

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2023–24 Budget Estimates

Melbourne – Thursday 8 June 2023

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Paul Hamer

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Ellen Sandell

WITNESSES

Ms Harriet Shing MLC, Minister for Commonwealth Games Legacy,

Mr Tim Ada, Secretary,

Mr Andrew Abbott, Chief, Culture and Ceremonies, and

Ms Kate Matson, Chief, Games Services, Victoria 2026 Commonwealth Games Organising Committee, Department of Jobs, Skills, Industry and Regions.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee.

I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2023–24 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream this evening and other committee members.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Commonwealth Games Legacy the Honourable Harriet Shing as well as officers from the Department of Jobs, Skills, Industry and Regions. Minister, I am going to invite you to make a short 5-minute presentation. This will be followed by questions from the committee. Your time starts now.

Visual presentation.

Harriet SHING: Thank you very much, Chair. Thank you for this opportunity to talk with you and the committee today about the wonderful opportunities we have in welcoming the Commonwealth Games to Victoria, and specifically to rural and regional Victoria, in 2026.

I want to begin by acknowledging the traditional owners of the land upon which we gather today, the Wurundjeri and Woiwurrung people of the Kulin nation, and I pay my respects to their elders past and present. I also want to acknowledge any and all Aboriginal or Torres Strait Islander leaders or emerging leaders who are here today or who are part of the wonderful, enthusiastic, optimistic and collective conversations about helping rural and regional Victoria to shine as we deliver a games that no-one will forget and that people will enjoy and treasure for generations to come.

We are continuing our investment in regional communities, and the 2022–23 budget outlines a \$2.6 billion investment to enable the hosting of the games in Victoria in 2026. This is the first multicity host model being delivered in Commonwealth Games history. This means that we will be able to share the economic benefits of the games across a range of regional centres but also across rural Victoria through activities, celebrations, a cultural program and a baton relay that will bring the eyes of the world and many visitors to all parts of our state. Hosting the games will be about far more than sport.

Nicholas McGOWAN: The colonial world.

Harriet SHING: It is about the positive legacy that will be created for all Victorians. This is about world-class, inclusive and unforgettable opportunities. This is about opportunities to create and deliver housing, infrastructure, community facilities, jobs and pride of place right around the state.

Bev McARTHUR: Have you invited King Charles?

Harriet SHING: Victoria 2026 will reflect the Victorian government's commitment to self-determination, and we will work very closely with traditional owners to drive action and improve outcomes that build on and promote the social and economic interests of Victoria's First Peoples. Honouring First Peoples is one of the central pillars of the Commonwealth Games legacy. In making sure that this translates into action, there is \$2.7 million over four years to support traditional owner corporations of host communities; we have a First Peoples leadership group; and we are supporting First Peoples businesses and traditional owner corporations to be part of procurement pipelines, putting in expressions of interest for a range of opportunities – 1200 opportunities as part of an \$800 million offering – everything from catering to transport, medals, uniforms, security and transportation.

We will showcase our diversity through accessibility and inclusion, and this will also deliver a dynamic program of investments. We want to champion inclusion and inclusivity not just within our sporting program but also across our communities. We want everybody to have a role and to see themselves reflected in the activities that are developed as we bring Victoria to the world stage, and we want to see that our villages and venues are also developed in an accessible, sustainable and inclusive way. We want to reduce barriers, and we will do that through a range of design inputs and engagements with communities. We want to make sure that social procurement and social enterprise – an inclusive opportunity to participate in economic benefit – are part of that work as well.

Opening and closing ceremonies I will whiz through, because we do have new and creative ways to deliver these ceremonies. Starting at the MCG and then heading out to the regions will be a wonderful way to bring Victoria to the world. We are making sure that we have a festival, a baton relay, a social legacy and community engagement. There is the \$3 billion that we will see contributed to Victoria's economy – 7500 jobs created before, during and after the games – and we are making sure that we have villages that provide opportunities to address gaps not just in the hub cities that are hosting these games but more broadly. The regional engagement forums that I have chaired are part of an ongoing conversation with councils and with communities, sporting clubs and others, and they will be followed by legacy round tables. This is an ongoing conversation with input from everybody.

The CHAIR: Thank you, Minister. Mrs McArthur, you have the next 8 minutes.

Bev McARTHUR: Thank you, Chair.

Harriet SHING: Oh, hello.

Bev McARTHUR: Hello, Minister.

Harriet SHING: It is so lovely to see you again.

Bev McARTHUR: Look, I could not wait, Minister. Of the \$2.6 billion earmarked for the games, how much will go to operational games expenditure – no lasting value – and how much will actually be spent on legacy infrastructure projects for Victoria?

