

# **TRANSCRIPT**

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

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

Bendigo – Tuesday 27 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

**WITNESS**

Mark McLoughlan, President, Bendigo Motels Association.

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

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

All evidence is being recorded, and you will be provided with a proof version of the transcript following this 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.

**Mark McLOUGHLAN:** My name is Mark McLoughlan, on behalf of the Bendigo Motels Association.

**The CHAIR:** Thank you very much. I will just briefly allow the committee members to introduce themselves for the record. I am David Limbrick, Member for South-Eastern Metro and Chair.

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

**Sarah MANSFIELD:** Sarah Mansfield, Member for Western Victoria.

**Joe McCRACKEN:** Joe McCracken, Member for Western Victoria.

**Melina BATH:** Melina Bath, Member for Eastern Victoria.

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

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

**David DAVIS:** David Davis.

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

**The CHAIR:** Thank you. I think that is all of the members we have today. We welcome you to make your opening comments and ask that they be kept to around 10 minutes to ensure we have some time for questions. Thank you.

**Mark McLOUGHLAN:** I am sure I can do it in less than that. As I said, my name is Mark McLoughlan. I am the current President of the Bendigo Motels Association. Here in Bendigo we have about 33 motels, hotels, of which around 25 are in the Bendigo Motels Association, so we represent about two-thirds of the 1000 beds that are available for accommodation here in Bendigo. It is difficult to be precise about the bed and breakfast supply in Bendigo, however, because it fluctuates, but I believe there are around 400 rooms. This would likely increase if there was a major event such as the Commonwealth Games.

I am sure all moteliors saw the games as a huge event for Bendigo, and, quite candidly, we thought as a collective we probably could not cope. As I understand it, there would have been about 4000 people coming to Bendigo – athletes, their support staff and so on. Our moteliors would have provided between 800 and 1000 rooms, maybe as many as 1000 bed and breakfast accommodation, because they would ramp up according to the demand. I also understand that there might have been about 1000 rooms available for the newly constructed athletes village, so doing the sums there, that means there would be a shortfall of at least

1000 to 2000 beds per day. We thought, and I have heard this from other sources as well – we were briefed actually by the Bendigo council at one point – that many would need to commute from Melbourne.

All moteliors without exception were approached for a blanket book of all our rooms in about this time last year – no, I would say mid last year. We met about this and talked about it as a key point in one of our meetings. We meet regularly, by the way, every month except around Christmas, and none of us were prepared to – like, it was three years away and it was regarded as long term. Most moteliors will not set a price outside 12 months because you just do not know what is going on. So when we were approached by an organisation – it was part of the games, I am sure; they had that brief – they wanted all of us to blank out our rooms.

**Melina BATH:** And lock in?

**Mark McLOUGHLAN:** And to lock in a price as well. So as an operator, we were not prepared to do that, and this is pretty typical of all of our moteliors group because, firstly, what do you do with the regulars? If one of you happens to be a regular to one of our motels – and we love you, you know; you come regularly, leave your shoes outside, we get to know you – we do not want to suddenly ring up and say, ‘Joe, sorry, we haven’t got a room for you because the athletes have taken it.’ Now, you might understand, you might not. Two or three moteliors that I spoke to said, ‘We’re prepared to block off the rooms, but we’re going to keep back about 10 or 12.’ So there was not going to be a blanket booking of all motels, no matter what happened. The price is another matter. If you are just going to go for the dollar and look for peaks, well, okay, but we are in it for the long haul, and we would rather regular, constant income and activity rather than these huge peaks which would be typified by Commonwealth Games.

We understand from a press release that about \$2 billion – that is a lot of money; I had to think about how much it was actually – was to come back to the regions in light of the cancellation of the games. We kick above our weight here in Bendigo, I am sure you all know that. So we would get more than \$500 million, wouldn’t we? So let us say we had \$700 million. That would be a huge fillip, if the funds were placed strategically, to help our accommodation industry, our tourism. I understand some of that was going to the Red arena stadium, which was a great thing. One of our members said, ‘How about upgrading the QEO to be in line with the Ballarat stadium, for instance, so that we can get some AFL football here?’ Could I be so bold as to say upgrade of the fast rail from Melbourne to have a genuine connection to Bendigo would be huge and a great turning point, I think.

I have talked to a few moteliors this last week to refresh on this point. Most of them said they were a bit relieved because there was a bit of consternation about how we would deal with it. A couple of moteliors, this one in particular here, where we sit, said they believed they would benefit largely because they had lots of conference rooms here and they are one of the bigger moteliors. One or two others said that they had booked out their rooms but they had not decided on price because it was too far away.

I must say Bendigo Tourism is doing a great job here at Bendigo. The visitor centre does a great job in this space as well. Anything that could possibly help them – again, Bendigo kicks above its weight here, and we have got plenty of awards to prove that. Terry – TK as he is known – and his team are doing a great job. Recent events in the last few years were *Elvis* – where I believe more than 150,000 people came to Bendigo over four months, not two or three or four weeks like the games promised – and *Grace Kelly*. I am sure some of you have been to these and you know them well. Marilyn Monroe was possibly the biggest. It was terrific for our town and the tourism. We all loved it – over three or four months – terrific feedback, and ongoing goodwill I think. I reckon that is about all I can say in introduction.

