

TRANSCRIPT

SELECT COMMITTEE ON THE 2026 COMMONWEALTH GAMES BID

Inquiry into the 2026 Commonwealth Games Bid

Melbourne – Friday 13 October 2023

MEMBERS

David Limbrick – Chair

Joe McCracken – Deputy Chair

Melina Bath

David Davis

Jacinta Ermacora

Michael Galea

Sarah Mansfield

Tom McIntosh

Rikkie-Lee Tyrrell

WITNESS

Brendan McClements, Chief Executive Officer, Visit Victoria.

The CHAIR: 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 you provide during the hearing is protected by law. You are protected against any action for what you may 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. You will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website.

For the Hansard record, can you please state your name and the organisation that you are appearing on behalf of.

Brendan McCLEMENTS: Yes, it is Brendan McClements, Visit Victoria.

The CHAIR: Thank you very much. I will just briefly introduce the committee. I am David Limbrick, the Chair, Member for South-Eastern Metro.

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

Melina BATH: Good morning. Melina Bath, Member for Eastern Victoria.

David DAVIS: David Davis.

Michael GALEA: Good morning. Michael Galea, South-Eastern Metropolitan.

Tom McINTOSH: Tom McIntosh, Eastern Victoria.

Sarah MANSFIELD: Sarah Mansfield, Western Victoria.

The CHAIR: And we will go to Joe next.

Joe McCRACKEN: Joe McCracken, Western Victoria. Thanks for having me on Zoom here.

The CHAIR: And Jacinta.

Jacinta ERMACORA: Jacinta Ermacora, Western 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 that we have time for questions. Thank you.

Brendan McCLEMENTS: Thank you. Good morning to you and to the members of the committee. I would like to begin this morning by acknowledging the traditional owners of the land which I am on today, the Wurundjeri people of the Kulin nation, and paying my respects to elders past, present and emerging and acknowledge their culture. I would like to extend this acknowledgement to traditional custodians right across the country from wherever they may be.

I am here today representing Visit Victoria, often referred to as VV, which is the state's tourism and events business. I would like to start today by providing the committee with a brief overview of Visit Victoria before detailing our role in the acquisition of the 2026 Commonwealth Games. In part, Visit Victoria's role is to help Victoria become a more prosperous community by driving visitation and expenditure across the state. It does this by creating and executing destination marketing campaigns on local, national and global levels, such as Stay Close, Go Further and Get Set, Melbourne. We also curate our world-class calendar of major regional and

business events. Our role is to identify and bid for events. For example, The FIFA Women's World Cup, which was recently held in Melbourne; the 84,000 people who attended the Bledisloe Cup at the MCG; and the sell-out NHL ice hockey games are examples of the work that we have done in this area.

VV is a public company limited by guarantee. It has a board of directors and three primary business units: destination marketing conceives and delivers those destination marketing campaigns, major events and we are a 51 per cent owner of the Melbourne Convention Bureau. Our major events team led the initial proposal development and initial engagement with the rights holders around the 2026 Commonwealth Games, after which the destination marketing team's role was to design and implement a destination marketing campaign to increase the global awareness and interest in regional Victoria through the games.

Before I outline a key time line of events, I would like to take a moment to discuss the key organisations that we engaged with and their respective roles, because it can get a bit confusing. From our perspective we engaged with the following key stakeholder groups: the Commonwealth Games Federation, led by Dame Louise Martin, based in London, the ultimate owners and decision-makers around the awarding of the games for 2026; the Commonwealth Games association based in Australia, the CEO Craig Phillips, which is the Australian member organisation of the CGF; the CGFP, and the Commonwealth Games Federation partnerships – this is a joint venture between the CGF and Sportfive, an international sports-marketing agency which owns the commercial rights for the Commonwealth Games, such as broadcast, merchandise and sponsorships. As the committee are aware, other relevant organisations include the Office of the Commonwealth Games and the Victoria 2026 organising committee.

In March 2021 Visit Victoria was aware of the potential opportunity to host the 2026 games. We were aware that the CGF did not have a viable candidate to host the 2026 games, despite the CGA being a regular visitor to most states seeking a domestic host for the games. The CGA in fact had been in contact with our major events team around this time about the 2026 opportunity and had put forward several proposals in the months preceding and that followed.

In June 2021 the president of the CGF Dame Louise Martin noted publicly in media articles that the game must modernise and the game must stay relevant. Visit Victoria engaged an external consultant to conduct an initial scoping review of a reimagined games, around where it would be hosted and the sports that would be represented, which would ideally deliver legacy benefits to regional Victoria.

In November and December 2021 Visit Victoria engaged directly with the CGF to discuss this hosting opportunity, and on 8 December 2021 I met with Dame Louise of the CGF in London. From our perspective we saw it as more beneficial to engage directly with the CGF, the international organisation – the ultimate rights holder – on the concept of bringing the games of 2026 to regional Victoria, given the CGF has this role as the rights holder. We also acknowledged and recognised the critical role of the CGA in being the host association.

On 21 December Visit Victoria, the CGF and the CGA signed a letter of agreement establishing a six-week exclusive negotiating window for the state to evaluate the opportunity. This was later extended to 15 February. The Department of Jobs, Precincts and Regions, DJPR, around this time also began engaging with external consultants and led the work on developing the initial business case for government with input from Visit Victoria.

On 15 February the Victorian government – not Visit Victoria, through the department – the CGF and the CGA signed a heads of agreement, which bound the parties to work in good faith to explore the opportunity to host the games in more detail and consider whether a contract could be entered into. At this stage Visit Victoria's role changed to a more supporting role.

After the CGF awarded the games to Victoria in April 2022, VV's destination marketing team was tasked with creating a destination marketing campaign, in the first iteration called 'A Games Like No Other', that aired during the 2022 Birmingham games, in August 2022. The objective was to raise awareness and interest in regional Victoria as a destination ahead of the 2026 games. Visit Victoria was also consulted on the development of a potential Commonwealth Games regional events fund designed to ensure the benefits of the games could be spread throughout regional Victoria in the lead-up to and in the years following the games.

Since the decision on 18 July we have been focused on supporting our industry, and we look forward to the benefits that will be delivered through the Victorian government's \$2 billion package, including \$170 million for regional tourism and the visitor economy in initiatives such as regional events and regional marketing. Through this work we are focused on delivering a new brand framework, which was a commitment in the Victorian government's *Visitor Economy Recovery and Reform Plan*. The brand framework is essentially a disciplined, coordinated and consistent approach to how all participants in Victoria's visitor economy promote Victoria as a destination to the state, the country and the world. This will help us continue to drive up visitor expenditure, which is a key metric for Visit Victoria and which is already at record levels of \$36.1 billion at the year ending June 2023, and will continue to attract and deliver significant major events for the state. Some recent announcements in that area include the *Titanic* exhibition with our partners at Melbourne Museum; *Groundhog Day*, which will be with us early next year – a stage show; the Great Ocean Road volleyball, which is taking place in Geelong; and the Lisa Gorman and Mirka Mora exhibition in the Warrnambool gallery. Melbourne is and remains the major events capital in Australia. It is a globally relevant city, and no-one does major events as well as Victoria.

On that note I would like to thank the committee for the opportunity to provide an opening statement, and I welcome any questions.

The CHAIR: Thank you, Mr McClements. I will start. On Monday we spoke a bit about the business case, and you just mentioned that you were involved in providing input into that business case. What sort of input did you provide to the business case that was ultimately used to make the decision to go ahead with the games?

Brendan McCLEMENTS: Visit Victoria's role was to develop a proposal and to engage with the CGF to see if it was interested in a similar idea. From our perspective what we put forward to the department was a structure that we had discussed with the CGF about how a regional games could work. So it was essentially the concept, but the details on the business case were managed by the department.

The CHAIR: Thank you. One of the things that we discovered on Monday was that one of the complexities which led to the cost blowouts was the fact that we were going to run it in many regional areas. Has this type of thing ever been done before in a Commonwealth Games scenario, with large numbers of regional areas?

Brendan McCLEMENTS: I think the Commonwealth Games Federation is probably best to discuss what it has achieved in the past.

