that the enormity of the task could not be met and that a poor games experience would have reflected even more poorly on Geelong and regional Victoria.

More recently there has been growing concern around the actual legacy deliverables Geelong will receive. There is a growing sentiment that the projects being delivered may not meet what was initially promised and will perhaps not deliver the same ongoing benefits to Geelong and the region. We hope that this will be proved wrong.

So far as the impact on business, there had been minimal activity in terms of procurement. Indeed we are unaware of any actually being awarded. Some local businesses had certainly been projecting increased activity in the lead-up to and during the games, and this had formed part of their medium- to longer-term planning. This activity will obviously no longer be delivered. Some have spoken to a decreased level of trust in government commitments. Even allowing for grant funding programs and legacy infrastructure builds, the scale of investment will be significantly reduced. The industries impacted by the cancellation vary from the obvious ones, like hospitality and tourism, through to professional services and traffic management. Perhaps the most impacted local business that we are aware of impacted by the cancellation is the Wadawurrung traditional owners corporation. Covering both Geelong and Ballarat, Wadawurrung had to scale up their business to support the early stages of games planning and would continue to have been heavily engaged over the period through to their delivery. Cancellation effectively saw this gone overnight, leaving the organisation with a scaled-up business.

Moving forward to the regional package, the Committee for Geelong's focus turned quickly after the cancellation towards the regional package, maximising this opportunity for Geelong. There remains some uncertainty on some aspects, however, and we would welcome clarity. The key thing we are looking to see achieved is proportionate investment into Geelong. Geelong was to host more games content than any region. Local businesses have not only lost out on the full level of investment initially promised from the games, but there are also no guarantees that available grant funding for events and community sport will be allocated to Geelong at proportionate levels, or indeed at all. We would like to see Geelong have delivered what was promised. There remains uncertainty as to whether the projects being delivered will match what was initially promised and will perhaps not deliver the same ongoing benefits to Geelong and the region. By way of example, some of the sporting infrastructure may be reduced in scope to meet a community level but not be at the standard to meet requirements for hosting national or international events. This would limit the ability for Geelong to attract mass participation and international sporting events to our city, which was certainly part of the initial planning. Again, we will welcome further detail being provided on this matter as soon as possible.

The last area of focus, really, is around using Geelong businesses in the legacy piece. The games procurement focus was on using local suppliers wherever possible, and we fully supported this. This should continue through into the regional package and see the legacy infrastructure projects be delivered by Geelong-based businesses and conditions in grant funding require the use of Geelong-based businesses in the delivery of events and projects. We have had some assurances that Geelong-based businesses will be prioritised through procurement processes, but again we await further detail on what this looks like. Thank you.

**Jeremy CRAWFORD:** Thanks, Michael. The Geelong Chamber of Commerce, similar to the Committee of Geelong, is a membership organisation, and we represent almost 600 businesses and thousands of individuals across the region.

The Commonwealth Games was always a promising opportunity, and I personally took office as CEO at this organisation in early 2023 with some anticipation that I might lead a business community through one of if not the largest international event that the region may have ever seen. But in hindsight the attempts from the government to rally the region and excite the city of Geelong and its businesses in particular for the games was never fully successful. What was missing from the narratives in 2023 in particular were some action and some progress and some tangible outcomes heading towards the immovable deadlines of a major international event.

Economic impacts, although only forecasted but still highly anticipated, were partially unveiled in March 2023 by the now Premier but former Deputy Premier and Minister for Commonwealth Games Delivery the Honourable Jacinta Allan. The press release at the time made exciting promises, including a procurement hub with a goods and services pipeline which promised to create thousands of opportunities for local workers and jobs. It invited businesses to join the team, so to speak, delivering Victoria's regional games. The pipeline in the procurement hub was to feature more than 1200 opportunities for local companies to win contracts and cover everything from sporting equipment to metals, transport, security, catering, temporary infrastructure, marketing, telecommunications, IT and more.

At certain stages in the lead-up to the eventual cancellation of the games, businesses were interested in the potential benefits and the legacy of the games, but the sentiment was that they were not fully committed to the major event that seemingly never progressed. There was light preparedness from business, but no significant investments made by businesses that we know of. Multiple times government representatives were in Geelong addressing the business community and other areas of the region and giving reassurances of the government's commitments. I have some details and some more interactions and dates that we can provide post this opening statement. But when the cancellation announcement came, it was met with mixed emotions. Businesses were hopeful of an economic boost but then disappointed. But the majority of business owners were simply never convinced the event would go ahead.

The lack of commitment and process throughout the planning phases in particular and the constant rhetoric and noncommittal from government did leave the business community's reaction to the cancellation with indifference and apathy. Would the games have benefited sporting bodies and local clubs with much-needed infrastructure and a boost to participation following the games? I think the answer is yes. Would the games have benefited the region's retailers, traders, high-street precincts such as Pakington Street and central CBD operators? I think the answer is yes. And would the games have boosted Geelong's brand, its tourism and supplies of products and services from our abundance of businesses that stretch beyond the Geelong region and certainly include the Bellarine and Surf Coast? Again, I think the answer might be yes. So whilst it is hard to sum up the economic impact of something that was never progressing in the right direction, we can be 100 per cent assured that the economic opportunity to boost regional Victoria with significant investment and on the world stage seems to have been embarrassingly lost.

Regarding the regional package and the future of that funding, the chamber is committed. Michael has detailed a collective approach to our region's investment, with a focus on local suppliers and meaningful investment into infrastructure. And we stand alongside a number of collective regional stakeholders and organisations looking to ensure that Geelong receives a sizable portion of the next funding structure, to give businesses the investment they deserve but this time with much more transparency and clarity and also commitment than what we witnessed in the 2026 games.

