

# **PROOF VERSION ONLY**

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

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

Melbourne – Monday 23 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

**Necessary corrections to be notified to  
executive officer of committee**

**WITNESS**

Craig Phillips, Chief Executive Officer, Commonwealth Games Australia.

**The CHAIR:** Thank you and good morning. I declare open the public hearing for the Inquiry into the 2026 Commonwealth Games Bid. Please ensure that mobile phones have been switched to silent and that background noise is minimised. I welcome any members of the public in the gallery or watching via live broadcast. I remind those in the room to be respectful of proceedings and to remain silent at all times.

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 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.

**Craig PHILLIPS:** My name is Craig Phillips. I am CEO of Commonwealth Games Australia.

**The CHAIR:** Welcome. We welcome your opening comments and ask that they be kept to around 10 minutes, please.

**Tom McINTOSH:** Can I just ask: is Ms Ermacora in communication with the team? She came on and could not hear anything. She has tried to go off and log back in, and it does not seem to be working.

**The CHAIR:** Yes, she is online apparently.

**Tom McINTOSH:** Okay. And should we introduce ourselves?

**The CHAIR:** Yes, we will introduce the committee. I am David Limbrick, Chair.

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

**David DAVIS:** David Davis.

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

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

**Tom McINTOSH:** Tom McIntosh, Eastern Victoria Region.

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

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

**The CHAIR:** And I think we have Ms Ermacora. She might be having trouble connecting. We have Ms Ermacora as well, who may be having a bit of trouble, but I am sure she will join later, so please go ahead.

**Craig PHILLIPS:** Great, thank you. Thank you very much for the invitation to attend. I am attending on behalf of Commonwealth Games Australia and obviously appearing on a voluntary basis here today. In my opening remarks, which will not take long – I will certainly not take 10 minutes – I just thought I would maybe give a bit more clarity around who we are and what we do and how we are involved in the Commonwealth Games delivery and particularly obviously around the matter at hand here in relation to Victoria 2026.

Commonwealth Games Australia is a member-based organisation. We are recognised as the Commonwealth Games association for Australia. We are one of 72 Commonwealth Games associations around the

Commonwealth, and that number will actually grow to 74 at our general assembly next month in Singapore, with two additional nations joining the Commonwealth – or having joined the Commonwealth and joining the Commonwealth Games movement. Those CGAs represent the most populous nation on the planet, being India, and one of the smallest, being Niue in the Pacific, so it is a very diverse family of nations that come together voluntarily under the Commonwealth. Then by virtue of that, their nations and territories are also members of the Commonwealth Games movement and participate at the games. We had 71 nations, as I recall, in Birmingham.

Our role is very much around – and this is the one we share with our members – the promotion of the Commonwealth sport movement globally. That manifests itself most importantly through our participation in the Commonwealth Games: everything from the biggest team, which is us at well over 400 athletes, down to the smallest nations, which may only have four or five athletes attending the games, so quite a diverse group. But that is our common purpose. We are all a little bit different. Some of our colleagues are also national Olympic committees, so they take their athletes to the Olympic Games as well. We are a single-purpose organisation from that point of view.

The Commonwealth Games is not only important to us here in Australia as a participant and also as a host on a regular basis but it is very important to our colleagues from around the Commonwealth. It is often seen with the Commonwealth Games that we view it through our lens. We should never do that. It is important to our neighbours in the Pacific, it is important to our colleagues in Africa and it is important to our colleagues in the Caribbean, where it is one of the key global sporting events for their participation, but it is also one of the key ways for them to engage on the global stage. They do not always get that opportunity, so that is why the Commonwealth and the Commonwealth Games remain very important.

One of the things we also do is fund our athletes in preparation for the games. That is in the documentation in our submission. I will not go into chapter and verse. I am happy to answer questions on it though if people would like me to. We certainly committed \$13 million to the campaign towards preparation for a 2026 games – wherever that may be – and we also committed about \$8 million towards the funding of our team going to the games. We receive no federal government money. We do receive state government pledges from time to time for our team, but we are funded through things like our return on our investment portfolio and commercial sponsorship in particular, so as I said, we are independent of government and not funded by government.

I guess the other part of our role, which is a little unique and only shared with a handful of CGAs around the Commonwealth, is that we host the games and we host the games on a regular basis. Victoria 2026 would have been the sixth time for the games to have been hosted here in Australia. That is a record for any nation. There is a strong love for the Commonwealth Games here in Australia, and there are some numbers I can share with you, if you would like me to, around why it still resonates with Australians, even as recently as the Birmingham games in 2022, a games that was not held in our time zone.

In terms of then what our role in hosting the games is, we partner with governments to bring the games to Australia and then also work with them in terms of the delivery of the games. We play a varied role. Me and my president Ben Houston were board members for the organising committee for here in Victoria. As an organisation we work directly with the organising committee in terms of how the games are delivered, so it is separate to the board role. Also we are commercial partners in that the commercial program, the sponsorship program and the broadcast program, the value of that is shared across not only the games but also the team, so the team itself is an important asset for the commercial program. That is another way that we collaborate and work with the games delivery partner, generally being government.

In terms of the delivery model for the games that were to be held here in Australia, the CGF, which is our international body that owns the games, adopted in October 2021 a new strategic road map, which allows more flexibility on the games programs. The only compulsory sports are swimming and athletics, and then at a minimum, I guess, there are around 10 to 12 sports that can be run for the games, with the host often having a greater say – essentially the games fitting the host, which is what was in play here in Victoria. That was adopted in 2021, so that was prior to the Victorian government, through Visit Victoria, approaching the CGF for the hosting of the games. That was then further supported by the adoption of a strategic plan in June 2023, so only earlier this year and just prior to there being 1000 days to go to the games. That strategic plan again reinforced the flexibility around what the games would look like. So as I said, essentially the games match the host.

The Victorian government, through Visit Victoria, proposed a delivery approach of having the games hosted in regional Victoria. That was proposed to the CGF in December 2021 for the first time in concept. We supported the Victorian government's ambitions to do that because we could see the benefits to regional communities that were going to be delivered through the games. So the notion that the games had to look a certain way is probably a little flawed. The games could take any myriad of delivery mechanisms from a single delivery city to what we saw in the proposal for the Victorian games, where ultimately the plan was to deliver across five communities in regional Victoria.

In closing remarks, if I could, Chair, I guess my focus here is on the lost opportunity. The athletes of the Commonwealth at the moment have been denied the opportunity to compete at the games. It is an important place for them to compete. With tough qualification systems these days for the Olympics, it is often very difficult to send larger teams if you are from a small nation or a less developed nation. So particularly our neighbours in the Pacific, they see the Commonwealth Games as being a very important global forum for them because they can send bigger teams, they can give athletes more experience and ultimately some of that experience leads to going to the Olympics.

For Australia, what has been lost is a key part of what we call the green and gold decade, or green and gold runway, to Brisbane. We know many of our athletes who would be competing in 2026 would then go on to compete in Brisbane, either in the Olympics or Paralympics. So without a replacement for 2026 here in Australia, that hometown advantage, if you like, is going to be lost.

For our Para athletes in particular, it is not only an important learning opportunity, it is also an important classification opportunity in that athletes who compete in Para sport need to be classified for their disability grouping. Again, without the Commonwealth Games, that opportunity is lost.

For the communities that were going to host, we know that they had the opportunity to welcome the Commonwealth to their communities. Young people in those communities would have got to see different sports and different athletes from around the world compete. We use a very well-worn axiom in our organisation: if you can't see it, you can't be it. It might be surprising, but not every kid in Victoria necessarily wants to play AFL. It might surprise some people, but that is the case. We like to give kids the opportunity of seeing other sports, particularly kids with disability who will look to other avenues if they want to pursue a career in sport. That is lost with these games not proceeding.

The final thing is showcasing, I guess, for those communities. I know that the government has committed resources to the visitor economy with their withdrawal from hosting the games. That is important, and we applaud that, but we do not think any of that will ever replace the 1 billion sets of eyeballs that would have been on regional Victoria during the games. I am not sure what level of investment you would need to actually replace that. Again, we see that being denied to those communities.