**The CHAIR:** Thank you very much, Mr McLoughlan. You mentioned the problems of booking out three years in advance for pricing and stuff. It is totally understandable that you would not be able to estimate good pricing three years in advance. Do you think that that was an unreasonable thing to ask of moteliors, that they should be able to do that that far in advance?

**Mark McLOUGHLAN:** Well, they obviously had reasons for it. I cannot see it from their perspective too much, because I guess they wanted to be guaranteed. If you have got some really prominent athletes and big-time people, they want to be sure where they have got accommodation, so at least if they had accommodation without the price, maybe that would be a reasonable outcome. Some moteliors did that – they blocked off the rooms – but they did not specify price. Maybe 12 months out that would be reasonable, but if they insisted, I

would have said, 'Well, we're not going to do it,' – simply, 'We won't be part of it.' I know two or three moteliers, as I said, were prepared to block out a substantial number of their rooms, and I assumed the price would have been set closer to the time.

**The CHAIR:** Thank you. The main reason that the decision was made to cancel the games was because the actual costs turned out to be far in excess of the costs estimated in the business case. Were any cost estimates at all provided by moteliers to your knowledge?

**Mark McLOUGHLAN:** Cost estimates of?

**The CHAIR:** Like providing a price three years in the future. Did no-one provide an estimate to the government on what they thought the cost might be to the government for doing this blanket booking?

**Mark McLOUGHLAN:** For accommodation?

**The CHAIR:** Yes.

**Mark McLOUGHLAN:** No, I do not think so. Maybe somebody else has. If it was done today, we could give you a cost estimate because are 1000 beds, just multiply it by –

**The CHAIR:** Do you think that they adjusted their cost estimates? They must have just done something like that, do you think? Like just taken today's prices –

**Mark McLOUGHLAN:** Maybe they did. Let me say this, David. When there is a peak time, and this is a bit like Pink or Taylor Swift or Jimmy Barnes or whatever, prices do go up.

**The CHAIR:** Of course.

**Mark McLOUGHLAN:** I will not say the sky is the limit, but some moteliers will say, 'Well, we want as much as we can get.' Our organisation will try and smooth the figures, so we will try and get a reasonable price. But I suppose if you used an inflation figure – but during the year prices can fluctuate. If you use that figure of \$200, for instance, it might fluctuate from \$150 up to \$300 depending on the event. Someone I trust said they paid \$700 the other day in Melbourne, and if they had stayed the next day, it would have been \$200 or \$250. That was because of Taylor Swift.

**The CHAIR:** Of course it is supply and demand.

**Mark McLOUGHLAN:** It essentially comes back to that.

**The CHAIR:** Many moteliers were approached, as you say, to request this blanket booking. Are you aware of either any investments made by moteliers in expectation of having this future business or loss of business through them potentially knocking back other customers? Are you aware of any losses?

**Mark McLOUGHLAN:** It is a very good question, David, and I have asked some people that. I have asked every motelier to give feedback on it. There was one who said they were going to.

**The CHAIR:** To upgrade?

**Mark McLOUGHLAN:** To upgrade. But I wonder in their heart what they were really saying, because why wouldn't you do it anyway? Three years out and to base it on one event seems a little strange to me. If you are in this game, you do not do it for a short term. It is long term, and what we have done in our own motel is an example. We have renovated. During COVID, for instance, was a terrific opportunity because there were very few guests around, and that is the time to do your renovations, but this one particular motel said, yes, they had commenced plans to do it and they had to pay some money for the planner – I suppose the draftsman or the architect, whoever they employed. I did not ask them to quantify it, but that was just one of the 25, and the rest of them, there was no outlay. In my opinion there was no outlay.

**The CHAIR:** Understood. All right. Thank you very much.

**Mark McLOUGHLAN:** There was a bit of time. You spent a bit of time, but no.

**The CHAIR:** Of course, which is significant also, yes. I will pass to Mr McCracken.

**Joe McCracken:** Thanks, Mark. I guess I want to talk more about the cancellation. How did you find out, and what was your reaction?

**Mark McLoughlan:** In the press. Yes, from the press I found out about the cancellation.

**Joe McCracken:** Just like everyone else?

**Mark McLoughlan:** Yes.

**Joe McCracken:** Fair enough. I guess, given Jacinta Allan is the local member here and she was responsible at the time for Commonwealth Games delivery, how do you feel that she has not delivered?

**Mark McLoughlan:** How does she feel?

**Joe McCracken:** How do you feel that she has not delivered the games?

**Mark McLoughlan:** As I said in my opening remarks, I think there was relief, to be quite candid. There was relief and a bit of consternation because we did not think we could cope from an accommodation perspective.

**Joe McCracken:** Do you get the sense that there was an expectation that it could never really be delivered?

**Mark McLoughlan:** From an accommodation perspective?

**Joe McCracken:** Yes.

**Mark McLoughlan:** Four thousand people with 1000 beds? I think that answers the question.

**Joe McCracken:** That is where the relief comes from. Okay.

**Mark McLoughlan:** And if I can extend that a little, it can be chaotic as well. We do not want chaos. As much as we love Jimmy Barnes, you know, one year here there were so many people they could not find taxis and accommodation was bulging and – please come back, Jimmy, but do you get my point? Like, it was just too much.