**The CHAIR:** Thank you. Mr Crawford, I think it was quite interesting what you mentioned just before about businesses anticipating many procurement opportunities but the fact that they did not invest in order to take advantage of those opportunities. Would you say that they were sceptical about these opportunities actually appearing? Because I have heard there were some cases where people had invested, thinking that, you know, they were going to expand their restaurant or expand their tourism outlet. You are saying that these businesses around here did not do that?

**Jeremy CRAWFORD:** There may be some that invested. The businesses that I have spoken to certainly were not putting in any significant investment in the hope that the games would progress, and we had a number of businesses that were potentially preparing or planning – however, waiting for the commitment to come through. And that was a very key theme after a number of interactions we had with government representatives coming and speaking to the business community. After each of those interactions there was never any further commitment that things were progressing or there was money in the pipeline or the key dates and milestones had been met. So that preparedness and that willingness to invest was being held, but the appetite was dissipating more and more as we went through 2023.

**The CHAIR:** And how would you characterise the ongoing effect that this has had? Because this is like a trust issue with government, I suppose. They said, 'Well, we're going to have all this business coming your way,' and then it never eventuated, and it sounds like the business community was sceptical that it was ever going to eventuate. But now we are in this phase where we have got this other development that they are talking about – you know, to do the legacy stuff. What needs to happen from government for businesses to feel confident enough to actually invest and increase their capability to take advantage of these opportunities?

**Jeremy CRAWFORD:** It just needs to be really clear when the commitments come through and when the windows for investing are available, when there are decisions being made and the time frame on those decisions. It is really about honouring the commitments. I think since July we have all been waiting for potential funding to be dropping in light of the cancellation, and there have been some programs up and running, but there is also a very different approach where we have got an entire state that may be able to submit

for a scattergun funding approach, as opposed to concentrating investment into particular regions that would obviously have benefited more greatly had it gone ahead.

**The CHAIR:** Thank you. And, Mr Johnston, you spoke about the hope when the games came in of having local procurement prioritised. Since the cancellation, that is not going to happen, it would appear. So what is the approach with handling procurement now? Is it like what Mr Crawford said, where effectively you are part of a statewide market now in competing for this sort of thing?

**Michael JOHNSTON:** That is our understanding. We have been seeking since the cancellation and have had a very consistent narrative that what was being proposed – and we attended the same briefings with the then CEO of the Commonwealth Games organising committee –

**David DAVIS:** Mr Weimar.

**Michael JOHNSTON:** Mr Weimar. We spoke around a very targeted approach – the events happening within Geelong, for instance. If Geelong-based businesses were able to deliver, that was going to be the core focus and they would be given first opportunity to do that. So we have reasonably been expecting and pushing for that approach to continue through the delivery of infrastructure build, whether that be sporting facilities, whether that be housing stock being supplied through the billion dollars or so into desperately needed additional housing supply. We have the industry here to be able to facilitate and deliver that, and our reasonable expectation would be that Geelong-based businesses should get the first crack at doing that. Even with the grant funding available, particularly the yet-to-be-announced large pool around tourism events, what does that look like in the grant funding conditions? Are there requirements to see local businesses actually being given priority to deliver those services? We have just had the Cadel Evans road race in Geelong, and some of those support services are being outsourced to Melbourne-based companies. We think there is no reason why they cannot be delivered by local businesses where it is effective to do so.

**The CHAIR:** Thank you. I believe I have run out of time, so to Mr McCracken.

**Joe McCracken:** Thank you very much for appearing today. For both of you, did you guys have any involvement prior to when the games were announced? Did the government consult you at all about the games coming to Geelong in any way, shape or form?

**Michael JOHNSTON:** I think I can speak on behalf of us. We both came into the role – this is my 12 months today, actually, in this particular role –

**Joe McCracken:** Do you know if your predecessor had any involvement with the state government on whether the games should be in Geelong or not?

**Michael JOHNSTON:** Look, I am not aware of that. I know that post the event –

**Joe McCracken:** We heard the same from council as well, but I just want to make sure, because they had no idea either.

**Michael JOHNSTON:** Not to my knowledge. In fact my previous role was within the sporting industry, and I know that there were decisions being made that we were being made aware of in that role literally the day of the announcements.

**Joe McCracken:** So no lead-up time basically. Are you able to provide us, both of you, with a list of the dates and times of meetings that you had with the state government over the time of your involvement with the discussions around the Comm Games? Is that okay?

**Michael JOHNSTON:** Yes, we can take that on notice.

**Jeremy CRAWFORD:** Yes.

**Joe McCracken:** And for your predecessors as well within your organisations? Is that okay?

**Michael JOHNSTON:** Yes.

**Jeremy CRAWFORD:** Yes.

**Joe McCracken:** Thank you. Michael, you said that there was growing concern about legacy, minimal activity of procurement locally and decreased level of trust in the state government. When they cancelled the Commonwealth Games, how did you feel?

**Michael Johnston:** I think Jeremy sort of nailed it in that from the procurement perspective there had been a lot of discussion and a few briefings around 'This is what it's going to look like,' but I think businesses had been sitting there waiting to find out more information before they got too far down investing hard dollars into it beyond high-level planning, and that information never really came to us. In the really early stages of procurement, I am aware of one business that had modified their deliverables and it was sort of being held off, and then the announcement came. I think when there was just the lack of tangible action, it did not come as a huge shock. I think everyone had felt like, 'Jeez, it feels like there's a lot of work to be done to get this thing delivered,' but that reputational risk of not delivering it was the only thing that was really holding that belief together that it was going to go ahead.