Harriet SHING: Do you mean legacy infrastructure projects as distinct from programs? I am just wondering if you can just –

Bev McARTHUR: As distinct from operational activity that the games might need money spent on. But the \$2.6 billion: how much of it is going to be on legacy projects for Victoria that you are going to leave in your name, Minister?

Harriet SHING: Not in my name, in the name of Victoria, Mrs McArthur.

Bev McARTHUR: As a legacy of these Commonwealth Games, how much is going to be spent on infrastructure projects that will leave a legacy?

Nicholas McGOWAN: So not an inflatable pool.

Harriet SHING: Sorry, not what?

Nicholas McGOWAN: Not an inflatable pool.

Bev McARTHUR: Oh, hell, I was about to ask about that.

The CHAIR: Mr McGowan.

Bev McARTHUR: Anyway, press on – legacy projects.

The CHAIR: Mrs McArthur, please give the minister an opportunity to answer.

Harriet SHING: I am really happy to provide you with information that splits up what has been done, but it is also important to note that the \$2.6 billion that is in the 2022–23 budget is for the entire games. We are in the process of developing the split around where allocation will occur and how, and this is also why community partnerships are so important. It is also why these regional engagement forums have been so important, because they are actually shaping what is being delivered.

Bev McARTHUR: Yes, but you must have some idea about how much is going to be spent on the operation of the games and what you will leave behind, because after all, we have got a whole department for legacy of Commonwealth Games.

Harriet SHING: We do not have a whole department –

Bev McARTHUR: You are a minister for legacy, Minister.

Harriet SHING: No, sorry, Mrs McArthur, I do not want to give any misrepresentations for you to take from this.

Bev McARTHUR: You are not the minister for legacy of the Commonwealth Games?

Harriet SHING: There is not a whole department working on this. This is DJSIR, which is responsible for I think 10 or 11 different portfolios. The bulk of the investment is on infrastructure, so that is very, very clear –

Bev McARTHUR: Well, just give us the breakdown.

Harriet SHING: and I am very happy to provide you with an indicative split.

Bev McARTHUR: That is fantastic.

Harriet SHING: But again this is still actually work that is ongoing. We are continuing partnership discussions with all levels of government, which is exactly how it should be.

Bev McARTHUR: Well, we look forward to the upcoming information that you are going to provide on notice.

Harriet SHING: You should come along to one of the forums, Mrs McArthur, because these have actually been really good conversations. I would welcome an opportunity to actually have these conversations, because it is about everybody getting involved.

Bev McARTHUR: Good. So last year's budget said that the \$2.6 billion forecast for Commonwealth Games expenditure includes intended contributions from the Commonwealth government and local government. How much has the government requested from each local council and how much was the intended contribution from the federal government? Of course we notice they are not going to give you anything.

Harriet SHING: Well, I would not agree with you there, Mrs McArthur.

Bev McARTHUR: What, they are going to fund it – your federal colleagues?

Harriet SHING: You realise that the Commonwealth Games can be funded through multiple budgets, Mrs McArthur, which is why those conversations are continuing with the Commonwealth.

Bev McARTHUR: How much are you asking local councils to provide, Minister?

Harriet SHING: And again, the Deputy Premier is doing a power of work with the Commonwealth infrastructure minister, Minister King.

Bev McARTHUR: You cannot have settled on a budget, Minister, for this, if you have not worked out how much you are going to ask local councils to provide.

Harriet SHING: In addition to that, we are continuing to have really productive discussions with all of the local councils that are hub locations. Those LGAs have been exceptionally optimistic and enthusiastic about the games, and that work continues to understand the infrastructure that they need, that they want, as part of legacy, how it is that we can ensure that what is delivered in the offering of the sporting and cultural programs meets their needs, but also what that looks like by way of legacy.

Bev McARTHUR: Minister, I have got some news for you: the Geelong and Ballarat councils have already indicated that they are financially stretched and will be unable to afford contributions. Geelong has a deficit of \$8 million this year and has pulled \$80 million out of community projects and needs to find \$4.5 million more in cuts annually to balance the books. So having allocated \$2.6 billion, will the Minister guarantee that ratepayers in these municipalities will not be forced to foot the bill for the Commonwealth Games?

Harriet SHING: So, Mrs McArthur, you have just made a number of generalisations about councils, and I think it is important perhaps to correct some of those generalisations. We have seen a range of public comments from mayors, including Ballarat, Latrobe and Bendigo, talking about what these opportunities look like around a monumental event that will create a legacy ‘for generations to come’ –

Bev McARTHUR: But they are not going to use ratepayers money to prop it up.

