

# **TRANSCRIPT**

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

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

Melbourne – Tuesday 5 December 2023

#### **MEMBERS**

David Limbrick – Chair

Joe McCracken – Deputy Chair

Melina Bath

David Davis

Jacinta Ermacora

Michael Galea

Sarah Mansfield

Tom McIntosh

Rikkie-Lee Tyrrell

**WITNESSES**

Tim Ada, Secretary,

Heather Ridley, Deputy Secretary, Corporate Services, and

Peter Betson, Deputy Secretary, Sport and Experience Economy, Department of Jobs, Skills, Industry and Regions.

**The CHAIR:** Welcome. We will now resume the committee's public hearings for the Inquiry into the 2026 Commonwealth Games Bid.

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, and 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.

**Tim ADA:** Thanks, Chair. Tim Ada, Department of Jobs, Skills, Industry and Regions.

**Heather RIDLEY:** Heather Ridley, Deputy Secretary, Corporate Services, Department of Jobs, Skills, Industry and Regions.

**Peter BETSON:** Peter Betson, Deputy Secretary, Sport and Experience Economy.

**The CHAIR:** Thank you. We probably do not need to introduce the committee again, as you have already been here. Thank you very much for coming again today. I know you already made a statement at the last hearing. Is there anything further you would like to say before we start today.

**Tim ADA:** There are a small number of things, Chair, if that is okay.

**The CHAIR:** Certainly – please.

**Tim ADA:** Thank you, Chair. Good afternoon to members of the committee. I begin this brief opening statement to the inquiry by acknowledging the Wurundjeri people, the traditional owners of the land on which we are gathering this afternoon, and pay my respects to their elders past and present. I would also like to pay my respects to any other Aboriginal and Torres Strait Islander people that may be joining us today.

I am conscious that I made a lengthy opening statement last time I appeared before the committee and today will only make a couple of brief opening points. Like I did last time, I would like to reiterate that I am here to assist the committee to the greatest extent possible insofar as sharing information that I am permitted to by government. However, there may be some matters which you ask me about which are subject to executive privilege and I will therefore be unable to answer. This includes, amongst other things, matters revealing cabinet or high-level confidential deliberative processes of the Victorian government or that may be damaging to the state's commercial interests.

I would also like to briefly refer to the summons for documents that I received from this committee on 8 November this year. The summons related to the production of documents in relation to the briefing of a Victorian government minister or ministers. The summons outlined that these documents were to be provided to the committee by 5 pm on 30 November. Since receiving the summons, the department worked diligently to collate and review papers and documents, mindful of the time line set by the select committee. When it became apparent that the department would not meet the deadline last week set out in the summons, we sought an extension based on an understanding the government was still considering the application of executive

privilege. Last night the department received approval from the government to release to the committee about 200 documents in response to the summons following the government's decision in relation to its assertion of executive privilege. The department delivered these documents to the committee secretariat earlier today. The Premier stated her intention for the government to assert executive privilege over certain information in her letter to this committee on 7 October this year. The department worked to respond to the summons as soon as it practically could, noting there were approval processes that we had to follow as set out in the government's guideline for appearing before and producing documents to Victorian inquiries.

Thanks for allowing me, Chair, to provide a couple of brief opening remarks this afternoon.

**The CHAIR:** No worries. Thank you, Mr Ada, and thank you for your work in providing those documents. Obviously no-one here has had the chance to go through them yet, but I am sure we will in due course. There are a number of things that have happened since you last appeared that I think people on the committee wanted to follow up on, and I am sure other members will have things that they want to ask you about. The thing that I would like to start with is a few weeks ago there was a report in the newspaper about a number of employees on what they called gardening leave, and it was not clear exactly what the situation was there from the media report. The implication was that there were a number of staff effectively being paid for not doing much. I wonder if you could outline exactly what was going on there and what the current situation is here.

**Tim ADA:** Thank you, Chair, very happy to. Just at the outset I want to say that no former Office of the Commonwealth Games staff have been placed on gardening leave. All former Office of the Commonwealth Games staff that are still employed by the department have continued to deliver on priority work, so I just want to make that really clear at the outset.

**The CHAIR:** So you are saying that that report was incorrect.

**Tim ADA:** That is right. Those staff remaining in the employ of the department who were members of the former Office of the Commonwealth Games were not on gardening leave.

**The CHAIR:** So they have been redeployed.

**Tim ADA:** They have. They have been realigned. I think last time I was here, Mr Limbrick, I made the point that we moved reasonably quickly to mobilise former Office of the Commonwealth Games staff to other priority areas of the department, principally the early mobilisation of the government's regional package, and that has remained the case. In the weeks following, very soon after the government's decision that they announced on 18 July, there were about 94 staff employed in the Office of the Commonwealth Games. As of 28 November, 47 individuals remained who were former members of the Office of the Commonwealth Games, and by definition 47 members no longer work on matters related to the Commonwealth Games or the regional package and either have chosen to leave the department for other opportunities or, a small number, have been seconded to other parts of the department. That is the current state, and in mid-October, Chair, I announced, like several, many, all other secretaries have had to announce, a workforce change proposal, principally to acquit the savings that the government has asked the public service to find over the course of the coming year. I announced a workforce transition proposal that we have just concluded consultation on. Final alternative proposals from staff and members of the union were due on Friday, and now management is working through those alternative proposals. But I would just say as part of that change proposal that staff, former members of the Office of the Commonwealth Games, are proposed not to have a position in the structure beyond this consultation process, Chair, and that reflects the fact that we are a smaller organisation moving forward.

**The CHAIR:** Thank you for that. Could you just elaborate on what you mean by that – so those former staff that have been redeployed will no longer be working? I am not quite sure I caught exactly what you implied there.