**Joe McCracken:** Do you think the action did not match the rhetoric?

**Michael Johnston:** It just felt like there was a lot to do in a very closing window of time to actually deliver on this thing.

**Joe McCracken:** It probably could not be done.

**Michael Johnston:** It was going to be very difficult to achieve but, again, it was, 'Well, the government have committed to this, so they're going to somehow make it happen.' That may have unintended consequences on some other things in terms of access to construction and the legacy. Also, the event builds were going to have to happen, so that may have knocked some other time lines back.' There was that belief that it would happen, but only because it was too reputationally great. I guess to your question: there have been some comments made that this has further tarnished, in some businesses' eyes, faith in government to deliver on their commitments.

**Joe McCracken:** Do you think trust in government has gone up or down?

**Michael Johnston:** Again, based on comments I have heard, I think there is an overarching sentiment that trust in government at all levels is probably decreasing.

**Joe McCracken:** I would have thought so too. Jeremy, you said that there has been a lack of action, progress and tangible outcomes. You felt that the government was not fully committed. Then you said the fact that this was not gone through was an embarrassingly lost opportunity. What impact do you think it has had on Geelong's reputation when you say 'embarrassingly lost'?

**Jeremy Crawford:** Well, there is Geelong as a region, there is the state and there is also the country. When you are going to commit to something as significant as an international games, and also looking at the time frame between when the apparent \$2 billion cost was revised to near \$7 billion, which was within an 18-month period, which is not a long time in the construct of an international event, I am not sure where the embarrassment lies, but it is certainly embarrassing on the world stage that we have committed to something that we could not deliver.

**Joe McCracken:** Do you think it makes Geelong look bad, given that there have been big commitments made and they have not been followed through fully?

**Jeremy Crawford:** I do not think Geelong looks bad. One of the reasons is we were never really fully leading the Comm Games. There was a Comm Games organisation and there were government spokespeople, and it was very much led by the ministers at the time. We were really just part of the pack, so to speak. Businesses, venues, sporting organisations –

**Joe McCracken:** So it would be the state's reputation that is probably a bit more damaged, then. How did you both find out about the cancellation of the games? Were you told in the morning, or did you find out in the media like everyone else did?

**Michael JOHNSTON:** Personally, I started hearing some rumblings through some text messages I began receiving.

**Joe McCracken:** So essentially the government did not reach out to you and tell you, you just found out through rumour or the media.

**Jeremy Crawford:** Yes. I found out through the media who were attending the event that I had been notified of.

**Joe McCracken:** It is a bit of a slap in the face, don't you reckon?

**David Davis:** The dumping ceremony.

**Jeremy Crawford:** I am sorry?

**David Davis:** The dumping ceremony.

**Joe McCracken:** It is a bit of a slap in the face, you know, don't you think? You had been dealing with government ministers and then you found out like everyone else through rumours – like, is that how you build relationships?

**Michael JOHNSTON:** Look, ideally you would like to find out in advance and have time to prepare. I felt probably worse for the employees within the organising committee who were also finding out that morning in real time.

**Joe McCracken:** Yes.

**Jeremy Crawford:** The other thing to take into consideration is that there are some sporting organisations in particular in some of those larger sports and the sports that do not get a chance to shine nationally or internationally other than at these international events, and they were certainly in shock to hear it because they receive participation boosts.

**Joe McCracken:** Shocked is an understatement.

**Jeremy Crawford:** I know you have got some appearing later today who can probably vouch for that. I think about it from a business perspective. Although businesses were not fully committed and it was surprising, there were rumours for months that the government was not providing any reassurance that it was going ahead. We have to consider that businesses will continue doing what they are doing, but for some of the sporting organisations in particular my immediate thoughts were with some of our sporting body members who were obviously getting incredibly excited about their sport and its place on the world stage.

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

**Michael Galea:** Thank you, Chair. Thanks to both of you for joining us today. We heard from council this morning about the general economic picture of Geelong right now, and the council CEO was quite bullish about the current economic situation, particularly with the visitor economy. Would that be something that the two of you would agree with?

**Michael JOHNSTON:** Absolutely. I made some comments in a few pieces post the cancellation along the lines of 'Don't worry about Geelong. We'll be just fine.' This was going to be an opportunity to showcase what is happening in this city on a much larger stage. We lament that lost opportunity, but in terms of the economy and the growth here it is an exciting time. Yes, it would have been nice, but I do not see that it is going to have that same detrimental impact in terms of –

**Michael Galea:** Not a deleterious impact on it – yes. And can you describe for me in broad terms the current trends of your visitor economy here in Geelong?

**Michael JOHNSTON:** I am probably not best placed to answer that with you now, our general membership growth. Essentially there would be, I think, with council and Tourism Greater Geelong and the Bellarine some harder data. I do not know. Have you got anything, Jeremy?

**Michael GALEA:** Mr Crawford, do you have any?

**Jeremy CRAWFORD:** No. I do not have anything on hand, sorry, but we can take it on notice and perhaps provide some information when we come across it.

**Michael GALEA:** Great. Thank you. Mr Johnston, I believe in your opening statement you said that the games would not be worth delivering at any cost. Given the increasing costs that were emerging to deliver the games, do you think it is more beneficial to be focusing on something like the \$2 billion regional package rather than putting more and more into what would have still been a boost but ultimately a two-week sporting event?