The final thing from me then is around First Nations. There was intended to be strong engagement with First Nations communities around regional Victoria in the delivery of the games. There would have been business opportunities, employment opportunities, possibilities to showcase their culture to the world, and again those opportunities have been lost. Chair, that is all I have for my opening remarks. I am happy to answer any questions you may have.

**The CHAIR:** Thank you very much, and I thank you for your introduction. When was it officially communicated to your organisation that the games would be cancelled?

**Craig PHILLIPS:** I guess if official is a phone call, I received a phone call from Tim Ada from DJSIR at approximately 8 am on the morning of the announcement.

**The CHAIR:** Did you have any indications before that that something might be wrong?

**Craig PHILLIPS:** Hindsight is a terrific thing.

**The CHAIR:** Of course.

**Craig PHILLIPS:** Look, I think over time it was becoming difficult. I think we were seeing some delays in confirmation of budget, if you are talking about budget confirmation from government, so I guess if you look back, you would probably pick up some signals, but beyond that, nothing, no.

**The CHAIR:** The regional model – we have spoken about this in previous hearings. The complexity of delivering that model was apparently what led to the major increase in costs. Do you think that that model would have been able to be delivered? Did you see the business case that proposed it in the first place?

**Craig PHILLIPS:** What we saw was the work that was put into the candidature file which went into the host agreement, and certainly that was in there. In terms of how the numbers were constructed, we were not party to that, no. But certainly the concept, if you like, we were aware of and supportive of. Yes, I think it has been acknowledged by all parties, including the government, that that delivery model was more expensive, but I guess it was the balance of bringing the games to those communities and the benefits that would accrue from those. So on balance, we supported the government, but obviously when we saw some of the budget pressures that were coming with the delivery, we did suggest some ways of actually reducing those costs, and I do not think that is documented in the public domain.

**The CHAIR:** Your organisation deals with many governments when they are hosting the games, is that correct? Whichever city might be hosting, you will try and deal with that local jurisdiction to organise things with them, I suppose.

**Craig PHILLIPS:** We will. When a games are being delivered, you are dealing with all three levels of government. If you look at the most recent example where we have hosted on the Gold Coast, we were dealing with the City of Gold Coast, we were dealing with the state government of Queensland and also the federal government at various stages through delivery. The model in Australia generally is that even though you might have a host city, if you like, in the traditional model, the heavy lifting generally is done by the state government.

**The CHAIR:** And given that experience of talking to different governments, how would you compare the experience of communication with the Victorian government with, say, what happened in the Gold Coast games or maybe other jurisdictions? Was that a different experience?

**Craig PHILLIPS:** Look, I think it was, because of the nature of the way these games were being delivered. I think you have got to remember that for Gold Coast there was a seven-year runway, so I think those relationships developed over time. I joined the organisation only about 2½ years out from Gold Coast, so I was coming in to already established relationships. It was probably a little different from my lens because we were really very much still in those formative stages of our relationship.

**The CHAIR:** I think back in 2018, 2019, there was some consideration of Victoria hosting the games, but apparently we did not do it then. Was your organisation advocating for that back then as well?

**Craig PHILLIPS:** We were not involved in those discussions back then, no. We certainly from 2019 were talking to various state governments around the possibility of hosting, including the Victorian government through Visit Victoria, and were in similar conversations around the country with other destination organisations as well. That specific review we were not party to.

**The CHAIR:** Which governments and ministers were you in contact with during the time? You mentioned DJSIR was the organisation that ultimately told you the news. Did you have regular communications with the responsible ministers or with DPC or any of these other departments?

**Craig PHILLIPS:** DPC, no. Certainly we did with the ministers from time to time. We were involved in some of the regional forums that were being conducted, and I think they were under Minister Shing's brief at that point. They were being wheeled out to the community, so we did turn up to those to provide our support to those activities, and then through that we got to connect with local government as well. Also, we conducted our own regional tour with our chef de mission Petria Thomas where we actually went out and met with the leaders of council in those areas as well, but it was primarily through Minister Shing, Minister Allan. But most of our day-to-day work was with the organising committee through Jeroen Weimar and his team and to a lesser extent Allen Garner with the Office of the Commonwealth Games.

**The CHAIR:** One of the concerns is about the games actually going ahead anywhere in 2026. What is your view on this cancellation and what it has done to the Commonwealth Games as an institution?

**Craig PHILLIPS:** I certainly would not be overstating if I said it was probably one of the most challenging times for the movement globally, being put in this situation. The games have only ever been cancelled during World War II, so it is certainly a difficult time, but we are committed to working with the CGF and finding another host. Obviously one of the by-products of this is that it has got us as organisations looking very closely at ways of further refining and finding flexibility around the delivery model, but we do find ourselves in a position where we are now getting ourselves ready for those discussions. Obviously it is well publicised from last week that we have got a great advocate in mayor Tate on the Gold Coast for the games. He came to us offering his support, so we are looking at obviously having further discussions around all that. But, look, I think it will change the nature of what the games will look like as a replacement, and I think essentially we need to find, if you like, a turnkey solution to the games, because we just do not have the runway of time to look at significant infrastructure build et cetera.

**The CHAIR:** Is that why you are thinking the Gold Coast is potentially attractive – because they have done it before – or somewhere else that has done it before?

**Craig PHILLIPS:** Oh, look, any capital city here in Australia could host the games, and even some of the regional cities like the Gold Coast can host again. It was proven in 2018 that they can. It was more that mayor Tate reached out to us, actually. Before we got active in trying to have those conversations ourselves, he came to us, so again we do appreciate his enthusiasm for the games. Obviously he has recent lived experience of hosting the games, so he knows what a games can bring to a community. So I understand why he is an advocate.

**The CHAIR:** Thank you. I will pass to Mr McCracken.

**Joe McCracken:** Thank you, Craig. Are you happy for me to call you Craig?

**Craig PHILLIPS:** Yes, absolutely.

**Joe McCracken:** No worries. All right. Thanks for appearing today. I will jump straight into it. We heard evidence from the organising committee, the Office of the Commonwealth Games, the Department of Treasury and Finance and the Department of Premier and Cabinet that a budget bid of \$4.2 billion for the Comm Games was put forward but knocked back in April 2023. Did you guys provide any written evidence to government or the organising committee as to how those costs could be managed?

**Craig PHILLIPS:** As I recall, written, no. We were involved in some conversations about managing the budget downwards.

**Joe McCracken:** Okay. What were the conversations?

**Craig PHILLIPS:** Probably a summarised version of them – again, I am on the public record already about some of this – the movement of costly temporary overlay and temporary builds out of regional Victoria into Melbourne, where of course we have existing venues. And probably the best example of that was the velodrome, which was meant to be a completely temporary build in Bendigo. We were advocating at that point that at least track cycling move to Melbourne as a way of saving money. We also looked at other venues that were advocating where venues could be co-located to share some of the costs of different venues within a precinct, and again, that was a well-proven model in previous games. It happened in Birmingham and happened on the Gold Coast, where by co-locating even temporary venues you save on a lot of operational cost because you eliminate duplication. So they are some of the key things we suggested.

We were always open to a conversation with the government around amending the model, and I think the CGF would have been as well, even though we all had a host contract – but parties can agree to vary it. And I think we certainly would have been open to doing that to find ways of containing the costs of the games, because from our point of view a modified games would have been much better than a cancelled one.

**Joe McCracken:** Yes. So the advice that you gave was just all verbal?

**Craig PHILLIPS:** Yes, we were in meetings often. Those meetings were confidential meetings. [Please see clarification published alongside this document on the parliament website.](#)

**Joe McCracken:** Are you able to provide a list of when you had those meetings at least?

**Craig Phillips:** I could do that, but I would have to take it on notice.

**Joe McCracken:** Of course. So you are happy to do that?

**Craig Phillips:** Yes, sure.

**Joe McCracken:** Okay, great. The outcome of the advice that you provided – how was that responded to?

**Craig Phillips:** I think the general tone of it was, as I recall, that ‘These games are being hosted in regional Victoria. There is nothing in Melbourne.’ Most of the cost-saving was where you looked at reducing the reliance on temporary venues and significant temporary overlay in regional communities and using established venues elsewhere, whether in regional Victoria or alternately here in Melbourne. But I think the response we generally got and the general tone was, ‘We are hosting these games in regional Victoria, not in Melbourne’, so we accepted that. That was the government’s position. But the government’s response to that needed to be, obviously, that there was a funding increase that matched that.

