

TRANSCRIPT

SELECT COMMITTEE ON THE 2026 COMMONWEALTH GAMES BID

Inquiry into the 2026 Commonwealth Games Bid

Traralgon – Thursday 14 March 2024

MEMBERS

David Limbrick – Chair

Joe McCracken – Deputy Chair

Melina Bath

David Davis

Jacinta Ermacora

Michael Galea

Sarah Mansfield

Tom McIntosh

Rikkie-Lee Tyrrell

WITNESSES

Adam Glass, General Manager, Silverwater Resort; and

Katie Reardon, Farnham Court Motel and Restaurant.

The CHAIR: Thank you for appearing today. 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, and 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 record, can you please state your name and the organisation that you are appearing on behalf of.

Adam GLASS: Yes. My name is Adam Glass. I am from Silverwater Resort. I am the general manager.

The CHAIR: Thank you. Pleased to meet you.

Katie REARDON: Hello. My name is Katie Reardon. I am from Farnham Court Motel and Restaurant in Morwell. I am the owner and operator, with my husband.

The CHAIR: Thank you so much. We will briefly introduce the committee for the record as well. I am David Limbrick, the Chair.

Michael GALEA: G'day. Michael Galea, Member for South Eastern Metropolitan.

Tom McINTOSH: Tom McIntosh, Member for Eastern Victoria.

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

Jacinta ERMACORA: Jacinta Ermacora, Western Victoria Region. Hello.

Joe McCRACKEN: Joe McCracken, Western Victoria Region.

Sarah MANSFIELD: Sarah Mansfield, Western Victoria Region.

David DAVIS: David Davis.

The CHAIR: Thank you, Mr Davis. We now invite you to make your opening comments and ask that they be kept to around about 10 minutes. I realise that there is two of you, so that is fine; we will allow extra time for that. Please proceed. Who would like to go first?

Adam GLASS: I will go, sure. As I said, I am the General Manager of Silverwater Resort. Silverwater is based in San Remo, just before you head onto Phillip Island. We are a 171-room resort. We have various configurations, from one, two and three bedrooms.

The CHAIR: I have stayed there once myself.

Adam GLASS: It enables us to have up to 450 to 500 people staying at one time. We have the largest regional conference venue. We can house, as I say, up to 450 to 500 people, but we can also have the conference space to support that. We have got a number of facilities at the resort. We have got indoor pools, outdoor pools. We have got equipment for kids, jumping pillows. We have got restaurants, we have got bars. We have got five breakout rooms; the largest can seat 450 alone. We overlook Western Port Bay. We are 90 minutes from the CBD, 2 hours to the airport. So yes, it is a one-stop shop in a way – once you are there you

do not necessarily have to leave, unless you want to, which obviously people do because there is lots to see on Phillip Island as well and the surrounding Bass Coast region. That is an overview of the resort.

We work with a couple of other parties, one being Bass Coast council, which was very heavily involved in the hope to secure a couple of teams for the games – which was very, very close; I believe it was almost the day before – those being Wales and Scotland. So that is a picture of the resort; that is a picture of how we were involved in it. I am a small piece in the big cog, I guess. The council did a lot of work towards this, and we provided, obviously, rates and proposals on how we would accommodate the teams and feed the teams daily. We would have closed the resort off totally, the conference rooms would have been converted to gymnasiums, there would have been dietary – there would have been, like I say, a one-stop shop. They would have been bussed in and out to the complexes. It was going to be a two-week acclimatisation village I guess you would call it, having around 350 people most nights, so close to that 5000 just for direct people staying at the resort over the two-week period. That is not incorporating any indirect stays pre and post games. That is it in a nutshell for us.

The CHAIR: Thank you. Ms Reardon.

Katie REARDON: Thank you. Farnham Court Motel is a 33-room motel, so significantly smaller than Silverwater. However, we had been in discussions with Team England and had landed on an agreement and in fact had that contract signed off and finished at midnight the night before the announcement of the cancellation. The deposit was about to be paid that day when the announcement was made at 11 o'clock. Our motel was being taken out for between six and eight weeks. We were going to have Team England's management team, doctors, physios, all their support staff stay at the motel. We have a large restaurant-bar-conference area, and as I say, 33 rooms. We have a gym and laundry facilities – commercial facilities as well as guest facilities. Team England had decided to take the entire facility out and set up some rooms as office areas so that they could conduct their business in there – one for their doctor, one for their physio – and then they had around 80 other people that they were going to place in the motel in some twin rooms, family rooms and some single king rooms. We were going to feed them as well – breakfast, lunch and dinner; the restaurant was being engaged for that. I am a chef, so I was rather delighted with that and was going to be working with the nutritionist to ensure the relevant food was provided for them. They had asked us to do all the team's washing for them as well. I only mention those kinds of things because that impacts on staffing enormously, and we had those facilities available readily so that they could have been serviced, no problem. And we have a small gym, so the gym was going to be used not just for them but also for the physio and that kind of thing.

We were to the point where we had met with Team England on several occasions. They flew out, they came, they stayed with us, they touched and felt the environment, made sure it was where they wanted to be. We were right through to them wanting to install flagpoles to put up flags. They talked to us about planting so that we could get all our red and white roses in and red and white other things et cetera, so we were going to trick the whole place up for them. So we were right down to those kinds of details. Our staff that have been with us for a long time were extremely excited. We were obviously in the planning of how many other staff we would need to bring on, and where we were going to get them. It was all terribly exciting.