**Michael JOHNSTON:** Look, certainly the feedback within the membership base that I was speaking to and within the general community was exactly along those lines. No, an event that was not going to deliver a return on investment to that level was not worth spending \$7 billion on if that was the costing. I think there are probably two parts there. There is an appropriate time, and this is obviously part of that, for reflecting back and saying, 'How did the costings get so wrong, and were there decisions that were made that shouldn't have been made that lead to that path?' I just want to draw that line in the sand. We have tried to focus more on 'What are the opportunities within the regional package?' I have spoken to what we are trying to achieve. Also, within that broader spending we now understand that generally the position of the state budget is very tight, but we would have loved to have see more of those savings from not delivering the event being put into critical infrastructure within regional Victoria, particularly Geelong. It is the fastest growing region in the country. We have got a public transport system that is in dire need of investment. There is projected modelling that within 10 years you are looking within the City of Greater Geelong at a 490 per cent increase on peak-hour commute times in and out of the city centre, which is unbelievable. But we have some infrastructure that we can build off. So we would much rather see that investment that would have gone into the games coming back into our city to address some of the issues around housing and continue to invest in industry that is growing. We have got a defence industry really starting to take off now out of Avalon with the arrival of Hanwha. We would like to see more state government support for helping to grow out on things like that.

**Michael GALEA:** Great. You mentioned of course the fastest growing regional city in Australia, which council was also obviously very proud to tell us this morning, and particularly the southern suburbs are growing quite significantly. The rail duplication project down to Waurn Ponds – do you think that will have a big impact? You mentioned public transport and accessibility to the Geelong city centre and of course connections with Melbourne as well. Will that have an impact as the southern suburbs grow too?

**Michael JOHNSTON:** That will certainly be beneficial. The next extension of that and getting that up is that will increase commuter frequency times sufficiently. But there is a fundamental issue around the public transport system in Geelong – that it is built to get people from here to Melbourne – and we need to think about that differently and utilise our infrastructure to move people around if we are going to get them out of their cars as the city grows. So yes, that duplication project is important to increase frequency, but there are a few other things we need to do to get people being able to access and use that service for intra travel within Geelong – to get from Waurn Ponds through to North Geelong or other places, not just into the city or into Melbourne.

**Michael GALEA:** Yes. As you point out, to paraphrase you, you are not a satellite town of Melbourne. You are your own city – some might say the premier city of regional Australia. What sort of transport projects, just briefly, would that include?

**Michael JOHNSTON:** We have written to the infrastructure minister. We have sort of spoken around things, including rail connection to Avalon, which includes that station there. From a train perspective as well, there are some level crossing removals on some key junction points that regularly cause delays on the line, which are at places like Lara and North Shore and on McKillop Street. From a road perspective, the Bellarine link is a critical future piece as well. I had the benefit of being in Geelong today and seeing Ryrie Street, one of the major thoroughfares. It still carries heavy vehicles running to the Bellarine. So there are a range of key projects we need to do as well as looking at the vast network and how that can be re-cut, I guess, to service the city better.

**Michael GALEA:** Great. Thank you. I believe my time is up.

**The CHAIR:** Thank you, Mr Galea. Mr Davis.



**David DAVIS:** Mr Johnston and Mr Crawford, thank you for your evidence today and the important role that your committees and organisations play in Geelong's future. I want to just backtrack. I understand you both may not have been there, but in August 2022 Jeroen Weimar, then head of the games group inside the department, met with the committee – I think Mr Johnston – to discuss the games and their legacy. Have you seen any information or feedback from that meeting?

**Michael JOHNSTON:** No.

**David DAVIS:** Could you dig back into your archives and let us find out? Maybe there are meeting notes; maybe there are others from the committee that remember that. Just over a year later, in September 2023, there was a stakeholder meeting here at Rydges with Minister Shing. Do either of your organisations have any notes or any record of that meeting and what happened?

**Michael JOHNSTON:** I would have to look back through any notes.

**David DAVIS:** Were you there?

**Michael JOHNSTON:** I attended, yes.

**David DAVIS:** One of the invitees said they left none the wiser. Is that a fair summation of what was discussed here at that time?

**Michael JOHNSTON:** I would describe that meeting as being – it was the second information session that we had received in person. The now Premier had come down within about a week of the initial cancellation. So there was on the day of the cancellation an online briefing, which was then followed up by an in-person briefing at the Gordon TAFE. I think the general sentiment from me and from others I spoke to in the room from this session that Minister Shing presented at was that there was not really any new information some six weeks later that had been provided from the initial briefing that the now Premier made.

**David DAVIS:** Minister Shing said projects would be brought forward. Do you know which projects she intended to bring forward?

**Michael JOHNSTON:** I am not sure.

**David DAVIS:** So nothing really came out of that particular meeting. Mr Johnston, you told the Senate inquiry:

From a Committee of Geelong perspective, our focus has been on ensuring that infrastructure is delivered in a timely manner in line with what is being promised ...

Are we actually on track for that infrastructure delivery?

**Michael JOHNSTON:** We have not received any information to suggest it will or will not be at this point in time.

**David DAVIS:** And are you aware of what percentage of the funding Geelong is likely to receive?

**Michael JOHNSTON:** No.

**David DAVIS:** You do have concerns, therefore, about the delivery of infrastructure legacy items?

**Michael JOHNSTON:** I think the absence of actually having hard information creates concern because you fill in the gaps with doubt.

**David DAVIS:** It is like a vacuum.

**Michael JOHNSTON:** We would love to have clarification, yes.

**David DAVIS:** Nobody knows what is happening – confusion, uncertainty, a vacuum.

**Michael JOHNSTON:** I think the absence of information is concerning. You do not know.

**David DAVIS:** Do you, Mr Crawford, have any comment on that lack of information?

**Jeremy CRAWFORD:** No, but I just want to comment on the 20 July meeting, where Jacinta Allan came down two days after the cancellation. I have just found an excerpt from the invitation, which says that the Victorian government is getting on and delivering a comprehensive \$2 billion package to ensure regional Victoria receives all the legacy benefits that would have been facilitated by hosting the Commonwealth Games.

