

TRANSCRIPT

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

WITNESS

Simon Thewlis, Director, Event Pty Ltd.

The CHAIR: Thank you for appearing today. All evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and provisions of the Legislative Council standing orders. Therefore the information 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 will appear on behalf of.

Simon THEWLIS: Yes, my name is Simon Thewlis. I am from Event Pty Ltd.

The CHAIR: Nice to meet you. I will briefly introduce our committee. I am David Limbrick from South-East Metro Region.

Melina BATH: Melina Bath, Eastern Victoria Region. Hello.

David DAVIS: David Davis.

Joe McCracken: Joe McCracken, Western Victoria.

Michael GALEA: Hi. Michael Galea, South-Eastern Metropolitan Region.

Tom McIntosh: Tom McIntosh, Eastern Victoria Region.

Sarah MANSFIELD: Sarah Mansfield, Western Victoria Region.

Jacinta ERMACORA: Jacinta Ermacora, Western Victoria Region.

Rikkie-Lee TYRRELL: Rikkie-Lee Tyrrell, Northern Victoria Region.

The CHAIR: Wonderful. We would like to welcome you to make opening statements and ask that they be kept to a maximum of about 10 minutes to ensure that we have time for questions. Thank you.

Simon THEWLIS: Great. My name is Simon Thewlis, and I proudly worked in Victoria's event industry for over 40 years. We are here today because the Victorian government did not value, respect or properly utilise the unique skills, experience and capabilities that Victoria's event industry has, the very things that built Victoria's reputation as a place that consistently delivered world-class events. This is very telling, because in mid-2021 there was a Legislative Council inquiry to look into the event industry, because again the Victorian government did not value or respect our industry. Had the Victorian government taken notice of the 2021 inquiry, perhaps we would not need to be here today. This is a story of astonishing arrogance and hubris that has seen Victoria go from having once been a leading event state to one responsible for the biggest debacle in the history of events in Australia.

Victoria's event industry came to a complete stop on 13 March 2020. We were left for dead, so a few of us started the Save Victorian Events campaign to try to change our situation. It involved over 2000 people from more than 900 businesses from right across the event industry. This led to extensive dealings with DJPR and the government more generally. A November 2020 Teams meeting with about 200 people from right across events, the arts and sport provides a good example of how the event industry was viewed and treated. Deputy Secretary Andrew Abbott, on being asked why the event industry was not getting targeted financial support, like the arts, sport and tourism industries were, replied:

The event industry hasn't received financial support because it is not a real industry.

This was in Victoria, the event state. Executive director, public events, Bridie O'Donnell, on being asked why business events were not included in the health restrictions, simply responded:

Because business events aren't a real type of event.

In Victoria pre COVID there were over 118,000 business events, with a total spend of \$12.6 billion each year. Not only were we not viewed as a real industry by them; the specialist skill sets and capabilities that our industry had were not recognised or valued. And to be quite specific on this, our dealings with them showed that they had no real understanding of what the event industry was, who was in it, what we all did and how events were organised – and they were not that interested in learning. This proved disastrous for our industry. Andrew and Bridie are key characters right through the Comm Games story.

This led to the 2021 inquiry, which DJPR treated with contempt, with its findings largely ignored. Our industry continued to be decimated, with precious little targeted support. As an example, DJPR resisted including business events in the health restrictions until about September 2021, 1½ years into the crisis. This created uncertainty, which was incredibly damaging to the people and businesses in our industry. It took the intervention of two ministers to get the department to finally see sense, but this was typical of what we experienced – never willing to learn, never willing to listen, regardless of the damage.

In October 2021 the minister was briefed on the Comm Games bid. This is around the time that DJPR's dealings with the event industry pretty much stopped. From their perspective the COVID crisis was over and no doubt they were onto the Comm Games. Deputy Secretary Andrew Abbott led the part of DJPR responsible for the games bid and for Visit Victoria, so he will have been integral to the process from day one, along with Bridie O'Donnell, including the business case. In February 23 2022 it was confirmed to us that Andrew, along with Deputy Secretary Jim Round, was running the Commonwealth Games project within DJPR and led the bidding process. This is confirmed in DJPR's February 2023 org chart. They remained part of the games organising committee through to the incorporation of Victoria 2026 Pty Ltd. The travel section of the questionnaire confirmed that Andrew and Bridie were the two DJPR people to travel to the UK in March 2022 for the final bid. They will have both been heavily involved with the final negotiations and getting it all locked down, based on the business case.

After the contract was signed in April 2022, the next thing would be to set up the organisation to run the games. You would think that at this point they would have thought about the large number of Australians with serious major event experience – the people who currently work on major events in Australia, and those who went from the Sydney Olympics and the Melbourne 2006 Commonwealth Games onto working on major events all around the world – and that they would have also considered the approach taken for Melbourne 2006, with a CEO who had run the grand prix and been involved with many other major events, who in turn brought in many of the key people who had successfully run the Sydney Olympics. It was no surprise that Melbourne 2006 set a new standard for the Commonwealth Games with this team. Astonishingly those already involved from DJPR decided that they were actually the best people in Australia to run the Commonwealth Games. Bridie O'Donnell became chief of strategy and delivery coordination; Jim Round, chief of planning and governance; and Andrew Abbott, chief of culture and ceremonies. Kate Matson came across from Health to be chief of games services, and Jeroen Weimar, from Health, became the CEO. To my knowledge they all had little to no real operational major event experience, and some an unwillingness to ever listen or learn. This confirmed to me that the games would end in tears.

The chair of Victoria 2026 in evidence said that their organisation had never seen or read the business case. How could this be if half of their senior leadership team oversaw putting it together at DJPR, ran the bid and then nailed down the deal based on the business case and were part of the organising committee up until they joined Victoria 2026?

The boy's own adventure continued. The games continued to grow like topsy. My understanding is that it was not until October–November 2022 that they brought on very senior people with serious major event experience, but by this time the election promises about the games had been made and the die was cast. They were locked into a model that was impossible to deliver.

The inquiry has already heard that there were a number of very separate organisations doing their bit. That is not how they all work. The reality is that there were common people the whole way through the process, from initial pitches to the flawed business case to the final demise, as I have outlined. I have no doubt that they all

thought they were doing a good job. They were so unencumbered by knowledge or experience that they would not have known otherwise.

It took only a 10-minute read to see the deep flaws in the business case. It contained a lot of duplication and fluff. To quickly touch on a few things, it was based on the Gold Coast and not on regional Victoria. While lack of construction people was identified as a serious risk, the lack of event industry people was not, despite our industry having been decimated during COVID. In fact the business case suggests that locals in the regions could be trained in 'major event delivery'. This showed little understanding of the skills and experience needed for major events. The 2019 study into a regional games said 42,000 beds would be needed. The business case said only 2155 beds beyond the athletes, hence the recent talk of 10,000 caravans for 50,000 volunteers and workers. No doubt this is why the government started to talk about people visiting the regional centres on day trips rather than staying there. And then transport – I can go on.

On the budget, Melbourne 2006 cost \$2.9 billion, yet the 2026, games with a vastly more complex regional model and more sports, were going to cost just \$2.6 billion – really? With ceremonies: \$40 million with all at Carrara Stadium in 2018, and eight years on, only \$41.9 million allowed for them to be spread across the MCG and Kardinia Park. We now know ceremonies and festivals blew out by \$97.1 million. Did they even look at the documentation from Melbourne 2006 or talk to the people who organised these games? And who was actually in charge of the games – was anyone? Victoria 2026 said transport was someone else and they were not responsible, and the same with policing, and that OCG were responsible for their own areas. DJSIR seemed to know nothing, Visit Victoria were just waiting for the hospitality and the ministers were not in the loop – an approach guaranteed to fail on events.