Given we had been absolutely gutted through COVID – we had been locked down, locked up, locked in, locked out for so long; our business suffered dreadfully. We had periods of time, like all motels did right through the regions – not just me having a whinge – where we had no guests at all, for long, long periods of time. The only time we had anybody was emergency services. So this was something that we were very much looking forward to, and we were well into the planning of it. My husband and I, we give everything; we are very proud of our facility. We have gutted and renovated it over a period of time to present for something just like this. It would have been a fantastic event for the facility and for us – financially, motivationally, everything. It just gave us something to really pick our straps up again after being kicked down from COVID for some time.

My background is in events, so I have a very sound understanding of events, and one of the things that I was very disappointed about is that it was not just about us. Yes, we were gutted; we were absolutely shattered. We heard it on the 11 o'clock news. I came running around the corner to tell Rob because he was actually on a Zoom meeting with England at the time. Nobody could believe it. They thought I was losing my marbles. It was soon to be confirmed that I was okay, but the rest of the world had gone to custard on us. But moreover, the kick in the guts for Morwell – Morwell struggles all the time. We are the dirty old coal town; we are

nothing. Traralgon gets everything, Moe get some things, but Morwell gets avoided like the plague. And this was the first time that anything had been awarded to Morwell – not to Traralgon, not to Moe. They would have shared in it, but Morwell was the star. Finally we got a guernsey. We got the ‘dirty old coal town’ label taken off, and we were going to be hosting the Commonwealth Games. And I think that is the biggest kick in the guts that we could have. Forget about the individuals or the individual businesses like us – it is the town. You know, we are back to being, ‘Oh, right, okay, so we’re just the dirty old coal town again,’ and even then, that is going to be shut down. So we lost more than business. It is motivation; it is incentive; it is the legacy; it is the volunteers that get trained; the community; the children; the excitement of meeting athletes, holding their hands, walking them to podiums. The florist wins. The beauty salons win. The hairdressers win. The masseuses win. The physios win. Everybody does everything in a town when an event comes to town. I know that for a fact. The legacy of the Commonwealth Games is what we are missing, and now we are back to being Struggle Town again. In a heartbeat it was given to us; in half a heartbeat it was taken away. And that is really, really the crux of it for us – what is going to happen for Morwell? I do not want to hear what you are giving to Traralgon and Moe – I have heard all about that – I want to know what you are going to give to Morwell.

The CHAIR: Thank you, and thank you so much for appearing today and providing evidence. I would like to touch on a couple of things. So it sounds like both of your businesses were in a similar situation. You were not just looking at a potential opportunity down the road, you were close to – you had almost closed the deal, right?

Katie REARDON: We were there, yes.

The CHAIR: You were there. You had almost closed the deal. And I know that anyone in business knows that it costs money to close deals, right, because you have to do all the work and all that sort of thing. What sort of costs, either financial or otherwise, did you incur as a result of this and have you had to just wear now? I do not know who wants to go first.

Adam GLASS: I guess from Silverwater’s point of view, like I say, Bass Coast did put a lot of work into this. We supported as we could, and City of Casey they worked with pretty closely as well. But for us at an operational level and at a resort level, it was the time, I guess, the labour of putting it together – you know, going back and forward, working through dietaries, making sure that we can fit 500 people in tonight. Can we do this? Can we do that? Bedding configurations, cultural sensitivity of everything – you know, certain people like to do that, certain people like to do this. The transportation side, bussing people in and out anywhere between 30 and 70 minutes. So to all that effort and time, I guess I am talking on a –

The CHAIR: It is an opportunity cost, right –

Adam GLASS: Correct.

The CHAIR: because you could be putting it into another sale.

Adam GLASS: Exactly right. We have a number of regular events over the sort of March period. I actually had to go to two of the largest companies that we deal with and say, ‘Look, would you mind moving your dates because of this?’ So there were conversations had that put us in a situation too that I guess we could have potentially lost business, because we really obviously wanted to make this work. There are so many moving parts to it, you know.

And you are right when you say about post COVID – everyone has had the wind knocked out of them, especially hospitality and tourism. It was a real big thing for staff morale. I guess the region as a whole, Victoria as a whole – we were in the same situation with COVID too. You know, we were locked down, no guests – except we were lucky enough to be a Hotel for Heroes, so we had all the specialist doctors stay, which was good. But really the business has taken a big hit, and for this to come along – and it is all about that sort of pre and post games essentially. You know, this was going to put us all on the map. You have got people that probably do not necessarily come to regions, but you can guarantee once they see the likes of England, Wales, Scotland all staying in this nice little pocket, the flow-on effects for families and the sponsorship – I do not even know you can measure the indirect costs.

Katie REARDON: Yes. That is the thing with events – the flow-on effect. I will give you an example. Brisbane essentially was a country town before the Commonwealth Games went there in 1982. It was just little

Brissie. I am a Brisbane girl. I was there; I worked it. It was just the biggest thing that ever came to town. The show came to town, and it was exciting and it was motivating, and everybody who was like, 'Hmm, yeah, I don't know so much' just got addicted to it. Everybody went along for the ride, and everybody enjoyed it, and all of a sudden Brissie grew up. Brissie was on the map. Brisbane got on the telly. Everybody was watching it from overseas and interstate and wherever and said, 'Oh, wow, I think I want to go there.' So the legacy of it goes on for years.