**David DAVIS:** Is that a news release?

**Jeremy CRAWFORD:** No, it is in the calendar invitation that was sent.

**David DAVIS:** We would like a copy of that, if that is possible, Mr Crawford. That would be very helpful.

**Jeremy CRAWFORD:** Yes, I will send that through for you.

**David DAVIS:** And were there any notes taken from that meeting with Jacinta Allan by either of you or your organisations?

**Michael JOHNSTON:** I am sure I took some handwritten notes.

**Jeremy CRAWFORD:** No, I did not record any at the time.

**David DAVIS:** They are just impressionistic points.

**Jeremy CRAWFORD:** Just taking it in.

**David DAVIS:** And in either of the meetings was housing discussed? Did Jacinta Allan talk about housing or did Harriet Shing talk about housing at either of these meetings?

**Michael JOHNSTON:** I cannot confidently say. I believe so. Certainly in the second briefing with Minister Shing it did come up in some level of detail, but apologies, I could not accurately recall off the top of my head.

**David DAVIS:** Has there been discussion on housing directly with either of your organisations and the government's plans for housing?

**Michael JOHNSTON:** Not directly related to the regional package I guess. We did host Minister Shing as a guest at an online member forum in October, I think, late last year, which provided some information around *Victoria's Housing Statement* for our members.

**The CHAIR:** Thank you, Mr Davis. Ms Ermacora.

**Jacinta ERMACORA:** Thank you. Thank you, Michael, and thank you, Jeremy, for coming along today. I am interested in your analysis on the likely economic benefits to the community from the Victorian government's regional tourism and events fund – that is a \$170 million fund – in particular the tourism development and regional tourism from your community and the businesses that you represent. What does that mean for you, in your analysis?

**Michael JOHNSTON:** Within our membership base we have a subset. We cover a variety of industries. Tourism and hospitality are certainly not our largest segment. I think in terms of that event funding, though, again there has been only limited information available. We are waiting to see what that grant program looks like. Discussions I have been involved in within the broader Geelong community I guess have spoken to the best use of that funding and what types of events that attracts, and some have expressed concern that it will be diluted down into supporting too many because it will be oversubscribed and 'Will they actually deliver it?' as opposed to 'Is there an opportunity to really try and go after a larger international event?' That certainly would not be at the same scale as the Commonwealth Games. It could be something that is of an international audience reach, and could that be an opportunity there? I think in terms of what hospitality providers are looking for, Jeremy, you would be able to speak to that in a bit more depth, but from a broader business perspective it is: what can achieve some of that goal of trying to expose Geelong on an international stage? We would love to see that being one of the outcomes of this funding.

**Jacinta ERMACORA:** That fund, from what you are saying, could be spread widely or could be one big bang, and we do not know that yet.

**Michael JOHNSTON:** Yes. We do not know what it is going to look like. As I said, we do not know if it is going to be – we do not believe it is going to be – only available to the regional centres that were initially going to be hosting the Commonwealth Games. It could be anywhere in regional Victoria, it could be only limited to the regional centres – we do not have that information. So on that point, in the absence of information we start asking questions that – again, we do not also know if it is going to be for a small number of larger events or for a large number of smaller events, if that makes sense.

**Jacinta ERMACORA:** Either way there is a benefit.

**Michael JOHNSTON:** Either way there is a benefit.

**Jacinta ERMACORA:** With the Regional Events Fund, which has been running since 2016 and is now extended with some of that money, what benefits would you see from that for your members?

**Jeremy CRAWFORD:** I know some of our members are putting together some submissions which they will send through, but I think, to Michael's point, there are two components in play. One is organisations that would individually pitch for that funding and likely have an impact that is predominantly for their own business. It would be great for the region, but a lot of those would be short-term and not have a particularly long tail of return on investment beyond the life of the event. And then we have a collective approach. There are some organisations, including the committee and some private organisations in Geelong, which are talking about event- and branding-based funding to improve the visitor economy and the attraction of the region. So collectively that is a much larger investment, and we can represent a wider number of businesses in delivery.

One of the challenges we have now is that the responsibility for driving this economic boost now also rests on businesses and organisations and utilising existing capacity and then also on the delivery of that money, which some organisations are now shifting to take on board to try and maximise that opportunity. When we get some information, often these funds come with some criteria and clauses around what types of entities are able to apply, particularly in events and tourism. Historically you often need endorsement from your regional tourism body, which can create some additional operational challenges for Tourism Greater Geelong and the Bellarine if that is required. So I guess what we are looking for is some clarity on who is eligible, how are they eligible and what it looks like, and then we can obviously make a clearer strategy from there.

**Jacinta ERMACORA:** I am from Warrnambool, and we are seeing worker shortages everywhere, including Geelong. Certainly if the south-west region is trying to attract workers, that does involve moving house, and to a certain degree that is the case with Geelong, certainly from the Melbourne market and other regions. So I am interested in the Regional Worker Accommodation Fund and how you would see that as contributing to the economy of Geelong and meeting some of the challenges.

**Michael JOHNSTON:** Yes. I mean, there has been some media discussion around Airbnb, and particularly around the Surf Coast and with the Bellarine there is a high percentage of accommodation being used as holiday rentals. That is obviously putting on pressure in terms of a variety of industries, particularly in hospitality – having staff that can live near. We are seeing generally with Geelong's growth, one of the problems that comes with growth – which is a nice problem to have – is that housing affordability is becoming less attractive than it once was in Geelong. That is going to increasingly put strain on lower-paid workers, who are needed to be servicing a range of different industries and skills, who are increasingly priced out of living anywhere remotely close to where they actually need to work. So these types of programs obviously will be helpful and will be much needed. It is a longer-term issue with multiple factors.