**Joe McCracken:** You touched on some of the cost mitigation strategies. Can you give a bit more detail about some of those recommendations you might have given to reduce or mitigate the costs that you talked about, the blowouts?

**Craig Phillips:** Yes. I think I probably detailed them for you.

**Joe McCracken:** Were there any more, or were they just like co-location of temporary facilities? I know you talked about that.

**Craig Phillips:** Yes, as I recall there were. But again, I probably would have to take that on notice to give you more specific detail than that.

**Joe McCracken:** Are you happy to provide that?

**Craig Phillips:** Yes, as much as I can. Obviously some of those conversations were confidential with government, so we obviously need to respect those discussions as well. But I should add that I do note that recently in the media it was reported – some of those measures – through a document that had been seen by journalists. I think there is a fair amount of accuracy in that reporting.

**Joe McCracken:** I want to talk a bit about Kardinia Park. In relation to the swimming there, did you guys propose having the swimming at Kardinia Park?

**Craig Phillips:** When the CGF came out for a site visit prior to the games being awarded, we accompanied them and were taken on regional tours around each of the host communities and shown the potential venues. Certainly in the case of Geelong we were shown Kardinia Park. We were shown obviously the stadium there and the work that was going on. I think at the time the Foo Fighters were in town. There was construction, if I have got my geography right, on the eastern end, with the new stand being built there. We were shown that, we were shown the existing aquatic centre and we were shown a proposed site which was going to be used for a high-roof facility which would double at games time for gymnastics, who require the height. Then its long-term life was going to be an indoor training facility for the Cats. As I said, we were also shown the aquatic centre. The aquatic centre, as it is, could not have hosted the games, but it certainly was a good starting point. We were shown that as being the potential venue for swimming and diving. That is absolutely the case. So it was not our proposal; the proposal put to us by government was to actually use that facility.

**Joe McCracken:** Okay, so the government proposed that. Were you given any reasoning about why Armstrong Creek was decided upon later?

**Craig Phillips:** Well, the reason was that, with that being a growth corridor through that section of Geelong down to the Surf Coast – Waurn Ponds, Armstrong Creek – and we saw the evidence of that also in it being the location for the village, we were told that there was a need for a community use facility for after the

games, which is important of course. But I guess the challenge with Armstrong Creek was that what was intended for its final use bore little resemblance to what you needed for games time, so some of the legacy benefit was offset by a significant overlay cost.

**Joe McCracken:** Yes. Did you get any feedback as to why a lot of your suggestions were not taken on board or supported by government?

**Craig Phillips:** From the initial bid phase or later on?

**Joe McCracken:** Both.

**Craig Phillips:** It very much came down to: this was the government's proposal. The government was proposing to host the games, and they were hosting the games in regional Victoria. And we, as I guess a partner in bidding and then the delivery of the games, supported the government's ambition. It was always the government's ambition that drove the model of the games, and we supported it. We provided commentary as to some of the challenges of it, but we always did support it because we believed the government was committed to delivering the games in that form.

**Joe McCracken:** I am probably just out of time.

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

**Michael Galea:** Thanks, Chair. Good morning, Mr Phillips. Thank you for joining us. I would like to start I guess from a Commonwealth-wide perspective. We saw obviously the 2022 Durban bid fall down, which then resulted in Birmingham having to move its games up to 2022, and I think you said 71 nations competed in that. Then Victoria stepping in at the last minute, as it were, for 2026, of course we are here today to discuss. Firstly, is it your view that it is becoming increasingly difficult for the CGF to find host cities for the games?

**Craig Phillips:** There have been some challenges for years, I think. The Durban circumstance I think drove essentially a domino effect, because Durban had been awarded the games. They did not withdraw from hosting actually; there was a default by them, and the games were removed from them because of some pretty fundamental things. The government guarantee was meant to be there; it was not there. They had not formed an organising committee. They had not paid the CGF some of their hosting rights fee that they were due. This went on for about 18 months after award.

Ultimately, and unfortunately because we all would have liked to see a first games in Africa, the games had to be taken away because it was looking clear that the games were not going to be delivered. Birmingham stepped in to do them. There were actually three cities in England who were interested in hosting. It came down to a two-horse race between Liverpool and Birmingham, and Birmingham emerged as the preferred candidate for the games. But why I talked about a domino effect is that it is very likely the games would have been hosted in 2026 in England. It is very likely if you look at the pattern of how these things go, so Birmingham moving forward to 2022 essentially left an opportunity for 2026.

From a Commonwealth Games Australia perspective we then embarked on – and this goes back to 2019–20, so remember this is during COVID, which I think has to be taken into consideration here – and were actively involved in discussions with a number of state governments to actually bring the games back to Australia, including the Victorian government. It was not the only government we were talking to. I will not and I cannot disclose who else we were talking to, but I can say the Victorian government was not the only one we were talking to. And then in December 2021 the delegation from Visit Victoria went to the CGF to propose the games be held here in Victoria on a regional basis. As those discussions developed, we entered into an exclusive period of negotiations. So we and the CGF could not talk to any other state during that period, because the Victorian government had decided it wanted to host, which was fine; we partnered with them in that. Where else in Australia might have wanted to host the games at that point? We do not know, because we did not get test it, and I guess what we are now doing is testing it.

To answer the second part of your question, one of the reasons the CGF adopted its strategic road map in 2021 was in recognition that the games had to be more flexible. We are not only seeing this with the Commonwealth Games; we are seeing it with the Olympics, the Winter Olympics and other major sporting events. You have just seen that the World Cup in 2030 for FIFA is going to be hosted across three continents and six countries, so

you are seeing a change in the delivery model of major events. We have all got move with the times to make the games more flexible to be hosted, and that is what we are trying to do now. But I think where the CGF was at was: the host for 2026 was lined up, and we were starting to look at how that would be rolled out and some of these different delivery models for the future. In fact what was proposed here was a different delivery model, and the games moved to accommodate that change.

**Michael GALEA:** Thank you. How far through the implementation of that strategic road map is the CGF, and apart from what we have already discussed, are there any particular changes in that that we should be mindful of?

**Craig PHILLIPS:** Yes. Thank you. It is a good question. If I go to the chronology of it, the road map was adopted in October 2021. The key things that came out of that road map were greater flexibility around the sports program – the only two sports that are compulsory are swimming and athletics, as I mentioned – and then as long as the games still have sufficient scale, if you like, up to around 10 to 12 sports and then whatever after that, more flexibility in terms of the host being able to propose sports to be on the program. That is the first part of it. The second part was the delivery model – how it is delivered. Is it a single city delivering? Is it a multicity delivery or even multijurisdictional? And there have been some discussions about Australia and New Zealand co-hosting, for example, or a region like the Pacific hosting. These are all the products of the road map. That was then cemented in the strategic plan, which was announced in June of this year by the CGF. So now it is part of their overall strategic direction; it is not just one part of it. But I guess we are now testing it in real time, because we now need to find a replacement for 2026. Otherwise, if 2026 had remained in place, we would be looking at applying this for future games, but now we are applying it for 2026.

**Michael GALEA:** Yes. I guess that probably does go to what I was going to ask about next, and that is: obviously, 71 nations competed in Birmingham out of 72. You mentioned two more nations coming in. What are they?

**Craig PHILLIPS:** They have joined the Commonwealth already. The decision sits with the Commonwealth and Commonwealth Games movement. Gabon and Togo in Africa, which I think are both, if my geography is right, former French territories. They are certainly on the western side of Africa. They have joined the Commonwealth and then, subject to the members agreeing, which I think we will, in November we will vote and then have them join our movement. So again, any notion the Commonwealth is shrinking is actually a misnomer. It is actually growing; there will be more nations as members than we have ever had before.

**Michael GALEA:** Where I was looking to go with that is, as you say, Australia has hosted – this would have been the sixth time – and we might still be. The UK has hosted a lot too. I think the last time there was a host outside of those two countries was India in 2010 and Kuala Lumpur in 1998. If you take out Australia, the UK, Canada and New Zealand, we have only had three Commonwealth Games outside those four nations. Why do you think we are struggling to engage the African, the Pacific and other Commonwealth nations – the Caribbean as well – in letting them host the games? And do you think that this new strategic road map will address that?