There is much more I can say about the causes of the debacle, about super departments and big four consultants and the way forward. At the end of the day, a bunch of people with little to no real, operational major event experience tried to organise one of the largest events our country has seen. They thought they knew better than the event industry. They failed completely – arrogance and hubris. Victoria's event industry has gone through a lot since 13 March 2020. This episode is really the final insult – the biggest debacle in the history of events in Australia. The Victorian government owes the event industry an apology and a commitment that they will finally listen to the industry that gave Victoria its reputation as an events state in the first place.

The CHAIR: Thank you, Mr Thewlis. And also thank you for your very detailed submission. I will start with a couple of things. You said in your submission that with the Commonwealth Games, the government ignored the most basic principles of event management. What principles are you referring to? What sorts of things were they missing?

Simon THEWLIS: Yes. That is a really easy one. I mean, the starting point is having expertise. Events do not happen by magic; they involve a whole range of really quite specific skill sets. But they did not do that. It was just generalist public servants. You can look through the whole chain. You will struggle to find anyone with really significant event experience up until October–November 2022, and that is important because unless you get the foundations right – the way it is structured – you actually have no hope of delivering the rest.

The next one is having a clear purpose and defined objectives: knowing what your event is meant to do and having agreement with all of the stakeholders on the purpose and objectives. In this case they seemed to have a whole bunch of objectives, and different stakeholders had different things, so it was going in a whole bunch of different directions and grew like Topsy. That is a pretty standard one. Another great principle is being disciplined. Again, events can be drawn in a whole bunch of directions, so a key thing in event management is staying incredibly disciplined to what you are about.

Another one is making sure you understand the logistics and the costs of things before you make commitments. That is one of the biggest mistakes you see on events – where people have a great idea, they think they know what they are doing, they get halfway down the road, and all of a sudden, when they really start looking at the logistics and the costs they are completely different to what they thought. That is the case here – they really only had people on deck who could talk seriously about logistics and costs from the end of 2022. This project – they started thinking about it in March 2021. They were seriously pursuing it by August–September 2021, and it was over a year until they got serious people on board. And again, that was despite knowing that it was a really, really tight time frame for the project.

They are some of the basics. They just did not understand, so I would go as far as saying had the project been a conference for 500 people, yes, they still would have been in trouble.

The CHAIR: From your opening comments, I assume that you have actually gone over the business case that has been published.

Simon THEWLIS: Absolutely.

The CHAIR: Yes. I think pretty much everyone that we have spoken to acknowledges that the costs were obviously miles off in the business case. What is your overall impression of the business case? If you had to make a decision on that in an executive role, what would you think about the business case, and what would your feedback be on it?

Simon THEWLIS: Well, the business case proved that they were going down the wrong path, because it was not just the fact that the numbers did not make sense. The example I gave of the ceremony is the really easy one – an event in a 35,000-seat stadium costing the same as events spread across a 105,000-seat stadium and a 50,000-seat stadium and all that goes with it. I mean, those numbers were nutty, but it went much further than that. When looking at the business case, it was clear that they were basing it on a region like the Gold Coast. It was not based on something like regional Victoria with lots of different places and with the transport and things. And you went through and you looked at things like the accommodation – yes, people often forget about accommodating the staff on events, but for this one no-one it seemed had actually thought about where all the workers and everyone were going to stay. There was the 2019 report that had already said that those beds did not exist in regional Victoria. You looked at the transport thing – again, it was based on stadiums and the like where people were not going to park. So how were people going to get these stadiums when many of them were half an hour's walk away from any public transport? And so it went on. It did not take very long to look through to think that, one, they had never considered what the real challenges of regional Victoria are, and secondly, they just had not covered off the basics.

The CHAIR: With regard to the infrastructure, one of the things in the business case they also talk about are the benefits. What were your thoughts on the benefits that were outlined in the business case?

Simon THEWLIS: I only looked at some of those. I am not an expert on tourism, I am from the event industry, but the idea of building a bunch of infrastructure and then tearing it back down again seemed to make no sense. You look at Melbourne 2006 – about \$1.5 billion was spent on infrastructure, and that has left Melbourne with fantastic sporting facilities and buildings, whereas when you looked at the 2026 model it was a temporary velodrome, it was temporary swimming centres, all of those things, which is a huge amount of cost for little return. What one could not see from the business case is, when they were talking about 'temporary', were they talking about temporary in construction terms or were they talking about temporary in events industry terms? Again, they are two very different price points.

The CHAIR: Thank you. And what are you hearing from your members? One of the things that this inquiry needs to look at is the impact on the reputation of Victoria. We had – I would like to think we still have – a good reputation for events. If you are hearing feedback from your members about how this might be affecting their businesses due to the reputational damage, what sort of things are you hearing from your members?

Simon THEWLIS: I am hearing from colleagues around the industry that it does affect how Victoria and Melbourne are viewed as a destination, particularly on things like larger business events. On a large business event when you are choosing your destination you are looking for a destination that will add something to your event. You are trading off its brand and its reputation. You want positives from it. So when Victoria is now seen as having walked away very suddenly from one of the biggest events of its kind, that is a real downer in terms of reputation. And when you look at our competitors up the road in Sydney, obviously they have just successfully delivered the first South by Southwest festival ever held outside Austin – the hottest business event in the world, with all the major IT companies and tech firms there. So when it is balancing up in the final shortlist between Melbourne and Sydney, it really does not help. It is certainly affecting things, absolutely.

The CHAIR: And just briefly, what would you like the government to do differently in the future so that we can repair this reputation and manage events better in the future?

Simon THEWLIS: Back in April 2021 in the lead-up to that first parliamentary inquiry, we pitched the idea of having a dedicated Events Victoria unit – so an organisation that is staffed by people with serious knowledge from the event industry – to work to actually support, develop and promote Victoria’s event industry, and that is both in terms of events here and in terms of the event services we market all around the country, and as part of that, to have a strategy for events in the event industry in Victoria. We hear politicians talk about this being a leading events state or whatever, but I cannot remember when there was an event policy for Victoria. Despite everything our industry has gone through, there are no initiatives in place still, apart from the Commonwealth Games, to help our industry rebuild. So – a dedicated Events Victoria to actually properly support and promote our industry. I guess it comes back to that key thing, really, at the beginning, which is actually to just recognise and respect our industry – respect that we are a real industry and listen to us – because there has been no listening for the last three years. There have been many meetings, many consultations and many words said but no listening.

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

Joe McCracken: Thank you, Simon. Having had a look at your submission, I just want to thank you for standing up for Victoria’s event industry for a start, because I can see from your submission that it has obviously been very, very challenging, and that should be acknowledged. Particularly through COVID it would have been a challenge, and I guess the Comm Games was seen as sort of a big light at the end of the tunnel. Now that it has been cancelled you must feel absolutely devastated.

Simon THEWLIS: Look, it has been a kick in the guts for the industry, absolutely, because something like the Commonwealth Games does not help everyone in our industry, but being something which happens a few years in advance means that people have something to aim for. If they get a contract on that for 2026, they can take that to the bank. A lot of the stuff in our industry is year to year, so to actually have that ability to have work in place that you can plan for, that is a huge deal. That is for both the larger businesses but also particularly for regional Victoria, because they have had the hardest time of anyone. We have often heard about the big events that are doing really well post COVID, which is true, the top-tier ones, but once you get to tiers 2, 3 and 4, the results are really mixed. Some events are doing well, and some are having to cancel. When you particularly look at regional Victoria, they are suffering from, still, huge shortages of resources. Cost structures have increased greatly. People buy their tickets much later on. A lot of festivals, a study found, were selling 50 per cent of their tickets in the last two weeks – so two weeks out you do not know if you are anywhere near breaking even. So it is a really, really tough market. Talking with one regional event manager – for her it was something to aim for, some form of hope to keep going, because while having been a very successful event person, she is just struggling to make ends meet with the way things are at the moment.