**Joe McCracken:** Yes, okay. We have heard previously other evidence from business representatives. They said the government like to make exciting promises. But then they realised that due to limited planning and engagement, a lot of people thought it would never go ahead, and it became pretty clear in January to March 2023 that there were going to be issues. Did you get feedback from people in your association that sort of thought, ‘It looks a bit dicey. Is it really going to happen or not?’

**Mark McLoughlan:** Not so much whether it was going to happen or not, which of course in the end it did not, but how we would cope with it. There was one motelier who said to me, ‘Melbourne is the place. Bendigo should be the support act.’ We have got great facilities here – you know, for basketball, bowling and so on – but to do the lot or to be a quarter of the whole games was just a step too far.

**Joe McCracken:** I note you said before that some of your members had some sorts of ideas for upgrades and those sorts of things. Were there any activities that your association did in preparation for the games – for your members or anything like that?

**Mark McLoughlan:** It was just too early for it, Joe.

**Joe McCracken:** Yes, okay – too far out.

**Mark McLoughlan:** Yes, too far out. The only thing that was on our minds was when we were approached, as I said, to do the blanket booking of all motels.

**Joe McCracken:** Do you know who approached you to do that, by the way? You can take it on notice and get back to us, if you like, with the specific person.

**Mark McLoughlan:** Look, I do not know who it was. I could probably find out. I was not the president at the time, by the way. Do you want me to find out?

**Joe McCracken:** Yes, if you would not mind. If you can have a look through your emails or any correspondence that you have, it would be useful to know that so that we have an understanding of who was saying what to who and that sort of thing, just to do the preparation work to get the ball rolling.

**Mark McLoughlan:** Sure.

**Joe McCracken:** That would be great. Thank you. I know you have had a long history in the motel sector, and we have heard evidence from Tourism Midwest that:

The cancellation of the games is a massive blow, adding to the challenges our industry is already experiencing ... with:

... visitor economy benefits now at risk.

Do you agree with that sort of thing? Do you think it has put a bit of a cloud over things?

**Mark McLoughlan:** A cloud over our industry?

**Joe McCracken:** Well, the quote that we heard last time was:

The cancellation of the games is a massive blow, adding to the challenges our industry is already experiencing ...

**Mark McLoughlan:** I think that is a bit too much. I would not agree with that.

**Joe McCracken:** What would you say?

**Mark McLoughlan:** For some it was a disappointment; for most of us it was a relief.

**Joe McCracken:** Because you did not have to deal with all the –

**Mark McLoughlan:** Candidly, groups cause a lot of work. Steady as she goes – the tradie, people like yourselves and white-collar workers who come regularly and pay on time and you build a relationship with – is far better than a big deal one time and then flop.

**Joe McCracken:** A sugar hit.

**Mark McLoughlan:** Sugar hits, yes. As I said, Bendigo Tourism does some terrific things here. I have already mentioned those big events we have had in winter over the last few years, and they were only three of them. There are more than that, and they are extended for months, not weeks. They are much better for our industry than some big event like this was, as proposed.

**Joe McCracken:** You do not want it up and then down; you want it steady.

**Mark McLoughlan:** Yes, exactly. We want constant –

**Joe McCracken:** So you can plan?

**Mark McLoughlan:** You can plan, yes. It is good for our staff, it is good for our motel, it is good for our morale and it is good for Bendigo to be able to deliver.

**Joe McCracken:** I think my time is up. Thanks, though.

**The Chair:** Mr Galea.

**Michael GALEA:** Thank you, Chair. Thanks, Mr McLoughlan, for joining us today. Just to start with, can I get a sense from you the shape of the Bendigo accommodation industry. I know that you represent moteliere. In comparison to other parts of, say, regional Victoria, is there a large concentration of motels? Is it more short-stay accommodation that you are seeing? What sorts of trends are you seeing in terms of the accommodation offering in Bendigo, and how have your members been going, particularly the last couple of years?

**Mark McLOUGHLAN:** Can we leave out COVID?

**Michael GALEA:** Yes, sure. Answer as you please.

**Mark McLOUGHLAN:** COVID was exceptionally ridiculously poor, so we cannot use that as any benchmark, and it is never going to happen again. Bendigo, as we all know, is in the centre of Victoria. The actual centre is only 1.5 k's down the road out here, Chateau Dore, so it is a major geographic centre of Victoria. For that reason many people come here for all sorts of reasons – for hospital visitations, for sport and all sorts of recreation – and we benefit hugely because of that geographic advantage. As I said before, we have about 33 motels – a thousand beds on any one night – and the average accommodation is 1.8 days per person. People do not stay for a week. Some do of course. But the median is about 1.5 to two, and coincidentally it is about that per room. Obviously you cannot have 1.8 people per room. But some days it is a couple; the next day it is a single person. So it averages out at about 1.8. I hope that helps a little. The demographic is about 50 per cent of people coming from Melbourne and the rest from regional Victoria. There is a smattering from interstate and a very small number internationally, although that is starting to improve a little –

**Michael GALEA:** To increase, did you say?

**Mark McLOUGHLAN:** Increase a little – because people want to travel again.

**Michael GALEA:** That is very helpful to know, actually. What sorts of trends in terms of demand are you seeing at the moment?