People that want to come here for holidays – we have more than just coal pits here. It is a beautiful region. My husband and I moved here 12 years ago from overseas – from Samoa, a very pretty region. People always say to me, 'Why did you come here? Why Morwell?' We actually love the area. We love the town, and we love the area. What I do not like is the way people drag it down all the time, and it is not fair. This gave us the opportunity to showcase it, polish her up and make her shine – the whole region, not just Morwell but the whole region. Melbourne gets the grand prix. Melbourne gets the Australian Open. If this was going to be held in Melbourne, my guess is it would not have been cancelled. This area and the regional areas are not an election threat, and that is why it was cancelled. That is why people are very angry about it. If somebody had said, 'Oh well, okay, next year the Australian Open's not going to make enough money, we'll just cancel it,' all hell would have broken loose.

The CHAIR: A number of organisations have spoken about what they hoped from the games and the idea of civic pride, and I think what you are saying, Ms Reardon, goes to the heart of that, in that Morwell has had lots of problems with economic issues and the closure of the mines and the power stations. What do you want to see going forward? What do you want to see the committee recommend that will help that going forward?

Katie REARDON: I understand there are some funds available. I am not sure what they are or how big they are, but some of those funds need to be injected into Morwell and need to be injected into something for the kids and for the future of those kids. The kids in Morwell have got nothing – nothing to do really. If they want to go to the pool, they go to Traralgon. If they want a go and play basketball, they go to Traralgon. Everything has got to be in Traralgon or Moe. There are a couple of wee things around Morwell but not a huge amount. And yet we wonder why kids struggle in this town. We do have a big problem with unemployment, the kids on the street et cetera, but we are not giving them anything to do. And we are not giving them anything to strive for or anything to desire to be. One of the things with the likes of the Commonwealth Games is that you bring a whole group of athletes in that are successful, that are highfliers, that are achievers –

The CHAIR: Role models.

Katie REARDON: Yes, role models, and the kids do not just get to see them on telly, they get to meet them. They get to escort them up to the podium, and they get to say, 'Look, mum, that's me. Look, that's me on TV.' It helps their mental health, it helps their motivation and it helps their aspirations, and if you save two children in Morwell, it was worth the money. That is my personal view.

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

Joe McCracken: Firstly, Mr Glass and Ms Reardon, thank you so much for your opening statements. I found them quite insightful, and they were extremely detailed and personalised as well, so I really want to acknowledge and thank you both for that, that has been excellent. Just in terms of the engagement that you might have had from the government, did you get any contact regarding what accommodation capacity there was in the region at all, particularly with your two businesses?

Katie REARDON: No. We were contacted once at the very beginning with, would we be able to lock out our motel so that local government people could come and stay at the motel. That was about a week before Team England approached us. But we actually said no to them because they said that they would have to send a 100-page contract or something for us to go through, and we were going, 'It's a room night. It's a motel. We don't do 100-page contracts for a room night.' And it was –

Joe McCracken: A bit overkill, wasn't it?

Katie REARDON: Yes, it was a total overkill. It was also, of course, 'We want the cheapest price you can get us.' We were going, 'It's kind of called supply and demand, mate.'

Joe McCracken: So, I am guessing by what you are saying that it was you that made the approach or you who made the deal with Team England and the government did not help you at all with that?

Katie Reardon: Actually, today is the very first time I think I have ever said publicly that we had it very much between us and Team England. That was the way they wanted it at the beginning until it was all said and done. It is only since the games have been cancelled that we have spoken their name out loud. It was one of those commercial-in-confidence things that you just did not want to go to custard. It was like a penny from heaven, to be honest. My husband and I did everything in our power to hold that close to us so that we did not lose it because we wanted it so badly.

Joe McCracken: I guess Team England did not offer you a 100-page contract, did they?

Katie Reardon: No.

Joe McCracken: No. I am being a bit facetious there.

Katie Reardon: No, we had a one-page letter between us, basically, and we would both be honouring it. But we were –

Joe McCracken: Yes, what a difference in approach that is.

Katie Reardon: Yes. We were never asked how many rooms there were in the region. To be honest, I think the visitors bureau already know that. They do a check on that regularly and make sure that we still have the same amount of rooms, we have not built any more or knocked any down. But that is it.

Joe McCracken: I appreciate that. And Adam, did you have any contact from the government as to the room capacity in the area?

Adam Glass: No, not at all.

Joe McCracken: Okay. My next question is about the cancellation of the games. I wrote down what you said, Katie; that the cancellation of the games and the reputational damage was ‘a kick in the guts’, I think you said. I have heard that repeated a lot of times. Can you just talk about the reputational damage that has happened in Morwell in particular and probably a bit more broadly in the region and how you particularly feel about that, given that, I am guessing, you probably found about the cancellation of the games how I did, in the media?

Katie Reardon: Yes. I found out on the 11 am news on the radio. I physically work in the business and I was working, and I yelled for one of my staff to take over from what I was doing so I could run and tell Rob, who was on a Zoom meeting to Team England at the time. None of us could believe it – that is how we found out. A kick in the guts – I mean, I was physically almost sick. I could not believe it.

Joe McCracken: That is awful.

Katie Reardon: Yes, I mean it is – when Team England first –

Joe McCracken: What about your staff? What conversations did you have with your staff as well? What was their reaction?