**Tim ADA:** Through what is called a clause 11 process under the Victorian Public Service Enterprise Agreement we have been formally consulting with our team in the organisation and the CPSU. Staff and the union have the opportunity to put forward alternative proposals. They were due on Friday. We are now in a period of assessing those, and once we get through that I hope to be in a position before Christmas to announce the final structure of the department. As the workforce change proposal pertains to staff of the former Office of the Commonwealth Games, those roles do not feature in the proposed structure of the organisation moving forward, which means that they, subject to the final structure that we announce, have the opportunity to apply

for new roles that we might advertise or choose to leave the organisation. But I do just want to come back to the first point that I made – that all former Office of the Commonwealth Games staff have been absolutely gainfully employed in the organisation, principally focused on mobilisation of the government’s regional package.

**The CHAIR:** Understood. Thank you. With the workforce changes that you are talking about within the department, one would think that if you were committed to making savings within the workforce, it would be on top of those Commonwealth Games staff, because they have gone away for a different reason. So this is on top of that.

**Tim ADA:** Yes, it is. The change proposal that I announced in October and which we have been consulting on would see, if it was implemented in that manner, a net reduction of about 220 roles in the organisation, a subset of which is related to staff of the former Office of the Commonwealth Games. So it is, to your question, a subset of a more significant reduction, and as I said, principally related to the achievement of savings that the government has asked the public service to find.

**The CHAIR:** All right. Thank you very much, Mr Ada. I will pass to Mr McCracken.

**Joe McCracken:** Thanks very much again for appearing. I will ask this as I think I did the last time as well, but have you had any contact with the minister, ministerial office, Premier’s private office or anyone else in preparation for today’s hearing?

**Tim ADA:** Mr McCracken, I have told the relevant ministers in my department that I have been asked to appear today. I have not spoken to them or consulted them on matters of content, but I have, like last time, shared various documents as I have been requested to by the Department of Premier and Cabinet, for reasons that they have been coordinating the government’s assessment of the executive privilege and other things. So that is what I have done, the same process as the last time I was here.

**Joe McCracken:** And I guess the same applies to Peter and Heather as well. The same?

**Heather RIDLEY:** Yes.

**Peter BETSON:** Yes, the same.

**Joe McCracken:** Okay. So, Secretary, if I can come to your testimony at PAEC, which was 23 November, where you were questioned about the failure to inform one of your portfolio ministers on the cancellation of the Commonwealth Games. When questioned about why you did not inform Minister Shing, you said, and this is a direct quote:

... because I was told very clearly by the Secretary of the department of Premier –  
and cabinet –

that that was not something I was allowed to divulge.

What do you recall about that conversation with Secretary Moule?

**Tim ADA:** So as I said at PAEC, when I was apprised by the secretary of DPC on around the 19th – I have shared that testimony previously here with the committee – he informed me that Minister Shing would be told by the Premier or a senior member of the government, and that that was the direction that he had received from the Premier. I understand that the *Public Administration Act* requires a person in my role to advise ministers on matters related to the department, but I would also note that the obligations set out in section 13 of the Act do not operate in isolation. Rather, it operates alongside other duties which bind secretaries, including the terms of their employment contract and the Victorian Public Sector Commission’s *Secretaries Guide for Informing and Advising Ministers*. Under the terms of my employment contract as set out in the VPSC *Secretaries Guide for Informing and Advising Ministers*, I am subject to separate duties to obey lawful and reasonable directions made by the Premier. These duties operate alongside my duties under section 13 of the *Public Administration Act*.

**Joe McCracken:** So do you think it was lawful and particularly reasonable that you did not tell your own minister?

**Tim ADA:** In this context –

**Joe McCracken:** Because that is what you just said.

**Tim ADA:** In the context that I have just shared, Mr McCracken, there are a number of factors which led me to believe it was reasonable not to disclose the information to Minister Shing. I was not withholding information from the government. The government already had the confidential information. The subject matter of the submission which the options advice related to was being led by Minister Allan and not Minister Shing. Importantly – crucially – I understood that Minister Shing would be told around the same time I would be by the Premier or a senior member of the government about the government moving to assess its options. And yes, I did consider it a lawful and reasonable direction provided to me.

**Joe McCracken:** So you thought it was all just fine. You just went along with it?

**Tim ADA:** I made comments at PAEC, Mr McCracken, where I said that my usual modus operandi as Secretary of the department since I started in late March is to keep my ministers fully briefed, but I was aware of the requirements under my employment contract and the VPSC guidance. My employment contract is with the Premier of Victoria, and the terms of my employment contract, as I have just said, require me to obey lawful and reasonable directions provided by the Premier. So it was in that context.

**Joe McCracken:** Mr Moule is not the Premier.

**Tim ADA:** No, he is not. He is the head of the public service, and it was put to me that he was informing me as he was informed by the Premier.

**Joe McCracken:** Did you push back?

**Tim ADA:** I remember seeking assurance that Minister Shing would be told by the government, and I assumed, Mr McCracken, that that would be happening contemporaneously with me being told. I mentioned at PAEC that I do not know why it took some days for Minister Shing to be told, but I left that conversation assuming that she would be told around the same time as I was being told.

**Joe McCracken:** It is a pretty awkward position that you were put in, to be honest. Did you raise those concerns with anyone?