Joe McCracken: I dare say that is probably not an isolated case either.

Simon THEWLIS: Not at all. And again, some in our industry are doing really well. No-one is having an easy time. I mean, with the cost pressures, the insurance pressures, we did not get many of the skilled people back to our industry, so we have a huge skills shortage, but it is something that people can work towards because it is guaranteed money. If you go back to that regional case, that was going to be \$50 million in festivals mainly in regional Victoria. In a normal year \$1 million to \$2 million of government money is spent on festivals in regional Victoria, so that is a huge amount of things – again, assuming the money was going to be spent the right way.

Joe McCracken: Were you surprised that the games were actually cancelled, given your comments on the business case and those sorts of things?

Simon THEWLIS: Look, I did not predict that it would necessarily be cancelled. We thought it would end in tears, which meant that it would limp across the line and be difficult and all of those things, but I do not think anyone ever thought that a government would walk away from something like that. Again, for our industry it goes against everything that we stand for – to walk away from an event. We all have problems on events. We all have unrealistic clients from time to time, where you have to sit down, rework the whole thing and come up with a way that will make your event work. For us, I guess that is a cause of a lot of the anger and frustration – that, yes, there was a problem, but they just walked away. That just goes against everything we all stand for.

Joe McCracken: I know before you talked about not being seen as a real industry. Do you think that was a view held by government as well?

Simon Thewllis: Look, it is something we were told many times. I mean, the example I gave from back in November 2020 – that kept going on. We would see briefings that would go to ministers and the like in the latter part of 2021, and they were still trying to argue that we were not really an industry.

Joe McCracken: What ministers did you talk to?

Simon Thewllis: The one minister I met with was Martin Pakula, and that was in August 2021.

Joe McCracken: Okay.

Simon Thewllis: It was a robust meeting but a very reasonable one. But the briefing that he was getting from his department was that events are not really an industry.

Joe McCracken: Well, I guess in terms of the departments, was there any support that was given or was it just not there at all?

Simon Thewllis: As far as direct funding, in March 2021, which was when the Deputy Premier was acting as Premier, there was a \$20 million event support fund announced. However, half of that was siphoned off to the arts. Then the business CAP package, which was later on – I mean, yes, the event industry was included with all the different businesses that received that, but that was pretty much it until the insurance fund was announced very late in the piece. But that was never able to be used.

Joe McCracken: I know that you said before that it was probably 12 or 18 months before anyone was seriously engaged that had any sort of credibility in the sector. October–November 2022 I think is when you said they came on board for the Comm Games. You have obviously got a lot of experience in the industry over a long period of time. Were you ever asked to give advice or some sort of guidance to help get the train back on track?

Simon Thewllis: Most of us were not, but the one thing I would add is that there are people, when it comes to things like the Commonwealth Games, who have vastly more experience than I do. I mean, there are people who literally work on major events all around the world as well as major events here, and they should have been part of that core project team from when the government was serious about chasing this, which was back in August–September 2021.

Joe McCracken: So it would be fair to say that the government just did not engage with the events sector at all.

Simon Thewllis: There was very little engagement of any real form. But the key thing with it is making sure that you have got people running the project who understand what is needed, and that is what was missing. There were people levels down from that who had events experience, absolutely – some good people, who tried really hard.

Joe McCracken: But not running the strategy or the –

Simon Thewllis: But it was your CEOs, it was all your heads of departments and it was the people who were creating the business case, creating the strategy and creating what was actually signed off as the contract with CGF.

Joe McCracken: I know you have mentioned that at the time of the cancellation there were about 250 or thereabouts employed in event management. Was that at the departmental level or was that in the industry itself?

Simon Thewllis: My understanding is that that was across Victoria 2026 and OCG and the like. In the industry generally a lot of businesses were working towards the Comm Games – absolutely. There was very little guidance. Little had actually gone to contract by the time the games had started. The opening and closing ceremonies process was down to the final three, so they had had the beauty contest, and it was the final three submissions. The festivals and live sites – those tender documents only came out I think two days before it was

cancelled. I mean, one of the common bits of feedback from companies in our industry when there was talk about the cost blowout was, 'They never asked us for any costs.'

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

Michael GALEA: Thank you, Chair. Thank you for joining us today, Mr Thewlis. What, if any, involvement did you have in the Commonwealth Games? Were you engaged in any way? Was your company engaged in any way as part of the process?

Simon THEWLIS: My company was not engaged, no.

Michael GALEA: Have you been involved in any previous Commonwealth Games, Olympics or other major sporting events at that level, or your company?

Simon THEWLIS: To give a bit of my background: obviously I have worked across the event industry for 41 years. I guess my world is events and venues up to about 50,000 people, so I have consulted on the Docklands Stadium project, on Federation Square, on the broader Docklands site and on public events of up to 50,000 people with a number of the major festival promoters and the like. I guess that is my world. You might automatically say, 'Well, the Commonwealth Games is bigger than that', and the response to that is, 'Well, yes, but no.' A Commonwealth Games is two dozen venues which, with the exception of the MCG, are all under 50,000 people. On each of those venues there is a temporary overlay plan. There is a traffic and transport plan, there is an emergency management plan, there is a security plan, there is the production side of things and there is the catering and the other side infrastructure. That is all done on a venue-by-venue basis. Obviously with Comm Games there is that next level above, but when you are talking about stuff up to 50,000 or so, which is the majority of the Commonwealth Games venues, yes, completely across that – that is my world.

The one thing I would add in is people might say, 'Oh, but they needed a velodrome.' I was chatting with one of my good colleagues just a few weeks ago and she was telling me the story of the time she had to build a temporary velodrome in the Middle East and how it arrived in 40 shipping containers. It is a pretty crappy job, building 40 containers full of Meccano in the temperatures of the Middle East. So I guess that is my answer to it; I am not claiming to know everything, but I have an encyclopedic-enough knowledge of Victoria's event industry and what happens to be able to make a very meaningful contribution to this process.

Michael GALEA: You have actually foreshadowed a question I was going to ask you about arrangements and safety and stuff. I will come back to that shortly. Is there a sense, and is it fair to pick up from your detailed submission and from your comments today, that there is a sense amongst the event industry that there is disappointment that you were not afforded a share of the pie, as it were – like, you were not brought in as a business opportunity for companies such as yours?

Simon THEWLIS: No, it is actually far more fundamental than that. It is that we were not brought in to actually run the project. The people with serious event industry experience, as in the people who work on major events all around the world, were not brought in to run it. Most of us, whether we were involved with the project or not or going to be involved in the project or not, love our industry. We are proud of what we do. We are proud of what our state does. That is the great frustration: we have seen something fail because they were not using the senior people from our industry that could have made the thing work.

Michael GALEA: It is natural to assume, though, isn't it, Mr Thewlis, that the private sector would want the private sector to be involved at almost the exclusion of anyone else? Would you not prefer that the private sector, given that you are –

Simon THEWLIS: I do not understand the question; I am sorry.

Michael GALEA: Let me rephrase that. Being from the private sector yourself, you would obviously prefer that as many contracts, as many opportunities, came through to the private sector as possible. You would want to maximise that. Is that fair?