**The CHAIR:** Thank you, Ms Ermacora. Dr Mansfield.

**Sarah MANSFIELD:** Thank you, and thank you both for appearing today. It was mentioned before that a number of businesses potentially took on some additional staff or made some investments in preparation for the games. I think, Mr Johnston, you used the example of Wadawurrung corporation taking on some additional staff. Are you aware of any support or compensation that has been offered to these organisations as a result of the games being cancelled?

**Michael JOHNSTON:** No.

**Jeremy CRAWFORD:** Nowhere.

**Sarah MANSFIELD:** No. Okay. Were either of your organisations – and you may have covered this already – involved in the preparation of the business case or the bid in any capacity?

**Michael JOHNSTON:** Not that I am aware of.

**Sarah MANSFIELD:** No.

**Jeremy CRAWFORD:** No, I do not believe so.

**Sarah MANSFIELD:** Okay. Mr Johnston, you mentioned that you felt that we had the capacity to deliver the legacy infrastructure locally here in Geelong. In the Ernst & Young business case they identified that two of the highest risks for the ability of the government to deliver the games were a lack of time to deliver infrastructure and the limited regional labour and resource capacities. The recommendation by Ernst & Young to the government in that business case to mitigate that risk was for the government to engage early with those costings and get some more details about how they might be able to address those concerns. At that stage, once the games had been announced, given that they knew this, did the government engage with either of your organisations or, to the best of your knowledge, any of your membership about those details – for example, how they might be able to deliver regional infrastructure and what the local workforce capacity was?

**Michael JOHNSTON:** Not to my knowledge.

**Jeremy CRAWFORD:** No.

**Sarah MANSFIELD:** No. And do you feel that your organisations or your membership have any relevant expertise that may have assisted with addressing some of those questions around the capacity to deliver the games?

**Michael JOHNSTON:** I would say yes.

**Jeremy CRAWFORD:** Yes, most definitely.

**Sarah MANSFIELD:** And are you able to provide any examples of the types of information you may have been able to assist the government with?

**Jeremy CRAWFORD:** Yes, certainly. I think collectively, speaking on behalf of us, because we often have a number of members that cross over, particularly in the areas of construction and development, we have got a significant number of locally based but also larger organisations that have satellite offices in Geelong. I am sure they would be able to provide information on construction workforce statistics. We have got an abundance of other services, particularly relating to construction, architecture, civil engineering and so forth – some very large organisations – and there are quite a number of organisations that would be involved in the planning, for example, of sporting infrastructure. My understanding is that those discussions had not progressed further than just perhaps a site that had been identified and some preliminary discussions around what was going in there and certainly not to the point where some of those sporting organisations had effectively endorsed some of the delivery of that infrastructure.

**Sarah MANSFIELD:** I think both of you have mentioned that there were mixed reactions in your membership but there were some who were actually a bit relieved that the games had been cancelled because they did not feel that it would be delivered to an appropriate standard. Can you provide some more detail about what their concerns were? I mean, you have mentioned that there was a lack of information or maybe a lack of progress, but what were some of the things you would have expected would have been, I guess, further along the way or had more detail provided about them at that point?

**Michael JOHNSTON:** I think really the main things were around construction time lines. There had been some sites identified, but there was no site branding up and there were no shovels in the ground. We are talking about the lead-in time to actually build some of these things, any approvals that were required and making sure that those tenders had gone out and been awarded – like, the lead-in time to actually start construction through

to then the reality of looking at a March 2026 delivery, or realistically September 2025. A lot of these venues would have needed to have been completed to be able to start hosting test events over that period leading up to it, so it was a very short window and it would have needed quite a lot of work. That was generally just the logistics that were quite challenging there, and then there was the risk of having it not quite completed or having to adjust designs to meet that deadline.

And then on the visitor experience we were increasingly hearing that the enormity of trying to get accommodation options was going to be too difficult, and it had initially shifted from the announcement being very much 'Let's have people staying out in the regions' to a lot of the language being 'Let's have people staying in Melbourne and coming out through the day'. The transport infrastructure to be able to service that was again a major concern in terms of how realistic it was going to be to be able to move people into Geelong and then in and around games venues and how that could be managed from a public transport and traffic perspective.

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

**Tom McINTOSH:** Yes, hi. Mr Crawford, I might start with you if I can. What is the unemployment rate in Geelong?

**Jeremy CRAWFORD:** What is the unemployment rate?

**Tom McINTOSH:** Yes.

**Jeremy CRAWFORD:** I do not have that on hand at the moment.

**Tom McINTOSH:** Okay, no worries. How do you think employers are going with sourcing labour at the moment in the Geelong market?

**Jeremy CRAWFORD:** It depends on the sector. But we are hearing that from organisations such as hospitality and some of the tourism-based economies they are finding it harder to source staff, and then there are always some niche skill sets to do with technology-driven industries that are harder to acquire skill sets.

**Tom McINTOSH:** How many members do you have?

**Jeremy CRAWFORD:** Almost 600.

**Tom McINTOSH:** Okay. So broadly, for your members is sourcing labour an issue and or not an issue?

**Jeremy CRAWFORD:** I would say it is an issue for some, but it is mixed. It is not a consistent theme across all the membership, but there certainly are some sectors where they are struggling to find the right talent.