**Tim ADA:** Did I raise those concerns with anyone? Well, I spoke to Mr Moule at the time, and –

**Joe McCracken:** What was his response?

**Tim ADA:** He made it clear that that was a direction that was provided to him and that he was providing to me.

**Joe McCracken:** Was that in writing or just verbally?

**Tim ADA:** Pardon?

**Joe McCracken:** Was that in writing or verbally?

**Tim ADA:** It was a phone conversation, Mr McCracken, yes.

**Joe McCracken:** Okay.

**Tim ADA:** But I would make the point that Mr Moule is the head of the public service, and I take that seriously. I needed to assume, Mr McCracken, that he was conveying the direction that was provided to him by the Premier, and I took comfort from the fact that I was told, as part of that conversation, Minister Shing would be told in parallel with me being told.

**Joe McCracken:** So they told you that Minister Shing was going to be told – at any particular date or just sometime in the future?

**Tim ADA:** I had assumed from the conversation that it would be contemporaneously with me being told. So whether it was that hour – I had assumed from the conversation that it would be in parallel.

**Joe McCracken:** Were you given an assurance that that was the case from Secretary Moule?

**Tim ADA:** Well, I was told that Minister Shing – and I sought assurance that Minister Shing would be told.

**Joe McCracken:** So you did get assurance then.

**Tim ADA:** Well, that was part of the conversation. I confirmed with Mr Moule that Minister Shing would be told, and I had assumed from that conversation that it would be broadly in parallel with me being told.

**Joe McCracken:** I mean, we had Ms Shing in here and we asked her a lot of these different questions, and she was told I think eight days later.

**Tim ADA:** I understand her testimony might have suggested it was 22 June, which would make it about three days after I was told by the secretary of DPC.

**David Davis:** We are missing three days.

**The Chair:** Thank you.

**Joe McCracken:** Is that my time?

**The Chair:** It is, but we might have more time later. Ms Ermacora.

**Jacinta Ermacora:** Thank you, Chair, and hello. When the former Premier announced that the games were not going ahead, at the same time there was a \$2 billion regional package announced, including housing, sporting and other categories as well. So what specific aspects of the regional package are your department responsible for?

**Tim ADA:** Thanks for the question, Ms Ermacora. The Department of Jobs, Skills, Industry and Regions and a number of our ministers are responsible for all elements of the regional package, with the exception of the \$1 billion Regional Housing Fund, which is the responsibility of the Minister for Housing and her department, and we have been working conscientiously in the organisation to support a number of our ministers with those specific accountabilities. Indeed just in the last few weeks a number of programmatic elements of the package have been announced by a number of our ministers, and we continue to work hard supporting the finalisation of a number of other elements of the package. So yes, we are responsible for half the spend but the vast majority of the elements of the regional package.

**Jacinta Ermacora:** Very good. Are staff who were working on Comm Games related work continuing with the department to deliver that regional package? I think you mentioned that before.

**Tim ADA:** I did, yes. Within a week or two of the government's decision the lion's share of the team members of the former Office of the Commonwealth Games were mobilised to our sports and experience economy group and our regional suburban development group, who had carriage for the elements of the regional package, and a small number of staff stayed working in a small transition team that now are working in the corporate services group in support of the department's representation in this inquiry and participation in VAGO's audit and those sorts of things. So yes, the team was mobilised quickly, and I am very grateful for the resilience and the hard work that they have exhibited over the last few months in contributing to that work, Ms Ermacora.

**Jacinta Ermacora:** Thank you. So as has been said before, the central reason for Victoria taking on the games was to deliver lasting benefits in housing, tourism and sporting infrastructure in regional Victoria, and I note that part of the \$150 million Regional Tourism and Events Fund is going to be included in that. So can you elaborate on the types of tourism events in regional Victoria that will benefit?

**Tim ADA:** I might ask Mr Betson to answer your question, if that is okay.

**Jacinta Ermacora:** Sure. Thank you.

**Peter BETSON:** The announced \$150 million Regional Tourism and Events Fund comprises infrastructure components and event components as well as industry development components. In terms of the infrastructure benefits, we know that tourism infrastructure drives increased visitation in regional Victoria in particular, and the challenge we have to support regional tourism often is about the infrastructure – to promote people to travel to regional Victoria and stay longer and therefore spend more and enjoy their experiences with quality experiences and quality accommodation. So the regional tourism infrastructure component of that will help drive increased investment partnered with industry in relation to regional tourism infrastructure.

Other components relate to events and attracting high-class events to regional Victoria. Those events drive, again, visitation, so they have a reason to go, they have somewhere to stay, they have a really good experience when they are there and they stay longer. So regional events are a significant component as well as some funding for industry development, which supports workforce and capacity building of the regional tourism workforce. Those components will be rolled out as endorsed and approved by government, and we look forward to that and the outcomes.

**Jacinta ERMACORA:** Thank you. In relation to the sporting infrastructure, how will that play out?

**Tim ADA:** Do you want to –

**Peter BETSON:** Yes.

**Jacinta ERMACORA:** Thank you.

**Peter BETSON:** There are two elements there. One is the regional sporting infrastructure program that relates to the competition venues that will still be delivered in legacy mode as committed to by the government publicly recently. We have engaged with local council and tenants in relation to those venues to adjust the planning and delivery to reflect the legacy mode as committed to by government and also reflecting the desires of those local sporting tenants et cetera. So that program is being developed to be rolled out and delivered and for those venues to be delivered in legacy mode. Another part of the program is in relation to the regional community sport program, which is \$100 million for a regional community sport program and all-abilities program. A key component of that will be community sport infrastructure programs. The Minister for Community Sport made some announcements today in relation to that.

**Jacinta ERMACORA:** Fantastic. Thank you.

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

**David DAVIS:** Mr Ada, I just want to come back to where my colleague finished. We have established that there was three days in that period from when you were told to when Ms Shing apparently found out about the decision to cancel the Commonwealth Games, and I just want to go back. When you were told, were you told that the games were being cancelled, or were you told that it was being kind of investigated in the more fluffy words that we heard the other day from you?