The CHAIR: What led you to believe that it was feasible to have this type of arrangement for the games in Victoria?

Brendan McCLEMENTS: What we were looking for was whether it was possible to stage, in a facility sense, across regional Victoria. So we examined the facilities that were available and the technology that was there to be able to do that – conceptually, not in a detailed sense. That was the role of the business case. So what we put forward was a discussion point to the CGF to consider. It indicated it was interested in that, and we entered into a letter of agreement on that basis.

The CHAIR: So you did not provide any potential financial benefits or that sort of thing? You were just looking at, 'Okay, how might this work in a facility sense?'

Brendan McCLEMENTS: Correct.

The CHAIR: Right. So the potential tourism benefits that might have been achieved – you did not provide any input into the business case for that?

Brendan McCLEMENTS: I have not seen the business case.

The CHAIR: Okay. Right. What sort of tourism benefits were you expecting to have, in financial terms?

Brendan McCLEMENTS: Well, one of the key metrics that we are looking to achieve at any stage is to continue to drive regional tourism. The visitor economy is a very big part of the Victorian economy. We need to ensure that we are spreading that as wide as we can, so a focus on regional Victoria is always in our thoughts. We thought the games would provide a platform on which we could continue that work.

The CHAIR: Okay. So we assume that there were going to be tourism benefits if the games had gone ahead. Did you analyse what happened in the Gold Coast or in Birmingham and what sorts of tourism benefits they received?

Brendan McCLEMENTS: We certainly saw the reports from Gold Coast on what was delivered as a benefit from that, not just in terms of the games when they took place but, as it is referred to in their analysis, ‘induced tourism’ – tourism that relates from people becoming aware of the fact that that venue exists. That is an ongoing opportunity for the state to ensure that people are aware of the sorts of experiences they can have outside of Melbourne.

The CHAIR: Thank you. In your opening statement you mentioned that some of this development that is going to still happen – you are expecting some sorts of tourism benefits from these things that are going to happen anyway. What sort of comparative level of benefit are we talking here? We are going to get some benefit from some of these things, but obviously it is not going to be as much as what would have happened if the games had gone ahead. What is your view on that?

Brendan McCLEMENTS: If you remember, we talked about the role of Visit Victoria changing on and around 15 February, moving into the destination marketing team.

David DAVIS: In 2022 or 2021?

Brendan McCLEMENTS: 2022, yes. For us, as the games moved into that team, it became – and this is from a Visit Victoria perspective, I emphasise – a tactic for us in the overall strategy to drive visitation into parts of Victoria that are not Melbourne. What we have is a number of different tactics that remain available to continue to achieve that strategy, whether that be through the Regional Events Fund, through destination marketing campaigns or through other activities. So what we are really looking forward to is the opportunity to continue to drive what we are seeking to do – increase the size of the visitor economy in Victoria, including parts of Victoria that are not Melbourne – and we have a number of available tactics to achieve that.

The CHAIR: One of the things that this committee is also looking at is the effect on Victoria’s reputation. Now, we have had some witnesses say they have not noticed any effect, but I would challenge that by saying anyone looking to enter into a commercial relationship in any sort of business or government situation is going to look at risks, right? And surely the regulatory risk or sovereign risk here – they must be pricing that into future events, because they would say, ‘Well, they’ve cancelled this, and that’s a risk for us.’ Do you see that as a potential risk in the future for other major events that might come to Victoria – that they might be looking at this and saying, ‘Well, we have to price that in somehow’?

Brendan McCLEMENTS: That is a question that we have contemplated, and I know there has been a lot of public and other commentary about that particular issue. Part of Visit Victoria’s role is to engage daily with rights holders around the world who are making decisions around where they want to hold their major events. I am certainly a part of most of those discussions. This has never generated any issue for us in those conversations, not for a moment. In fact –

The CHAIR: So people are not worried about it? They just think, ‘Well, it’s okay, they can cancel it’, and that does not enter into their calculations when dealing with the state?

Brendan McCLEMENTS: There are a couple of things surrounding that. The first one is Victoria’s major events reputation is built on not just simply sports events; we are a state that are privileged to be able to call ourselves a home of culture and creativity in this country, and we reflect that in our major events calendar. We love our work with our cultural institutions. Pierre Bonnard at the NGV, part of a 20-year program, *Melbourne Winter Masterpieces*, has just concluded. As I have said, we have announced *Titanic*, partnering with the museum, and *Goddess* at ACMI. We have had a wonderful relationship with the Bendigo gallery over a long period of time. The photo biennale in Ballarat has been very successful this year. So our major events reputation is built on not simply sports events but creativity – cultural and culinary events. That is one thing. The strength of the calendar is beyond that.

The second one is that the Commonwealth Games is a particular style of major event, one of few – and in many ways there are not many left like it – in which the state in its proposed model assumes 100 per cent of the risk.

That is a rarity in the major events space. In most cases we are looking to help rights holders manage their financial risk, so the nature of the agreement is quite different.

The final part is that for those rights holders who are looking to Australia, Melbourne is a compelling proposition, particularly if you are in the sports space. There is only one city in Australia that has a 100,000-seat stadium, a 50,000-seat stadium, a 15,000-seat stadium, a 10,000-seat stadium, a 5000-seat stadium and a 25,000-seat stadium within 2 kilometres of the city centre. There is only one state in Australia with those facilities that has 5.5 million people as potential purchasers of tickets. There is only one state in Australia that has those facilities, that audience, with a transport system that is designed to deliver 800,000 people a day to the heart of the city, and then there is only one city in Australia with those features that also has the third busiest airline route to another city with about 6 million people, giving them a compelling reason to choose Melbourne as a major events destination. For those reasons I think actually what we have seen is, with the performance of Melbourne in recent times in delivering, as I said, 85,000 people to the Bledisloe Cup, two sellout NHL games for the first time in the Southern Hemisphere and sellout games as part of the women's World Cup, the proposition of Melbourne as a home for major events is stronger than it was, and in fact what we are seeing is an increased interest from rights holders.

The CHAIR: Thank you. I will pass to the Deputy Chair, Mr McCracken.

Joe McCracken: I have a few different questions, so bear with me here. I just want to check, though: have you have any sorts of discussions with ministerial offices or anyone in preparation for today's hearing at all – anyone outside your agency?

Brendan McClements: No.

Joe McCracken: That is good to hear. I think you said before that you had input into the business case. Is that correct?

Brendan McClements: The sequence was we developed the concept and the proposal. That shaped the business case, so in that sense, yes, an input into the business case.

Joe McCracken: I know you said before that you had not read the business case and the final outcome. What was the thinking behind that?

Brendan McClements: I guess it gets back that initial framing of what Visit Victoria is and is not. We are a company with a single shareholder, the Premier of the day. We do not sit within the departmental framework, and as a result ERC submissions and those things quite rightly are not provided to us to review. It is consistent with the way the system would typically work for an entity like Visit Victoria. Where cabinet submissions are being prepared, ERC submissions are being prepared, that does not cross Visit Victoria's desk.

Joe McCracken: That is interesting. I just find it a bit odd that you would prepare input into the business case – we have heard from a number of people in evidence given already that the business case had a number of flaws and that costs were widely underestimated, so I would have thought that some sort of due diligence after the fact to make sure that it was accurate would have been helpful in preparing for the games. Was any of that due diligence work done to make sure that the information and inputs into that were correct?

Brendan McClements: I find it difficult to comment on a document that I have not seen or was not prepared by us. I think that is probably best directed towards those who prepared the business case.

Joe McCracken: But you had input into that, so the information that you put into that, you did not get to see where that went, the final outcome – none of that sort of stuff you saw.

Brendan McClements: No. I mean, we were perfectly comfortable with the way that proceeded, given the complexities of a games like the Commonwealth Games. It does require a whole-of-government consideration. That is not Visit Victoria's skill set – to be able to contemplate the housing requirements and those sorts of things – so we were very comfortable that the ERC process that was followed was appropriate. From our perspective, where we needed to, we had input.

Joe McCracken: Okay. From when the games were announced officially, were you giving any sorts of briefings to ministers and their officers? I am guessing that would have been the case, but I just want to make

sure that there was some regular contact – that there was some regular understanding of the progress of what was going on.