Katie Reardon: They were just shocked; they were, like, glued to the floor. Because it happened – we were all working, we happened to be busy that particular day and everybody was on. Everyone was going, ‘Oh, that can’t be true.’ We just thought – I do not know why – perhaps he was having a little mind burp and he would come back to reality and go, ‘Sorry guys, I didn’t mean to say that; we’re going ahead.’ But he did not change his mind.

The Chair: Sorry, who is ‘he’ you are referring to?

Katie Reardon: The Premier, sorry.

Joe McCracken: Mr Glass, what was your response when you heard the news of the cancellation of the games, and did you have a similar experience in terms of reputational damage to the region as well? What are your thoughts on that?

Adam Glass: Most definitely. I heard for the first time on the news, as probably did a lot of people. My team was obviously extremely disappointed, as was I and as were my investors, who I constantly keep updated. Then to turn around and say, 'Well, guess what guys, that is not happening now', you can imagine how embarrassing that is as well. But yes, it was a real let-down, and you could feel it in the town; and I guess the region, as well as close to the San Remo area and Phillip Island. It was really like someone had just let the air out of the tyre – and it is still talked about now, and certainly not in a positive way.

Joe McCracken: Do you think you deserve an apology because of the havoc that has been created?

Adam Glass: To be honest, it is not going to make much of a difference, I do not think, an apology. Some people might like to hear that, but for me I think it is such a bigger picture than what we probably even know it is. The flow-on effects – I do not think it is going to resonate for people potentially in years to come.

The Chair: Thank you, Mr McCracken. Mr McIntosh.

Tom McIntosh: Thanks. Just tell me, how long have you each been involved in your businesses – about 10 years, you said you have been here?

Katie Reardon: Yes, 12 years this year.

Tom McIntosh: And you, Adam – or maybe not you, but how long has the business been there?

Adam Glass: The resort?

Tom McIntosh: Yes.

Adam Glass: The resort has been there a bit over 20 years now.

Tom McIntosh: I have stayed there myself. It is fantastic.

Katie Reardon: Our motel is over 40 years old, the old girl, but we have been there 12.

Tom McIntosh: Yes, great. And are either of you part of broader, bigger chains, or just independent businesses?

Katie Reardon: We are independent.

Adam Glass: Yes, we are independent.

Tom McIntosh: Yes, sure. Just trying to get a context for how long you have been in the sector. So post COVID, how has the bounce-back been for each of your businesses individually as far as that patronage goes?

Adam Glass: Look, it has been very sporadic. It is very peaks and troughs. I do not think you can look at previous data. Obviously, you have got a backlog, so when you are getting told – and I still remember the day. I had two weddings on the Saturday and the Sunday, and the bride is standing next to me on the Friday, and the Premier got up and said, 'We're closing down. Everyone go home.'

Katie Reardon: Yes, at 4 o'clock. I had the same thing.

Adam Glass: At 4 o'clock, and this bride just broke down in front of us. She has got all her guests staying there and everything. Obviously, things get cancelled. You can try and reschedule some stuff, but as soon as you are let out of lockdown – the first time anyway – you have got this backlog of stuff you have got to catch up with. So you are flat out doing that, and then you get whacked again, so you lock down again, so then you –

Tom McIntosh: This is still within COVID you are talking about?

Adam Glass: This is still within COVID.

Tom McINTOSH: Yes, so post COVID?

Adam GLASS: So you are playing catch-up for a good 18 months. So it is not sort of historical data that you can reference too much, because it is just like this. A lot of it is stuff that is already on the books, so when we are talking conferences and events, that is that side of it. For an FIT, a free independent traveller, they had all this money to spend, because the government had been so generous, so they came out and they were spending, you know? They just wanted to get out and spend, so then it went like that, and then it came down like that, and then all the good stuff with interest rates kicked in so then it is just all like that again. So it has been all over the show, to be honest.

Katie REARDON: That is exactly right –

Tom McINTOSH: What was it like before COVID, say, in the – I do know how many; you have been there 12 years. How many years have you been at –

Adam GLASS: Well, I have been there since 2012.

Tom McINTOSH: So what was that like?

Adam GLASS: I would say it has been fairly gradual. You could look at the numbers, you could forecast, you could see when the big events came and you knew what you were up for.

Tom McINTOSH: So it was pretty peaky and troughy?

Adam GLASS: Your budgeting was pretty on par with probably about a 10 per cent or 11 per cent increase year on year. So it was pretty good. We grew the business through various initiatives. We grew the conference and the CNI business. Like I say, we put a big semi-permanent marquee structure up that enables us to house the largest amount of conferences in regional Victoria, so that is a big thing.

Tom McINTOSH: How has the last 12 months been?

Adam GLASS: The last 12 months I would say would be around about 12 to 13 per cent down on the 12 months prior.

Tom McINTOSH: Okay.

Adam GLASS: And that is pretty much across the board.

Katie REARDON: Yes.

Adam GLASS: I obviously keep my finger on the pulse and am a member of TAA and every other sort of Business Events Victoria and all those. This is the sort of thing that is falling out of it. It is around about those sorts of numbers.

Tom McINTOSH: And how does that compare on, say, 2017, 18, 19 – those sorts of years?