**Tim ADA:** What I was told – and I think this is what I said last time I was before the committee, Mr Davis – was that the government was moving to assess its options, which included seeking some legal advice, but very clearly at that time the government had not made a decision. But that is what I was told on that day – that it was moving to assess its options.

**David DAVIS:** And did you speak to Mr Moule in those three days subsequently? Just the first day you were told and then –

**Tim ADA:** I would have to take that question on notice. I talk to him regularly, but not daily.

**David DAVIS:** Can you please tell us and indicate as to whether the Commonwealth Games cancellation was talked about in that three-day period? And did you talk to Jacinta Allan in that three-day period, the Deputy Premier at the time?

**Tim ADA:** Can I take that question on notice?

**David DAVIS:** Thank you.

**Tim ADA:** It is possible that I did, but can I take that question on notice as well?

**David DAVIS:** Thank you. And I should ask Mr Betson: when were you informed about the cancellation?

**Peter BETSON:** I was informed about the cancellation from Mr Ada.

**David DAVIS:** On the 19th?

**Peter BETSON:** The night before the cancellation.

**David DAVIS:** So that is later – much later.

**Tim ADA:** 17 July, yes.

**Heather RIDLEY:** I was not with the department at the time, so I was unaware.

**David DAVIS:** Of course. That is fair. I just want to come back your reference to the guidelines for secretaries and the issue of accountability. You quoted some parts of the VPSC secretaries guide. Another part says:

The line of accountability under the Victorian system of government links from Secretaries, to the Minister, to Parliament, to the community:

- Secretaries are accountable to the Minister for their departmental responsibilities
- the Minister is accountable to Parliament ...

and so forth.

#### **Informing and advising Ministers**

Secretaries are legally obliged under the PAA to provide full information and frank and impartial advice in all matters ... This supports Ministers to make decisions, ensure their agenda is being implemented, and account to Parliament ...

and so forth. It goes on:

... discussions should:

- identify matters of interest to the Minister
- emphasise the Secretary's obligation to inform and advise the Minister
- establish agreed reporting requirements ...

... Matters of significance will include, for example:

...

- the emergence of a new significant risk or an adverse change to an existing significant risk

I would put to you that the proposed cancellation of the Commonwealth Games fits into that category squarely, and you should have advised the minister.

**Tim ADA:** Again, Mr Davis, I do not want to be semantic, but it was not the proposed cancellation, it was moving to the options – to assess the government's options.

**David DAVIS:** Either way.

**Tim ADA:** I am well aware, and as I said before, Mr Davis, I take very seriously my obligations to keep the ministers that are attached to my department, of which there are many, well briefed. This, I think, has been the only time that I have had a conversation like the one that I had, but I was acutely aware of my obligations under my employment contract. Again, without wanting to quote parts of the guide that you were just referring to –

**David DAVIS:** So there is no other instance where you withheld information of this type.

**Tim ADA:** Not that I am aware of. Indeed, I would remember it, I think, Mr Davis, if there was. But again, without wanting to quote the guide, there is an important reference there that under the employment contract



with the Premier of Victoria, a secretary is also subject to a duty to obey any lawful and reasonable directions made by the Premier.

**David DAVIS:** Yes, but you did not actually have that in writing from the Premier, it seems.

**Tim ADA:** I did not have that in writing, no.

**David DAVIS:** You did not actually have that from the Premier, you had it indirectly.

**Tim ADA:** It was conveyed to me by the head of the public service, which is the head of the Premier's department, and it was put to me that it was on the direction of the Premier. My employment contract, Mr Davis, again without wanting to labour the point, is fairly clear also about my obligations. A copy, if it is of interest to the committee, of the standard executive employment contract is on the VPSC website.

**David DAVIS:** Have you spoken about this matter to Ms Shing?

**Tim ADA:** Not specifically, no.

**David DAVIS:** She did not ask about the fact that she was hoodwinked or held in the dark?

**Tim ADA:** Minister Shing is no longer a minister attached to my department, so I do not have a great deal to do with Minister Shing. But of course, she was a minister attached to my department for a period after the period in question, and I had a number of conversations with her after that time.

**David DAVIS:** Right. I just want to go back to the question of the gardening leave. I am just not quite clear that actually the way you have described it is quite the full story. I understand from things that have come to me that there were actually people, even quite recently, who were at home.

**Tim ADA:** Well, there may well be people working from home, but –

**David DAVIS:** No – without clear work to do.

**Tim ADA:** We have made every attempt, and this has been a very difficult time for the team involved, Mr Davis.

**David DAVIS:** Sure. I do not doubt that. That is why I am asking.

**Tim ADA:** We have endeavoured and moved quickly after the government's decision announced on 18 July to mobilise and align former team members from the Office of the Commonwealth Games to that work program particularly related to the implementation of the regional package. Obviously members of the department choose to work from home in a hybrid working arrangement. We have not provided formal gardening leave, just to be clear, and we have made every effort –

**David DAVIS:** A careful phrase there: 'formal gardening leave'. I think people are just sitting at home without direction.

**Tim ADA:** With due respect, we have made every attempt as an organisation to provide really meaningful work. That is a priority for the organisation. But it has been a difficult time for staff.