**Craig PHILLIPS:** I think it will go a long way to doing that, I think, because it gives that flexibility. And as I mentioned, the opportunity of going multijurisdictional, for example, could mean the Caribbean as a region of the Commonwealth could come together and co-host. You could see cross-border hosts frequently. For us it could be with any nation, really, in the Commonwealth, it does not have to be New Zealand, but certainly there are obviously synergies there. We know that New Zealand is looking at future hosting potential for 2034 maybe. I think it recognises that we do need to get out of the cycle of just coming to Australia and the UK, and the way of doing that is about more flexibility about, one, the sports on the program – the number and the nature of them – but also too on the other side is what the hosting model actually looks like.

**Michael GALEA:** Sure. Thank you.

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

**David DAVIS:** Craig Phillips, thank you very much for your testimony and for the work that you do, which is a great benefit for Australia. I might just begin by asking you: with regard to the host contract – that is, the tri-agreement between the government, the Commonwealth Games association and the Commonwealth Games Federation –

**Craig PHILLIPS:** That is correct.

**David DAVIS:** That could have been adjusted, as you say, in terms of sports, hubs – any way – by agreement. So based on your cost-mitigation suggestions, the only barrier to adjusting the host contract was the Victorian government.

**Craig PHILLIPS:** Certainly I think that entertaining any options beyond remaining in regional Victoria made it very difficult to have those conversations.

**David DAVIS:** But you had no difficulty in principle?

**Craig PHILLIPS:** Not at all.

**David DAVIS:** Nor did the federation?

**Craig PHILLIPS:** No. As I said, I think from our perspective a games modified is better than no games.

**David DAVIS:** Would you say they were not willing to move on the original business case?

**Craig PHILLIPS:** The signals we got were that because this was about the benefits for regional Victoria the government wanted to continue with that approach, and we respected that.

**David DAVIS:** And were you given any information about that decision and why?

**Craig PHILLIPS:** I think simply that it was meant to bring the benefits of the games to regional Victoria as the priority rather than metropolitan. The games had been held here before. I think that that was the key rationale the government had given us. That was what led to the candidature and that is where the government wanted to stay, and we understand that.

**David DAVIS:** Did the government suggest any amendment to the host contract which was rejected by the CGA?

**Craig PHILLIPS:** As I recall, no.

**David DAVIS:** No. We had testimony the other day from the head of Visit Victoria. He told this committee the decision to cancel the games had enhanced Victoria's reputation for running events. In your conversations with other games federations and other event owners, is that correct or feasible?

**Craig PHILLIPS:** That is an interesting approach. I think Visit Victoria as an organisation, and pretty successfully so, is very – 'aggressive' is not the right word – assertive in terms of chasing major events. The first appearance in this part of the world by theatre performances, West End shows and all that – it has a well-known reputation of being very assertive in chasing those things as opposed to their counterparts around the rest of the country.

**David DAVIS:** Jurisdictions.

**Craig PHILLIPS:** Other jurisdictions. It would seem at odds with that that you would let an event go because it is actually going to enhance your visitation.

**David DAVIS:** You do not think it is correct that it has enhanced the reputation, cancelling the games?

**Craig PHILLIPS:** Well, I come back to part of my opening statement, in that part of the value of showcasing through the games is what happens at games time. It is well documented that we get around a cumulative audience of a billion sets of eyeballs on the games when they are on, so that opportunity is lost to regional Victoria.

**David DAVIS:** And what has been the impact of the cancellation on the Commonwealth Games branding?

**Craig PHILLIPS:** I think it has been difficult for us, because there has been some commentary in the media around the games being outmoded, the Commonwealth being outmoded and not relevant anymore, all of that, which we obviously refute, and our colleagues around the Commonwealth would probably refute it as well. I

do not want to repeat what I said earlier, but when you look at the 72 Commonwealth nations and territories and when you look at sovereign nations, it runs at 54, I think is the number. Of that 54, only I think it is 15 of us are constitutional monarchies; the rest are republics, or in a couple of cases, for their system of government they actually have their own heads of state, who are members of royal families. So the misnomer that it is a vestige of the old British Empire is there. It is a voluntary collection of nations. People sign up to be part of the Commonwealth. As we have experienced, two more have just joined recently. So part of the problem we have is that with the cancellation of the games people retreat to what they believe the Commonwealth represents, which is not what it actually represents. That is part of the brand repair we have to do, to talk about how important it is to our friends in the Pacific, how important it is to our friends in the Caribbean and people in Africa. They do not get some of the opportunities we do in Australia in terms of places to send our athletes and having our voice heard through things like G20, APEC and so on. So the Commonwealth is a powerful way for these smaller nations to actually have their voices heard.

**David DAVIS:** So we had a submission from Vicsport on the significant impact on athletes and sports. What I would then ask is: were there many sporting bodies that were deeply upset with the cancellation?

**Craig PHILLIPS:** Yes, all of our members certainly. And again –

**David DAVIS:** All of your members.

**Craig PHILLIPS:** Our members, yes. So we have 22 member sports organisations. Some of them we share with the Olympic and Paralympic movements. Again, if you look at the notion of this green and gold runway to Brisbane, 2026 is an important milestone along the way for athletes who are really on their journey to go to those games. And we have seen a lot of anecdotal history around our organisation where some athletes got their very first international experience at a Commonwealth Games and went on to Olympic success. Petria Thomas –

**David DAVIS:** Just on another point, Jeremi Moule, the Secretary of the Department of Premier and Cabinet, said in evidence to the committee a week or so ago that:

Throughout 2022 government decisions were made about scope and locations, aligned with the obligations and requirements of the host contract and the CGF.

What were the decisions required by the CGF and the CGA Secretary Moule referred to?

**Craig PHILLIPS:** Well, the host contract is constructed to match the nature of the hosting of the games. I will give you an example: when you look at the host contract for Gold Coast, because it was largely being hosted in one community, being the City of Gold Coast, the City of the Gold Coast was actually a signatory to the host contract as well as the state government, as well as our organisation, as well as the CGF. Recognising the way these games were going to be delivered differently, the host contract here was constructed completely differently in terms of who the contracting partners were.

**David DAVIS:** Just the state government.

**Craig PHILLIPS:** But also the host contract reflects what is agreed in terms of the candidature – how the games are going to be hosted – and then that is baked into the host contract. So yes, technically Jeremi is correct: the host contract defines how the games were to be hosted. But I would also add, as I said earlier, that if there were changes sought by one of the parties to the contract, and it could have been us, it could be the CGF, it could have been the Victorian government –

**David DAVIS:** You were open to it.

**Craig PHILLIPS:** we would have considered it. And if it made sense in terms of the games being delivered, we would have agreed.

**David DAVIS:** He sheeted home blame for the financial metrics to those used in the original business case, to the CGF and the CGA. Is that a fair characterisation of your role in the development of the business case?

**Craig PHILLIPS:** The business case was developed by the Victorian government.

**David DAVIS:** Entirely?

**Craig PHILLIPS:** Yes.

**David DAVIS:** It is their responsibility?

**Craig PHILLIPS:** Yes, and endorsed by us, but the work was done by them.

**David DAVIS:** Right. Yes. But they did that?

**Craig PHILLIPS:** Yes.

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

**Tom McINTOSH:** Hi. Thanks for joining us. I have got some questions around the strategic road map, but before we do that I am just wondering if you can talk us through that role and function of the CGA and just how that ties in with the Commonwealth Games Federation and the Commonwealth Games Federation Partnerships.

**Craig PHILLIPS:** Yes. Okay. So in essence when the games are awarded they are awarded to a CGA in partnership with a government, so the CGF awards the games. From our point of view then we become, if you like, a delivery partner, but also with some refinements. And this goes to things like cost savings, technical efficiency, trying to actually get away from what has been a pattern for past Commonwealth Games but also Olympic Games and other major events, where you stand up an organising committee, they undertake the delivery of the games, that collapses down, there is a transfer of knowledge but you often lose some of the efficiency in doing that.