**Mark McLOUGHLAN:** The last couple of months have been quiet. This month we are back to the same level, if you use our motel. I cannot speak for the others, but I think we will probably be typical. We are right in the centre. We are the average size, our motel, being 26 rooms. We are back on par now with what we were this time last year, but the previous two months were lower for sure. Most of us think it was for economic reasons. You can draw your own conclusions, but there just has not been as much activity, especially with families, I would say.

**Michael GALEA:** Would you say from your experience as a motelier that that is cost-of-living pressures driving that?

**Mark McLOUGHLAN:** I think that is a fair assumption, yes – not as much disposable income. Maybe they spent too much money on Pink and Taylor Swift.

**Michael GALEA:** Probably quite a good rationale, actually. What sorts of typical peaks and troughs would you normally see over the year in Bendigo? Are there particular busy periods; are there particular quiet periods?

**Mark McLOUGHLAN:** Ironically – I think some would say this is ironic – around Christmas time is the lowest time, because people go to the peninsula and go to where the water is, and we are a bit limited in that respect. That is usual, and for some reason August has been a bit low too – the depths of winter.

**Michael GALEA:** So there are some troughs.

**Mark McLOUGHLAN:** Yes, there are some troughs.

**Michael GALEA:** But overall it is relatively steady. It is far from – what was the phrase – a cloud over the industry. It sounds like overall the industry is going well at the moment, would you say?

**Mark McLOUGHLAN:** I love this industry, and I think it is solid.

**Michael GALEA:** Regarding upgrades, I think you said, 'Why wouldn't you do it anyway?' You mentioned one out of 25 moteliere did say to you – the rest did not – that they had specific Commonwealth

Games upgrades in the pipeline. You said, ‘Why wouldn’t you do it anyway?’ – which is obviously a fair question. What sort of investment have you seen from moteliors in upgrading their motels over the past few years?

**Mark McLOUGHLAN:** Well, that particular motel was talk – it did not eventuate in anything.

**Michael GALEA:** There was no outlay?

**Mark McLOUGHLAN:** Well, she said there was some outlay in terms of paying the planner but not the chippie, not the carpenter.

**Michael GALEA:** Yes. And I guess compared to normal trends are you seeing much investment across the board in hotel and motel refurbishment?

**Mark McLOUGHLAN:** There has been a lot of talk, Michael. There has been a lot of talk, and I am sure you know about this in that there were four or five motels, hotels – motels, hotels; we are talking the same here for accommodation purposes. Quite a few have been mooted, but we have never seen a sod turned.

**Michael GALEA:** And that is irrespective of the Commonwealth Games?

**Mark McLOUGHLAN:** I would say so.

**Michael GALEA:** Yes. Thank you.

**Mark McLOUGHLAN:** I would say that was all to do with the cost, to be quite candid.

**Michael GALEA:** Yes.

**Mark McLOUGHLAN:** The blowout in building costs has been huge.

**Michael GALEA:** That is fair. Thank you. My time is also up.

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

**Melina BATH:** Thank you. Thank you very much for being here. Thank you for being such a vital small business association – I am saying ‘small’, but you have overheads, you have staff, you have electricity bills that are increasing. You have the access to qualified professionals et cetera, and you have got a government bureaucracy ringing you up at some stage – you know, six months ago or whatever it was, a year ago – and saying, ‘Can you please lock in your costs for four years hence?’ I find that quite sad and shocking, the lack of understanding about the needs of your business.

**Mark McLOUGHLAN:** Is that a question?

**Melina BATH:** Yes. I guess to my mind – and I will put it in another way – we have a government that has said, ‘Sorry, we’ve blown out our costs now, from \$2.5 billion to \$7 billion,’ and that was going to be okay. We accept that. But I wonder how your industry would have coped had they had to lock in costs for four years hence for rooms, as you have just told us.

**Mark McLOUGHLAN:** I suppose from their point of view they had to try and do something, but three years was too far out for us. Some might criticise that and say, ‘Well, why not?’ I do not know; is it \$1000 a room, for instance? Would that be ridiculous? I think it is.

**Melina BATH:** So you were both being ethical but you also needed to make money in that forecast, and that was where some of the challenge was for you.

**Mark McLOUGHLAN:** Yes. As I said, there was a bit of uncertainty as to how to approach it. We would have had more meetings. The only meeting that we had to discuss this – the games were cancelled very soon after that. Like, it was a week or two. So we did not really have a great chance to tease it out, and we would have probably by the end of last year. But I mean it was just a bit too far away, three years.



**Melina BATH:** So it was announced that Bendigo would be one of the hubs, and there was not communication before then to you or your organisation that you know of. And then a year in advance really or a year from that time but only a month or so before the cancellation, you were told to lock in prices.