Adam GLASS: For us it is down in some parts and up in others. For a classic example, February, March and a couple of other months might be traditionally reasonably strong residential conference months. So you still get the conference, but instead of 200 you are getting 80 or 90. Or people are saying, 'Okay, let's have the conference, but let's cut that beverage package in half.' From a top-line revenue point of view the numbers are skewed. From an overall occupancy level I reckon it is about 10 to 12 per cent.

Katie REARDON: Yes.

Tom McINTOSH: So you are saying the post-COVID numbers are down below pre COVID.

Adam GLASS: Correct.

Katie REARDON: Yes.

Tom McINTOSH: Right. We have heard similar from others – we have been all around Victoria – that numbers have been strong and have gained, but that has not been the case for this.

Adam GLASS: I think if you look at an occupancy level, no. From revenue per available room, businesses might have seen an increase. And you cannot compare regional Victoria to metro. You have got to look at the region.

Tom McINTOSH: Yes, we have been in the regions.

Adam GLASS: Regional Vic, yes.

Tom McINTOSH: We have been in Geelong and Ballarat and Bendigo.

Adam GLASS: And I think, you know, Bass Coast as a whole, and especially Phillip Island, is so reliant on tourism, and the biggest thing – or a lot of it – is those little penguins that run around. Without them and a traditionally strong Chinese inbound market – if you knock that on the head – all of a sudden you have lost that big piece of the market that you rely on.

Tom McINTOSH: Yes. Do you think some of the language between the federal government and that sort of stuff hurt some of that?

Adam GLASS: Most definitely.

Tom McINTOSH: Yes. Okay. Is that hopefully starting to come back a little?

Adam GLASS: Yes. They are seeing stronger numbers which is flow-on effects, I guess. The spend is low, so people might come and if you have got say a two-day tour series, they might chop that back to one day regional and then go back to the city for a night and then off again.

Katie REARDON: That is it, yes.

Adam GLASS: And if it is a FIT traveller, you know, instead of going to the restaurant twice, we might just have breakfast. There are a lot of things impacting it.

Tom McINTOSH: Yes. Katie, I completely agree with the language that we are using with our local communities. It breaks my heart sometimes to hear about kids who do not see a future for themselves because the narrative they are being told does not actually meet the data where unemployment is dropping or is at record lows and they are being told that their region is doom and gloom. I think you are absolutely right – we have got to break that narrative and we have got to look at the positive investments that are being made and can continue to be made. But telling people, particularly our youth – and that is coming from unfortunately leaders in many regional communities – that everything is doom and gloom even though it does not match the data is really bad. I hear about schoolkids who go to school and do not see a future for themselves in the region or the area because of what they hear. I absolutely agree with what you are saying.

Katie REARDON: Yes. I think I agree with everything that Adam was saying about occupancy as well prior to COVID. I mean, Morwell is slightly different in that we have had some ripper years and then crashed when Hazelwood closed. We built the business back up again, and then down she went with COVID. We have not come back from COVID in total occupancy. We see the same in that people will cut back their travel from two nights. We generally get a four-night stay with people coming into the region for work. We have found now – and a lot of it is the economy – they are being pulled back to the office or back to Melbourne after one night or two nights.

Tom McINTOSH: Do you think Zoom had something to do with that? We have got three or four members here who are not here in person, for example, because –

Katie REARDON: Absolutely. When I heard that some of them were Zooming, I said, ‘Well, thank you very much. There’s room nights just gone too.’ A lot of things were learned through COVID. You know, doing a medical phone call with your doctor – that was developed. It has never gone. And Zoom meetings were found. And Zoom has done a lot of damage to motel and hotel business because people opt to do that rather than be present. So yes, we have seen that.

The CHAIR: Thank you. Ms Bath.

Melina BATH: Thank you. Thank you very much for being here today. I am interested to understand any communications. First of all, Ms Reardon, you spoke about they had a hundred-page contract. Who was that? What department? Was it a state government department?

Katie REARDON: Yes, it was state government.

Melina BATH: That is all. That is what I am interested in. It was a state government department that said they wanted to book out your rooms for their bureaucrats or whoever, officials.

Katie REARDON: Yes, they wanted to take the motel kind of off the books, but they wanted to send us this hundred-page contract, and Rob just said no. Rob could tell you exactly who it was.

Melina BATH: Thank you. That is great. But it was state government.

Katie REARDON: Yes.

Melina BATH: Thank you. And then have either of you had any meetings with ministers or key officials, because you really were doing the whole scenario, the games, a service. Have you had meetings with ministers?

Katie REARDON: No.

Melina BATH: No. Or any high-level officials –

Adam GLASS: No.

Melina BATH: Okay. You went out. Wales and Scotland – and I see from the Bass Coast they talk about how \$3 million could be injected into the local economy. Yours would have been proportionately smaller, but I am assuming in Farnham Court you would have ramped up your employment, ramped up your jobs, and employed local people in that.

Katie REARDON: Definitely. Yes, we would have quadrupled our employment. We keep our staff numbers fairly tight. We would have certainly expanded. But it is not just your staff, it is all the items that you have to buy in –

Melina BATH: Yes, the extras.

Katie REARDON: you know, all the food you bring in, toilet paper, tissues, everything. There is such a flow-on effect because your volume just –

Melina BATH: It is buzzing.

Katie REARDON: Yes. Well, it quadruples.

Melina BATH: And, Mr Glass, do you think in terms of staffing – what sort of ratios and increase in staffing for that?