**David DAVIS:** I do not doubt it has been difficult.

**The CHAIR:** Mr Davis, we might have a chance to come back. Mr Galea.

**Michael GALEA:** Thank you, Chair. Thank you, Secretary and officials. I understand this is your second time in just under two months facing this inquiry, so I appreciate your attendance today. I do want to clear up what we were just talking about earlier in terms of the dates in relation to Minister Shing. Now, a few weeks after you last appeared we did have Minister Shing attend this inquiry, and it was put by her that on 22 June she was informed that various options were on the table – not necessarily cancellation. I think there has been some attempt to conflate the two in today's discussion. There is obviously quite a difference, I am sure, between options and actual cancellation. As you discussed on another committee that I am on, which is the Public Accounts and Estimates Committee, just two weeks ago, you had that conversation with Mr Moule, secretary

of the DPC, on 19 June. There were some quite strong, outrageous accusations put to the minister, basically implying that she was not telling the truth at the hearing where she presented to us. It is quite clear that – clutching at straws though it may have been from Mr Davis – it actually does appear that Minister Shing has been quite truthful, and it aligns with what you have been telling us today.

**David DAVIS:** I am still not sure about that.

**Michael GALEA:** And they are still clutching at straws today, as we see now with questions towards you. So they are still clutching – good for them. Also 19 June to 22 June, I understand, is three days and not eight, as has been put to you as well. But just to clarify, that conversation that you had with Mr Moule was on 19 June?

**Tim ADA:** Yes. My best recollection is it was on the late afternoon/evening of 19 June.

**Michael GALEA:** Thank you. It seems quite clear. Now, the Regional Community Sports Infrastructure Fund, which Ms Ermacora, I believe, touched on, and you touched on in your answer, Mr Betson, we have seen an announcement with that today. Can you please talk me through what has been announced as part of that today?

**Peter BETSON:** Yes. Great. Thank you. Today the Minister for Community Sport announced a new Regional Community Sports Infrastructure Fund, with funding of up to \$60 million available under that fund. That is a subcomponent of the Regional Community Sport Development Fund and the all-abilities fund, of which \$100 million was allocated by the government for all those programs. Under the Regional Community Sports Infrastructure Fund there are four streams that cover a wide variety of upgrades to suit a wide range of community sporting organisations. Up to \$3 million is the maximum grant available to develop or upgrade multisport indoor courts and aquatic facilities through the indoor stadiums and aquatics facilities stream. Grants of up to \$1 million are available through the community facilities stream to build or upgrade sports pavilions, sports lighting, play spaces and active recreation facilities. The women and girls facilities stream has grants of up to \$1 million for new female-friendly change rooms or sports courts to help level the playing field, and that has been a strong focus in supporting the growth of women's and girls' participation in sport. And something that we are doing and really focused on through the all-abilities stream, through the \$40 million, is allocating that to an infrastructure stream, which will provide grants of up to \$1 million to renovate existing facilities to ensure they are accessible for people with a disability. Also connected to that are grants of up to \$50,000 to boost participation. So it is about upgrading the facilities and then having the supporting programs to enable the participation to occur to utilise those facilities as they are intended as best as possible. That was announced today.

**Michael GALEA:** Thank you. We know that Victoria's rationale from the state government for entering into the arrangement with the Commonwealth Games in the first place was explicitly to deliver benefits for regional Victorians, hence the application of the regional hub model. With the cancellation of the games, the \$2 billion regional package has obviously come through. Now, as good as it is to spread benefits across five centres in regional Victoria, it is obviously even better to be spreading those benefits statewide. Can you talk me through the geographic spread – basically which areas are and are not eligible under this current program announced today?

**Peter BETSON:** The program today is available as a regional Victoria wide program – so available to all LGAs within regional Victoria – and so that complements the investments that have already been committed in relation to the regional sport infrastructure facilities, the competition venues that will be delivered in legacy mode. So those will focus on the five hub areas, and the investment today will focus on LGAs in regional Victoria.

**Michael GALEA:** So not just explicit to those five regional cities –

**Peter BETSON:** No.

**Michael GALEA:** but places like Moira shire, East Gippsland, West Wimmera potentially, all these sorts of places.

**Peter BETSON:** Potentially, yes. Subject to a need analysis and an application process, all the LGAs are very welcome to apply, and in doing so the department will want to take that assessment and analysis of those applications to meet the most need in the community.

**Michael GALEA:** What is your broad time line in terms of processing those applications that you envisage?

**Peter BETSON:** We are looking this financial year to receive applications and then to go through a moderation and assessment process, so to have those rounds occur over the current financial year.

**Michael GALEA:** Thank you. I believe that is my time.

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

**Sarah MANSFIELD:** Thank you. Thank you once again for appearing. I am going to go back I guess to the original decision and business case. We had an opportunity this morning to explore that with Ernst & Young. Within the business case there is a risk register that identifies nine high risks and two critical risks, and they really get to the heart of I guess the ability to deliver the games at all and do so without significant cost blowouts. All of these high and critical risks, according to the business case, were only able to be reduced to medium risk with significant mitigation steps, and I am wondering if you felt, based on that, that was an acceptable level of risk for the state government to be taking on.

**Tim ADA:** Do you want to lead off on this one?

**Peter BETSON:** Yes, I can. Thank you for the question. In terms of the risk analysis that was undertaken and the assessments that were made at the time, being able to implement strategies and mitigation strategies to reduce risk is really critically important to ensuring the business case presents a viable outcome, and so through the process of undertaking the risk assessments that were undertaken here and the mitigation strategies that were put to government, the business case presented a case therefore for government to proceed.

**Sarah MANSFIELD:** So a medium level of risk was felt to be acceptable on some of those big risks?

**Peter BETSON:** In terms of the decision that was made by government, yes, to proceed with the games? The answer is that, yes, that was an acceptable level of risk given the business case.