**Mark McLOUGHLAN:** I am not sure about told. We were –

**Melina BATH:** Requested.

**Mark McLOUGHLAN:** Yes – because it is democracy after all, and we run our own businesses. But we were requested to do it, and I believe no-one did it.

**Melina BATH:** No-one could come back and say ‘Yes, I’ll lock it in at \$1000 a room’ or whatever. They chose not to.

**Mark McLOUGHLAN:** I mean, if you use \$1000, it seems ridiculously high to me, but as I said –

**Melina BATH:** Yes. So what would have been an ideal situation for you? What would you have liked the state government or the state government’s bureaucracy who were running the Commonwealth Games to come to you with? What would have been a better scenario for you? Because really we are about making findings and recommendations back to government for future events – you know, whether this happens again. What would you have liked to see?

**Mark McLOUGHLAN:** Perhaps a representative to come to our meeting – that could have helped. Face to face is often – ‘Why do you do this?’ We could do it that way I guess, but –

**Melina BATH:** To get your feedback.

**Mark McLOUGHLAN:** Yes. Face-to-face is more – and the moteliers could have had a special meeting to tease it all out a bit more. That could have helped. I guess.

**Melina BATH:** Thank you. Indeed. We had Visit Victoria speak to us in the city when we had a city hearing, and the CEO said that in fact the decision to cancel the games actually enhanced Victoria’s reputation for running events. Does your association feel like the announcement and then the cancellation of the games enhanced Victoria’s reputation?

**Mark McLOUGHLAN:** Well, I think Victoria could run the games. They ran the Olympic Games in the 50s. Why couldn’t they do this? But probably Melbourne based, not Bendigo region. I guess the government is trying to boost our regions, which is fantastic, but we have got to do it in a way that you can cope.

**Melina BATH:** And in collaboration with the people who are running those private businesses in the regions.

**Mark McLOUGHLAN:** Sure. There was time, I suppose, Melina, for new motels to be built, and there were quite a few proposed, but I do not think they did it just for the games.

**Melina BATH:** Yes. Would those new motels, hotels et cetera had to have had any government stimulus, or do you think there was sufficient capital investment by business people to be able to stimulate that from scratch?

**Mark McLOUGHLAN:** Superannuation funds in this game are huge, I understand, so there are probably funds out there. But I guess it comes down to the return, and that is a hugely different story, isn’t it?

**Melina BATH:** Yes. Then post games, post that huge peak, that 4000 and an increase of whatever it would be – another 500 if possible – what would happen to that competition there? Do you think there would be sufficient bodies in beds to provide that competition and survive post –

**Mark McLOUGHLAN:** Inevitably there would be a fall off.

**Melina BATH:** I think I heard my noise. Thank you very much, Mark.

**The CHAIR:** Yes, thank you, Ms Bath. Ms Tyrrell.

**Rikkie-Lee TYRRELL:** Thank you, Chair. I just want to know your personal opinion, I suppose. Do you think that the government should have consulted with associations such as yourself prior to the announcement of the games? Do you think that would have benefited the games and perhaps avoided the ugly cancellation that we are seeing right now?

**Mark McLOUGHLAN:** I am sure there was more to it than just the accommodation, but the accommodation, as I said, in my opinion, we would not have coped unless there was some more built – a big build, pretty quickly.

**Rikkie-Lee TYRRELL:** So your advice would have benefited the planning of the games?

**Mark McLOUGHLAN:** Well, I would give the advice, whether it would have benefited them or not is for others to decide. But we certainly would have given our opinions.

**Rikkie-Lee TYRRELL:** Thank you. Chair, may I please pass my time just for a moment?

**The CHAIR:** Sure. I will now go to Ms Ermacora.

**Jacinta ERMACORA:** Hello to everybody, and also hello to Mark. Thank you for appearing today and thank you for your contribution. I just want to express my appreciation for the quality of the data and information that you have provided, which is very useful. It is fantastic that you have given the context of your organisation within the broader hotels – you know, 25 out of 33, that is really significant, and that you have got usually a thousand beds occupied each night, which based on your 2000 beds in Bendigo would be around about 50 per cent occupancy, and the Airbnb figures as well. I think your consultation with your members has given a lot of weight to the information that you are providing the committee, which I really appreciate. Just a couple of quick questions. How long has the association been active for, Mark?

**Mark McLOUGHLAN:** Oh, I cannot answer that precisely. Many, many years.

**Jacinta ERMACORA:** Okay. That makes sense actually. What would you describe as your priorities as an organisation at the moment, into the future?

**Mark McLOUGHLAN:** To promote Destination Bendigo. Of course that has a bearing on our individual motels, but to promote Destination Bendigo, this fantastic city we have.

**Jacinta ERMACORA:** I apologise for not being there too today. I think Mr McCracken took one of my kind of observations from your presentation. It sounds like the games would have been a short-term sugar hit, and I was fascinated to hear of the dynamic that *Grace Kelly*, *Elvis* and *Marilyn* have had on the city. I kind of imagine that is almost about the management of the art gallery and the people behind that in the art gallery rather than the physical infrastructure.