Adam GLASS: Yes, we would have increased our staff levels, most definitely. And like I keep getting back to, I guess it is the pre and post – you know, you cannot buy that kind of marketing.

Melina BATH: Sure. The quality.

Adam GLASS: Really it is incredible.

Melina BATH: Now, not to pick you up, but just for clarity: at the time the Premier Mr Andrews announced this, put the sign out, said ‘This is where it’s going to go,’ and then the Premier took it away. When you said, Ms Reardon, ‘What are you going to give Morwell?’ we are on your side in that we want to provide that commentary to government. That is our role. I would love to give you a lot, but we cannot – but we are here to make recommendations. So I guess for both of you, what would be a recommendation that you would have for us to give to the Victorian state government, either not to do next time or what to do now?

Katie REARDON: I do not think we have got enough time for me to tell you what I would like to tell them to do, to be honest.

Melina BATH: You can put it on notice, and you can have a think about it and write to us if you want to.

Adam GLASS: Look, sadly, I do not think we are going to get another crack at it.

Melina BATH: No.

Adam GLASS: I think we have burnt that bridge well and truly. I cannot talk for Morwell, but I am sure they would be in the exact same situation where we are so heavily reliant on numbers. When I say Bass Coast, specifically the San Remo Phillip Island area, I think any sort of infrastructure around sporting or events is only going to be positive for the whole region to bring more people this way. So that is where I think it should be injected.

Melina BATH: Yes, and we have heard from people just before about the need for the commitment to those infrastructure upgrades.

Katie REARDON: Yes, and I think I mentioned that before too, that we need to give something for events for the kids to be able to play sport, do things, you know.

Melina BATH: Be proud.

Katie REARDON: We have just had last weekend, the long weekend, basketball and swimming competitions and archery and bowling and God knows what – we have had everything in town. Of course it was all in Traralgon, it was not in Morwell, but we were full and people had to travel from Morwell down to Traralgon. But the place just buzzes, you know? The whole place just buzzes. We had about 86 people staying with us, and all of them loved Morwell. They enjoyed it; they felt safe there. The kids had a ball. There were no injuries, there were no nasties that happened. They went downtown, they spent money. They went to Mid Valley, they spent money. It just makes the world go round, and everybody was happy, and everybody had a great time.

Melina BATH: Can I ask too: you were in events. What did you make of the announcement at the time, \$2.8 billion or thereabouts to run the Commonwealth Games to July 2023 that was going to cost \$7 billion, or \$6 billion or \$7 billion?

Katie REARDON: Seven billion dollars – maybe \$8 billion.

Melina BATH: How do you factor that? Would you have run your business like that?

Katie REARDON: One of things I was going to say earlier was that I can assure you that if I stood up in front of my board with my events – my events were V8 Supercars rally of Canberra, multicultural festival and Floriade, which is the largest flower show in Australia – and said to my board that my budget had blown out by \$5 billion, I would have been frogmarched out the door on the spot. Not in an hour or half an hour or ‘Could you just sit outside for 5 minutes while we have a little chat?’ It would have been, ‘Go now, and do not come back.’ I mean, it is appalling. I can still remember I was basically riveted to the floor when I listened to our Premier say, ‘Yeah, well, it’s blown out to \$7 billion, could be \$8 billion.’ I was going, ‘You’re not talking about a hundred dollars here. That was a billion different – that was a billion dollars different.’ And he was our Premier. As an event director, I do not ever think I would ever hold another job in Australia if I were a billion dollars out in my budget. He was \$5 billion out, by the way. Who did his costings? Who the heck did the costings, and where are they?

Melina BATH: We are still trying to get to the bottom of that.

The CHAIR: Yes, that is exactly what we hope to get to the bottom of. Thank you, Ms Bath. Ms Ermacora.

Jacinta ERMACORA: Thank you. Thank you very much for coming. We really appreciate your input. I also want to acknowledge the close call – it is a significant thing to experience, to be preparing for something and then for it to not happen. I just want to acknowledge that I am hearing what you are saying about the amount of work that you put in. I was chuffed to hear too that some of those local sporting tournaments fill the

town up and fill the hotel up, and that is certainly something that we experience in the south-west region, in Warrnambool, where I am from. In fact retail businesses often say, 'Are you in town for the tournament?' That is actually fantastic. I just wanted to ask about your average occupancy rate, maybe both of you.

Adam GLASS: For?

Katie REARDON: What has that got to do with the price of eggs in China?

Adam GLASS: For when? What year?

Jacinta ERMACORA: Annual. Average.

Adam GLASS: It changes every year.

Katie REARDON: Annual? For what purpose, sorry?

Jacinta ERMACORA: It just helps me understand when we go further into what needs to, you know – you have said that you are down from COVID, so it is really important we understand what you mean by that.

Adam GLASS: Look, I can be broad. Our occupancy sits around the 75 per cent mark.

Jacinta ERMACORA: Okay, cool.

Adam GLASS: I would not go into the REV part, because that is confidential.

Jacinta ERMACORA: Absolutely. I am not asking that at all. Are some of your clientele construction workers?

Adam GLASS: I guess they could be. If they are FIT travellers, they may be. Yes, possibly.

Jacinta ERMACORA: But it is not clear?

Katie REARDON: I mean, we get construction. We get all kinds of people staying in Morwell. We are an industrial town, so we have engineers, we have doctors, we have nurses, we have lawyers, we have construction, we have road workers.