Simon THEWLIS: Where else would they come from?

Michael GALEA: As opposed to the public service – public sector delivery.

Simon THEWLIS: No, I absolutely disagree on that in that there were a number of event people from our industry working for 2026. We have absolutely no issue with that whatsoever. It is standard on major projects that some people will be directly employed; others will be contracted. If you look at the grand prix as an example and the temporary infrastructure overlay, which, if you have been to Albert Park, you will have seen, that is all planned and managed by a private firm which does that. They did the recent world cup, supercars and all of that sort of thing. It is not a question of whether the money went to the public sector or private sector, because it is all the same people. So, no, that is a nonsense.

Michael GALEA: Okay. But certainly if, say, your firm were to be engaged, you would have had some further benefits though. You obviously did not get that opportunity.

Simon THEWLIS: I at this point had no plan of bidding for anything. I am here today because our industry has gone through a lot over the last few years and with the Save Victorian Events role I heard the traumatic stories from hundreds of my colleagues. That is why I am here. It is not about me. If I was most concerned about me, I would not be here, because this is just going to cause me grief, appearing here today; I will pay a high price. I am here to speak up for the others in my industry who have gone through an absolutely appalling three years.

Michael GALEA: I just want to pick up on something you mentioned earlier, in your opening statement, that in I think you said late 2021 there were two ministers that intervened to provide support for the events sector.

Simon THEWLIS: Yes.

Michael GALEA: Which ministers were they?

Simon THEWLIS: That was on the issue of business events being included in health restrictions. Martin Pakula was one. I had met with him in August and was in regular contact with his deputy chief of staff. The other was Martin Foley, who was also my local member of Parliament and who I corresponded with quite regularly because he had more event people in his electorate than any other electorate in Victoria.

Michael GALEA: Very good. Thank you. You also spoke about – I think this is in your submission too, but you touched on it with Mr McCracken just before – your observation about obviously the big-ticket events that do very well, and we have corresponded around Taylor Swift as well –

Simon THEWLIS: Yes. It will be a great show.

Michael GALEA: Yes, it will be great; I am looking forward to it too. It is the second time I have got that mention in now on this committee, which is good – not that I was intending to. But more so around that next-level tier of events that you say are struggling a bit more, what are some of the factors that are driving that? Is it that the big events are pulling things away?

Simon THEWLIS: It is partly that, because there was actually a media article about a Taylor Swift-led recovery a few weeks back which actually misquoted ABS research. I actually met with the senior people at the Australian Bureau of Statistics about that, and their findings were the same as ours in the industry: that it is an inelastic market, so when there is a lot of money going to the really big acts, it means that other events are missing out – there is only one lot of dollars going around. The struggles that second-, third- and fourth-tier events are having – not all of them; some of them are doing really well – some of them are dealing with the fact that their cost base has increased dramatically, they are suffering a resourcing crisis, they are suffering from people buying their tickets really late and people are choosing to spend their money on some of the bigger shows, the once in a blue moon type things.

Michael GALEA: I did want to come back to the ticket thing, and hopefully someone else will have the time to do that, but you would say then that Victoria's success in drawing those major big-ticket events is having a flow-on effect for the smaller parts of the sector, which we need to also look at.

Simon THEWLIS: If you look at events like Ed Sheeran and Taylor Swift, they were not events that Victoria chased or got – they are just part of the standard touring circuit. Taylor Swift will be the biggest grossing tour ever. Their entourage will be in Australia for less than two weeks so they look at 'How do we

maximise our profit from that', so they end up with three shows in Melbourne and four shows in Sydney. That is not an example of where it is part of Victoria's event program; that is just part of the standard rock-and-roll touring circuit.

Michael GALEA: Nevertheless, they thought it worthwhile coming to Victoria.

Simon THEWLIS: Sorry?

Michael GALEA: Nevertheless Taylor Swift, for example, and others thought it worthwhile coming to Victoria.

Simon THEWLIS: We are the second-largest population centre in Australia. Yes.

Michael GALEA: Thank you.

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

David DAVIS: Mr Thewlis, thank you for your submission and for your long advocacy for the events sector, which as you indicated goes back a long way. But particularly I want to thank you for the information you provided to the parliamentary committee last year and the assistance that that committee was able to ultimately bring to bear through the ministers. The head of Visit Victoria has told this committee that the decision to cancel the Commonwealth Games has enhanced Victoria's reputation for running events. Is that your view?

Simon THEWLIS: No, it is not.

David DAVIS: You say in your submission:

Suddenly walking away from an event goes against everything that event people and the Event Industry stands for. Can you expand on that?

Simon THEWLIS: Absolutely. The event world is a hard world. You get one chance at what you do. If the show is due to start at 8 o'clock on Friday night, it does not matter what happened between where you started and 8 o'clock on the Friday night – you have to make that event work and work perfectly. Chances are you get the one shot at it. As an industry we are incredibly talented people because we can do that time after time after time, and it is not at all easy to do. You will be hard pressed to find another industry that does that.

David DAVIS: The antithesis of that is pulling the rug from an event.

Simon THEWLIS: It is just not part of our DNA. Our aim is to produce the event. We are not an industry where most people will ever make much money. It is a very tough game. It has huge impacts on family and personal life. But what we all live for is seeing that event work. That is what we are about, and that is why it was so gut-wrenching to see a major project just gone.

David DAVIS: Have you costed the economic impact of that in any way? Is there any evidence in your sector of opportunities drying up because of that?

Simon THEWLIS: We have not done any formal thing on that. As much as anything, for the last year most of us have just been paddling frantically to get our businesses back on line and to get our events across the line. It is really, really hard work, so we have not had the time or energy to do that. But we know, with the roles that our industry has for something like the Commonwealth Games, that the income lost is well into the hundreds of millions of dollars.

David DAVIS: Were you invited to the partnership forum at the MCG in August 2022?

Simon THEWLIS: No.

David DAVIS: Was any reason given for that?

Simon THEWLIS: No.

David DAVIS: It is staggering given the background role your sector would play in any major event.

Simon THEWLIS: The feedback from many people is that there was just nothing.

David DAVIS: In your submission you mention the abuse you and your colleagues received from departmental executives that the industry was not a real industry. You also note that these same executives were seconded to senior roles at the Commonwealth Games, and you have given us the names of those four – the quad, if I can call them that. Were you shocked that they were part of the leadership for the games?

Simon THEWLIS: After what we went through over the previous two years we were not shocked, but we were disappointed because we thought that there was just no hope of the project getting across the line. The skill set was not there, and the attitude and approach was not there. To get large event projects across the line you need the ability to bring people together, to get the best out of people and to learn from people, because no-one knows everything, so from all that we went through – the being talked down to, the never listening – we just thought there was no chance.

David DAVIS: As they moved across from departmental land into the new structures, if I can call them that – the organising committee, the Office of the Commonwealth Games and so forth – would they have been briefing the ministers? How would that information have got to the ministers?

Simon THEWLIS: I do not know the answer to that one. I do not know how involved the ministers were or the quality of what they were briefed. Certainly the quality of what the minister was briefed about our industry was not particularly good, based on what we saw back.

David DAVIS: The same four individuals who were involved in the department in that early business case and the early process of winning the bid in London.