**Mark McLOUGHLAN:** Well, yes, Bendigo Tourism and the art gallery are doing a magnificent job here.

**Jacinta ERMACORA:** Yes. And so in terms of being unsure how you would handle it and the extreme ahead-of-time bookings, your feedback, just to clarify, is that it would have been overwhelming and it might have cut across your base-level customers, which are your regulars and so on. Is that the correct interpretation of what you were saying?

**Mark McLOUGHLAN:** Yes, that is a fair summary.

**Jacinta ERMACORA:** I just want to go on to housing. With the housing shortage, do any of your members provide sort of temporary housing or even permanent housing? What role do the hotels play at the moment given the housing shortage?

**Mark McLOUGHLAN:** We are short term by nature. There are some motels that have apartments, but they are not common. That in a way should answer the question. We do have people who want to stay sometimes for longer periods. We do not encourage it, to be quite candid, because we are not really set up for it. We have tried – each motel would respond differently to this question, I think. We are approached by different organisations in Bendigo such as the Centre for Non-Violence, CatholicCare, Anglicare, the Salvos, just to name a few, and we try and help where we can, but you really have to be on the ball to manage these things

well, because it is a different demographic. Some are fine, but we much prefer our regulars I mentioned before, who come regularly – they leave their shoes, some of them, outside. They are never a problem. In the end we have to manage businesses, and to do it we have a certain avatar, and that is the tradie, the blue-collar worker, the white-collar worker, government, corporates, medical fraternity and the like.

**Jacinta ERMACORA:** And what percentage would be government, across all three governments?

**Mark McLOUGHLAN:** Look, we do not take statistics on that. I have got an answer for you, though – not enough.

**Jacinta ERMACORA:** All right, yes. Is that because they are staying elsewhere or because –

**Mark McLOUGHLAN:** Oh, no, I am just being a bit facetious.

**Jacinta ERMACORA:** they are not coming up to visit and listen to you enough?

**Mark McLOUGHLAN:** I am being a bit facetious. I mean, government workers are definitely part of the demographic we love to accommodate, because we know they will not cause trouble.

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

**Mark McLOUGHLAN:** They do not drink.

**The CHAIR:** We cause trouble in other ways, I expect.

**Mark McLOUGHLAN:** No, I had better delete that they do not drink – of course they drink.

**Jacinta ERMACORA:** I am happy with that characterisation, thank you very much.

**The CHAIR:** They do indeed drink. Dr Mansfield.

**Sarah MANSFIELD:** Thank you. Thank you for appearing today. When were you first engaged by any representative of government, a Commonwealth Games organising committee representative or anyone about the Commonwealth Games as far as you can recall?

**Mark McLOUGHLAN:** I attended a meeting put on by Bendigo Tourism, and there was a representative there giving us an overview of what we might expect. I have quoted some of those figures today as a result of that briefing. That was in Bendigo here, I think at the arts centre.

**Sarah MANSFIELD:** And that was the first time that you had any engagement at all?

**Mark McLOUGHLAN:** We were invited, so I responded. Other moteliere could have come as well. Of course there was plenty in the press, but after that we got a call – as Joe has asked me who it was – from the organising committee, I will say, about the blanket bookings.

**Sarah MANSFIELD:** Roughly when was that?

**Mark McLOUGHLAN:** About July last year, maybe June. Let us say mid last year.

**Sarah MANSFIELD:** What do you think might have been different if you had been engaged earlier? What advice would you have been able to provide?

**Mark McLOUGHLAN:** I think it was early enough, Sarah. I do. I think it was early enough. Three years out was plenty of time, so much so that, as I said before, we were not really prepared to commit to prices.

**Sarah MANSFIELD:** You have highlighted some concerns you had about the capacity given the plan. We have heard a lot about people who were preparing the pitch in the first place, the bid to host the games, and were doing the business case. If you had been engaged in that early planning stage, would you have been able to provide advice about things like accommodation capacity and your experience with other events?

**Mark McLOUGHLAN:** I would have definitely been able to respond, like I have done today, given what the projections were for the number of people that were required to be accommodated in Bendigo during that time. I may have those figures a bit wrong; I am not sure. But that is what I heard at that briefing.

**Sarah MANSFIELD:** You have mentioned a number of successful events that have come to Bendigo. When those other events occurred, what sort of engagement occurred with different entities who were helping to plan those events with your association, or was there any engagement? Did they talk to you and say, 'Look, we're expecting this event coming up'?

**Mark McLOUGHLAN:** We are usually informed of what is happening. As execs on the Bendigo Motels Association we are invited to briefings on Bendigo Tourism events. That is the way they do it. Terry, who heads our tourism, I think you know, is open for them to come and talk to him. We have phone discussions regularly with the Bendigo tourist centre. We try and keep our ear to the ground on what is going on, and we are invited from time to time to sponsor events, to come up with ideas. But they seem to gazump us. They do a better job of it, so in that sense we are followers.

**Sarah MANSFIELD:** I was just looking to see whether there is any more proactive engagement when an event is being planned for Bendigo and whether that could be a model to learn from for future major events.

**Mark McLOUGHLAN:** Sure. I do not think it is that complicated, really. It is a numbers game. Those statistics I threw at you about the number of beds and the number of people – it is pretty straightforward, isn't it?