Jacinta ERMACORA: Yes. I heard you say that you put aside some potential bookings that you might have had for 2026 because of that period in 2026. Have you been able to replace or rebook any of those bookings that you put aside?

Adam GLASS: What I said was we have two groups that come each year. They normally come at the same time as the games were supposed to happen, so they were contacted and asked if they were able to move their dates so we could accommodate them at a different time and the games at the same time.

Jacinta ERMACORA: So they have sort of left their dates moved?

Adam GLASS: They actually were prepared to move their dates.

Jacinta ERMACORA: Oh, right – they had not actually moved their dates, so say if they choose to do the usual –

Adam GLASS: Correct, exactly.

Jacinta ERMACORA: Yes. On the state government tourism industry support, do you believe those programs might assist in boosting tourism, and if so, are there any particular tourism support programs or ideas that you have that would assist, given that you said you relied on tourism as an economy?

Adam GLASS: I think Bass Coast does heavily rely on tourism, and I think they spend a lot of time working with various bodies to ensure that you have got sustainable tourism throughout the year. Credibility is a big thing, and when you lose it, it is very hard to get back. I think we have touched on the kick-in-the-guts bit a fair bit today. I think a lot of these people really have felt that, because they do work hard all year round to

bring as much business to the region as they can. To have that sort of let-down, I guess, and a lot of people do not feel as though it was very transparent – I think that couples everything.

Getting back to what we have done in our whole career, I had 15 years overseas with international chains and reporting to a group of investors, and I can assure you that if I said to my investors today, ‘Look, I’m sorry. I am that kind of money out,’ not only would I be immediately fired for the fact that I am out that much, but the fact I had been hiding it. That would even be me. That credibility has gone. How do you get that back? It is very hard.

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

Sarah MANSFIELD: Thank you. And thank you both for appearing today and for sharing your experiences. Obviously the cancellation has had a really big impact on both of your businesses and your communities. I am curious to know whether there are things you would like to see from the legacy funding that might go some way to addressing some of those issues, particularly around Morwell – that sense that it has really been left behind for a long time. Are there things that could be achieved with some of that legacy funding, accepting that it may not quite be what you would have got out of the Commonwealth Games itself? But are there opportunities going forward?

Katie REARDON: Are there opportunities, or –

Sarah MANSFIELD: What do you think could make a difference, given there is some legacy funding there that has been promised for the regions? What sort of things do you think would be beneficial for Morwell to address some of those things that you said would have been some of those great benefits that would have come from the Commonwealth Games? Given that we will not have that, is there anything else that the committee could take on board regarding how you would like to see legacy funding spent?

Katie REARDON: I think there are a couple of areas that need some attention. Some of that is the facilities, as I said before, be it a soccer field or a football field or whatever, to attract the event into town. A lot of our facilities are very old. I do not know a lot about soccer, but I believe the Falcons soccer field used to be kind of state of the art and they had some pretty good matches up here – that was back before I came, 12 years ago. It may be more recent than that but not much more recent, and I think that over the time it is pretty much just failing. When we first bought the motel, we used to have a lot of soccer kid weekends where mum, dad and the kids would come up and the car park would just be full of soccer balls going east, west and crooked; it was quite lovely to see. And that has just stopped; there is nothing. There is no soccer – we have not had soccer up since I reckon about 2015–16. So that kind of thing – any facility that will engage us in an event coming to town would give everybody the opportunity to do well from. Because when people come to town, they eat, they drink, they shop, they stay, they have fun, they bring life to the town. But if you do not have the facility, you cannot attract the people.

We are not a tourist town, we are an industrial town. Our business is very much Monday to Friday. On weekends you get a lot of people who are either the independent traveller just popping through, from which you will get a one-nighter, and mum, dad or nanna and pop coming through. You get people coming to visit family and you get people who come for weddings and, unfortunately, funerals and things like that. Apart from that, we do not get tourism. They have not done anything for Morwell for tourism. I mean, it is not a place – people often say, my family say, ‘Oh, are you are going to be busy over Easter?’ Really? Who comes to Morwell for Easter? What is there to do in Morwell for Easter? There is nothing. All the shops are shut, everything is closed, there is nothing to do. We are the opposite to Silverwater – that is a tourist town, a tourist attraction. Morwell needs to be – I cannot tell you off the top of my head what to put in the town right now, but I could.

We have to start bridging the gap. We had this conversation a long time ago with the Latrobe Valley visitors bureau, to start bridging the gap between being an industrial town and moving to have some tourism, because the industrial part of the town is going to come to a close. We started that conversation 10 years ago with them, saying you have got to start looking at Morwell and saying, what else can Morwell be, apart from driving through, the kids are screaming, ‘Oh yes, okay, let’s pull in here.’ That is not enough for business. You need something that drives people to come to you. If a lot of the industry is going to cease to exist, then we need something else.

Sarah MANSFIELD: And has any government representative or agency engaged with you, or as far as you are aware the accommodation industry more broadly who have been affected by the cancellation, since that cancellation was announced?

Katie REARDON: No.

Sarah MANSFIELD: No. And you are aware of any support or other funding that might be coming to your industry?

Katie REARDON: No. I heard we are giving a big chunk over to Malaysia, that is all I heard. I thought, ‘Good for them.’ But no, we are not aware.

The CHAIR: Thank you, Dr Mansfield. I apologise, we are running a bit over time today, so we will run a little bit later if that is okay with the committee. Mr Galea.