**Sarah MANSFIELD:** To go to a couple of those risks, one of those was insufficient time to complete capital projects – that was deemed high risk – and also limited regional labour and resource capacity. To reduce that risk to a medium level the mitigation strategy suggested was early engagement by government with the business case. When asked, Ernst & Young advised that meant the government needed to revisit the costings as early as possible to address the assumptions and get the details that they did not have access to in their compressed time frame and given the confidentiality restrictions. How soon after the decision was made public did the government revisit those costings in the business case as advised?

**Peter BETSON:** As soon as the government made the announcement in or around early April to proceed with the games, the office of Comm Games commissioned Sport and Recreation Victoria to prepare delivery cases for each of the venues. So that work started straightaway. Effectively from when the decision was made, Sport and Recreation Victoria mobilised to commence work in relation to providing further advice to government on delivery cases for what we call the major venues and then a combined delivery case for the community competition venues, which were the smaller upgrades that were required. So work commenced immediately in relation to work on the venues.

**Tim ADA:** Could I just add to Mr Betson's comments. The government actually made a number of decisions during the course of last year, 2022, related to the final sports program, and while some of the community competition venues were known early, others were not. Final decisions were not made until later in 2022, and of course the government went through a process to identify the preferred location for the village sites. That culminated towards the end of 2022. I think last time I was here, Dr Mansfield, I said, coinciding with Mr Garner's appointment to the role of CEO of the Office of the Commonwealth Games, we started a detailed cost review based on those decisions of government during 2022 and the requirements of the host contract. That culminated in a sense in February that this was going to cost substantially more than what the

business case had projected, based on all of those decisions and the requirements of the host contract. Then we started a process of briefing ministers in early March.

**Sarah MANSFIELD:** So it took almost a year to get around to that sort of detailed costing work?

**Tim ADA:** It took the best part of 12 months to get to a final, detailed costing of all elements of the program. Some of that started earlier in 2022, as Mr Betson said, but for the reasons I have mentioned around those decisions – around the final sports program, final competition venues, final village sites – it led to a final set of decisions in the latter part of the year and that cost review over the latter part of 2022 into 2023.

**Sarah MANSFIELD:** Another risk that was identified was around being able to secure joint alternative funding from councils to support the upgraded facilities. That could be mitigated if you locked in commitment from local councils prior to the games. How much work was done to try and get – or what was expected of councils in the assumptions and decisions around the costs and the decision to go ahead with the games?

**Peter BETSON:** I can talk to the assumptions. In terms of local government contributions – if I get to the budget. Apologies, one moment. In terms of local government contributions, there was a range, in terms of the worst and best case, of \$15 million and \$20 million – that is for operating. Then in terms of capital costs, \$15 million and \$80 million. So those ranges were assumed in the business case based upon what we understood was provided previously in terms of benchmarking against the Gold Coast Commonwealth Games, so the post-games report in relation to local government and the 2006 Melbourne Commonwealth Games in relation to contributions by local government.

**Sarah MANSFIELD:** Was any of that based on any assessment of the capacity of councils that were likely to be involved in the games? Was there any assessment done or information provided to Ernst & Young in the preparation of that business case about the Victorian councils and their financial position?

**Peter BETSON:** We were aware, in relation to local government, from having to deal with them quite frequently all the time in relation to community sport infrastructure, of the investments that they make. In terms of your direct question, did we undertake an explicit financial analysis of the capacity to pay – not explicitly of each council. But what we did was we benchmarked against what was provided previously, including in Melbourne and Gold Coast, and we do have an understanding of local councils and their capital works programs and what they do contribute to sporting programs, to form that assessment.

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

**Tom McINTOSH:** Thank you. Thanks for attending again today. I am a Member for the Eastern Victoria Region, and it does not matter whether I am in South Gippsland, Central Gippsland, East Gippsland – just the optimism that is there around the \$2 billion package and everything that it consists of. You have already mentioned housing does not sit with you, but that \$1 billion regional housing investment, the sports infrastructure, community sport, tourism events, community building, Tiny Towns – I will go through this, point by point. Yesterday I was in South Gippsland touring port infrastructure ahead of offshore wind coming. With this \$40 billion to \$60 billion pipeline of investment, the biggest challenge that I am hearing on the ground – despite the political activities of some trying to stall it and promote nuclear and other things like this – but the biggest challenge it has faced is getting workers and getting accommodation for them. The actual biggest challenge is the opportunity and filling the opportunity. So could you talk through the \$150 million worker accommodation fund. I know initially that was just an example of yesterday where I was at and having those conversations, but having these same conversations about these low levels of unemployment, this drive to get labour and the right labour – so if you could just talk through the sectors that will support.

**Tim ADA:** Thanks, Mr McIntosh. The department is well aware of some of the challenges that you have mentioned with some parts of regional Victoria being able to provide enough housing for key workers. The government actually announced the opening of the Regional Worker Accommodation Fund just last week, so expressions of interest are open now and guidelines are available on the website. The expressions of interest close towards the end of February next year and then there will be a process thereafter to work through applications. That very much goes to being a little bit sector agnostic but also being based on the propositions that are brought together by either local councils or state entities or indeed private sector consortia around the opportunity to build new key worker accommodation in critical parts of regional Victoria. That is a good thing – that the guidelines for that fund and the expressions of interest are now open, with those expressions of

interest due to be submitted by the end of February next year, and that all parts of regional Victoria are eligible to make applications through that process.

**Tom McINTOSH:** Yes, and what sectors do you think have the opportunity but also the demand?

**Tim ADA:** I think obviously in various parts of the state that relates to the food and fibre sector. It obviously relates to new energy, which was, I think, the example you used in your part of Victoria, Mr McIntosh. There is the critical provision of public services – teachers, police and other sorts of key public sector workers. So there are a broad range of sectors that I think will be of interest in considering an application to the fund. It has been designed as sector agnostic but clearly focused on the needs of regional Victoria. But that gives you an example of some of the sectors that we would expect to express interest over the coming months.