Brendan McCLEMENTS: I mean, our role, as I flagged, had changed. So post the games announcement it focused on input into the design and proposal around a regional events fund for the Commonwealth Games which, as I said, was designed and proposed to spread the benefits across the state. Secondly, dealing with the proposals around the destination marketing opportunities that flow from the games to raise the profile of parts of Victoria that are not Melbourne, in that context our primary discussions were more with the Office of Commonwealth Games as the entity that we were –

Joe McCracken: Yes, I guess my question was, though: did you give any briefings to ministers?

Brendan McCLEMENTS: No.

Joe McCracken: Okay. You did no briefings in any way, shape or form. Was there any correspondence with ministerial officers or any information sought from ministers from you?

Brendan McCLEMENTS: Our engagement with the Commonwealth Games was through the appropriate organisations – Office of Commonwealth Games and other administrative arrangements the department had set up to implement its plans.

Joe McCracken: Okay. I guess one of the other parts, too, was I had a look at the survey that you guys have done, and there are a number of overseas trips and all those sorts of things. Did you have any employees who were overseas spruiking the games, and what was their remit? What were they told to do?

Brendan McCLEMENTS: No, we did not. As you would see in our questionnaire, there was travel from Visit Victoria in the lead-up too as we presented the proposal and engaged with CGF. We have employed no staff, to use your words, to ‘spruik’ the games in overseas markets.

Joe McCracken: No-one on, I do not know, even trade missions or those sorts of things?

Brendan McCLEMENTS: No. Trade missions tend to work through a different part, Invest Victoria, so we have not had those activities.

Joe McCracken: Okay. That is fair enough. I just wanted to check. I know part of the remit of this inquiry as well is looking at the reputational impact of the Comm Games cancellation on Victoria. Do you think the cancellation has been a good thing for Victoria’s reputation?

Brendan McCLEMENTS: I would not put it in those terms.

Joe McCracken: Okay. I thought so.

Brendan McCLEMENTS: But it has not had any impact. Victoria has and –

David Davis: Has it had any impact?

Brendan McCLEMENTS: It has not had any impact.

David Davis: Really?

Joe McCracken: I am surprised to hear that, to be honest, because particularly in regional areas – I mean, I live in Ballarat – that is certainly not the feedback I have got. Have you spoken to any of the local chambers of commerce, for example, in consulting about the levels of reputational damage?

Brendan McCLEMENTS: So there is a separate question here, with respect. The question I think I was answering is: has it had an impact with rights holders? That is where we deal regularly with those people who are in charge of, deal with and make decisions on where events of this scale might take place. I have got a very good visibility of that. We talk with them regularly. That has not been the case. In terms of in local areas, I understand the disappointment that each of those communities feels about the games.

Joe McCracken: My question was not about rights holders; my question was about the reputational impact on Victoria. Correct me if I am wrong, but you say it has not had an impact?

Brendan McClements: Perhaps can you help me – had an impact with whom?

Joe McCracken: Well, Victoria's reputation as a major events and tourism destination. I mean, international reputation is really important, particularly in a post-COVID environment. The ability to attract visitors and tourism is really important, and the fact that we have cancelled a multibillion-dollar event – that has not had an impact on our reputation?

Brendan McClements: I have visibility on our reputation in international markets with those people who control similar events. Having had extensive conversations since 18 July, my professional advice is: no, it has not. If I could just take a moment, you would be aware that we had the National Hockey League in town recently for two games, for the first time in the Southern Hemisphere. Much of the conversations which take place are in confidence, but one of the key officials with the NHL, David Proper, who we dealt with extensively on that, was recently on the record, and perhaps his comments give us a bit of a sense of where the world thinks Victoria is at the moment. If you would indulge me, I will make these comments that David recently said in an article on 4 October:

Melbourne is an amazing sports city, and the enthusiasm and the welcome out there continued to prove to us – playing in Melbourne –

... was the right thing to do.

...

After our first set of games in a new market, we let the dust settle and go back and do a complete brief on how it went. Every preliminary indication I've been given is this was a great experience that lends us to coming back – probably not next year, but the year after.

I'm extremely confident that we'd be coming back.

Joe McCracken: I appreciate that. Can I give you some quotes as well?

The CHAIR: Sorry, Mr McCracken. I think we have run out of time, unfortunately.

Joe McCracken: That is fine.

The CHAIR: I have to go now to Mr Galea.

Michael Galea: Thank you, Chair. Thank you, Mr McClements, for joining us today. We know that Melbourne has a large and fulsome major events calendar, and you mentioned the Bledisloe Cup and the women's World Cup and of course Taylor Swift coming in a few months as well, which a bunch of us are very much looking forward to.

You spoke – and I was quite interested before – with Mr McCracken then but also with Mr Limbrick prior to that. You referenced the increased interest from rights holders, which to me seems like probably the best gauge for what sort of reputational impact this has had. I am wondering if you can talk me through a little bit more how Visit Victoria goes through the process of soliciting or acquiring major events for the state, whether they be sporting or cultural or other.

Brendan McClements: I am very happy to do that. I am just conscious that some of the ways in which Victoria has done this over a long period of time has a degree of commercial confidentiality in it. So within the framework of the concerns about providing some trade secrets, I am very happy to talk through what we do.

At a very high level the responsibility for Visit Victoria is to continuously review what is available in the world from a formal perspective, as in those things that are existing and created, to those things that could, if we applied our mind to it, exist. So the major events team has a role in making sure it is reviewing what we see happening regularly in the world. What we do know is we are often planning many years ahead, so we keep an eye out. In the sports area it is quite structured. We know where Olympics will be, and we will know where FIFA World Cups will be and where the opportunity may or may not be for Victoria in that. So we do have an ongoing brief to keep an eye on what sports major events might be in the world. In the space of creativity, live music, culinary, there is the opportunity to be a little bit more innovative around that, so we tend to work,

certainly in the cultural space, closely with our incredible cultural institutions across the state to put forward ideas around what might happen. In the case of the *Melbourne Winter Masterpieces* program, with the NGV many years ago we identified a window to be able to put that forward. So it is reasonably agnostic, how we go about it. We are completely open to identifying ways in which we can work unilaterally, work in partnership, but almost inevitably we work closely with people in the ecosystem here in Victoria. There is a 'team Victoria' approach to major events. We find it works very well.

Michael GALEA: Thank you for that. And in your opening statement you talked about the CGF as opposed to the CGA. I was interested that you mentioned that most of your conversations were actually with the CGF in London rather than the CGA in Australia. Could you please talk to why that was the case?

Brendan McCLEMENTS: Yes. Look, it is one of the components of thinking through how you might want to structure a first engagement. A true north for this is those organisations that are the ultimate rights holders of events. The CGF, through Dame Louise, ultimately is the entity that controls the Commonwealth Games. That is not to diminish in any way, shape or form the importance of the local entity, Commonwealth Games Australia. It needs to be completely in accord with the direction that the games might be going, but it was Dame Louise from the CGF who had made the public comments about her desire to think through changes that might come as a result of some of the things the CGF was thinking through, and what we had at that stage from the CGA was a series of proposals that really were inconsistent with what the state was looking for.

Michael GALEA: So I guess what you are saying is it is more the key decision-maker as well as why –

Brendan McCLEMENTS: Correct, but I do not want to underestimate the importance of the CGA in this process. Dame Louise, as the president of the CGF, had been very clear in her personal desire on how she wanted the games to be reimagined. There seemed to be a consistency with the concept that was in development with Visit Victoria, so it was a discussion on the basis: are we in the same ballpark here?

Michael GALEA: In terms of in the sporting field at least, is it a common dynamic that you have, I guess, a local body as well as an international one – that you will have to deal with both?

Brendan McCLEMENTS: Yes, that tends to be the way. Certainly in the sports federations place, each event can be different, but if you are working in the sports federations place, those entities have a system of international bodies. They tend to have the world championship rights, and it tends to be the local body is the hosting organisation. The rights flow from the central to the state or to the country as decisions are made.