The involvement of CGFP is very much about making sure that that technical efficiency and technical expertise goes games to games. They will bring expertise and they will bring systems which are then embedded into the delivery of the games. So the idea is to actually look at cost savings, but also what it does from a commercial point of view is it gives you the opportunity of going to a key commercial delivery partner who then signs off on multiple games. The best example of that is Longines in the timing and scoring. A deal was done with Longines to sign them up for three games. That gives you efficiency in that you are not out-and-out bidding each time for services. So CGFP's role in this is actually the oversight of that process in making sure of that and also bringing their experts. As part of the contracting, CGFP bring a certain amount of, if you like, experts to the delivery of the games – which became pretty important for these games because of the short time frame we had. So rather than people essentially learning on the job, you had people who actually had that embedded experience who could actually apply that experience to the games delivery.

So the CGF has the oversight of the games – it is their games – but built in through the contracting is a governance structure. That governance structure has places on the organising committee board. It also has other governance mechanisms, like what is called a CEO group. That CEO group met on a regular basis. That was me, Jeroen Weimar, David Leather from CGFP, Katie Sadleir from CGF and Allen Garner from the Office of the Commonwealth Games, and then that group over time would have grown as more delivery agencies came in, like police, transport et cetera. There are those sorts of governance structures as well, so the whole idea here was to make sure that the games was a shared responsibility across multiple partners.

**Tom McINTOSH:** And CGA and its equivalents of the member nations – how does that structure form with CGF?

**Craig PHILLIPS:** Sorry. CGF is a member-based organisation.

**Tom McINTOSH:** So it is your members, with voting rights within it?

**Craig PHILLIPS:** Correct. So CGF at the moment has 72 members. It will have 74 come November.

**Tom McINTOSH:** And that strategic road map from 2021, which I will ask you just to talk through some of the recommendations of – that work that was done on that, was that CGF or member associations feeding in? How did that work compile?

**Craig PHILLIPS:** It was driven through the CGF itself – so the board and the executive of the CGF, a lot of consultation with relevant committees that the CGF has. For example, there is a sports committee. I am on that

sports committee at the moment. And that sports committee – because it has the responsibility of recommending to the board of the CGF the sport program based on recommendations from the potential host – spent a lot of time looking at that strategic road map, because we had to advise the CGF board around what we saw as a fair but flexible way of actually changing the road map. So that work was done, and CGFP was involved in that work as well. Ultimately it got to a point where that road map was then shared with the membership for endorsement, so when it was released in October it had had the endorsement of the membership.

**Tom McINTOSH:** And that road map, what were some of the recommendations that came out of that that were adopted?

**Craig PHILLIPS:** The key ones I have probably dealt with. The key ones were flexibility of program, so again the only two compulsory sports, athletics and swimming; the minimum number set at around 10 to 12 sports; the number of athletes could be varied, but in Birmingham we saw big numbers – and we have seen big numbers here in Victoria – but the flexibility of allowing the number of athletes to be smaller, probably down to around 3500 athletes at the minimum, I would guess. It also gave flexibility to the host to propose sports. We saw some of that borne out in the 2026 solution – there were sports that we proposed that would not have traditionally been on the Commonwealth Games list, so they were added. BMX racing is probably the best example, because there was an existing track in Shepparton. Around the sport piece, that is the key piece.

Then the other part, the second part, of the strategic road map was to give greater flexibility about what the delivery model looked like, so moving away from this notion of it being a one-city delivery. As we talked about, the host contract previously would have been the host city contract; now it is a host contract. So it recognises that cities are not always the delivery partner, particularly in an Australian context. So it changed the hosting model and even contemplated multijurisdictional hosting.

**Tom McINTOSH:** I think you touched on FIFA earlier. FIFA have a funding model where FIFA carry a lot of the risk or reward with the event model. What are your reflections on that model?

**Craig PHILLIPS:** Look, I think there are some lessons to learn from it. I think a recent example here in Australia, the World Cup, gives us some things to learn. We had met with the COO of the FIFA Women's World Cup just to get some of those learnings. So that will be built into where we go from here, I would contemplate, so there is that sharing of risk. But I think it is important to know that with the Commonwealth Games movement, to give you an Australian context, when you join up the value of the commercial offering from the team and when you look at the commercial value of the games themselves, we were contemplating something of the order of about \$150 million in commercial revenue. That is part of the CGF's contribution, the contribution of the Commonwealth Games movement collectively, to the costs of the games. So that will come into play.

**Tom McINTOSH:** Do you think that FIFA model – obviously it is of a very different size or scope – is something that ultimately could be achieved for the Commonwealth Games, or do you think it is just quite different in its nature and revenue base and whatnot?

**Craig PHILLIPS:** Yes. I think the nature could be; to the scale, no. I think comparing us to FIFA is difficult.

**Tom McINTOSH:** Yes. The actual model, I suppose.

**Craig PHILLIPS:** The model, yes. So I think probably moving away from where we ended up with the model we were using here in Victoria. But what comes with that is the Commonwealth Games were taking on some of the risk. But in doing that you also take on some of the direct responsibility. So you remove that responsibility from government as well.

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

**Sarah MANSFIELD:** Thank you. Thank you for joining us this morning. Just going back again to the original decision-making process around hosting the games across five regional cities, we heard from Visit Victoria last week that CGA had suggested several models – this is before, I think, they had landed on the

multiregional city model for the games. None of the ones that CGA had suggested were that multiregional model. Can you explain why it put forward those other options?

**Craig PHILLIPS:** Yes. Look, I think one of the things we wanted to look at was that very notion of giving communities other than the city, if you like, the opportunity to engage with the games, because we knew the power that that could bring. One of the models we developed, which we had shared with Visit Victoria and had discussed with them, but I will be honest, with lower level members of staff – in fact they may not even be staff who are there now – back in the middle of 2021, I think it was, did propose essentially a games that was virtually hosted between Melbourne and Geelong and how much of each – it really depended on working with government to dial it one way or the other – because we were recognising obviously that Geelong as a community certainly has a lot of growth going on and all of that, and that the commute from Melbourne to Geelong was not that far. So we had looked at that, then with some regional content in other places like Ballarat and Bendigo, as I recall – it was some time ago now – where there was hosting of very specific small groups of sports, or alternatively, hosting preliminaries of things like team sports. Things like hockey or netball could have been hosted – and potentially cricket as well – in those communities, and then ultimately the finals being played in one of the larger centres. So that was the basis of our proposal. It was not dissimilar. They had probably dialled it up a little bit, but it was not dissimilar to what was done in 2006, where the basketball competition was actually hosted around regional Victoria before coming to Melbourne for the finals, so it was that sort of approach. But over time a different model emerged, which was the one that was promoted by Visit Victoria to the CGF in December of 2021.

**Sarah MANSFIELD:** Yes. Okay. But basically your model was one where there was a primary host city, whether that was Melbourne or Geelong, and the other locations were really taking on a much more minor role than what we ultimately ended up with?

**Craig PHILLIPS:** Correct, yes.

**Sarah MANSFIELD:** And Visit Victoria said that after some of those discussions they did a piece of work that was around this idea of a reimagining of the Commonwealth Games. Beyond those initial conversations, did you have any input to that piece of work, that reimagining of the multicities? This was before the business case, I think.

**Craig PHILLIPS:** Yes, we were certainly involved with some of the discussions and looking at refining some of the delivery and some of our input into what sports could be on the program, so we were certainly engaged in some of that, but not being from regional Victoria we were very much reliant on the advice we were getting from Visit Victoria or other government agencies about what was around and where we should host things. But again, we were supportive of it because we saw a new way of the games being delivered and new benefits being delivered to other communities, so we relied on their judgement.

**Sarah MANSFIELD:** And similarly, did you have any input to that original business case?

**Craig PHILLIPS:** Only to the extent of our discussions around which sports, which locations – so I guess the concept, but into the detail, no.

**Sarah MANSFIELD:** Okay. And then again, the bid itself, that final pitch, was it similar sort of input that you had to that?

**Craig PHILLIPS:** Yes. We ultimately had to sign off on the candidature file, which went to the CGF. We were part of the presentation to the CGF in March of 2022 with the Governor and Minister Pakula at the time, so we were part of that. But certainly the government did the work and the detail, and obviously the consultants who advised on that. Ours was really the sign-off on that conceptual nature of the games – which, again, we were supporting, for all the right reasons.

**Sarah MANSFIELD:** Okay. And CGA then did not have – did you have any role in looking over the costings or providing any input or feedback based on your experience of hosting games? Did you have any input to that?