**Tom McINTOSH:** Okay. Consistent with much of Australia, are inflationary pressures being felt in Geelong?

**Jeremy CRAWFORD:** Absolutely, and it is not just inflationary pressures. There are quite a number of pressures that have been added to business in the last few years – levies from the pandemic, higher WorkCover costs, payroll taxes – inflation adds to that – higher energy bills. We have got some businesses that are running at significantly higher costs and delivering the same output as they were two or three years ago.

**Tom McINTOSH:** Yes. How many years were WorkCover premiums held for in Victoria?

**Jeremy CRAWFORD:** I am not sure how long they were held for, but we have spoken to businesses that have added nearly 40 to 50 per cent costs overall.

**Tom McINTOSH:** Do you know how many years prior to that since there was an increase in the premium rate in Victoria?

**Jeremy CRAWFORD:** No, I am not aware of it.

**Tom McINTOSH:** Okay, thanks. Are you familiar with how many years it would be since equivalent inflationary rates in Geelong were felt in this way? Are we talking a number of years or decades since we have had these inflationary pressures?

**Jeremy CRAWFORD:** No, I am not aware of the information that would lead into that.

**Tom McINTOSH:** Okay, thank you. So what additional pressures do you think hosting the games would have had on the employment rate, sourcing of labour and inflationary pressures here in Geelong, and what impact do you think that would have had in terms of investment and, for example, infrastructure build and that sort of thing? How do you think that would have played out?

**Jeremy CRAWFORD:** It is a very complex economic assessment question which I do not think I have the skill set to answer. I would probably have a look at that question from a different angle, which is: what are some of the opportunities for businesses to invest, to take on some of that additional cost, knowing that there is a likely return which can be guided by government information and economic development estimates and so forth? As we found out, that surety and guidance was not provided, so we just did not see that level of commitment from business.

**Tom McINTOSH:** If there is increasing cost to invest, doesn't that change the ratio – are you familiar with when the spike in inflation occurred in recent years and how that flowed through into the economy and the cost of investment or investing for local businesses?

**Jeremy CRAWFORD:** Yes, but I do not have the information to be able to comment on that other than that the current climate, from what we are hearing from business, is not the same as the standalone inflationary pressure and that there is significant cost to business and to the production of product and to the delivery of services and to the labour that delivers that, which goes beyond just an inflationary pressure.

**Tom McINTOSH:** So the worldwide pressures that are being felt around the world?

**Jeremy CRAWFORD:** Yes. This is on the back of pandemic supply chain issues, import and export delays, and it is also on the back of things such as the government increasing some levies and taxes –

**Tom McINTOSH:** Around the world?

**Joe McCracken:** In Victoria.

**Tom McINTOSH:** Okay, sorry.

**Jeremy CRAWFORD:** I represent businesses in Geelong, so I cannot comment internationally, but I can tell you that the pressures and the costs overall are weighing down heavily on business.

**Tom McINTOSH:** Right, okay. Is there an inflationary price point that you would have put on continuing the games as far as – you know, we talk about the –

**Jeremy CRAWFORD:** No, I am not qualified to answer that.

**Tom McINTOSH:** Okay. Thank you, Chair.

**The CHAIR:** Thank you, Mr McIntosh. Ms Bath.

**Melina BATH:** Thank you. Thank you, gentlemen, for being here today and providing us your feedback. You mentioned before – and it is your predecessors, so you may need to take this on notice – that your organisations had multiple interactions with ministers, and I think you offered to provide some time lines for us or meeting dates. Just putting that on record, if you could do that. I am interested to understand: pre the cancellation, on 18 July, at what point did you feel your organisations, your business communities, were really getting concerned that it would not be delivered? So when did you have concerns – your organisations – that this would not come to fruition? If you have got a date or a month.

**Michael JOHNSTON:** Look, I could not give you an exact date. I would suggest that the first conversations I had with a few people suggesting that they were hearing certain things would be going back maybe only to April, a few months prior.

**Melina BATH:** So early –

**David DAVIS:** 2023.

**Michael JOHNSTON:** 2023.

**Melina BATH:** The first quarter of 2023.

**Michael JOHNSTON:** Yes. And they were mixed. Sometimes we met in the forums that they were sort of aired in as being almost unbelievable: ‘Look, that doesn’t sound like it could possibly happen’ or ‘The government have committed to this – that it will be delivered.’ But I guess that was the first time I had heard –

**Melina BATH:** There were some nervous people or some people reflecting that it sounded a bit hollow – you are not seeing things progressing on the ground.

**Michael JOHNSTON:** ‘We’re not seeing things happening’ – yes.

**Melina BATH:** Thank you. One of the things I am interested in: we heard from council about the housing build and the concerns about the delays in that. You have said I think in the past that the games provided a firm deadline for production, for infrastructure commitments. What are your concerns around the delays in building affordable and social homes for people in the Geelong area, but also attracting your fair share of that pool of money?

**Michael JOHNSTON:** It is just that fine line between getting the process right. Without that firm deadline it does provide a bit more opportunity for the process and machinations to get that set up and delivered well and more equitably. But at the same time, without that firm deadline there is the risk of course that this drags on, and drags on well beyond –

**Melina BATH:** Indefinitely.

**Michael JOHNSTON:** the life of the games delivery.

**Melina BATH:** You mentioned that you had a meeting with Minister Shing online in October 2023, and it seemed to me you were saying that it was very high level. There was not any sort of nitty-gritty part about that housing pipeline.

**Michael JOHNSTON:** That was very much the information. There was no additional new information that had not been placed out in the domain by the government. It was a chance for our members to understand the Victorian housing statement in more detail.

**Melina BATH:** Do you feel that there are businesses in this area that have been thwarted or held back or are even on the precipice of collapsing because you cannot get housing – there are not enough workers to progress those businesses or expand those businesses or keep them alive?