Michael GALEA: Sure. And in response to Mr Limbrick you talked about the relatively unique situation with the Commonwealth Games, where the state takes on more of the risk. I am assuming, from what I can think of, it would be the Commonwealth Games and Olympics, but is there anything else that would fit into that sort of mould as a major event?

Brendan McCLEMENTS: Yes, the Olympics is similarly structured that way. There are probably one or two other international sports federations that are still operating in that style. I think international athletics is probably structured that way. I have not looked at that for some period of time. It was a model that applied in the 1990s and 2000s. It has tended to evolve. World Rugby, for example, does not adopt that approach; it is closer to the way FIFA would structure its events. Our relationship with FIFA during the recent women's World Cup was at a capped level; FIFA assumed all the operating costs and the risks and rewards that go with that.

Michael GALEA: And do you think that is a more sustainable model?

Brendan McCLEMENTS: What I think is that it is a more reflective model of where the industry is at the moment, yes.

Michael GALEA: Thank you. You referenced as well the *Visitor Economy Recovery and Reform Plan* that you are undertaking as well, and a big part of what we are looking at as a committee is obviously the Commonwealth Games but also its role in terms of delivering a legacy towards regional Victoria. Another part of course that we are looking at is the \$2 billion regional package. What sorts of benefits will this *Visitor Economy Recovery and Reform Plan* have for regional Victoria specifically?

Brendan McCLEMENTS: The VERRP is a document or a plan that existed prior to any consideration of the 2006 games, and there were a number of things that flowed from that. It is a very, very significant investment in regional tourism infrastructure which has been incredibly welcome to the industry to be able to see the investment. The state has been able to partner with private industry on bringing forward product in regional Victoria, and I use ‘product’ in the term of an experience from our perspective. That is one of the great opportunities in regional Victoria – to continue to expand its product. Our role in the VERRP – what was identified is this sort of disciplined, consistent way of communicating the benefits around Victoria: in marketing language, if I put my marketing head on for a moment, a brand framework. That work is well advanced. It will ensure that all the money that is invested benefits from the multiplier effect of consistency. So we are looking very much forward to the opportunity to introduce that framework.

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

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

David DAVIS: Mr McClements, thank you for coming in today. I am going to actually re-ask a couple of questions, because I just want to get to very specific details rather than high-level, generic details. I want to ask you again: in preparation for today’s hearings, did you or your office or Visit Victoria have any discussions with the Premier’s private office, any minister or ministerial office or anyone external to the agency?

Brendan McCLEMENTS: No. So the minister’s private office –

David DAVIS: Are you sure?

Brendan McCLEMENTS: What we have done is ensure that the questionnaire that was asked for by the committee –

David DAVIS: It was checked?

Brendan McCLEMENTS: No, it was not checked. No, it was not checked – there were no changes made to it, but as a –

David DAVIS: But it was checked. It was socialised with them, was it?

Brendan McCLEMENTS: No. It was provided as a matter of course through DPC. We had no engagement with ministerial offices.

David DAVIS: All right. And I just want to ask you: who actually made the decision to pursue the games and on what date? You know, I just want to be quite specific. When you started investigating all this, who was it that made that decision and on what date? Not a month, a date.

Brendan McCLEMENTS: Sorry, if we can go back a step – because there are a number of inflection points, for want of a better phrase, along here.

David DAVIS: The first.

Brendan McCLEMENTS: The first choice on seeing if it was conceivable was Visit Victoria’s.

David DAVIS: Yes. So who –

Brendan McCLEMENTS: So mine – I initiated a program to examine –

David DAVIS: Just on what date? Just answer my –

Brendan McCLEMENTS: The initial conversations were in March 2021. We provided and appointed a consultant to examine that work in June 2021.

David DAVIS: Yes. You can perhaps come back with the exact dates. That is fine; I understand. And did any discussion with government occur at that time?

Brendan McCLEMENTS: The first conversation with the minister’s office was on 12 October.

David DAVIS: 2021.

Brendan McCLEMENTS: Correct.

David DAVIS: Now, I just want to understand about this briefing of the minister. When did Visit Victoria first brief the minister or her office?

Brendan McCLEMENTS: About the opportunity?

David DAVIS: About the whole matter.

Brendan McCLEMENTS: 12 October 2021.

David DAVIS: And how often after that did you provide briefings to the minister or her office?

Brendan McCLEMENTS: We provided regular – at that stage it was Minister Pakula. So there were regular discussions with his office as we went through.

David DAVIS: And later with Minister Allan.

Brendan McCLEMENTS: No. Minister Allan assumed the role well after 15 February 2022, at which stage our role had changed.

David DAVIS: Right. So what I would ask is: could we have copies of those briefings and materials that were provided to Minister Pakula's office?

Brendan McCLEMENTS: I will take that on advice and understand whether there is any privilege that applies to those.

David DAVIS: No privilege applies to a document that is –

Michael GALEA: There is.

David DAVIS: No, there is not, actually. I have been a minister. I actually understand that ministerial briefings are not privileged necessarily. It is only if they are cabinet that they are privileged. And in terms of the briefing of Minister Allan's office, your agency never provided any material to Minister Allan's office?

Brendan McCLEMENTS: As I said, our role changed on 15 February –

David DAVIS: It is a simple question.

Brendan McCLEMENTS: So no.

David DAVIS: Ever?

Brendan McCLEMENTS: I was in a discussion with Minister Allan around the application of the destination marketing funding, but the structure of that had been agreed with the department on the way through.

David DAVIS: What date was that?

Brendan McCLEMENTS: I would have to come back with that.

David DAVIS: Thank you. And that is the only occasion you or your agency spoke to Minister Allan's office?

Brendan McCLEMENTS: On the way through –

David DAVIS: I find that incredible.

Brendan McCLEMENTS: Well, in developing the destination marketing campaign, the approvals process requires a process that goes through ministerial offices. So for the campaign I mentioned, ‘A Games like no other in a place like no other’ –

David DAVIS: Always done indirectly – is that what you are saying?

Brendan McCLEMENTS: We dealt with Minister Allan’s staff on the way through around that campaign, specifically on that campaign.

David DAVIS: So I would seek from you a list of every occasion that you communicated to Minister Allan’s office and the details of that communication.

Brendan McCLEMENTS: Understood.

David DAVIS: I might come to a point here. The Australian Olympic Committee called the cancellation a blow to their ambitions for athletes. Commonwealth Games Australia said:

The Victorian government ... has jeopardised Melbourne and Victoria’s standing as a sporting capital of the world.

...

I would be ... careful if I was an international sporting body, coming and doing business in this state in the future.

John Coates said this is a terrible embarrassment to Australian sport. Bruce McAvaney said it is an embarrassment. VCCI’s Paul Guerra said:

Globally, we’re not in good shape ... We now have a government that has a reputation for ripping up billion-dollar contracts.

John Wylie, former chair of the sports commission, said:

These sorts of things are really damaging to the reputation of Victoria as a reliable counter-party on the world stage.

...

It’s a really poor development for Victoria, driven by political expediency.

...

It’s doing irreparable damage ...

Tim Piper from Ai said:

The decision reinforces the perception and reality that Victoria is an increasingly difficult place to do business.

Mr McClements, the cancellation has actually damaged Victoria’s reputation, hasn’t it, really?

Brendan McCLEMENTS: I refer to my earlier answer. From my perspective, day in, day out dealing with rights holders, there was no impediment to Victoria pursuing it. What we have delivered since the decision on the games was announced on 18 July, if anything, has increased the interest in people coming to Melbourne and Victoria.

David DAVIS: And the security of them signing contracts?

Brendan McCLEMENTS: It has not been an issue.

David DAVIS: That is different from what I heard overseas, I might say. Following the cancellation did your office receive any similar comments to these sorts of concerns? I note Visit Victoria spent \$6575 on analysis of social media coverage to identify key themes following the cancellation. Can you provide the committee with a copy of that report?

Brendan McCLEMENTS: I am happy to take that under advisement, yes.

David DAVIS: Yes. Was that also provided to the minister?

Brendan McCLEMENTS: No.

David DAVIS: Or her office?