Simon THEWLIS: Visit Victoria came under Dep Sec Andrew Abbott, so they always dealt very, very closely. Obviously there was the initial pitch document, which was in about August–September, which I believe was the one that Melina referred to at the hearing with Visit Victoria, where an ABC report mentioned a document, which would have been that pitch deck, which was the one in which there was the question of whether Gippsland was included or not, and Gippsland certainly was not. That was about August–September is my understanding. At that time Andrew Abbott moved away temporarily from most of his day-to-day duties to work on a special project with Global Victoria. I have never confirmed as to whether that special project was the Commonwealth Games. And then obviously he would be the link that ran the whole way through the process through to running the bid, which was documented in DJPR's org chart back in February 2022, along with Jim Round until they all eventually became part of Victoria 2026 Pty Ltd when that was finally incorporated in early September.

David DAVIS: And is it your view that they cannot be relied upon to give information and solid advice on these sorts of matters to ministers?

Simon THEWLIS: What I would say is that they just did not have the basic understanding of events.

David DAVIS: A number of these individuals are very close to ministers. Are you aware of any of them briefing ministers?

Simon THEWLIS: I am not. That is not really my world.

David DAVIS: Just to go to the business case, you have said that is a flawed document with a bit of fluff. And apparently some senior bureaucrats have not even read it, so that is an interesting point in itself. Can you discuss your views on the risk assessments, resourcing and failure to include the events industry as a stakeholder in consultation for the business case?

Simon THEWLIS: Well, it did surprise me that in the stakeholder management plan in the business case the event industry did not actually get a mention. I would have thought we are a pretty significant stakeholder as we are one of the largest suppliers to the entire show.

David DAVIS: I think that is about all my questions.

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

Jacinta ERMACORA: Hello, Simon.

Simon THEWLIS: Hi.

Jacinta ERMACORA: Thank you very much. Some of this is new to me, and it is not my space, Simon, so if I can I just want to ask some basic questions about Event Pty Ltd. What ownership structure do you have in Event Pty Ltd?

Simon THEWLIS: There is a share, and I own the share.

Jacinta ERMACORA: So are you the sole owner?

Simon THEWLIS: Correct.

Jacinta ERMACORA: So there is not a board.

Simon THEWLIS: There is me.

Jacinta ERMACORA: Right. Okay. Do you have immunity, representation? So you make all the decisions yourself.

Simon THEWLIS: I am a small business. It is my company. I own it. I run it. It is run for profit, although we have not seen one for nearly four years now. Yes.

Jacinta ERMACORA: Thank you. That is so helpful for me. In terms of the events industry, would you describe yourself and Event Pty Ltd as forming part of the events industry? You are not a peak body for the events industry. Again, I am just trying to understand.

Simon THEWLIS: To go back a bit, during COVID a number of us got together to form the Save Victorian Events campaign to represent our industry. That involved about 2000 people from more than 900 businesses to lobby and to work to support each other. Once we got to 2022 we were all just desperate to get on with trying to rescue our own businesses, so that campaign was gradually wound down, and we all went back to getting our own businesses back up and running. I am no different. Today I am sitting here as someone who has worked in the event industry for four decades and is absolutely passionate about it, and as I said to your colleague earlier, with the Save Victorian Events work I saw the absolute trauma and am still very much affected by that, and that is why I am here speaking up, especially because it was the same people who made our lives in the event industry far more difficult than they needed to be during COVID who went on to stuff up the Commonwealth Games. So we have the continuity there.

Jacinta ERMACORA: Ah, okay. There is almost like a retraumatisation for you around that.

Simon THEWLIS: It is just a repeat of the same things, and at the end of the day it is the event industry that suffers. We suffered by the lack of support and lack of listening during COVID, and we suffer now because a great event that should have happened was bailed on.

Jacinta ERMACORA: Under COVID there was the federal government's JobKeeper. The event industry, your business, weren't included in that? I am pretty sure I heard you saying roughly that.

Simon THEWLIS: No, JobKeeper actually was a lifeline for many event industry businesses and kept a lot of event industry businesses afloat for a long time. The main asset for most event industry businesses, whether they are sound or lighting or event management companies or whatever, is their people, and JobKeeper enabled them to keep their people on. People sold their houses, sold their trucks and sold everything to keep their people. When JobKeeper did finally end, that was a real cliff. One production company I know laid off 180 people as soon as JobKeeper finished, so JobKeeper was very helpful for our industry, but I am not sure that it quite relates to the Commonwealth Games.

Jacinta ERMACORA: Sure. I know. I have learned a lot really about the connection between the COVID experience and the games, particularly for you and events, but maybe for some others too.

Simon THEWLIS: If I could just add in –

Jacinta ERMACORA: In the MCG, for instance, and the State Library and NGV, they run events, whether they are little events or really big ones. Would they draw on public and private events expertise?

Simon THEWLIS: Yes.

Jacinta ERMACORA: A mixture?

Simon THEWLIS: In a normal year in Victoria pre COVID there were 120,000 events with a total spend of about \$15 billion. The vast majority of that money is spent in the private sector. Some of that is in the public sector. Some of it is in the not-for-profit sector. I mean, events are a massive part of the not-for-profit sector. Many organisations earn a huge amount of their income for the good work that they do out of events, so you have event people who work like I do with my own company. You have people who work directly for government. You have people who work in-house in corporations. You have people who work in not-for-profits. Then you have all the specialist suppliers, the lighting, the sound, the theming, the content, and so it goes on.

Jacinta ERMACORA: With the staffing, because I imagine with events you have got sometimes a big build-up and then a drop away, what kind of training is done to skill up and keep event staff in the industry?

Simon THEWLIS: That is something that has happened in a less formal way over the years, and it has generally been the older, more experienced people teaching the younger people as they come through. That has been one of our great challenges over the last year or two because a lot of the older people just could not come back again. They had been through so much that they gave up, so we lost a lot really of the skill set of our industry and those people who did do a lot of the training.

Jacinta ERMACORA: And just in the same kind of area, safety is an enormous priority for all staff and employers. What kinds of actions and strategies and training do you propose or encourage in the events industry?

Simon THEWLIS: The big thing for us, and a big change in our industry, because I guess I have seen things go the whole way from a world where OH&S did not exist – we would walk around on lighting trusses and all sorts of things, and that is going back 40 years ago. That changed dramatically, particularly in the early 90s, but probably one of the biggest single changes was when 9/11 happened. At that time I was in the process of opening the New Quay development at Docklands, as well as Federation Square. All of a sudden there was this vastly greater concentration on everything to do with risk management and risk planning and insurance. As far as an industry goes we are used to managing very, very complex risks – it is absolutely ingrained in our DNA. I could talk for a day on this, but I am not quite sure how it relates to the Commonwealth Games.

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

Jacinta ERMACORA: Thank you.

Sarah MANSFIELD: Thank you. And thank you for appearing today and for your detailed submission.

Simon THEWLIS: That is okay.

Sarah MANSFIELD: Just to confirm: to your knowledge there was no-one with major events experience involved in the early planning and the initial concept design, the bidding and the business case for the Commonwealth Games, as far as you know.

Simon THEWLIS: Within DJPR, to my knowledge, no, there was not. There were little bits and pieces the whole way through. I believe with this particular document there was some input from an international company called EKS. There is that, which may have been sourced through I think CGF. With the business case there were some small amounts by some consultants, but having seen the results of the business case, I would suggest that the poor people got very, very little time and very little scope to do much. From my perspective, the key thing is having the people at the top running the whole project having the skills and capabilities to do it. That is really the key thing.

Sarah MANSFIELD: Okay. I guess some might argue that the people who were put in charge did have considerable experience in other areas and had responded to other issues within Victoria. Can you explain what the difference between working in a public health response or in transport or in other aspects of health might be to an event like the Commonwealth Games?