**Michael JOHNSTON:** I would not from my experience suggest that we are dealing with businesses that are facing that point. But we are looking at industry, particularly things like health care, where we are seeing that it is increasingly becoming an issue, where we are seeing more staff having to come down from the western suburbs of Melbourne to come in and supplement the workforce in Geelong.

**Melina BATH:** Sure. Thank you. Mr Crawford, you spoke about the regional package and the \$2 billion and local procurement and suppliers. I think you mentioned you would like to see more transparency to those commitment levels. You are in business. If you are reporting to your stakeholders or your shareholders et cetera, what would more transparency look like?

**Jeremy CRAWFORD:** The transparency is the commitment, the process, the assessment criteria, the dates for providing the funding, and then businesses can make informed decisions. We would like to see that sooner

rather than later. To Mr McIntosh's line of questioning, with inflationary pressures the cost of delivering these initiatives that businesses will be submitting for is not going to get any cheaper –

**Melina BATH:** Sure. They are getting more and more expensive: labour et cetera, materials or whatever. Yes. Thank you. Finally, again, we had Visit Victoria come and present to us and say that indeed Victoria's reputation could be enhanced by the cancellation of these games. I would like your response in terms of reputational damage. But also Geelong is trying to attract events from other states; we are putting up our hands saying, 'This is a great place to come and conduct your business and conduct your events.' What are your fears around that reputational damage?

**Jeremy CRAWFORD:** I still do not understand those comments, to be perfectly frank. I think if we are in the business of investing into international events and cancelling them, then absolutely we have succeeded. I do not understand the comments from Visit Victoria.

**Melina BATH:** You do not agree with the Visit Victoria perspective?

**Jeremy CRAWFORD:** No.

**Melina BATH:** Thank you.

**The CHAIR:** Thank you, Ms Bath. Ms Tyrrell.

**Rikkie-Lee TYRRELL:** Thank you. I have only got a couple of short, quick ones. Do you think that your memberships have confidence in the delivery of the government's current commitments since the cancellation of the games?

**Michael JOHNSTON:** I would refer to my earlier comment, where I had some comments made to me that would suggest there is a reduced level of confidence. I would say that there is low confidence.

**Jeremy CRAWFORD:** I would say our members are looking for absolute clarity and certainty before they will have any confidence.

**Rikkie-Lee TYRRELL:** Okay. Thank you. And can you share with the committee what your membership bases' key priorities are in expectations as to what the government should provide?

**Michael JOHNSTON:** I would again probably refer to my opening statement, which was around the three dot points here around proportionate investment into Geelong from the funding that is available, around getting what was promised actually delivered, and around using Geelong businesses to deliver it.

**Jeremy CRAWFORD:** We are still aligned with the commitment the government originally made to the legacy benefits, which is around housing, tourism and the visitor economy, and supporting infrastructure for the region as well.

**Rikkie-Lee TYRRELL:** Okay. Thank you.

**The CHAIR:** Thank you, Ms Tyrrell. Mr Crawford, if I could come back to one of the things that you were talking about earlier, where there were lots of presentations from the government but no detail – certainly not enough detail to give businesses the confidence to invest in their supply chains and this sort of thing – do you think that businesses, because they were sceptical, sort of viewed the games as like vapourware until they had anything concrete? Is that how they saw it?

**Jeremy CRAWFORD:** Yes. The quick time frame is: in the middle of June Treasurer Tim Pallas presented on the budget, which was an incredible presentation hosted by the Committee for Geelong. At the time there were certainly questions about the Commonwealth Games elements, and the line of response from the Treasurer at that stage was that the government was committed to spending the \$2.5 billion dollars, which did not fill the room with any immediate certainty around what was being delivered. He was asked about the infrastructure and the legacy, and it was referred to just as spending. Harriet Shing, who was then the Minister for Commonwealth Games Legacy, spoke on 4 July, which was at a Regions Rising event hosted by the Regional Australia Institute, about how they were excited for the legacy items, the planning and delivery – and note this was just 14 days prior to the announcement of the cancellation by Premier Dan Andrews. But at the



time there were very broadbrush clichés and statements about how everyone was excited that things were moving ahead. ‘Things moving ahead’ to me is not progressing specifics about an international event. The business community in Geelong is very tight-knit – it is very collegiate – and they communicate well with each other, but we had a number of key influencers and business owners attending multiple sessions, hearing the same things without any tangible progress. So I think back to your question – ‘Did anybody truly believe that there was progress?’ – the answer was no. But there was a real reserved approach as to anyone’s level of excitement until something was going to happen, which it never did.

**The CHAIR:** How does the government from here engage the business community in Geelong to give them that confidence? We have mentioned concrete things, but there has been some sort of trust broken here. How do businesses get the confidence to say ‘All right, I believe this is going to happen; I’m going to invest in my supply chain’ or ‘I’m going to expand my business’ or whatever it is? What do we need to recommend to the government?

**Jeremy CRAWFORD:** For us it is everything we have spoken about today about the transparency and the clarity and then the follow-through, because we are only five months shy now of the anniversary of the cancellation, and the majority of what we were promised two days after the cancellation by the now Premier we still have not seen any tangible progress on. There are some things in motion, which is really good, but at that point we were talking about maintaining the legacy of the games without the increased costs of delivering the games and seeing the local economic benefits that would have come with the delivery of the games but being replaced by their investment through these different funds. So that is what we are still waiting for.

**The CHAIR:** Thank you very much for appearing today. You will receive a copy of the transcript for review in about a week, before it is published. The committee will take a break for lunch until 1 pm.

**Witnesses withdrew.**