Brendan McCLEMENTS: No.

David DAVIS: No. Or the department?

Brendan McCLEMENTS: No.

David DAVIS: So you just kept it to yourself?

Brendan McCLEMENTS: Correct.

David DAVIS: On what date did Visit Victoria brief the minister on the blowback from the cancellation?

Brendan McCLEMENTS: We have not briefed the minister.

David DAVIS: Right. When were you informed of the cancellation of the games?

Brendan McCLEMENTS: One hour before the announcement was made.

David DAVIS: Did you have any discussions with your ministers about the status of the financials, the rescoping or the cancellation of the games?

Brendan McCLEMENTS: No.

David DAVIS: With their office?

Brendan McCLEMENTS: No.

David DAVIS: With the department?

Brendan McCLEMENTS: No.

David DAVIS: Okay. Who at Visit Victoria was part of the Commonwealth Games interdepartmental committee?

Brendan McCLEMENTS: No-one.

David DAVIS: You were not on that at all?

Brendan McCLEMENTS: No.

David DAVIS: Did you submit to that at all?

Brendan McCLEMENTS: We are not –

David DAVIS: Did you submit to it?

Brendan McCLEMENTS: No.

David DAVIS: So you were unaware of that committee?

Brendan McCLEMENTS: Yes.

David DAVIS: Right. DJSIR said on Monday that Visit Victoria were their experts on these types of matters. On what date did Visit Victoria review the original EY business case?

Brendan McCLEMENTS: We did not review the EY business case.

David DAVIS: You did not at all. Was there a significant spend on the marketing campaign ‘A Games like no other, in a place like no other’?

Brendan McCLEMENTS: The numbers are in the documents provided today.

David DAVIS: Yes. And were you aware of Project Banjo, the mascot for the games?

Brendan McCLEMENTS: No.

David DAVIS: Right.

The CHAIR: Thank you, Mr Davis. I believe you have run out of time. I shall go to Mr McIntosh.

Tom McINTOSH: Good morning, Brendan. Thanks for being here today.

Brendan McCLEMENTS: Morning.

Tom McINTOSH: In your opening statement you talked about the \$36.1 billion of visitor expenditure, those being record levels. I want to go through a few points to try and understand basically our baseline and then our seasonal events and then these perhaps less regular events and what it does. I think we would all agree and acknowledge that Victoria has an incredibly rich culture, and I think we can talk broadly about sports, arts and our food culture. Victoria is recognised as being inclusive and diverse. I think what our success is around our sports is that we may have the MCG that is our coliseum, but as you said before, there is a network of other stadiums around it and all sports are included. But just to start on the participatory base within Victoria, excluding that external money coming in, we have got that participatory sport element, which is massive, and then our regular sports calendar. That is a base to set a culture for the world to want to be a part of – it is our footy, our cricket, rugby, soccer, basketball is starting to thrive again. As a starting base – and then we will come to more major events – how valuable is that to our state, and how much of a drawcard is that to people from interstate and internationally?

Brendan McCLEMENTS: I think you have touched on a very important point about Victoria and its place and the way it talks about itself. We are a diverse, culturally rich state, and that is represented in all sorts of ways, not just in our sports world. One of the great experiences as you come to Victoria is the food culture that is here that reflects the diversity of the population that lives here. If I use an example to illustrate the point that you have raised there around the importance of having diversity and interest in a number of different things, the NHL, when they came here, one of their moments of surprise was the fact that ice hockey was so popular in this country, that there was a very structured way of developing that sport. So yes, you are exactly right – the diversity of Victoria by the nature of our multicultural population provides us with an extraordinary baseline to talk to rights holders, whether they be in sports or other areas, that they will find their tribe if they come to Victoria because we are a multicultural, diverse state which celebrates that.

Tom McINTOSH: Glad you raised the ice hockey. I actually attended the Sunday event, the second event, and obviously both were sold out. It was just incredible. I was really excited to be there, and it was a great event. So we have got that strong core supporting us, and then we have all these incredible events on top, whether it is the Melbourne Cup or the Formula One motorbikes. Boxing Day and the AFL Grand Final you can probably put into that mix. Do you see those as a sort of internal Australian drawcard, or are they bringing people internationally as well? Those regular – the Australian Open, even things like the Stawell Gift, which is probably the most celebrated footrace in Australia – how do you see those as far as the state versus international drawcard?

Brendan McCLEMENTS: I think one of the characteristics of our sports calendar in particular is it playing – and I am reluctant to move into marketing language, but if you indulge me for a moment, the discipline of marketing includes the concept of a funnel moving people down, an awareness consideration conversion funnel on how they consider coming to a particular destination, which is our job. Our sports calendar does allow us to play at all levels of the funnel, broadcast in particular. Something like the tennis or something like the grand prix, yes, they do drive bottom-of-the-funnel conversion – people buy tickets for planes and come – but importantly, and increasingly for Victoria, it allows us to play at the top of the funnel, generating an awareness and understanding of Melbourne and its offerings and Victoria as a state. Our sports program, as most of our major events calendar does, allows us to play in a discipline marketing sense at all levels of the funnel, so that is one of the great advantages that Victoria has. Having those regular international events is very, very important in ensuring that Victoria remains relevant to international markets – they are critically important in playing up and down the marketing funnel.

Tom McINTOSH: So coming to that point then, if we are stepping away from that baseline of our regular, big events but then going to those one-offs, my colleague Mr Galea mentioned – who is the musician? I cannot remember.

Michael GALEA: Taylor Swift.

Tom McINTOSH: Taylor Swift, thank you. I am sure I will get a bit of criticism for forgetting her name. But these big, one-off events, what does that do as far as taking that to the next level? Then I suppose where I want to circle back around to is that expenditure that you talked about in your first statement. How does all that impact on what you are saying are record levels of expenditure within the state?

Brendan McCLEMENTS: Yes. So again, you touched on Taylor Swift, and it is part of a trend around live music being an incredibly powerful attractor of people. For us, whether it was Kings of Leon in Mildura or Foo Fighters down in Geelong, the ability to work with the live music industry to achieve what we are trying to achieve both at the conversion level as well as the awareness level is increasingly important. For us events provide a great way of introducing parts of Victoria that are not Melbourne to potential attendees. We spend a lot of time and effort working with our colleagues in all parts of the state to develop events calendars and support events that work for them, whether, as I said, it is Foo Fighters in Geelong, Kings of Leon or it is the Meeniyan Garlic Festival or it is the Foto Biennale in Ballarat, our wonderful relationship with the gallery which I hope continues. These events provide, in our way of thinking, an extraordinary opportunity to introduce the primary market for regional Victoria, which as it exists at the moment is Melbourne, with a compelling reason to get to Melbourne. The same applies internationally. It is often the catalyst that will bring people to make that decision to travel.

Tom McINTOSH: And the economic outcomes of that?

Brendan McCLEMENTS: There are a couple of numbers here that I will put in there. It is not quite apples for apples, but the economic value of the state's major events calendar is in the order of \$2.5 billion a year. The economic value of the visitor economy is currently \$36.1 billion to the state. That is an extraordinary performance.

I know there is quite a focus on the today and the tomorrow in the visitor economy. The reality for the state around the visitor economy is that in March 2021 we dropped from a prepandemic record of \$32.5 billion in December 2020 to \$9.8 billion. We dropped the best part of \$18 billion, \$19 billion. That was 15, 20 years of growth gone in 14 months. Where we are today, two years later, is \$36.1 billion, a record for the state – that 15, 20 years of growth has been recovered in two years, and every region in Victoria is ahead of where they were pre pandemic. The story of the visitor economy in Victoria is one of incredible resilience by our operators, incredible innovation by operators across the state. What they went through and what we have recovered to is incredibly exciting, but we are recovering, not recovered.

Tom McINTOSH: Right, thank you. I think I am out of time, and I apologise to all my colleagues that I am not familiar with the music of Taylor Swift.

The CHAIR: Thank you, Mr McIntosh. Ms Tyrrell.