The CHAIR: Mrs McArthur, the minister is trying to answer your question.

Harriet SHING: inspiring and engaging the community, ‘promoting active lifestyles, inclusivity, and a sense of pride’. That was the mayor of Latrobe City. Ballarat mayor Des Hudson has said that the 2026 Commonwealth Games is ‘a once-in-a-lifetime opportunity’.

Bev McARTHUR: When did he say that, Minister? Not recently.

Harriet SHING:

We are extremely lucky –
he said –

in Ballarat to be one of five regional hubs that will see a flurry of activity in the lead up and during those two special weeks in March ...

And I also just want to say that there is another quote:

It is really important to provide the kind of legacy that is going to be for generations to come ...

That quote is from opposition Commonwealth Games minister David Southwick. So I just want to put that to you as being something that perhaps does not support your contention that this is a project without support, because it does in fact have a lot of support. People are really enthusiastic.

Bev McARTHUR: I think you have not been speaking to them lately, Minister.

Harriet SHING: Andrea Metcalf, the chair of Regional Cities Victoria, has been effusive in her interest and in the community’s interest about the games, as have people at these regional engagement forums. You should have come to one of them, because they have been an exceptional set of opportunities for people to get involved.

Bev McARTHUR: Let us go to Ballarat, Minister.

Harriet SHING: Those conversations continue. We have got legacy round tables coming up. I would be delighted to welcome you to a number of them.

Bev McARTHUR: I look forward to it. You have suggested that the 300 homes to be built on the Delacombe saleyards site will be temporary, so the government will not need to fully decontaminate the site. Is that true?

Harriet SHING: Sorry, can you say that again? The acoustics are weird in here.

Bev McARTHUR: The 300 homes built on the Delacombe saleyards site will be temporary – that is what you have suggested – and that is obviously because it is a contaminated site, so the government will not have to fully decontaminate the site. Is that true, or will you fully commit to decontaminating the saleyards site at Delacombe?

Harriet SHING: No, it is not true. It is not correct.

Bev McARTHUR: It is.

The CHAIR: Mrs McArthur, you can ask the question, but you cannot tell the minister how to answer it. You might not like the answer that she gives. But you can ask the question, and the minister will answer it.

Harriet SHING: That is actually not true, Mrs McArthur. We are continuing to work, as should be the case, with the city – the council – with the EPA and with the Commonwealth Games team to understand how we can deliver this 1800-strong games village and that we can do it in a way that minimises the impact on residents and on industry, that accommodates buffer zones and that takes account of the nature of the site. These are things which are part and parcel of preconstruction and preplanning works, and they are part of careful planning to deliver the right village for the games.

Bev McARTHUR: So you admit it is a contaminated site. Will the houses be permanent?

Harriet SHING: Sorry, work is underway to deliver the master plan, so that is really important. Ongoing discussions are occurring with the EPA, and –

The CHAIR: Apologies, Minister. Mrs McArthur, your time is up. We are going to go to Mr Hilakari for the next session.

Mathew HILAKARI: Thank you, Minister; and thank you, officials. I can speak to some of my own personal experience with local councils who actually ask me often, ‘How can we be involved with these games?’ They are really excited about it, even though they are at the interface and not the regional end of things. The community I represent is about halfway between the opening ceremony and the closing ceremony, but I would like to understand: how can people and businesses that I represent be involved in the Commonwealth Games? It is a brilliant opportunity, and it is so great to see it all across Victoria. But how can all Victorians get involved?

Harriet SHING: Thank you. You have raised a really important point around the momentum that is building, and for many people not just in Victoria but around Australia and around the world the opportunity to be part of something like the Commonwealth Games is unforgettable. People volunteer and move around the state to give their time and to contribute their energy to events like this. We are working really closely to develop and to deliver a process of engagement for those interface areas, because we know that there is a huge level of interest, as you have pointed out, from communities who want to be involved not just because of the geographic proximity to other hubs but also because particular sporting codes will be the heartbeat of many cultural communities, for example. Wherever we host a certain sport we know that the elite competitors and cheer squads from that sport, where we have world-class competition, will want to head there, will want to spend time there and will want to be part of it, and because we are so multicultural here in Victoria there is a lot of interest there as well. Those regional and interface communities that are not hosting will have many opportunities to be part of the preparation for the games. There will be so many people required also to deliver on workforce requirements, and this is where, again, in that pipeline of \$800 million for procurement opportunities there will be 1200 particular, specific contracts up for grabs. People can apply for and win a contract where all key requirements are met to deliver on a range of different things. The cultural program is another big part of this. We want to make sure that even people like me, who cannot kick a football to save themselves –

Danny O'BRIEN: No!