**Sarah MANSFIELD:** It should be pretty self-explanatory, yes. Just further to some questions Ms Ermacora was asking, do you have any figures on how much crisis accommodation motels provide?

**Mark McLOUGHLAN:** We often get – some of those organisations I just mentioned before to Jacinta – the need for accommodation, and a lot of moteliere will actually say no. The reason for it is, based on experience, this –

**Sarah MANSFIELD:** Do you have any sense of –

**Mark McLOUGHLAN:** The numbers?

**Sarah MANSFIELD:** Yes, numbers. You could take it on notice.

**Mark McLOUGHLAN:** I have heard there are – these are just rubbery figures from gossip level, you might say – up to 350 doing it tough on any one night in Bendigo, sleeping rough. Now, I cannot prove it, really.

**Sarah MANSFIELD:** And any figures on how much motels are relied on for crisis accommodation in Bendigo?

**Mark McLOUGHLAN:** That is another good question. We are often asked to provide accommodation, and most of us, depending on our most recent experience and who we deal with –

**Sarah MANSFIELD:** So it can be a bit variable?

**Mark McLOUGHLAN:** It is. I would say our moteliere association is not a reliable source for this type of accommodation, but we are open to it – if it was done in a way that could provide some certainty of payment or certainty of standards when the guests leave. Outside guests visiting those guests is often a problem.

**The CHAIR:** Thank you, Dr Mansfield. I would just like to acknowledge our colleague Ms Broad, who is in the gallery today. Thank you. I believe Mrs Tyrrell has a quick question as well.

**Rikkie-Lee TYRRELL:** Yes, thank you. Back to me. You mentioned earlier that there was at least one motel or perhaps a couple of motels locally that were going to make upgrades for the games specifically. What motels were they?

**Mark McLOUGHLAN:** It was only one that I mentioned.

**Rikkie-Lee TYRRELL:** Just one?

**Mark McLOUGHLAN:** Yes. It was –

**Rikkie-Lee TYRRELL:** Which one was that?

**Mark McLOUGHLAN:** Heritage.

**Rikkie-Lee TYRRELL:** Heritage. Okay. Thank you very much. That is it. That is what I was after.

**The CHAIR:** Okay. Mr Davis, if you are there.

**David DAVIS:** I am indeed here; of course I am here. Chair, thank you. And particularly thank you, Mr McLoughlan, for your input. There are a couple of things I just wondered if we could clarify. I just want to be quite clear: you were not consulted before the games were announced. The association, to your knowledge – and I understand you may not have been chair at the time – was not consulted before the games were announced.

**Mark McLOUGHLAN:** Yes, you are quite right. I was not in the chair at the time, and I believe that is the case. Although we were invited to briefings.

**David DAVIS:** Briefings – but they were after the games were officially announced, as I understand it.

**Mark McLOUGHLAN:** No, before.

**David DAVIS:** Before?

**Mark McLOUGHLAN:** Oh, I am sorry – the timing.

**David DAVIS:** You are thinking before they were cancelled? You are talking about –

**Mark McLOUGHLAN:** Before they were cancelled, yes.

**David DAVIS:** I am asking a prior question. Were you consulted at all before the games were announced officially?

**Mark McLOUGHLAN:** I would have to go back to previous presidents to answer that, but I was on the association. I have been on the association for quite a few years.

**David DAVIS:** Not to your knowledge?

**Mark McLOUGHLAN:** Not to my knowledge is a fair response, yes.

**David DAVIS:** I just want to reiterate or check the evidence that you have given us. You are arguing that, with the numbers that were required, there was a shortfall of 1000 to 2000 beds per day, on your estimation, on what was going to be required in Bendigo. So there was sort of a black hole in beds, if you will?

**Mark McLOUGHLAN:** A black hole – I guess so, yes – but definitely 1000-plus.

**David DAVIS:** Maybe more than that, though. Maybe up to 2000, depending on the –

**Mark McLOUGHLAN:** It could have been, depending on how many beds motels would hold back. There is also –

**David DAVIS:** I will try to keep going as quickly as I can here. I am just noting that the organising committee did contact you, and you think that was in June or July last year. That was separate from the briefing by Bendigo Tourism – that is correct, isn't it?

**Mark McLOUGHLAN:** Yes, it is.

**David DAVIS:** And who was it from the organising committee that contacted you?

**Mark McLOUGHLAN:** I do not know the answer. As I said to Joe, I will try and find out.

**David DAVIS:** It was not Jeroen Weimar? Did you meet with him or hear from him?

**Mark McLOUGHLAN:** I do not know.

**David DAVIS:** Okay. That is fine. And just to understand a couple of other points, did you discuss this at all with Jacinta Allan, who was the minister at the time, you or your members or perhaps your committee? Do you know if anyone discussed it with the then minister for the Commonwealth Games Jacinta Allan?

**Mark McLOUGHLAN:** No, not to my knowledge.

**David DAVIS:** To your knowledge, she did not consult with anyone from the association on these matters?

**Mark McLOUGHLAN:** No, not to my knowledge.

**David DAVIS:** All right. And just going back to the meeting with Bendigo Tourism. This was a sort of semi-public meeting, though, from what I understand. There were press there and others.