Rikkie-Lee TYRRELL: Thank you, Chair. Thank you for giving us your time today. The games were scheduled to take place in five regional centres, including Bendigo and Shepparton, which are in my Northern Victoria electorate. Specifically looking at Bendigo and Shepparton, can you provide numbers on your modelling for the following: the accommodation providers for Bendigo and Shepparton?

Brendan McCLEMENTS: I will have to take that on notice.

Rikkie-Lee TYRRELL: The food and beverage providers for Bendigo and Shepparton?

Brendan McCLEMENTS: That level of detail would have been done post our involvement.

Rikkie-Lee TYRRELL: Who would that have been done with?

Brendan McCLEMENTS: I think that is best directed to the Office of the Commonwealth Games or Victoria 2026. It is a detailed operational question that did not reflect where we were.

Rikkie-Lee TYRRELL: Would you by any chance have figures on the employment created or that was expected to be generated?

Brendan McCLEMENTS: Again, that would be part of the business case. We were not privy to the business case.

Rikkie-Lee TYRRELL: Did you consult with any event organisers for Bendigo and Shepparton?

Brendan McCLEMENTS: Our role in the process preceded the consultation phase.

Rikkie-Lee TYRRELL: Okay. I am just going to rattle off two more, and I am sure you will tell me where to go. The expected visitor expenditure for Bendigo and Shepparton?

Brendan McCLEMENTS: Again, I think you will need to look to those who created the business case.

Rikkie-Lee TYRRELL: And the number of overnight visitors as well. There is no information on any of those things I have just provided that you could give me?

Brendan McCLEMENTS: No. With the greatest respect, the creation of the business case sat with the department, and I think that has been clear from the department's perspective as well.

Rikkie-Lee TYRRELL: Okay. Noting the loss in tourism opportunity, what are you doing to advocate for these cities specifically – Bendigo and Shepparton – to compensate for those businesses that have made early investments?

Brendan McCLEMENTS: Our response to the importance of parts of Victoria that are not Melbourne remains undiminished. Our role is to drive the growth of the visitor economy. In that region we have outstanding relationships with a number of operators. As I have said, we have enjoyed an extraordinary long-lasting relationship with the Bendigo gallery and what it has been able to achieve. There are a number of operators in that region that we will be working with to ensure that they are well represented.

One of the most important things in the international space is a trade event called the Australian Tourism Exchange. We are hosting that in Victoria next year. We are well advanced with ensuring that our regional operators are able to access those buyers from overseas markets who are interested in working with them on bringing international visitation to their markets. Our strategy remains unchanged; I think I articulated it a little bit earlier. For us, as we moved into the destination marketing piece of our business with the Commonwealth Games, it became a tactic. We have a range of other tactics that are available to achieve the same goal – drive the size of the visitor economy across Victoria – and we will be employing those tactics. Whether it is marketing campaigns, whether it is the Regional Events Fund or whether it is attracting trade to the Australian Tourism Exchange, it remains undiminished. For us, we have an ongoing program of work dealing with all parts of Victoria to help that activity take place, so we are implementing that work. We have really welcomed the decisions around the \$2 billion support fund. We have identified and heard the \$170 million that sits within that is allocated to supporting regional tourism activities. So as government in its decision-making and at its own pace makes decisions about that, we would welcome the opportunity to use some of that to continue our work in this area.

Rikkie-Lee TYRRELL: Okay. I was just reading before an article from the *Herald Sun* in Melbourne, and it says that you were flown to Birmingham and London on three occasions. One was to present the state's proposal for the Commonwealth Games to the federation. There was another trip to meet with stakeholders. Can you please just elaborate exactly on what tasks you performed overseas?

Brendan McCLEMENTS: Certainly. Yes, there were three trips in relation to the Commonwealth Games. The first I have articulated was to meet with Dame Louise personally in the initial proposal to have a conversation about whether our interests aligned. There was a presentation that was delivered by the Governor and the minister in March 2022 to the Commonwealth Games Federation. I was part of that delegation. Then we attended the Commonwealth Games – not as part of the state's official delegation; for us, we were also there to have a series of discussions with other rights holders around what other things they might be considering for Melbourne. Each of those trips coincided with other conversations away from the games environment with other stakeholders at other times on things that would be of interest to Melbourne.

Rikkie-Lee TYRRELL: Okay. So these tasks could not have been performed online, like we are doing now with some of our colleagues?

Brendan McCLEMENTS: Well, there are a couple of things. We were very conscious around the use of taxpayer money. We have a strong governance framework that sits in there. So wherever possible we will be

using modern technology, whether it is Zoom meetings, Teams meetings or telephone calls. In fact there were a number of calls that I had with Dame Louise in the course of this that used that technology. From time to time the personal relationship is the only way to achieve what you need to. The decisions around awarding the games are made in person at a Commonwealth Games meeting of the federation's board. You are required to attend. There is no alternative. With the decisions around the games taking place, you need to go to the games. I am conscious that, given our internal processes, the support for travel on those occasions was warranted.

Rikkie-Lee TYRRELL: Okay. Thank you, Chair.

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

Jacinta ERMACORA: Thank you, Chair. Good morning, everybody, again. Thank you for your information and responses so far. Just in terms of that visitor expenditure of \$36.1 billion, I am interested a bit more in regional Victoria. Can you just tell me a bit more about what that means and what Visit Victoria has been doing to drive that \$36.1 billion, which is a fantastic recovery?

Brendan McCLEMENTS: In our area of expertise the state has a number of arrangements that it goes through in helping ensure that from a Visit Victoria perspective we are working hand in glove with our colleagues across the state. There are in many areas what we call regional tourism boards. They are moving into visitor economy partnerships, who are often our primary interface with regional areas. We also have direct relationships with individual operators. One of the things we do do is provide operators with the opportunity to put in the digital world their offering to a global audience through a platform that we have, Australian Tourism Data Warehouse. We have roughly 7500 individual operators and experiences that choose to use that platform. It gets distributed across visitvictoria.com and across Tourism Australia's websites – a number of different distribution platforms that allow individual operators to showcase what they have to a global audience.

Through the regional tourism boards – the visitor economy partnerships – we have a regular series of meetings, discussions and engagements. Next week I will be meeting with the chairs of the RTBs/ reps to talk about what is going on to help drive the growth side of the visitor economy. Then at a practical level we also deliver cooperative campaigns with our operators – with our regional tourism boards. We provide through ATDW a platform on which they can take their products to the world. We spend quite a deal of time and effort ensuring that we are as close as we can be, but respecting the roles that each of us can play. We deliver because we are what we are – a level of size and scale around research, analysis, media platforms and media spend – but recognising that both operators and RTBs are finely tuned to the individual circumstances that surround their own regions.

Jacinta ERMACORA: Fantastic. It was an absolutely wonderful description of the stadium offering in Melbourne. I have never heard it presented that way. It was definitely evidence of how useful it is to have someone like yourself working at an entity like yours, focusing on that. With the COVID dynamic – so there has been recovery, and we are well positioned, from what you are saying, but the COVID dynamic had another play out there; it was like another variable I think. I know walking through caravan parks in my regional city in Warrnambool during COVID, when no-one was able to go overseas, the caravan parks just filled up with Victorians visiting Victoria. Has there been any sort of flow-on from that that you have observed? I have got a kind of procurement question after that too, but just that phenomena – did you have any observations about how that played out for us?

Brendan McCLEMENTS: I think that is represented in the numbers, so if you will indulge me for a moment to read from a page. As I said, pre COVID, December 2019, a pre-pandemic record was \$32.5 billion in overnight visitor expenditure. That was comprised of three separate segments: interstate, intrastate and international, so that is the way we can cut that data. In that case there was roughly a third, a third, a third contribution to that overall number. What you are talking to is exactly represented in the figures that we are seeing in relation to the \$36.1 billion that is there now. That number has changed. So we see essentially 45 per cent of that coming from our intrastate markets, 37 per cent coming from our interstate markets and 17 per cent coming from our international markets. In numbers, that means we have moved from a \$9 billion contribution from intrastate to a \$12 billion contribution; from an \$8 billion contribution from interstate markets to \$10.3 billion and from \$8.8 billion from international markets to \$4.4 billion. So your observations are entirely consistent with the data that we are seeing, and that creates the opportunity as well, because as I said at the start, we see the state of the visitor economy as incredibly encouraging.