Simon THEWLIS: Look, they are just different worlds. I mean, they are completely different skill sets. If you look at many industries and the different skill sets – an architect has one skill set, the builder has another skill set, an electrician has another skill set and a plumber has another skill set, and so it is in the event industry. There are people who are overall event producers, there are people whose skill set is traffic and transport management and there are the others whose skill set is doing infrastructure overlay – and so it goes through. There are a whole range of really complex skill sets in our industry that many of us have spent decades becoming really, really good at. So for people to come in without any of that background, from scratch – it makes it very, very difficult. It is something we see people try on a pretty regular basis in the event industry. For many people, they will go to an event where everything runs seamlessly and everything runs perfectly and they think, ‘Well, that couldn’t be too hard.’ But there is a huge amount to it.

One of the opening remarks on the 2021 inquiry was from a guy called Howard Freeman, who is probably the original roadie in Australia and has worked on nearly every major act in the world. He will not be on Taylor this time, but I think he was on the last one. He said, ‘When you see four people out on stage, just keep in mind that it will have taken 1000 people to get them there.’ That is the volume of people, and most of those people have very specific skill sets. Unless you have those skill sets and understand what those skill sets are and the reasons for them it would be very, very hard. I mean, I look at it with all of my experience and I look at what the task they had was, and it was a huge task. Imagine trying to do that without the knowledge and experience that I have, which – I was not putting up my hand for it. Absolutely.

Sarah MANSFIELD: Going to that – when you first looked at this concept across a multiregional city event, what are some of the things from an events perspective that stood out for you at the get-go that needed to be considered and that perhaps were not in there in that initial business case?

Simon THEWLIS: Accommodation and transport are two of the really big ones in there. Obviously there are huge numbers of people being moved around. The fact that they were talking about venues that were car free – it is just simple things like where are all the buses going to come from? Where is the huge number of bus drivers even going to come from? We already knew that the beds did not exist to accommodate people. There were a whole bunch of things like that, and some of those things were real problems back in 2006. I mean, in 2006 there were regional components in those main four locations. Chatting with a colleague who managed one of those locations, the big problems they had were accommodation, transport, staffing and catering and the like, but they were dealing with vastly smaller numbers than this was.

Sarah MANSFIELD: Okay. You mentioned that it is really important to have a clear objective when you have an event.

Simon THEWLIS: Absolutely.

Sarah MANSFIELD: We have heard from the government’s perspective that one of the key drivers, if not the key driver, was to deliver infrastructure to regional Victoria. I guess with your events hat on, how does that fit with your idea of having a clear objective? Is that a clear enough objective to deliver an event – delivering infrastructure?

Simon THEWLIS: Look, if that is what it was. If you talk to the Commonwealth Games Australia or CGF, who are two of the other big stakeholders, their key aim was not to deliver infrastructure to regional Victoria. On an event you need all of the stakeholders to be going in the same direction and to remain really, really focused on it. If the aim was to deliver great infrastructure for Victoria, I sort of fail to see how building three swimming pools and knocking down two afterwards or building a velodrome that gets removed afterwards really contributes. If you look at Melbourne 2006, that was an aim there. You can go to many of the Comm Games venues now at the end of the street from the state swimming centre, and they have made a huge contribution to our state. So infrastructure can, but it is having that clear, overriding objective and knowing what the by-products are, what the second-rate benefits are and what your overall purpose and aim is.

Sarah MANSFIELD: In your submission you talked about how there were mixed views within the events industry about the bid in the first place and what this might deliver for an events industry that was really, as you have put it, struggling post COVID.

Simon THEWLIS: Absolutely.

Sarah MANSFIELD: Why were there those mixed views?

Simon THEWLIS: Look, there are multiple views. Most of us who have been in the event industry for a while have gone through two Commonwealth Games and one Olympics in Australia, so we have seen what has happened and what does not happen. When a Commonwealth Games happens some people in the event industry will have a really quiet year, because when you have an event of that scale, it actually crowds out a lot of activity from the market. So some people were not happy because they knew it would cost them money. Others liked it because, yep, they knew they would get more work out of it. But there was another view in there, which was that we are an industry that is coming through this big crisis, and yes, the games would help, but most of that help in real dollars would be in 2025, 2026. At the time the bid was announced most of us were trying to work out how to get through the next three or four months. So to be thinking about three or four years time, it was: 'How do we keep the lights on? How do we keep the house? How do we keep the kids in school' and all of that sort of stuff. That was what the concern in the event industry was. Also a lot of businesses would never be involved with the Commonwealth Games. Yes, it is good for some businesses, but not others. A lot of our industry only ever works on small and medium-sized events or just on community events or not-for-profit events or the like. That is why our hope back then was that it would be things that spread the support much more widely.

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

Tom McINTOSH: Hi, Simon. Thanks for being here today.

Simon THEWLIS: No drama.

Tom McINTOSH: I am hoping to zoom out a little bit first, because traditionally I think Australia has been viewed as the other side of the world to a lot of the world, and I am presuming for the events industry that would be the same. How do you think we perform in the nation, then, as a state compared to other states – you started to touch on it before; Sydney and Melbourne are two of the big ones – as far as getting events to Australia in the first place? I think you have recognised that Melbourne has done for some time quite well, getting those big regular events and one-off events. Can you just give a bit of context to that before I start to drill down a bit more to metro, regional and whatnot?

Simon THEWLIS: Sure. Australian people from events work all around the world. We have an amazing reputation around the world for our ability to get events across the line, and an amazing ability to work and be no-nonsense and make things happen. So as event people we are incredibly well known around the world. Australia has generally been viewed as a good place for events because we have very good people. When people come here, they know that their event will happen. If it is a tour, if it is a business event – whatever – they know when they come to Australia it will be very well supported.

When you look at the next level down by state, obviously the two biggest event industries of Australia have always been Melbourne and Sydney. If you go back to the late 90s, you can absolutely say that Victoria led. Back then we had the Melbourne Major Events Company, which really was quite groundbreaking in the approach that it took to finding and getting across the line events. So that was quite groundbreaking at the time. But obviously a lot has happened since then. If you look at the event industry now, most of the largest and leading event companies are based in Sydney. A lot of the most senior jobs in the event industry are based in Sydney. So a huge amount of the activity is based around Sydney nowadays. An example of that was South by Southwest. I am not sure if you are aware of South by Southwest. It started as the main music industry conference in Austin, Texas. Some of my music buddies used to go there from the early 90s. But it has grown into being one of the big tech creativity conferences in the world. Sydney did what I think Victoria would have done 20 years ago, which was manage to successfully be the only city in the world to have ever got a South by Southwest out of Austin, Texas. That was a huge coup. If you look at where a lot of the activity in our industry now is, yes, New South Wales leads at this point.

Tom McINTOSH: How much does it lead by, do you think? What are the figures around that?

Simon THEWLIS: Again, it is how you divvy up the metrics – it is hard to tell. But if you look down a list of who all the biggest and leading event companies are, probably three-quarters of them are based out of Sydney nowadays.

Tom McINTOSH: As you said earlier, though, Australians work all around the world and all around the country, so where they are based is not necessarily about where the work is done. As you said earlier, it could be –

Simon THEWLIS: Yes, it is a good point and it is a really interesting point, and it is one we did a bit of work on at the 2021 inquiry. If you look at where the economic benefit comes from for events, it happens in two places: one is where the event is held, and the second is where the event is created and managed from. You will have some events which I have seen where they will be planned in Sydney and delivered in Melbourne, which means in Melbourne you will have the crew and you will have the catering staff and all those lower-skilled things, but in Sydney you will have the whole creative team, the management team and all of the value adding and the higher margin activities. So it is actually really important where the event is organised from because half of the economic benefit from an event, particularly on business events, can actually be happening in the place the event is organised from as opposed to where the event is actually happening.