**Craig PHILLIPS:** Yes, we knew that on the initial costings back at the time of the business case and the submission to the CGF, much of the assumptions were based on Gold Coast costings. So we were obviously

aware of that, and had been involved in Gold Coast delivery, so from our point of view those sorts of assumptions seemed sound. It was then the extrapolation out to regional delivery stuff that was left to others to work out.

**Sarah MANSFIELD:** Okay. And you talked about part of the function of CGA as being really a way of sustaining that corporate and institutional knowledge between different games. Did you provide any recommendations to government about, for example, the personnel that might be required to deliver the games and some of those other entities that were established in the governance framework?

**Craig PHILLIPS:** Yes. That advice probably came more from CGFP and CGF than us. I mean, the CGFP is a vehicle that has been established for that purpose. Some of us had lived experience from Gold Coast. I did; I was around, but certainly these guys were doing it all the time. They were heavily involved in the delivery of the Birmingham games as well, so it was those learnings – and remembering that, because of the involvement with the organisation that CGFP is, the delivery model did change for Birmingham as opposed to Gold Coast, because in Gold Coast they were not really actively involved, whereas in Birmingham they were. So this was really the second test of how that worked. Certainly the learnings that came from Birmingham were being applied, because in some cases there were some important learnings from Birmingham. Even though the games were hosted in the West Midlands area, there was a bit of disbursement – not to the same extent as here, but there was some disbursement. They were building a village which would become social and affordable housing, but because of COVID that did not get completed in time for the games, so Birmingham had to shift to hosting the athletes of the Commonwealth in two universities and multiple hotels. Again, there were some learnings from that as to how you would do that across four or five jurisdictions here as well. So again, that sort of learning was picked up through CGFP, and the guys that were actually delivering that on the ground in Birmingham could apply that here.

**Sarah MANSFIELD:** You might not be aware of this, but at what point were those learnings incorporated into the planning for the Victorian games?

**Craig PHILLIPS:** Look, I think there would have been some initial work during the candidature phase at a very high level, but as time went on and those experts started becoming embedded in the organising committee, that learning was continuing and they were then working with their team. Certainly those things were developing. Of course if you look at the aspects of the games villages, which were all going to be new built housing, that was again one of the legacies we saw as important. Obviously there was a lot of engagement between those guys – when I say those guys, the CGFP – through the organising committee with Allen Garner's team at the Office of the Commonwealth Games, who had the oversight role for infrastructure development.

**Sarah MANSFIELD:** Yes. At what point –

**The CHAIR:** Thank you, Dr Mansfield. I am afraid you have run out of time. Ms Ermacora.

**Jacinta ERMACORA:** Good morning. Jacinta Ermacora from Western Victoria Region – I think I missed the introduction because of some audio issues. I just want to go to costs again, Craig, and thank you very much for your submission and your contribution this morning. Are you able to comment on rising costs to put on the games in general around the world but also in a particular period of time that is relevant to the games?

**Craig PHILLIPS:** I am sorry, I did not really get the gist of your question. Apologies.

**Jacinta ERMACORA:** In your Senate submission you talked about a cycle of people being inspired by the Commonwealth Games to take part in sport, and I want to go on to that in a minute. Just in terms of rising costs, you said earlier the business case was not developed by yourselves, but do you have any contribution to make on your experience of the costs of games over the years? You have been party to quite a few.

**Craig PHILLIPS:** Thank you. Sorry. I now find that clearer. Yes, I can. I think there is recognition by the CGF. I will not go back over old ground in terms of the road map and so on, but I think the CGF, like other games or major tournament organisations, have recognised they have got to contain the costs and bring them down. So part of that was the CGF responding through the road map and now the strategic plan. I think what we saw over time with the Commonwealth Games movement, and this has been recognised by others, was that, if you like, the Commonwealth Games was moving down a road of becoming – I will use the term –

‘Olympified’, if that makes sense. Some of the scale and complexity of the games was starting to actually go down the road of what the Olympic movement looks like. The Olympic movement is obviously a much bigger beast in terms of the games themselves, the number of nations and all of that and its importance to the world. It is not a denigration of the Olympic movement, I am just simply saying that is where the Commonwealth Games movement was headed. That has proven to be unsustainable, so much of what we have been talking about is how we actually do that and bring some of those costs back down. A lot of those costs will relate to things like, for example, security. I think we are recognising that the level of security overlay – and sometimes this is dictated by government, so we have got to break that nexus a little bit – and some of the security apparatus that has been stood up for a Commonwealth Games now is overdoing it. When you compare it – for example, if you would have been in Birmingham or the Gold Coast and you went to a sports venue, you would have been subjected to going through an X-ray machine, a magnetometer, with your bag at every venue you went to. Same with Gold Coast. But then you see something like the FIFA Women’s World Cup coming to Australia and you see the World Cup cricket, grand finals, any other major sporting event, you have your bag searched when you turn up at a venue and you might be randomly selected for wandung. We cannot see a reason why a Commonwealth Games needs a higher level of security than that. It certainly does not. One of the things we are advocating for is bringing some of those costs down. We talked earlier about the FIFA model. That is exactly what FIFA does, and it prescribes that as part of its delivery. They say to governments, ‘This is all we need; we don’t need any more than this.’ So one of the things is getting the government that partners with you to recognise that some of those things you do not need. That has a significant impact on cost and brings it down.

I think certainly one of the things that we have been very sensitive to in the Commonwealth Games movement is: do not build a venue unless you have a post-games usage for it. Build it for post-games use and modify it for the games delivery. Again, Gold Coast was the best example of that. Two new indoor venues were built on the Gold Coast for future community use. In fact until COVID one of them was at 100 per cent – they could not fit any more kids in playing basketball, volleyball, gymnastics. Those venues were modified to be stadia for the period of the games, and only for the period of the games, and then they went to their regular use, which is community use. So again, this acceptance that you do not need to build stadia – if you are going to build something, you are building community-use facilities which you convert to stadia for a brief period of their lives. So from our point of view, that should always be a key tenet in how you deliver. That is challenging when you are delivering in a regional setting, because you do not necessarily always have those venues. Then you start to move towards more use of temporary venues, which is what we saw as putting budget pressure on as well. So that is another way of reducing it.

I think containing the scale of the games – again, the road map does that. By that I mean the number of sports you have on the program. As a host you might have ambitions to hold more, and we did here, but there is also the recognition that maybe that is not the way to continue to go and that maybe there needs to be a correction. All these things are in play with the Commonwealth Games movement and I think are all things that we recognise need to happen for the movement, but we are seeing that replicated in the Olympic movement, we are seeing it replicated by FIFA. Event organisations are recognising they have to do a better job at allowing games to be more sustainable and more cost effective for the future. It is a work in progress, if I could say that.

**Jacinta ERMACORA:** Yes. Thank you. So just in terms of your submission, the Senate submission, you have said that benefit to Queensland, for instance, for 2018 was \$2.5 billion. In June this year you said it was \$3 billion benefit for Victoria, which has now obviously turned out to be below the costs. Do you think it is appropriate for Victoria to carry a massive loss? And I know that goes to model and kind of what you have been saying.

**Craig PHILLIPS:** I think it is always a difficult one here about the use of terms ‘cost’ and ‘investment’. When you look at what was being delivered here in regional Victoria, a significant investment, if you like, was the construction of housing in four communities. Now, over time that model developed whereby some of the housing was actually going to be relocatable – not disposable but relocatable, so the idea that you could actually move some of that housing to other communities that might have had a need. We saw this in Sydney in 2000, where more than half of the Olympic Village was not to remain in place – it was actually relocatable housing, which then moved to mining communities, tourist towns. It was actually redeployed. It was not necessarily redeployed for social housing at that time. So those things are an investment. They are not necessarily the cost of a 12-day sporting event; they are an investment in community infrastructure, whether it is sporting infrastructure, housing, or as we saw on the Gold Coast, transport infrastructure. These are not things that you

pay for and then rip up and throw away. These are things that remain long term. The games acts as a catalyst to get that stuff done. So they are not the cost of the games; they are costs you incur for future investment, and you do it in time for the games, which is what we were planning for here.