The performance has been extraordinary, but we are recovering, not recovered. There remains a significant opportunity as international travel continues to return in capturing the value that we know Victoria can get from international travel. The mix of markets – a third, a third, a third – actually provided some of the strength that saw us through, because we had, unlike some jurisdictions in other parts of the world, a strong, well-balanced mix in our markets, and we want to be able to continue that into the future, particularly with a focus on driving international as international travel returns.

Jacinta ERMACORA: Thank you. That was what it felt like, anyway, so it is very interesting to have those dynamics. It feels like there is a strength in regional tourism that perhaps is not the same shape and characteristic as it was previously. So with the other phenomena, definitely COVID is playing a role here, and post COVID is a variable. That post-COVID procurement environment, and I would call that pretty much the last 12 months – there has been a unique procurement environment; I do not think there is one Victorian that has not been touched by it – does that play out as well for the Visit Victoria dynamic – I guess supply chain issues, inflationary interest, those kinds of things?

Brendan McCLEMENTS: The Visit Victoria remit is to really focus on the growth side of the visitor economy, so many of the issues that you have talked about certainly are there. We know anecdotally access to staff, for example, and those sorts of things were genuinely issues. As we talked to industry we were constantly reminded that we should not ignore the growth opportunities. The other dynamic in the \$36.1 billion is probably the right dynamic we want at the moment. It is driven by yield, rather than by volume, so particularly in regional Victoria that is fewer people staying longer and spending more to get us to \$36.1 billion. In the environment that you have talked about, that is the right mix as well if you do have challenges around staff, so fewer people staying longer and spending more is the right blend to drive the results we are seeing. Now the opportunity as we continue the recovery is to bring the balance back into the mix, focus strongly on our international markets to bring them back and work with the department around aviation access. We are extremely optimistic about what the visitor economy in Victoria can look like.

Jacinta ERMACORA: Thank you. I think the international yield is a lot lower in some large countries and nationalities than the regional yield there.

The CHAIR: Thank you, Ms Ermacora. I think you are out of time. I will go to Ms Bath.

Melina BATH: Thank you for being here today, Mr McClements. Unfortunately it was a self-fulfilling prophecy: A Games Like No Other. In effect, there were no games. The slogan cost \$600,000 over about a six-day period. I think we are all in the wrong game, and we should be becoming consultants. That is a lot of money.

Brendan McCLEMENTS: Well, it was not a slogan, and it is true.

Melina BATH: It was a consultant the came up with that slogan.

Brendan McCLEMENTS: No, no. A Games Like No Other in a Place Like No Other was a destination marketing campaign. It was a campaign that was designed to ensure that as many people as possible knew of the extraordinary experiences that are available in regional Victoria. I think that is a very good investment.

Melina BATH: It just did not come off. Can I ask a question: in the pitch to the federation and the association there was a document, I understand, called ‘A proposal to host the 2026 Commonwealth Games, Victoria, Australia’. Can you provide a copy of that document to the committee for our deliberation?

Brendan McCLEMENTS: I will take that under advisement.

Melina BATH: Thank you. Can you confirm that part of the pitch included Victoria’s status as a ‘trusted partner’ for any event owner?

Brendan McCLEMENTS: That is a discussion we would often have.

Melina BATH: Right. And in relation to that discussion, what was the engagement? When you said ‘we have’ – whom was that with?

Brendan McCLEMENTS: Well, with Dame Louise and with the CGA.

Melina BATH: Okay, so it was again a marketing discussion.

Brendan McCLEMENTS: What was provided was a proposal to commence discussions about where their perspective was to see if there was a meeting of the minds. That is where there was the exclusive negotiating window, the letter of agreement.

Melina BATH: Were any consultants used as part of the initial pitch?

Brendan McCLEMENTS: We worked with a consultant to have a look at what was available in regional Victoria from a practical delivery point of view.

Melina BATH: Was that the global media and sports consultant for the initial scoping review; is that right?

Brendan McCLEMENTS: Correct.

Melina BATH: That is on your questionnaire. I think that came to about \$56,000 as costings.

Brendan McCLEMENTS: I will have to check, but that sounds about right.

Melina BATH: As part of your question 12 you have got 23 different consultants and payments. Can we, this committee, please have a copy of each of the consultants' reports listed that they provided to Visit Victoria?

Brendan McCLEMENTS: Where reports were provided, I will take that under advisement. The results of some consultants were around presentation design, so a report does not exist in that sense. But on each occasion –

Melina BATH: Where you can access that and provide that, that would be helpful.

Brendan McCLEMENTS: I will take that under advisement.

Melina BATH: We are about doing a deep dive in this inquiry, so we appreciate that. One of the issues for witnesses to the committee was the sole focus on regional games rather than a split between Melbourne and regional centres. I am a regional Victorian, and I am passionate about our regions. But with the increase in the budget for the games, in July 2023 the ABC had a document. The Commonwealth Games Authority made a pitch to you, to Visit Victoria, around a Victoria-wide games which included Melbourne this time round, late in the day, at a cost of \$1.2 billion. Is that correct?

Brendan McCLEMENTS: There had been a multitude of pitches from the CGA going back many years to many states. I would need to be clear which pitch the ABC had. Whether it was to Visit Victoria – I am conscious of the date, July 2023. By July 2023 we were in a significantly different process at Visit Victoria. It is destination marketing, not major events. So I would need to understand exactly what the document was.

Melina BATH: It says:

The proposed Games were costed at \$1.4 billion, which included the cost of infrastructure upgrades – et cetera. If there is some greater detail that you can provide around any pitches in relation to Visit Victoria, including Melbourne in that, could you please provide that to the committee?

Brendan McCLEMENTS: Again those are, by the sound of it, CGA documents. I do not know the specifics of the document that ABC had. I understand that Craig of the CGA is coming in. He can give you the sequence of pitches that came through.

Melina BATH: Sure, thank you. I would like to understand: did Visit Victoria engage with any of the local Ballarat, Bendigo or Geelong tourism operators or your industry operators in the lead-up to the pitch? We know that Gippsland, my patch, and Shepparton came on later on in the scene. What discussions had you had in those regions at the time of both your initial thrust, initial pitch, and then any subsequent ones? Can you detail that or provide any times and dates for us?

Brendan McCLEMENTS: We did not engage with the regions. Our stage of the process did not require it, so I cannot comment on what happened after 15 February.

Melina BATH: I find it bizarre that you are doing a pitch about regions, five regions, selling the regions, but you did not actually have a discussion with or negotiation with or feedback from them.

Brendan McCLEMENTS: What we had was a series of conversations with the CGF around trying to get an agreed sense of what it was seeking to do. That was our stage of the process.

Melina BATH: At any time did the Commonwealth Games Authority, to you, advise against the Andrews government having that five-city plan?

Brendan McCLEMENTS: Not to me.

Melina BATH: And when did Visit Victoria identify that Melbourne the city could be part of a viable proposition? Did you investigate that? You have just gone straight to the regions. Did you go back in and say, 'When could Melbourne be part of a viable plan?'

Brendan McCLEMENTS: The potential benefits I think were accruing to regional Victoria. In our heads the role that Melbourne played was the opening ceremony at the MCG.

Melina BATH: Once the OC, organising committee, was established when was Visit Victoria informed that the OC was investigating later in the date bringing some of the events back in to Melbourne?

Brendan McCLEMENTS: It was not.

Melina BATH: Was it Visit Victoria's advice for dropping Gippsland as a location? Was there information that – you know, did you put any feedback that it would be too hard to go to Gippsland, or was it always on your table?

Brendan McCLEMENTS: No. Gippsland was always on the table.

Melina BATH: Okay. Thank you. It is always on my table, but I am interested in – I just find that there is a disconnect between the pitch and the overall communication that Visit Victoria has had. Anyway I will leave that as a comment.

You talked about the business case. You had not seen it but you had made inputs to that business case. In terms of those parameters, what were they in terms of the venues used, the sports, the scale and number of athletes village, the location and scale of opening and closing ceremonies; so what were the inputs?