Michael GALEA: Thank you, Chair, and thank you both for joining us. I have to say a lot of the questions I did have have been asked, particularly by Dr Mansfield around perspectives on the types of visitors you get. Obviously, I can imagine, with two very different subregions of broader Gippsland – chalk and cheese, in a sense, from Morwell to the Bass Coast. I particularly appreciated, Ms Reardon, your passion and perspective on Morwell and where it sits within the broader Latrobe Valley. Often of course the three cities are lumped together, but they do have their unique identities. I think the only other broad theme of questions I had was about your views on the best way forward, and I think you have also answered that. If you have anything else to add, I am all ears. Otherwise, I will leave it at that and just say thank you for your passion and contribution today.

Katie REARDON: Thank you. The only thing I have to say is that I am very passionate about it. I know I probably come across with that with too much verbiage, but I am extremely passionate about it. I have seen what events do for communities. It brings a light to a community, it gives people energy, it makes people clean up their yards and mow their lawns, and it does everything from the basic right through to just the mental health issue of it. And this cancellation was nothing more than cruel – it was absolutely cruel – and he did not even have the guts to come out to Morwell or to Ballarat and the other areas. I am sure they all heard as well. But he never even had the guts to come out and face people and say, ‘Guys, I’m sorry. It just didn’t make financial sense.’ It was just on the radio.

Michael GALEA: Thank you.

The CHAIR: Thank you. Mr Davis.

David DAVIS: Can I thank you, Mr Glass and Ms Reardon, for your very insightful presentation and passionate advocacy for your towns and your recognition that the whole process was botched. I have a couple of short questions. The first was: what did the English and the Scots think? What did the English think when you told them? What did the Scots think? I mean, one of the things is I was in Europe in July when this happened and the reputational damage was significant, but I would be interested to hear your views on that, both of you.

Adam GLASS: What were the English saying?

Katie REARDON: Well, the English, they were just gobsmacked. The people that we were negotiating with said, ‘That can’t be true. It just simply can’t happen.’ It was embarrassing, and it was awful to have to tell them. We were actually on a Zoom with them, as I said, so we told them before they heard on the news. They were shattered. And their words were, over time, because we kept in touch with them for a week, it was kind of like ripping a bandaid off, you know, you just had to keep making sure that they were okay. They were just ‘Well, we’d never trust an Aussie again’ – not a Victorian, an Aussie. It damaged the country as well as Victoria. I mean, Victoria, forget it – they will never do business with us ever again. But they really just said, ‘Well, you guys, your handshake’s not worth anything.’

David DAVIS: So the Victorian tourism authority idea that it improved our position overseas is sort of very odd.

Katie REARDON: I think that is a lot of rot. Sorry.

David DAVIS: The other question I had was around the recovery. There has been a bit of talk about the numbers and that business is not quite back to where it was, but part of your recovery is dealing with the cost structures as well. Have you struggled in this recent period with the increase in taxes – land tax, payroll tax, WorkCover?

Katie REARDON: Absolutely.

David DAVIS: What is the story there?

Adam GLASS: Most definitely, yes – all of those and more.

David DAVIS: What has happened with your land tax?

Adam GLASS: Yes, well, it has obviously – you know, when you have got investors. I guess you have got that fine line where you are trying to (a) run a commercial business and (b) you have got to juggle, as every business does, the expenses and the revenue streams that come in, but when you are seeing increased expense lines and reduced revenue lines, which, you know, are slowly pushing that EBITDA number down, it gets very sticky on a number of fronts for investors. So you have got the loss of credibility I guess, and then you have got the loss of – I would almost call it a letter of comfort when you come to investing money and going to your owner and saying, ‘Hey, you know those extra 30 units we were going to build out the front, do you reckon we can still do that?’ You know, it just throws a spanner in the works on so many different levels. So yes, all those have definitely not helped.

David DAVIS: Payroll tax –

Adam GLASS: Payroll tax, land tax –

David DAVIS: WorkCover –

Adam GLASS: WorkCover, yes.

Katie REARDON: Increased super, increased wages –

Adam GLASS: All of the above.

Katie REARDON: Everything is increased. Liquor licences have gone up.

Adam GLASS: Freight –

Katie REARDON: Yes, freight has gone up. Food and wellbeing certification has gone up. There is nothing that is the same price. Everything has gone up, and yet when people check in they would like to see that their rate stays the same as pre COVID.

Adam GLASS: Exactly. And you are squeezing people obviously to not spend. It is not a very pretty picture.

David DAVIS: So in terms of investment in Victoria, I mean, this does not help, does it?

Adam GLASS: No, that is right.

David DAVIS: The final question I had was just about events and facilities. The committee – I think I speak for all of them – is very open to any specific proposals or others that you have got that we can encourage government to support, and that does not have to be today.

The CHAIR: Yes, you are quite welcome to write to the committee if you have got ideas after today.

David DAVIS: Yes. But thank you – very impressive, both of you, your understanding and passion for your community.

The CHAIR: Yes, and I also share that.

Thank you very much for appearing today and giving evidence. It is very important to hear from businesses that have been affected by this decision so that we can get to the truth of the real impacts of what has happened here. You will receive a copy of the transcript for review in about a week, and after that it will be published on our website. Thank you again for appearing today. The committee will now take a short break to reset for the next witness.

Witnesses withdrew.