**Tom McINTOSH:** And then does that come full circle with the investment out of that \$2 billion package and the identified investment in food and fibre exports and seeing Victorians consume our own products and supporting our farmers and what not? You know, there is local community support with the Tiny Towns project but then, as we discussed earlier, the tourism and events. That is sort of closing the loop on building up the infrastructure within regional Victoria. It is that full circle. The workers are there, the housing is there and –

**Tim ADA:** Yes. My understanding is the government identified this package of interventions based on a sort of pretty contemporary sense of both the challenges for regional Victoria now but also the opportunities to support economic growth in regional Victoria over the coming years. That is reflected in the set of interventions that, like the ones that we have just talked about, go to addressing more immediate challenges around key worker housing but also the investments that are going to pay off over the longer term. It is about attracting more people to come and visit and stay in regional Victoria and helping food and fibre producers, like you say, to export more to the world. Obviously, food and fibre is the largest goods export the state has, and it is an opportunity to build on that strength.

**Tom McINTOSH:** Yes, and obviously a lot of this supports local businesses to build their capacity. What is the feedback or the engagement you have had with them at this point, as we work towards all of this?

**Tim ADA:** Over the last few months Minister Shing and Minister Tierney amongst others have been involved in hosting fora.

**Tom McINTOSH:** I attended one, actually, in Traralgon in the Latrobe Valley. It was great – big turnout.

**Tim ADA:** Yes, that was just recently I understand. They have been a really good opportunity, I think, for members of the community to come along and talk and express views around what matters most to them, and that has been a key factor in contributing to the finalisation of program design and the guidelines for some of these programs, Mr McIntosh.

**Tom McINTOSH:** Thank you. My time is up.

**The CHAIR:** I believe we are out of time. Ms Bath.

**Melina BATH:** Thank you. Thank you for being here today. The department questionnaire details that \$134.545 million was expended at the time that that submission was made. Do you have an update on that figure, and can you provide that to the committee?

**Tim ADA:** Yes. I might ask Ms Ridley to respond here.

**Heather RIDLEY:** Certainly. The department has spent just under \$180 million for the games so far. That is in total up until 31 October, and that includes the payments to delivery partners as well. We are in the process of finalising the full costs at the moment, and there will be a submission going to government in due course that will round out the last of those costs.

**Melina BATH:** Okay. And as an update to our inquiry, could you provide that level of detail to us as well, please?

**Heather RIDLEY:** In terms of what we expect the final outcome to be?

**Melina BATH:** Correct.

**Heather RIDLEY:** We do expect it to be around \$197 million.

**Melina BATH:** And then the breakdown for that – your submission has provided some breakdown. You can take it on notice, but could you provide that as well?

**Heather RIDLEY:** Yes, some of that information could be provided.

**Melina BATH:** Otherwise we will be reporting on something that is not current, and that is not going to look wise for a committee.

**Heather RIDLEY:** Yes.

**Melina BATH:** Thank you. Back in August this year you had three employee termination payments at a total value of \$546,536 related to the Commonwealth Games, and from 1 August to 9 October there were a further three employee termination payments with a total value of \$633,648. Can you provide an updated figure of any other payments in relation to termination figures?

**Tim ADA:** I am not aware there are any, Ms Bath, but can I take that question on notice and come back to the committee?

**Melina BATH:** Yes – more than happy for you to do that. Would any of those people be some of those people who, as you said at the very outset, decided to leave, as opposed to those who were seconded to different parts of the –

**Tim ADA:** I think the answer is there have not been any further. A feature of the public service is people are obviously making decisions to move around and take on new opportunities, so the vast majority of the people who are no longer working on the Commonwealth Games, as I said, have chosen to find other opportunities and have been successful in doing so. I did say earlier, Ms Bath, that we are working through this workforce change proposal with our staff in the organisation at the moment. When we get to the end of that, that may well see some former members of the Office of the Commonwealth Games leave the department.

**Melina BATH:** To that question, are there any staff still employed at the OCG or at Victoria 2026 as of now? If so, how many, and if not, when did they exit?

**Tim ADA:** The Office of the Commonwealth Games is no longer –

**Melina BATH:** Does not exist, yes.

**Tim ADA:** a business unit of the department, so the former staff are mobilised in three groups, the lion's share in our two delivery groups that I mentioned before – sport and experience economy and regional suburban development. There are a small number in the corporate services area. There are no staff employed any longer in the organising committee.

**Melina BATH:** Thank you. All right. We heard from Mr Simon Thewlis, an event industry person – his business name is Event Pty Ltd. He was very frustrated with the fact that the government in pursuing the Commonwealth Games did not engage with the event industry as it had done previously in 2006, and he spoke at length about the exemplary communication between them then. He said:

... 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 ... so from all that we went through – the being talked down to, the never listening – we just thought there was no chance.

Why wasn't the event industry brought into the picture as a major part of the Commonwealth Games preparation for the 2026 games? You were not here then, so I am making those understandings.

**Tim ADA:** Yes. I do not know whether you want to add anything to that, Mr Betson, but I did not hear Mr Thewlis's testimony. I am quite conscious not every member of the sector had an opportunity to contribute. Obviously, the work has proceeded at pace over the last 18 months, but as I understand it, attempts were made through community fora and stakeholder engagement more generally to try and access that external expertise

and views around what would be successful, and then the department through the Office of the Commonwealth Games and the organising committee went about trying to secure the best talent it could to help deliver the games. So there was really – again, much of this was before my time, but I understand – quite a concerted effort made by Mr Weimar and others in the department to identify the talent and capability that were required to deliver a games in 2026.