We already know the Victorian government has committed to a housing fund to continue to build in regional Victoria. We know that some of these sporting venues will still get built. Those things will still happen. What will not happen, though, is they will not be activated probably in the same accelerated time frame that you would have done to have them ready for a games. Those things are not the direct costs of running a games. Those things are an investment in things you use for the games, which then become legacy for communities. Again, we saw that on the Gold Coast. When you look at the cost of the Gold Coast games, half a billion of that cost of the games was building venues which still exist and are still used by the community. They have not been torn up. They still exist. There are kids running around on the Gold Coast at the moment playing gymnastics, playing basketball, learning to play volleyball in those facilities that were built in time for the games but now still exist. This is investment – it is not cost.

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

**Melina BATH:** Thank you. Thank you very much, Mr Phillips, for being here today. I would like to go to Peggy O'Neal and Jeroen Weimar, who were certainly an integral part of Victoria 2026 – and CGA was on that board?

**Craig PHILLIPS:** Yes, correct.

**Melina BATH:** Did CGA ever seek to add any sports? We have talked a lot about sports and the nub, but to add any sports or venues to the games?

**Craig PHILLIPS:** In working with the Victorian government in the program, we agreed on an initial set of 16 sports and I think we got to that list pretty quickly. Some of them have become fairly obvious in terms of being on the program. So we got there very quickly. Then there was a process of expression of interest run by the Victorian government which reached out to the international federations around the world to be included on the games program to add more sports, or in some cases disciplines of sports. I will explain what that means in a minute because we are caught up in our own language, so I apologise in advance for that. We had about 30 international federations all express interest to be on the program. From that, there was an additional five or six sports/disciplines added to the program. There were certainly some we advocated for that were not in that initial 16. One that we advocated for, when you look at the sport of cycling, was track cycling. The reason we advocated for that – a number of key reasons. Track cycling from a commercial perspective is one of the three key pillars of the broadcast revenue.

**Melina BATH:** It is popular.

**Craig PHILLIPS:** It is very popular, particularly here in Australia, it is popular in the UK and it is popular in New Zealand, which are the key broadcast markets. So it is popular. It has always had good spectator appeal. You are always oversubscribed for people wanting to come and watch track cycling. The final one, which is very self-serving, is Australian athletes are very good at it, so we wanted to make sure it was on the program because we wanted to do well on the medal tally which is, I guess, the prerogative of a host. So that was one we advocated to be on the program. What we advocated for, though, was John Cain Arena and as we were told, these games are in regional Victoria so therefore we accepted that they would be held in Bendigo and a venue would be constructed there. So we certainly advocated for that. We saw the benefit of BMX racing being added. Again, Australia is very good at it, it is exciting, a new element to the program, but again it was because Shepparton had an international-standard track, so we supported that.

**Melina BATH:** You were using the assets that we had.

**Craig PHILLIPS:** Correct, yes.

**Melina BATH:** Can I just go to – in relation to Victoria 2026, we heard that Minister Allan was written to on 4 April requesting additional funding to support the budget bid from that Victoria 2026. Were you ever concerned that you would not get additional funding required?

**Craig PHILLIPS:** No. We knew there was budget pressure, and we were involved in some of those discussions through April into May – I think we talked about that earlier – but no, I think we were always confident that the government would meet the requirements of that sum. Again, I guess when we are talking here, we are talking about the organising committee budget, which is only a portion of the total spend of course.

**Melina BATH:** Yes, that is right.

**Craig PHILLIPS:** But no, all the signals we were getting were that it would come.

**Melina BATH:** So signals from Minister Allan or Minister Shing – it was all coming.

**Craig PHILLIPS:** Yes. And through the organising committee's channels themselves – through our board processes.

**Melina BATH:** So you were blindsided when it was not.

**Craig PHILLIPS:** It was surprising, yes.

**Melina BATH:** Yes. Thank you. I want to take you to – you mentioned security, and this is something that we have heard about in this committee. We have had secretaries Martine and Moule talk about how the security and policing costs, through VicPol and others, ended up being \$500 million. Now, we have previously heard in the Senate inquiry from Mr Neil Fergus, CEO of Intelligent Risks. He has worked on nine Olympics, six Comm Games and four FIFAs. Do you consider him to be a reasonable expert in this field?

**Craig PHILLIPS:** Yes, he is.

**Melina BATH:** We heard in the Senate inquiry that his expert opinion was that the original business case of \$200 million would be a realistic figure. What is the disparity there?

**Craig PHILLIPS:** I could not answer that. I do not know. I really did not have any visibility over security costs. I know that was one of the key things called out when the government suggested that the cost would be \$6 billion to \$7 billion, but I do not know the detail. I would have to leave it to experts like Neil.

**Melina BATH:** Do you think the Commonwealth Games require the same or different security overlays to the Olympic Games?

**Craig PHILLIPS:** As I mentioned earlier, I do not think you need that same scale. In fact it has been a trend over a couple of Commonwealth Games to take us in that direction. We have got to recorrect that, I think, and move back towards what is sustainable and actually necessary.

**Melina BATH:** Reasonable.

**Craig PHILLIPS:** Yes.

**Melina BATH:** He also spoke in relation to policing. Do you feel that there were decisions made on policing forces et cetera across the regions that were not required?

**Craig PHILLIPS:** I could not answer that, I am afraid. I did not have any visibility over it. Much of that had not made its way to our board.

**Melina BATH:** Yes, sure. Thank you. Were there other areas in decisions that were made that added cost to the games but were not required? Do you think that there was some trimming that could have been done?

**Craig PHILLIPS:** Well, I think I would come back to my earlier comments. I think when we knew there was some budget pressure, we did suggest some ways of actually reducing the reliance, particularly on temporary overlays and fully temporary venues. They were some of the key things we saw, but that meant moving away from the model the Victorian government had proposed, which was everything in regional Victoria.

**Melina BATH:** Yes. It was locked down. Now, I know that there are topics that we cannot talk about, and I totally respect that, Mr Phillips, but in relation to the \$380 million paid by the taxpayer to cancel the contract, has that been paid as yet?

**Craig PHILLIPS:** No, it has not. To be fair to the Victorian government, that has been a delay on the Commonwealth Games organisations' side. It is to make sure that we, as one of the three parties – there is CGF, CGFP and us – receive a share of that, which is essentially for wasted costs and some contractual obligations that we have, but also then the retention of the vast majority of that is to apply to subsidising, if you like, the next host. CGF is just working through the tax treatment of that at the moment. What they are concerned about is being hit with a very hefty tax bill, and so they are just being cautious at the moment. What that has done is delay the triggering of the advice to the Victorian government to actually receive the money. The delay is on our side.

**Melina BATH:** Okay. Thank you. Are you aware of how much of that \$380 million, noting your previous comments, would be allocated to host that future 2026 games?

**Craig PHILLIPS:** It is not clear at this point. Working with CGF at the moment, one of the key things there is in terms of the amount of that that is the balance between the money received and how much tax they may have to incur in the UK. That is the thing that is driving the indecision at the moment. Every week we get more clarity, but it is taking a long time.

**David DAVIS:** So we are paying UK tax. So that Victorian money is going to pay UK tax?

**Craig PHILLIPS:** Possibly – that is what they are trying to avoid.

**David DAVIS:** How much could that be?

**Craig PHILLIPS:** I do not know. But it is again –

**Melina BATH:** Will you become aware of how much that is?

**Craig PHILLIPS:** We will for sure, yes.

**Melina BATH:** And when you do, if this committee is still running for the next two years, could you please provide a position on that?

**Craig PHILLIPS:** I would have to seek the agreement of the other parties – CGF and CGFP.

**Melina BATH:** And if that is applicable, we would like to have that, thank you very much.

**Craig PHILLIPS:** Sure. If we get that agreement, I am certainly happy to do that.

**The CHAIR:** Thanks, Ms Bath. Ms Tyrrell.

**Rikkie-Lee TYRRELL:** Thank you, Chair, and thank you, Mr Phillips, for attending today. You said earlier in your statement that your organisation does not receive any funding from the federal government but it does take state pledges. Could you please elaborate on that a bit more so I can understand it?

