



Select Committee on the 2026 Commonwealth Games Bid

Hearing Date: 29 November 2024

Question[s] taken on notice

Directed to: Department of Treasury and Finance

Received Date: 3 January 2025

1. **Joe McCRACKEN, page 4-5**

Question Asked:

Heidi MEEHAN: From DJSIR. On 28 January we received the draft submission and then on 31 January we provided advice to government.

Joe McCRACKEN: Sorry, hold on. Say that again – on the 28th, did you say?

Heidi MEEHAN: On 28 January we got the final draft.

Joe McCRACKEN: And on the –

Heidi MEEHAN: On 31 January we provided advice to government.

Joe McCRACKEN: So that is three days?

Heidi MEEHAN: Correct.

Joe McCRACKEN: How did you analyse that all in three days?

Heidi MEEHAN: Well, we did have the draft on 20 January.

Joe McCRACKEN: Were there many changes from the draft to the final?

Chris BARRETT: I do not know that Ms Meehan could speak to that. I am happy to take that on notice...

Response:

DTF cannot disclose material related to the submission considered by ERC in January 2022 as it formed part of Cabinet deliberations.

2. **Joe McCRACKEN, page 5**

Question Asked:

Do you have a reconciliation between the initial draft and what you received on the 28th?

Chris BARRETT: I will see if there is anything we can provide on that, Mr McCracken.

Response:

Please refer to the response for question 1.

3. **Joe McCRACKEN, page 6**

Question Asked:

So what was the recommendation in January, then, when you first delivered that analysis of the business case on the 31st?

Chris BARRETT: I might ask Ms Meehan if she can talk to that, to the extent that we are able to talk to the advice that we provided, but it would rely on the VAGO report.

Heidi MEEHAN: So advice was provided to government on the business case, but there was a further requirement to come back in March in 2023 with a finalised budget. So there was still work occurring on the cost estimates over those –

David DAVIS: It was a green light, though?

Heidi MEEHAN: To proceed with looking at entering into a host contract – that was a green light to continue negotiation based on that business case.

Joe McCracken: So when you got to March, then, the figures still stacked up?

Heidi MEEHAN: Yes.

Chris BARRETT: Yes.

Joe McCracken: But they were, as you say, changing, is that correct?

Chris BARRETT: Yes.

Heidi MEEHAN: Yes.

Chris BARRETT: That is right.

Joe McCracken: Do you have the changes from January to March that you can provide?

Heidi MEEHAN: We can provide those on notice.

Response:

As identified in the VAGO report, the March 2022 business case updated the estimated net costs of the Games from \$1.4 billion - \$1.6 billion to \$1.5 billion - \$2.5 billion, increasing the net costs by \$100 million - \$900 million.

DTF notes that the March business case utilised largely the same cost-benefit assumptions as the January business case, which lowered the overall cost-benefit ratio from 1.2-1.8 to the publicised 0.7-1.6.

4. David DAVIS, page 17-18

Question Asked:

...But let us just understand what has gone on here. The key point here is that a high number was put across and then a low number. Consistent with the practice of sharing early submissions, did DTF see the earlier submission, not just the final one, as well?

Chris BARRETT: I would have to ask Ms Meehan if she has got a recollection of that, because I would not have seen that at the time.

Heidi MEEHAN: No. I will have to come back to –

David DAVIS: Was no sequential material provided ahead?

Heidi MEEHAN: I would have to come back to you on that one.

Chris BARRETT: Yes, we will have to see if there is something we can provide on notice there, Mr Davis.

Response:

There was a complete business case provided for the 2026 Commonwealth Games for ERC consideration on 10 March 2022.

As identified in the VAGO report, the Department of Jobs, Skills, Industry and Regions (DJSIR) provided DTF with a draft of the report back submission around 3 days before its consideration on 10 March. Key attachments to the host contract, including attachments on the state's undertakings and guarantees, were not provided until late on 9 March.

The Department of Jobs, Skills, Industry and Regions would be best placed to provide advice on the discrepancy between the figures disclosed in the VAGO report.

5. David DAVIS, page 18

Question Asked:

No, the department. The government is one thing, but the department – what did the department accept?

Chris BARRETT: Well, a submission to government, as you would know, Mr Davis, always comes in the name of a minister.

David DAVIS: Yes, it does. But the department will indicate whether it accepts that or not, including your department.

Chris BARRETT: As in the Department of Treasury and Finance might indicate?

David DAVIS: Yes, that is right.

Chris BARRETT: We will see if there is anything we can provide from the record for you, Mr Davis, on that.

Response:

Consistent with all DTF briefings to government, the advice provided to ERC on the submission received on 7 March 2022, for the 10 March 2022 meeting, represented DTF's view of the submission's request, including DTF's understanding of the costs presented at that time.

However, DTF cannot disclose its advice on the business case included in the submission considered by ERC in March 2022 as it formed part of Cabinet deliberations.

6. David DAVIS, page 18

Question Asked:

This is what I am asking. This is what I am trying to understand: was the \$2.7 billion accepted entirely all the way through, or was it \$3.2 billion?

The CHAIR: I think they have agreed to take that on notice.

Response:

Please refer to the response for question 5.

7. **Michael GALEA, page 19**

Question Asked:

In your previous answers to me you made the point that the federal government does actually receive a lot of tax revenue from these sorts of major events, whether it is the grand final, the grand prix or the Australian Open. Can you give us much of a sense of what sort of revenue it may derive from these events and if you have an estimate of what that would have looked like for the Commonwealth Games as well?

Chris BARRETT: That is a very good question, and I might go and see if we have done any analysis on that. It is always possible we might have done some analysis to try and support a contribution by the Commonwealth government. In many respects that is why you would want them to make a contribution – in recognition of the benefits that flow through to them.

Response:

DTF did not undertake any formal analysis on the volume of tax revenue the Commonwealth could have expected to generate from the Commonwealth Games.

DTF notes that this type of modelling is very complex, and requires analysis of many aspects of the proposed cost-benefit analysis presented including potential tax revenue collected from ticket sales, domestic and international tourism spending, fuel/transport, gambling, etc.

The Department of Jobs, Skills, Industry and Regions would be best placed to provide advice on the modelling underpinning the assumed Commonwealth contribution to the Games.