Tom McINTOSH: Why do you think event organisers from Sydney are winning those contracts over your colleagues based here in Melbourne? Given these events can be held anywhere – we all like to envision ourselves on a laptop in Bali doing our work from there; if only we could – and given the work can be done remotely, why do you think your colleagues are not winning those contracts?

Simon THEWLIS: It is not that we are not winning contracts, it is just that the largest event companies are based in Sydney now so that is where a lot of the work comes from.

Tom McINTOSH: But you said the work could be anywhere and they work remotely. It is just that those companies have chosen to set themselves up in Sydney.

Simon THEWLIS: Again, in the event industry quite a bit is done remotely, like many businesses, but quite a bit is done in offices. So if it is a Sydney-based company, quite a lot of their staff will still be based out of Sydney – absolutely.

Tom McINTOSH: Okay. As you said before, for every four on stage are a thousand in the background.

Simon THEWLIS: Absolutely.

Tom McINTOSH: 950, for example, might be based wherever the event is. I understand – I have got a good mate who worked in events, and during COVID he was doing rigging, so he went back to construction. I worked construction for 10 years. You know, there are no guarantees. We have been lucky – we have had 20, 30 years of unimpeded economic growth, and construction has been a good industry, but traditionally there are no guarantees about where you are working. People do a lot of travel, and I can see that similarity in events.

Simon THEWLIS: Absolutely.

Tom McINTOSH: Does the industry, for workers, to support them – I was fortunate with portable long service leave, portable redundancy, that sort of thing. Is that in place for workers, to smooth out the peaks and troughs of just the very expected nature of the industry?

Simon THEWLIS: Look, on the first point, we lost a lot of riggers to construction. A lot did not come back because they just could not compete with –

Tom McINTOSH: The money, yes.

Simon THEWLIS: the dollars in construction. Look, I guess our industry is structured a little bit differently to some. I mean, there are many people who work as sole traders or freelancers, and there are people with a lot of the high skill sets. These are not people who are down at base award rates; I mean, many of them will be the ones who are charging \$80 to \$120 to \$200 an hour. They are the highly skilled people.

Tom McINTOSH: The ones who are living on the bay in Sydney. Sorry, that was a joke.

Simon THEWLIS: I guess to answer your question, there are a number of different models there, but there are a lot of freelancers who have done very, very well out of our industry. There are others who work directly for companies, and I guess our industry is renowned for people staying with the companies they work for for a long time.

Tom McINTOSH: Yes, good. So they have got that.

Simon THEWLIS: Absolutely. For most businesses their people are their biggest single asset, so they are revered, and that was a lot of the heartbreak during COVID. A mate of mine runs one of the big rigging companies, and when he had to let nearly everyone go, I mean, that was just so crushing for everyone.

Tom McINTOSH: Yes, fortunately we have had other construction. I have got a few other questions. I will leave that for after, perhaps, given I am out of time.

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

Melina BATH: Thank you, Chair, and thank you very much, Mr Thewlis, for being here today and sharing your 40 years of experience with us.

Simon THEWLIS: That is okay.

Melina BATH: Do you have any propositions to put to us today where things could have been done differently for the Commonwealth Games and run out a successful venture?

Simon THEWLIS: Yes, look, I think the way I explained it most simply was that if a team had been put in place at the very beginning, so towards sort of September, October 2021, that had the level of experience of the team for Melbourne 2006, we would be in a very different place today, and I would suggest that if that had happened, we would be well down the path of having a Commonwealth Games in Victoria. I do not think it all would have been in regional Victoria, but we would be well down the path.

Melina BATH: Right.

Simon THEWLIS: And again, that was having people with really serious experience involved at that foundational stage when the whole structure of the project was worked out, because unless you have those people, you end up with a thing that is sort of impossible.

Melina BATH: Thank you. Yes indeed. And we have heard today from Mr Phillips from the CGA that they had proposed alternatives but that they were rejected by the Victorian government. When do you think the Victorian government made up its mind that it was going to be cancelled? When do you think they did? When was your indication that you thought that it was going to be cancelled?

Simon THEWLIS: Look, the word around the industry in about February was that there were serious budget problems –

Melina BATH: Budgetary problems, sure.

Simon THEWLIS: but I cannot say that any of us got a tip-off about what was going to happen until the day it did happen.

Melina BATH: Thank you.

Simon THEWLIS: The one thing I would add is I do not think any of us thought that the government would walk away from it.

Melina BATH: It would cancel it in its entirety.

Simon THEWLIS: Correct. That was sort of just unimaginable in our industry – that Victoria, the events state, would walk away from an event.

Melina BATH: And the loss associated with that.

David DAVIS: The biggest event in a long time in fact.

Melina BATH: Yes. You mentioned earlier, ‘Me appearing here today will pay a high price.’ Can you expand on that? Because that is quite concerning. Do you feel like it is your safety or your financial outcomes? What does that mean?

Simon THEWLIS: A lot happens in our industry by word of mouth. There are recommendations to use someone, there are recommendations to not use someone, and this certainly will not help in my world, that is for sure.

Melina BATH: Well, it is brave of you to speak about it, and we thank you for sharing your insights. In relation to page 14 of your submission, you said:

The tender documents clearly showed that those who had written the documents had little idea of what they needed or wanted. Can you expand on that or explain some of the context around that?

Simon THEWLIS: That was with reference to the tender for the opening and closing ceremonies. It was just looking through that, and when they were talking about the aims of it and what it was about and everything, it just seemed to have so little detail and so little direction. I mean, I have read many creative briefs for many events, and you just looked at that and you thought, ‘Golly, these people actually have no idea what they’re trying to do.’

Melina BATH: Do you think in relation to those tender documents there was feedback from industry to government, like, ‘What are you doing here?’ – or was it not their position to say that?

Simon THEWLIS: Look, that was at the beginning of a tender process, so I would think that everyone who replied to that who actually wanted to win it probably went through the motions. The first step of that process was the beauty contest, and saying ‘Why I am wonderful, why I should be chosen’, and everyone is always really nervous about giving feedback, because honesty –

Melina BATH: You might be cut out of the beauty contest.

Simon THEWLIS: Absolutely. Honesty is not necessarily rewarded all of the time.

Melina BATH: Thank you. Has anybody made comment to you that you feel that you can describe to us about those tenders for the opening and closing of the games? Is there something that you could draw upon or talk in generalities about to further explain that?

Simon THEWLIS: It was more just people saying, ‘Golly, what are they really trying to achieve here?’ And again, when it is things like openings and closings, I mean, yes, there is a creative brief. Yes, we have all seen lots of creative briefs, and that was a pretty thin one.

Melina BATH: Sure.

Simon THEWLIS: When you consider that that would have ended up being a \$60 million or \$70 million project, you would expect – and it is not just that it was a \$60 million or \$70 million project; the opening ceremony sets the tone for the whole thing. Getting the opening ceremony right is absolutely critical, because that is the big moment. That is the moment which is most watched. So when you are setting the agenda and tone and message for the whole games, that is where it starts, so you would expect that that document would have told a lot more about where they wanted the event to be going.

Melina BATH: Sure. Thank you. You mentioned in reference the 2019 report into the Comm Games, the 2030 Greater Victoria Commonwealth Games feasibility study report.

Simon THEWLIS: Correct.

Melina BATH: Was that available to every government department and any government member?

Simon THEWLIS: I guess I only became aware of that report after the games had been cancelled.

Melina BATH: Right. I am not aware of it, but I am interested to see your opinion of that document – whether, had government read that, there would have been some key directives for them to put forward a better business case.