**Mark McLOUGHLAN:** Oh, yes.

**David DAVIS:** Yes, all singing, all dancing. That was a spruiking event, if I can be unkind to the government.

**Mark McLOUGHLAN:** Well, you would have to say it was upbeat, yes.

**David DAVIS:** Upbeat, yes – that is fine. That is helpful to understand that. I want to pick up a slightly divergent point that you made about the future of Bendigo Tourism and just pick up your point on fast rail. Is the association a supporter of fast rail to the region?

**Mark McLOUGHLAN:** Well, I certainly am. We have not raised it at any meetings, but I think we would get a big healthy sort of discussion going on that one, because it is often talked about here in Bendigo by all different sources.

**David DAVIS:** I can indicate as a semi-regular user of that train service that it is 1 hour and 55 – or even up to 2¼ hours. It is a long time in that sense. If you could cut the time, it would bring more tourists to town, wouldn't it?

**Mark McLOUGHLAN:** I would say it would bring a huge number of tourists to town.

**David DAVIS:** Yes. If it was, say, an hour or an hour and something.

**Mark McLOUGHLAN:** Yes. If it was up to European standards –

**David DAVIS:** You would do well.

**Mark McLOUGHLAN:** we would really do a lot better. Bring it on.

**David DAVIS:** And just on the Bendigo gallery, we were very supportive and initially announced an upgrade for the gallery. The upgraded gallery plays a particularly important role as a symbol for Bendigo, doesn't it?

**Mark McLOUGHLAN:** Yes, it is a terrific drawcard. It is. I know that it was delayed – because of the games, I think.

**David DAVIS:** Yes, that is one of the upsides, I might say, the idea that the upgrade of the gallery will not be delayed. Do you know the date that the upgrade is due to be completed? Have they advised the association?

**Mark McLOUGHLAN:** No. I should know that. I should keep my ear to the ground more. I do not know.

**David DAVIS:** And just returning to that earlier conversation on the organising committee, you will take it on notice as to who it was who made that contact. It would be helpful if we saw any of the emails or communications, I think, too, with your association from the organising committee, if that is possible.

**Mark McLOUGHLAN:** Sure. I will do my best.

**David DAVIS:** Right. Thank you. I appreciate it.

**The CHAIR:** Thank you, Mr Davis. Mr McIntosh. I apologise that we are probably going to run a few minutes over today.

**Tom McINTOSH:** Thanks, Chair. Thank you very much, Mark, for attending. I just want to pick up on the fact that you talked about blue collar, white collar and how you have got solid demand for your business. Is that pretty similarly felt throughout members of the association?

**Mark McLOUGHLAN:** I would be surprised if it is much different.

**Tom McINTOSH:** Yes. That is really good to hear. I grew up not too far from Bendigo. I played my footy at Clunes and learned to swim at the Talbot pool and whatnot. During the 1990s in particular we had government services pulling out, the banks following suit and the train being closed down. We had beautiful hotels, like Learmonth, just shut down and other hotels throughout the region. But do you think since the turn of the century – you know, 2000 onwards – with the investment in regional Victoria, we have seen that sort of rebound of the industry and these sorts of solid conditions that you say are quite stable now. Do you think that continued investment in the region has helped bring the tradies and bring the government employees and give you that sort of solid base of dependable income?

**Mark McLOUGHLAN:** Well, the Big Build, as we have talked about, in Bendigo, with the law courts and the new council offices, has been a great fillip for us. A lot of the local tradesmen could not cope with that demand, and we have seen a lot of people from out of town come to help with that build, which has just been completed in the last 12 months, I guess.

**Tom McINTOSH:** Yes. You mentioned that – I suppose with all that demand and adding in hyperinflation with competing demand – with the Comm Games, it is a relief that they did not go ahead and that you have got solid underlying economic conditions. So has it been a bit unremarkable? Have people commented to you about that fact? You know, if you think of the last few months of your life, business or personal, does anyone mention that the Comm Games are not going ahead? Or with the economic conditions and the \$2 billion package and whatnot, does it not come up too often?

**Mark McLOUGHLAN:** The \$2 billion package – I was surprised that when I spoke to some of the moteliers the other day, they said, ‘Really? Is that going to happen?’ There was a bit of doubt about that in their minds, but it will certainly be welcome, and it depends where it goes. I think I read somewhere that the Bendigo Stadium is targeted. That would be good.

**Tom McINTOSH:** Yes, there are a number of different funds. So of the people you come across in your day-to-day life or business, is anybody talking about the Commonwealth Games anymore?

**Mark McLOUGHLAN:** I do not think so, no. I have to be candid: no.

**Tom McINTOSH:** Okay. All right. Well, it is good to hear that people have not made investments in further hotels or anything on the basis of the games, as you said earlier. That is all from me, Chair. Thank you.

**The CHAIR:** All right. Thank you, Mr McIntosh. Thank you very much for appearing today. You will receive a copy of the transcript for your review in about a week, and subsequently it will be published on the website. Thank you very much for appearing today. The committee will now take a short break to reset for the next witness.

**Witness withdrew.**