Harriet SHING: Football is not actually part of the line-up; enough from you, Mr O'Brien – are able to participate in any number of different ways, and this is why the pillars of inclusion and accessibility are so important. It is why the traditional owner and First Nation engagement piece is so important. But it is also about the design of the facilities and the amenities that are there, and that interconnectivity between interface areas and hubs and then more broadly, whether it is for the baton relay or for one of the ceremonies or whether it is for a range of demonstration and exhibition sports, will be a big part of it. But there is so much being activated. I would really welcome an opportunity to talk with you and indeed any other member of the committee who is interested in being more involved, but the legacy round tables are a really important pivot point for that conversation to continue and for people to say what it is that they want and how they would like to be involved and then to shape that process.

Mathew HILAKARI: People within my community think about some of the exhibition sports like kabadi games, demonstrating the multicultural nature of these games that are coming up, but I want to focus on maybe some of the education programs and the pre-game activities that will lead into the games. As you say, not everybody – maybe kicking a football is not the right one, but being involved in kabadi, for example, is maybe not your forte.

Harriet SHING: I definitely cannot kick a football.

Mathew HILAKARI: But how can everybody be involved in these games?

Harriet SHING: It is as much about the regional model of delivery as anything else, where we have a range of opportunities for people to be part of rural and regional Victoria through the King's baton relay and through the education, skills and training pathways and the social enterprise opportunities. We also see people activated in so many different ways. This is about enhancing and recognising our diversity. It is about being able to showcase our strengths and our stories on the world stage. It is also about having conversations that acknowledge a number of different histories, and First Nations engagement is a big part of the Commonwealth Games. There are around 70 Commonwealth countries, and more than 50 of those have a really strong First Nations engagement. The key here is how we activate and partner with traditional owners and communities to ensure that at every point along the way those stories are being shared, that visibility is there and that we have those opportunities for people closer to Melbourne to share in the excitement as well with the opening ceremony. In many ways the interface areas have got multiple opportunities to participate as spectators, as volunteers or indeed in a more active fashion.

Mathew HILAKARI: I just want to take you to the lasting legacy of these games and beyond the games themselves. How can you guarantee that, and what has been put in place to make sure that happens?

Harriet SHING: Lasting legacy comprises a number of different things. It is about infrastructure, it is about facilities and it is about activation of communities. It is about workforce participation and job creation. It is about social cohesion and participation in a range of other ways that improve and contribute to a wonderful and growing set of communities right across the state. We know that when tickets go on sale and when people arrive to experience all that we have to offer, the legacy will be well on foot. We will see people enjoying not just the events that we create but being able to see the athletes villages in place and the infrastructure that has been delivered – and then after the games being able to make sure that of the athletes village accommodation that does not remain in situ, we are in a position to deliver that and move it to other parts of the state to address other needs. We also want to make sure that as part of carbon neutrality and as part of sustainability we are teaching people about the importance of energy efficiency. The athletes villages, for example, will be 7.5-star energy efficient. They will also be about making sure we use low- or no-cost initiatives to drive down our carbon footprint and these avoidable measures. How do we make sure we are re-using these materials, we are reducing waste and we are improving and building on the work that we already do really well here in Victoria? We have some of the most ambitious renewable energy targets in the world – the VRET is something that we can be rightly proud of – and the Commonwealth Games augments that work. It really does show that the legacy piece goes well beyond the bricks and mortar and goes well beyond the infrastructure. It is about what communities have and want to have and are really germane to driving as part of what people will have in place and people will have in their communities for the generations.

Mathew HILAKARI: I might actually go to a little bit of bricks and mortar on the way through around Armstrong Creek. This is maybe something that Mrs McArthur could have brought up in her time, but I am happy to bring it up in my own, which is: how will the locals in Armstrong Creek benefit from the games? Because there has been an assertion that they will be left empty handed by it. I do not believe that is correct, but I would like you to inform me, Minister.

Harriet SHING: Thank you so much. This is again an important conversation to be having because we have so many opportunities to deliver really important infrastructure and legacy. When we work toward building a suite of new infrastructure, we will be delivering on a record in purpose-built sporting infrastructure across the state. This includes Waurn Ponds and Armstrong Creek and converting that community infrastructure to support growing communities. After 2026 and the Commonwealth Games, the venue will become a multisport facility that will support local communities in and around Armstrong Creek, and that will include a community pool facility with multisports courts and green open space. The pools used at the Armstrong Creek venue will be relocatable and re-used elsewhere after the games.

Members interjecting.