Simon THEWLIS: Look, the biggest alarm bell in that document was about accommodation. Its estimate was that 42,000 beds would be required, and that was very simply done. It was based on there being 70,000 people on the Gold Coast Commonwealth Games who had accreditation, and that approximately 60,000 of those people on a Victorian regional games would need some accommodation, therefore 42,000 of them, and from their research from the regions involved, there was nowhere near that many beds available.

Melina BATH: It was undercooked.

Simon THEWLIS: Which I understand is one of the reasons why they had recommended not doing the Comm Games in regional Victoria till at least 2034.

Melina BATH: Thank you. You and your industry certainly have had it tough, and the previous report and your commentary highlight that, post COVID. Can you just very briefly explain the difference between, for example, New South Wales' COVID response and Victoria's COVID response in terms of industry continuation?

Simon THEWLIS: Yes. Obviously, we had the toughest restrictions and the longest lockdowns in Victoria, which meant that the impact was harsher on our industry than every other industry. That being said though, the Victorian and New South Wales industries are so closely related that what was happening in Victoria was having a significant impact on the New South Wales industry as well. It was not universal around the country. One of my colleagues owned an event company that had operations in both Melbourne and Perth, and in Perth they did a record year during COVID, and it was the only thing that kept their Melbourne operation alive.

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

Rikkie-Lee TYRRELL: Thank you, Chair. The joys of being last to question all the time – I had six questions, now I am down to one. This one is straight to the point: being a professional in the events industry who would you name as the key contributors to this failed Commonwealth Games event?

Simon THEWLIS: Look, at the end of the day this started with DJPR and Visit Victoria and the senior few people who run each of those, and it was the same few people the whole way through this project. So if you look at DJPR, it was the deputy secretary. No doubt the secretary was very closely involved, because he always was, and the other deputy secretary. They were involved from 2021 right through to the event falling over, so there were those common people the whole way through. That being said though, there are probably bigger things at play as well. How can you have a government department that allowed this to happen? And maybe it is a case of looking back at super departments like DJPR, or DJSIR, where you have an organisational structure that is wider than a senate ballot paper and you have all these massive areas that report to a secretary who then in turn reports to six or seven or eight or however many ministers, meaning that the departments do not really report that much to the minister. They are trying to do lots of things, and they seem to do none of them in the cases that I have dealt with – obviously event industry response during COVID is an example, and the Comm Games is another. But they do not seem to be able to do any of those well. At the same time, when they need advice they seem to go to the big four consulting firms. I mean, when you read through that list of, what was it, \$10.8 million for consultants, yes, you have got the big four or five – because they had McKinsey in as well – but you look down and where is the specialist event industry advice in that? Yet they spent \$49,000 on a sports marketing firm to look at the live sites, but there is not much more in that. So I think there are some structural things in the way the government works, where we have a super department which is meant to do a lot of things but does not really do anything particularly well. But in this case that absolutely lies with the top few people in that department.

Rikkie-Lee TYRRELL: Thank you, that is it from me.

The CHAIR: Okay. Thank you, Mrs Tyrrell. We have got a few moments left. I know that Ms Bath had a question anyway.

Melina BATH: Thank you. Thanks very much, Chair. You are events Victoria. You have got your own logo there for it; it is ready to go. We are going to write a recommendation. You have got the floor. What is your recommendation for this committee to provide government with?

Simon THEWLIS: Look, it is actually the same recommendation we made back in April 2021, which is: a dedicated events Victoria unit which is staffed by people with serious event industry experience which has a mandate to develop a proper event strategy for Victoria and not just for major events. Major events are just 5 per cent of our industry in economic terms, and if you look at the community benefit of events, it is probably just 5 per cent as well. So it is a group that can actually develop a proper modern strategy for events for Victoria. I mean, there is a lot of talk about people wanting us to be the event state and things. We cannot do that if we are using the same strategy that worked in the 1990s. The world has moved on. So we have said a dedicated unit with real people to have a real, proper strategy for Victoria as an event place, to develop our industry, to help promote our industry, keeping in mind that we are an industry that exports our products all around Australia and some around the world. I mean, if you listened to the Tokyo Olympics, well, the sound there was done by a company out of Melbourne.

Melina BATH: And to recognise business events as a real type of event.

Simon THEWLIS: Well, to recognise all events. Business events are really important. Community events are really important, and where do they sit in government policy at the moment? Nowhere in particular – I mean, business events, the only thing that is really considered is traditional conferences and traditional exhibitions that come from interstate, where there are so many other types of events that they could be looking at. And it is also looking at how we develop existing events. It is great to be looking at bringing in new ones but look at some of the good events that we have and what with a little bit of help or support could be done for them to grow. Again, it could be a really good regional festival or another community event. With just that extra little bit of support, maybe an extra little bit of expertise they could move up to that next level and make an even greater contribution to their local community. So it is taking a holistic approach to Victoria really being an event state.

The CHAIR: I will let Mr McIntosh ask a question, and then I will come back to you if there is time.
Mr McIntosh.

Tom McINTOSH: Sorry, I did not get through all my questions earlier. Where I was going to get to, and I did not, was around regional events. You talked about some doing really well; some had challenges. We have got \$150 million in the accommodation fund to hopefully take accommodation stresses off, and we have got free TAFE courses. We talked before about electricians, builders, plumbers and hospitality and the variety of everything that feeds in, so it would be good if you could just touch on the regional events a little bit and those pressures on the localised workforce and how those things might be helping.

Simon THEWLIS: I mean, regional events have done it tough because of the pressures that I have already mentioned but also because a lot of them are owned locally. So when they face a loss, it is not a corporation facing a loss, it is a person or a small business facing a loss. When they have to cancel at the last minute, it might just be their house. That is when we really should be looking at what we can be doing to help fund regional events, to help them get through the next little while, to grow them and just to value what they do for Victoria. I mean, when I hear of a regional event fund of \$1 million or \$2 million, that does not seem to be very much spread across Victoria at all. I think for the role that they play in communities, where they bring a whole community together, they absolutely deserve significantly more support. Similarly, on training, yes, there is a lot more that can be done to help the process of training the next generation of people in our industry.

The CHAIR: Thank you, and just very briefly, Ms Bath, I believe you had another question.

Melina BATH: It was really following on from that same conversation. You know, we heard Visit Victoria espousing a really fantastic venture in South Gippsland, and we have just read this week that it cannot run. It is not able to run. There are too many hurdles, and volunteerism is very much a challenge. So sometimes it is those small government grants that can actually assist in that workforce in whatever capacity. We can all, who live in the country, attest to the most wonderful ways of connecting city to country and the spirit as well, so thank you.

Simon THEWLIS: Sorry, was that a question?

Melina BATH: I guess the question is: have you got an idea around those grant packages or that small support, including anything to do with volunteering?

Simon THEWLIS: Yes, look, volunteering is a huge challenge. A lot of people have more on their plate to deal with in life, so volunteering has dropped off, which means that people are having to spend more money to replace them. But it is looking at ways that there can just be more support for local events. I mean, I hear of some regional events, and they may have a budget of \$50,000 or \$60,000. They do amazing things with that because they go and find the money from all other places to get that across the line, and just that \$10,000 or \$20,000 or whatever would help them have that certainty as they get through what are still pretty challenging times.

The CHAIR: That is all the time we have today. Thank you very much, Mr Thewlis, for appearing today and especially your submission, which was extremely detailed. I am sure it will be helpful in our deliberations. You will receive a copy of the transcript for review in about a week, and the committee will now adjourn until 2:40.

Witness withdrew.