**Melina BATH:** Thank you. And in his submission –

**The CHAIR:** Ms Bath, I think we have run out of time. You might get a little bit more time. One thing that I want to ask about – coming back to this business case, was it your department that initially sought to get the business case from Ernst & Young?

**Tim ADA:** Yes, I understand that that is right.

**The CHAIR:** Yes. So you set the time frame of six weeks they said and gave them the scope of that project that they worked on. After talking to them this morning, they were saying there were problems with the amount of time that they had and they were bound by confidentiality so they could not do site visits and get better information, and they put lots of caveats and warnings and risks and things like that in the business case. They stated this morning that it required further validation and was in concept stage. My question is: do you think that the business case that was eventually put forward, which Ernst & Young are standing by – they were saying that with the information they had, they stand by that work. I think that business case was described by the former Premier Mr Andrews as –

**Joe McCracken:** ‘Not the greatest’ were his words.

**The CHAIR:** ‘Not the greatest’.

**David Davis:** He bagged it.

**The CHAIR:** Yes, he bagged it. Do you think that that business case, as it was put together, was sufficient to make the final decision on whether or not to go ahead with the games? Was there enough there or was more work required before a formal decision should have been made by the government?

**Tim ADA:** Again, just based on my assessment since I began as Secretary earlier this year, the business case, both the time and the available inputs for the business case, was constrained. Those constraints were clearly noted in the business case. There was and remained a challenge to deliver the games on a short runway. Those risks, limitations and challenges were known, but there was a reasonable attempt at describing the benefits of the games, which involved the contributions of both EY and KPMG as well as expertise within the department and from other agencies. The government had a chance to consider a draft business case and ultimately the completed business case at the end of January and then March last year, from recollection. So the risks, limitations and challenges were known, and the benefits were determined through reasonably robust processes. It was ultimately a question for government, weighing up those limitations, risks, opportunities and benefits. To some degree your question is a little bit of a hypothetical. I think last time I was here I made the observation that the business case did not foresee some of the challenges and escalation in the construction sector, but I think the risks, limitations and benefits –

**The CHAIR:** Well, they did foresee a large number of the risks that did actually materialise.

**Tim ADA:** Yes, that is right.

**The CHAIR:** So EY did get much of it right in identifying those risks. I suppose, you are right, the question was a question for government; it was not your department that made that decision. But it would be safe to assume that the government was apprised of those risks and went ahead and took the risk. It was an executive decision, right? But they had it in front of them, it had all of the risks outlined in that business case and the government knew that it was a very short time frame to put this business case together. There were lots of limitations and lots of unknowns, and the government went ahead and took the risk anyway.

**Tim ADA:** I would probably just answer by saying that the risks, limitations and challenges were stated and well known, but equally the benefits had been articulated through reasonably robust processes, including inputs

from a couple of reputable consultancy firms. But yes, ultimately the government took a decision based on those factors.

**The CHAIR:** Right. Thank you. I assume we have got some –

**Melina BATH:** Tremendous progress, apparently.

**The CHAIR:** We have got a short amount of time left here.

**Joe McCracken:** My question on that is: did anyone from the department give advice saying that the government should go ahead with the Commonwealth Games based on the business case?

**Tim ADA:** Unless you know the answer to that question, Pete, we might have to take that question on notice, just to see what documents were provided by the department to the then minister.

**Joe McCracken:** As a subsequent question I will then ask: what advice was provided from the department, whether it was the secretary or the deputy secretaries or anyone else, to the decision-makers who finally made the call on whether to proceed with the games based on the business case?

**Tim ADA:** Again, can I take the question on notice, just to assess what documents the department prepared above and beyond the business case, to go to your question. As I understand it the department at the time walked through the risks, limitations, challenges and opportunities with the then minister.

**David Davis:** And said ‘go ahead’ or not?

**Tim ADA:** With all due respect, can I take that question on notice to see the written evidence? I just again may well need to consult the government about its release that was appended to various submissions.

**Joe McCracken:** What is your understanding on who made the final decision as to whether to proceed with the games or not?

**Tim ADA:** The thing I would say is that the government’s expenditure review committee had the opportunity to review the business case, both a draft and the final business case.

**David Davis:** The DPC and DTF advice was to proceed or not? Can you take that on notice too, please?

**Tim ADA:** I do not know. I think that would be a question for the secretaries of DPC and DTF.

**Joe McCracken:** But based on your understanding was it the Premier that made the decision or was it the Deputy Premier or was it Minister Shing that made the decision?

**Melina Bath:** Or the now Premier?

**Tim ADA:** Ministers take submissions, and then committees make the decisions. Again I just take the question on notice about the advice the department may have provided.

**David Davis:** Jeroen Weimar – is he one of the ones who is still employed, or what is his role now?

**Tim ADA:** Mr Weimar no longer works for the organising committee.

**David Davis:** Is he in the department?

**Tim ADA:** No, he is not. He is not working in the public sector, as I understand it.

**David Davis:** Was there a payout?

**Tim ADA:** I assume that he, like other members of the organising committee who terminated their employment with the organising committee, would have had a payment in line with the contractual obligations.

**David Davis:** How much was that?

**Tim ADA:** I do not have that information, Mr Davis.



**David DAVIS:** You probably do, though.

**Tim ADA:** Not with me – I do not have that information.

**David DAVIS:** You can find it though, thank you.

**The CHAIR:** That brings us to the end. Thank you very much for appearing again today. It was something that we wanted to do to get answers to some of these questions that had been raised by earlier testimony. You will receive a copy of the transcript for review in about a week, before it is published, and the committee will now adjourn for the day.

**Committee adjourned.**