**Craig PHILLIPS:** Yes, sure. It has been, I guess, a historical thing that as we are preparing to send our teams to games we do reach out to state governments for their support. It is mainly because we have athletes from their states appearing in the team, so we will reach out to various governments for that sort of pledge. But in doing that, we also make it clear to government that while we may get a pledge which might end up in the tens of thousands, or hundreds of thousands in some cases, those pledges do not go anywhere near matching the actual amount of money we invest in athletes of their state. As a general rule of thumb, the amount of money we may get from a state government is probably about 10 per cent of the amount of money we invest in the team or through our programs in funding athletes.

**Rikkie-Lee TYRRELL:** Okay. Thank you. Did you offer advice prior to the games being cancelled on alternate options? You did do that, yes?

**Craig PHILLIPS:** We did propose some cost-saving measures back in April when we were consulted on some of those, when there was budget pressure coming on the organising committee. Some of the things I guess I have already mentioned in the hearing here – moving some sports to Melbourne, the reduction of use of temporary venues and temporary overlay et cetera. They were some of the things we proposed. But they go to the costs of the organising committee.

**Rikkie-Lee TYRRELL:** How did you feel that that they were received? Your advice, how was that received?

**Craig PHILLIPS:** I think it was appreciated but, again, some of the proposed cost savings from our perspective were very much about changing the delivery model. Again, as I said, probably the most obvious is in the nature of some sports – track cycling is the best example, moving that to Melbourne. The response we got was ‘No, these games are being delivered in regional Victoria.’ So it was clear that the Victorian government wanted to stick to the model which they had developed and proposed, which was fully regional-delivered games.

**Rikkie-Lee TYRRELL:** Thank you, Chair, for now.

**The CHAIR:** Thank you, Ms Tyrrell. I have got a couple of questions still. I think we have got a few minutes left. CGA was party to the agreement between the government and CGF. Some of that money was paid from the government to CGA, is that correct, as part of that agreement?

**Craig PHILLIPS:** As part of the host contract?

**The CHAIR:** As compensation, yes.

**Craig PHILLIPS:** Yes. The way it works with the host contract is that an element of the host contract is what is called a joint marketing program agreement. What that provides for is a handing over of our commercial rights to the organising committee for the period leading into the games and for the games period. Those commercial rights, or those assets if you like – we have a number of things, but our key one is the team – allow then the organising committee to derive commercial revenue using our team assets. So they are not only selling partnership to the games themselves, they are selling partnerships with our team, so a sponsor becomes associated with our team as well. That does two things: one, it enhances the offering to the commercial partners. That is the first thing it does, but the second thing it does is it prevents us essentially ambushing our own games. For example – and I will use a rough example – if the games decided they wanted to sign up Commonwealth Bank and we wanted to sign up a deal with ANZ, we would be in direct competition and actually erode the value for both properties. So we step out of the marketplace and we hand over the rights to our team for the fee.

**The CHAIR:** And that is \$8 million? I am just looking at your annual report last year – the 2026 marketing rights. Is that what we are referring to here or is it something different?

**Craig PHILLIPS:** Yes. That would be –

**The CHAIR:** It is \$8 million exactly.

**Craig PHILLIPS:** Yes. That would be a portion of the fee – the portion we received during that period.

**The CHAIR:** So when it is cancelled, they become of no value.

**Craig PHILLIPS:** The unpaid amount becomes part of the settlement.

**The CHAIR:** Yes. Okay, right. If the government did not compensate, then that would be of no value. I am assuming that is part of the negotiations.

**Craig PHILLIPS:** Correct, and the CGF has a similar issue. They are paid a hosting fee, so that hosting fee is essentially being made whole through the settlement.

**The CHAIR:** Yes, okay. I understand. I believe we have got a couple of minutes left. I think Mr McIntosh had a question and Mr Davis had a question. Mr McIntosh.

**Tom McINTOSH:** Thank you. I just wanted to pick up on your comment about the runway opportunity for athletes. Just having a look at professional sports, for example, the time length that athletes are playing professionally: NFL is 3½ years; NBA, 4.8 years; ice hockey, 5½ years; baseball, 5½ years; AFL, as you mentioned before, six years. Do you think it would have been a rarity for athletes, given particularly the fact that they are not professional – they have got to fund a lot of their own opportunity to access sports, work other jobs and all that sort of stuff. I definitely do not think it would have been impossible, but perhaps less common because definitely some do play three Olympics or whatever. For many, the fact that there would have been that window between 2026 and 2032 or the fact in general that our Commonwealth Games athletes would appear at either end of a six-year window across the broad range of sports would probably be more of the exception than the norm, do you think?

**Craig PHILLIPS:** No, I actually do not think so. If you look at the 2026 games, there will be athletes who are just starting out on their international journey, and it may in fact even be the first time they are selected to represent Australia. There will be other athletes who will be at the end of their career, and this will be their swansong, and they would want to do that at home. Then there are other athletes that are not Olympic or Paralympic sports and it is their pinnacle – so netballers, lawn bowlers, squash et cetera. Squash is now added to the program, so it is not a good example, but certainly for netball and lawn bowls the Commonwealth Games is their pinnacle. It is their Olympics. There is a variety of, I guess, athletes that are covered through their participation in that team.

But I guess more specifically to answer your question, and again I will rely on the anecdotal here, Cathy Freeman, we all remember her. I think if everybody who remembers seeing that event live was actually in the stadium, there would have been 400,000 people in that stadium. I actually was there. But the number of people who remember her performance in Sydney sometimes forget that six years earlier she carried the Australian flag and carried the Aboriginal flag in a victory lap in Victoria in Canada at the 1994 Commonwealth Games – six years before.

**Tom McINTOSH:** I think there are definitely exceptions, but I think that –

**Craig PHILLIPS:** Petria Thomas went to those same games in 1994, certainly had some success in Sydney, but 10 years later she wins three gold medals in Athens. Steve Hooker went to Athens and did not perform to his expectations, learned to succeed in Melbourne in 2006, went on to 2008 in Beijing and wins a gold medal. These are all anecdotal, but there is a lot more to it than that. In fact we are now looking at what that number is. The reality is that it is not something I think anyone wants to test. I do not think any of us want to test what will happen to our 2032 Olympic and Paralympic teams by not having a Commonwealth Games team in 2026. I do not want to test it, the Olympic committee does not want to test it, the Paralympic committee does not want to test it, and I do not think the Australian public wants to test it.

**The CHAIR:** Thank you, Mr McIntosh. Mr Davis. We are running out of time.

**David DAVIS:** I will be very quick. Just following on from Ms Bath's point, will some of that \$380 million fund another Commonwealth Games location?

**Craig PHILLIPS:** That is certainly the intention, yes.

**David DAVIS:** How much of that roughly, do we know?

**Craig PHILLIPS:** That is what we are now in discussions with CGF about. That is caught up with the tax issue.

**David DAVIS:** So Victorian taxpayers will pay to the UK and to some other games site?

**Craig PHILLIPS:** Yes, in those terms certainly.

**David DAVIS:** In some ratio we do not know.

**Craig PHILLIPS:** Correct, yes.

**David DAVIS:** All right. The other thing, did you voice any of your concerns regarding the delivery to either Minister Shing or Minister Allan?

**Craig PHILLIPS:** As I recall, I think we had a conversation – when I say ‘we’, CGA had a one-on-one conversation with Minister Allan back around the time when we were looking at some of those budget pressures in April and obviously proposed some of the things we had proposed through other engagement with the organising committee and other people around cost savings. But no, we got the impression that she was very confident that the budget would be available.

**David DAVIS:** So the details of that meeting – would you provide the date and any notes that went either in or out of that meeting? We would appreciate that, thank you.

**Craig PHILLIPS:** Yes, I will take on notice to do that.

**David DAVIS:** There was one other thing: the control group that you mentioned you were a member of. Can we have the minutes and agendas from that, please?

**Craig PHILLIPS:** I do not have them. I am not a party to those anymore because I am not longer on the board of the organising committee. You would need the agreement of all of the parties that were involved in that, so I cannot provide those to you. I could take on notice to do that, but we would need the agreement of the Office of the Commonwealth Games, the Victoria 2026 organising committee, the CGF, the CGFP and us. There are multiple parties involved in those discussions, and I have to get agreement from all those parties.

**David DAVIS:** That would be helpful, thank you.

**The CHAIR:** Thank you, Mr Davis. We are out of time. Thank you for coming in today, Mr Phillips.

**Witness withdrew.**