Harriet SHING: Just on that point, when we talk about relocatable pools – and Mrs McArthur and Mr McGowan, you may be very interested and heartened to hear this news – the FINA swimming pool was in fact able to be moved after the FINA championships, and it is now located in Waurn Ponds and Sunshine. So there we go – it is able to be done. It is important that it be able to be done and also that communities who have hosted this infrastructure are able to make decisions about whether keeping that infrastructure in situ is the right thing for them. We need to have the infrastructure in place to host these elite levels of competition, but what communities want after the games is a question for them, and that is where again that consultation process and those conversations will define what it is that ‘legacy’ means for places like Armstrong Creek.

Mathew HILAKARI: And that is fundamental to the legacy of these games –

Harriet SHING: It certainly is.

Mathew HILAKARI: actually building that infrastructure that communities want. Okay. Thank you, Minister, on that one. Procurement and cultural program opportunities and outcomes – how will the people of Victoria benefit after 2026 and following these games? Because not everyone always participates in the sports, but there is a huge cultural element to the games. You have touched on particular Aboriginal communities, and I note from your presentation a particular highlighting of those, including the Wadawurrung. We were with them actually at Werribee River recently, and they were talking about just how excited they were about these games that were upcoming. I guess they were on a bit of a journey of how they can be involved in the games. They were really excited in getting even more involved, but I would really appreciate your thoughts on that.

Harriet SHING: We welcome the opportunity to co-design the work of delivering a games that everyone can be proud of, that everyone sees themselves reflected in. And this is where again I am joined by colleagues here today who are driven by a range of different priorities that relate to inclusion, that relate to celebration, that relate to –

The CHAIR: Apologies, Minister. For the last 3 minutes, I am going to go to Ms Sandell.

Ellen SANDELL: Thank you, Chair. I would like to ask about housing.

Harriet SHING: Yes.

Ellen SANDELL: Obviously regional Victoria is in a housing crisis. What are the plans around housing for athletes village support staff and what happens to that after the Commonwealth Games?

Harriet SHING: Thank you for that question. I want to perhaps set the scene by talking about the \$1.25 billion investment in social and affordable housing across rural and regional Victoria –

Ellen SANDELL: Is that for the Commonwealth Games?

Harriet SHING: The Big Housing Build –

Ellen SANDELL: No, I appreciate that, but that is not what I am asking about. I am just –

Harriet SHING: The Big Housing Build is \$5.3 billion. At least \$1.25 billion of that will be allocated within rural and regional Victoria. In addition to that, the athletes villages, which will deliver an additional volume of housing, will be able to be deployed for a range of purposes after the games. This is about ensuring that what has been developed for the villages – and village accommodation is very specific, to specific purposes for specific ends, for athletes who are there for a specific period of time and have access to collective facilities – is then able to be fitted out so that it is fully functional and moved to other locations where required or where agreed. So we are working –

Ellen SANDELL: What is the plan so far? Has it been developed – what to do with that housing post the games?

Harriet SHING: We are having conversations with a range of stakeholders, and through the regional engagement forums and again through the legacy round tables the discussions continue about where and how we can address need, including as that relates to housing, through the redeployment of village stock as that becomes available after the games. But make no mistake: this is housing that people can be proud of. This is housing that is energy efficient, that will be accessible, that will be bright and that will be modern. Again, we want to make sure that in delivering solutions to housing and accommodation shortages we are providing people with opportunities to have homes that they are proud of, that foster and deliver dignity.

Ellen SANDELL: Is the intention for that to become social or public housing post the games?

Harriet SHING: There is a range of options on the table. So again –

Ellen SANDELL: There is no specific commitment to a number or percentage that will become social housing or public housing?

Harriet SHING: That will depend on where we are looking at redeploying or relocating village housing to. So when we talk about, for example, Gippsland, there are a number of local council areas beyond the Latrobe Valley where the village will be located. Morwell have expressed a really clear interest in having access to some of that stock after the games have concluded, and that is the case around regional Victoria as well. It depends on which council you talk to and what you are talking to them about, where they will then be able to identify that.

Ellen SANDELL: When does the funding start for housing stock?

Harriet SHING: We are in the process of working through what the housing configurations look like. We have got preworks and preconstruction and planning occurring, as Mrs McArthur has asked about before, but that is ongoing work. I am very happy to share it with you as it becomes available.

The CHAIR: Apologies, Minister, the time is up.

Harriet SHING: Thank you.

The CHAIR: Minister and department officials, thank you very much for appearing before the committee this afternoon. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

Now, with members on my left clearly restless and needing a break, the committee will take a short break before beginning its consideration of the Parliament portfolio.

I declare this hearing adjourned.

Witnesses withdrew.