Brendan McCLEMENTS: I would have to go back. Where we were at that stage, we were through the exclusive negotiating period. The change that took place on 15 February: the primary negotiator became the state, through the department, so it led those discussions. I was not privy to the ins and outs of that daily discussion on locations and other things.

The CHAIR: Thank you, Ms Bath. We have run out of time and I will go to Ms Mansfield.

Sarah MANSFIELD: Thank you. I might just continue to try and clarify some of the details, particularly around that initial I guess formulation of the idea and involvement of government and other departments at that time. We heard on Monday from DJSIR that the department and government became aware of the opportunity to host the games in about October–November, but you said that you had not actually had any direct discussions with anyone from government, it was only the department that you interacted with?

Brendan McCLEMENTS: On 12 October we had a briefing with our minister. As part of that we would also ensure that the department was aware, so that time line is consistent. October–November is when we started to engage both politically and bureaucratically.

Sarah MANSFIELD: Okay, and that is when this concept or the opportunity to host the games first came up.

Brendan McCLEMENTS: Yes.

Sarah MANSFIELD: And at that stage did you get any sense that there was a preferred model for the games, a preference for, say, these regional games, from government?

Brendan McCLEMENTS: The discussion we took forward was a regional model.

Sarah MANSFIELD: At that time?

Brendan McCLEMENTS: At that time, yes.

Sarah MANSFIELD: Okay. And you also said that it was the CGA, they needed someone to host the games, they put forward several proposals for how the games might look.

Brendan McCLEMENTS: Correct.

Sarah MANSFIELD: What were those proposals? Are you able to provide information on that?

Brendan McCLEMENTS: Each one was different. There was a consistency in that it was primarily Melbourne, with satellite activities happening outside of the city.

Sarah MANSFIELD: All right. So the CGA put forward a few different models. Most of them had Melbourne with satellite. And one had all regional, did it, that came from the CGA, or that was not something the CGA put forward?

Brendan McCLEMENTS: Not that I saw from the CGA.

Sarah MANSFIELD: Okay. So where did that idea of it all being regional come from?

Brendan McCLEMENTS: From Visit Victoria. There had been a series of discussions over a long period of time about the Commonwealth Games, but the model that was put forward from Visit Victoria was a regional-based games.

Sarah MANSFIELD: Why was that? Why was it different to what the CGA had put forward?

Brendan McCLEMENTS: Well, the CGA had Melbourne as the primary host venue.

Sarah MANSFIELD: Yes, okay. But what was the rationale for you choosing something different to what the CGA had suggested?

Brendan McCLEMENTS: Well, there were a couple of things in that I think: (a) we have done it, we have done Melbourne; and (b) the opportunity that we anticipated at that stage was to distribute those benefits more broadly to parts of Victoria that are not Melbourne.

Sarah MANSFIELD: Okay. And then you said you had an initial consultant scope, a reimagined Commonwealth Games, and so was the brief given to that consultant about just doing a purely regional games?

Brendan McCLEMENTS: Yes.

Sarah MANSFIELD: Okay. At that point had you had any further discussions back with the CGA about this fully regional games?

Brendan McCLEMENTS: No.

Sarah MANSFIELD: So that was completed, you said, on 8 December?

Brendan McCLEMENTS: No. December was the engagement with the CGF.

Sarah MANSFIELD: With the CGF on this idea –

Brendan McCLEMENTS: Yes.

Sarah MANSFIELD: of a fully regional games?

Brendan McCLEMENTS: It was slightly before we started that conversation.

Sarah MANSFIELD: Okay. And then at some point you got the go-ahead to, I guess, enter into this six-week period of exclusivity?

Brendan McCLEMENTS: So what I was asked to do was to engage with the CGF and secure a six-week exclusive negotiating window.

Sarah MANSFIELD: Okay. And that was the period during which that initial business case was developed?

Brendan McCLEMENTS: Again, the department ran the business case. I am not sure of the development. You would have to talk to the department about the descriptors that sit behind that.

Sarah MANSFIELD: Okay. The department said on Monday that Visit Victoria and the department had worked together to develop that business case.

Brendan McCLEMENTS: I think what is accurate, from what I have seen, is Visit Victoria had an input, but – and I am conscious that the secretary of the department and the deputy secretary have indicated this in this forum already – the department was responsible for the business case.

Sarah MANSFIELD: Okay. And then there was a draft completed by January 2022 of this business case. Then the department was briefed – sorry, the Department of Premier and Cabinet said that there was a proposal made by DJSIR and Visit Victoria around January. Did you make that?

Brendan McCLEMENTS: Again, the Visit Victoria structure ensures that those sorts of ERC processes, cabinet processes, quite rightly, are run through the department. So the timings, the ways in which – I did not have visibility on it.

Sarah MANSFIELD: So Visit Victoria were not involved –

Brendan McCLEMENTS: In the visibility of it – no.

Sarah MANSFIELD: in that pitching to the Department of Premier and Cabinet?

Brendan McCLEMENTS: No.

Sarah MANSFIELD: No discussions – so that was all the department that led that part?

Brendan McCLEMENTS: The process, quite rightly, is an internal departmental process. Visit Victoria does not have a role in it.

Sarah MANSFIELD: Okay. You were involved in the actual pitching of the games idea, though – in around March, was it?

Brendan McCLEMENTS: Yes. That was consistent with our work around the proposal and how it was structured. We continued to engage with the CGF.

Sarah MANSFIELD: You said you had not seen the business case, and you had sort of given input to it but were not involved with it. But presumably some of that pitch did involve presenting what was found in the business case to the CGF.

Brendan McCLEMENTS: Our role in the pitch that was provided by the department to the CGF ahead of the meeting was to build the narrative around Victoria and the proposal we discussed, not the ins and outs of the finances.

Sarah MANSFIELD: Okay. All right. So your role was just presenting. Can you explain what you presented to the CGF?

Brendan McCLEMENTS: Sure. So the CGF, as most of these federations would do, have an annual meeting at which they consider matters like this. They invite potential candidate cities to come forward and present their credentials. That is what the state did. Craig Phillips and Ben Houston from the CGA – as the host

authority – the minister and the Governor presented on Victoria. The presentation was around our regions, what they are and what they do, and then the discussion and the vote was taken after that.

Sarah MANSFIELD: Okay. I just want to clarify something you said earlier as well. When we were talking about the CGA putting forward proposals, you said they were inconsistent with what the state was looking for. When you said ‘what the state was looking for’, who were you referring to there? Was that what Visit Victoria or the tourism sector was looking for, or was it what the state government was looking for?

Brendan McCLEMENTS: What I got to understand as we spoke to our minister was that there was a real interest in a regional model, so that, through his advice, reflected the wishes of the state.

Sarah MANSFIELD: Okay. And they were those discussions held around October?

Brendan McCLEMENTS: Correct.

Sarah MANSFIELD: All right. And just going back to some questions that Ms Bath asked around the consultation or, I guess, input from the regions in those initial scoping reports and the initial business case, you did not do any direct consultation with anyone in the regions, but did you have any expertise within Visit Victoria or knowledge of these regional centres where you were looking at hosting these games or expertise in events management in those regional areas?

Brendan McCLEMENTS: The engagement with the regions was something that needed to flow from the business case. The business case was being prepared by the department. We did not engage with the regions.

Sarah MANSFIELD: Okay. Are there any people within the organisation who do have an understanding of these regional areas, or the events or sporting industries within those areas?

Brendan McCLEMENTS: We work with our regions on a day-to-day basis, yes.

Sarah MANSFIELD: Okay. Do you have anyone who has strong links there within your organisation?

Brendan McCLEMENTS: We have a team. From a destination marketing perspective, we engage with the regions and work with them extensively around ensuring that, as I said, parts of Victoria that are not Melbourne are well represented in our campaigns.

Sarah MANSFIELD: Okay. Thanks.

The CHAIR: Thank you, Dr Mansfield. I believe the time is up. I would like to thank Mr McClements for appearing today. You will receive a copy of the transcript for review in about a week, before it is published on our website. The committee will now adjourn until 10:40 for our next witness. Thank you very much.

Witness withdrew.