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Disclosure Key Messages and Q&A

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January 22, 2007

Core Key Messages

- 1. Our work, this bid, is on behalf of and governed by HRM, PNS and Government of Canada.**
- 2. Taxpayers have the right to know as much information as possible. We recognize that, and we will try to meet the need for transparency whenever possible – we must balance it with the need to remain competitive.**
- 3. A principle of our organization is to be fiscally responsible and accountable – our governance structure is reflective of this.**

Detailed Key Messages

Governance/Accountability

- A principle of our organization is to be fiscally responsible and accountable – our governance structure is reflective of this.
- Our focus is on responsible management, detailed plans, a sound business case and a resulting budget that meet our commitments to our funding partners who govern the affairs of the bid society.
- Our board of directors includes members appointed by our three funding partners – the federal, provincial and municipal governments. The board oversees **all** of the bid society's activities – we work on their behalf.
- The Halifax 2014 executive committee of the board also includes representatives from the city and the province.
- We have consistently released information to the public when it didn't compromise our international position, and will continue with this approach as we move forward with bid preparation.

Affordability

- Our funding partners in the three levels of government will evaluate, measure and determine the affordability of the Games to ensure we submit the **right bid for Halifax and Canada**.

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- Each of the funding partners will undertake their own individual assessments of affordability requirements and evaluate the potential benefits.
- That evaluation will enable decision makers to determine the affordability of hosting the Games in 2014.

Games Budget

- The complexity and requirements of preparing a winning bid for multi-sport Games have increased dramatically in the last several years – the level of detail and planning we are engaged in now is meant to ensure we have the most accurate estimate possible of Games-time costs.
- We recognize the responsibility we have to our government partners and taxpayers to prepare the most accurate Games estimate possible – one that delivers an appropriate return for the city, province and country.
- The Games budget will be submitted to all three levels of government for scrutiny and examination – the process is far from over at that point.
 - we will take direction from our government funding partners as to how we may need to modify the budget– this is an ongoing, detailed process that allows for the due diligence that citizens expect and deserve.

Bid Budget/Funding Partners

- We are extremely pleased with the level of confidence shown by our primary funding partners (HRM, PNS and Gov't of Canada) -- \$10m investment in the international bid demonstrates a tangible commitment to realize the potential benefits of hosting the 2014 Commonwealth Games.
- Halifax 2014's bid budget is \$14m -- a serious budget for a serious bid
 - the magnitude of the bid budget signifies how seriously we and our partners take this bid – we understand and accept the responsibility to manage it effectively and prudently.
 - it also reflects how much detail and due diligence we will invest in preparing the bid, putting Halifax in an optimal position should we be successful in winning the Games.
 - it's the cost of bidding for international Games today
 - CGF requirements have changed significantly since previous bid processes, dictating that the bidding process include a

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greater level of detail and planning – more like an Olympic bid (London \$48m; Vancouver \$34m).

- The drive for the most accurate games estimates possible also drives the amount of due diligence and planning needed – this impacts the cost of bidding.

Bid Book/Bid Process

- We are entering a new phase of the bid process that sees the bulk of our efforts focused on the preparation and production of our candidature file and a successful bid for Halifax – it's a highly intense and competitive process.
- Halifax 2014 is committed to preparing and submitting the highest quality bid possible:
 - one that delivers tangible benefits to the people of Halifax and Nova Scotia and Canada
 - one that creates lasting legacies for sport development, healthy active living, economic impact, business development, and community capacity for attracting and hosting future events of this magnitude
- Certain details provide competitors with an advantage – we don't want to end up in a bidding war – committing resources to respond to our competitors reaction to our strategy, it's just not efficient.

Possible Questions & Answers

Disclosure Timing:

1. Why have you decided to release this information now – why wasn't it done earlier?

- A few reasons:
 - a) We have consistently released information to the public when it didn't compromise our international, competitive position – we needed to assess the release of further information in terms of its impact on our bid.
 - b) We had to consult with our Board Executive Committee and partners as to their comfort with our releasing further detail – together we have determined that we are at a point in the bid process where this information can be shared.
 - c) And we needed to get the information together, literally – we have a very lean staff and our singular focus over the last six – eight weeks has been

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finalizing the Games budget so that it could be tabled with our board and our funding partners.

- We're on a very tight, immovable schedule – every time we break from the preparation of the bid to focus on different request, we lose precious time that we can't make up elsewhere.
- We've asked you here to provide as much information as we're able at this time, and to make the commitment that our entire bid budget will be released once the bid is complete (post November 2007).

2. Do you think releasing this information now will change the opinions of your detractors?

- With the release of more specific information residents will have more detail about how we're governed and the process we're following, allowing them to make their own decisions about the bid.
- It's important to us that Nova Scotians recognize that we are following a due diligence process requested by our government funding partners to ensure our bid reflects what's right for Nova Scotia and for Canada, and puts Halifax in an optimal position should we be successful in winning the Games.

3. Based on the secrecy to date and the lack of transparency from your government partners regarding the bid, why should the public trust you now?

- We recognize the responsibility we have to taxpayers.
- With the release of more specific information residents will have more detail about how we're governed and the process we're following, allowing them to make their own decisions about the bid.
- Our government partners are very closely involved in every detail of our bid and we have many processes in place to ensure our bid reflects what's right for Nova Scotia.
- A principle of our organization is to be fiscally responsible and accountable – our governance structure is reflective of this.
- Our focus is on responsible management, detailed plans, a sound business case and a resulting budget that meet our commitment to our funding partners who govern the affairs of the bid society.

4. How much is happening behind closed doors that the public is not being told about (financial commitments, infrastructure commitments)?

- As with most business and government transactions of this size and nature, there are certain points that must be examined, scrutinized, in some cases challenged and changed, and, most importantly, negotiated to the satisfaction of all parties before public announcements can be made.
- Each of the partners would be negotiating in the best interests of their constituents – our job is to provide the best and most accurate bid possible, which our partners will ultimately decide is right for each of them.
- All details of the bid will be released in May of this year, once it is lodged with the CGF.
- We absolutely plan to share more information regarding planned venues, sports and community investments and benefits prior to May of this year.

5. Why was some of this information deemed competitive two weeks ago and it's not anymore?

- We are now at a point in the process where our focus is shifting to the preparation of our candidature file – providing the perfect opportunity to update people on the last several months and what to expect as we prepare for our May 9th submission.
- We have consistently released information to the public when it didn't compromise our international position, and we will continue with this approach throughout the bid process.

6. Why aren't certain policies such as your travel policy posted to your website where they are fully accessible to the public?

- In response to interest / questions from the public regarding some of our specific policies (such as travel) we will be making it and other policies accessible from our website.

7. How were these policies developed and approved?

- All Halifax 2014 policies were developed in consultation with our board of directors, which includes representation from each of our government funding partners.
- In fact, we relied on existing policies from each of our partners to guide the development of our own.

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- All Halifax 2014 policies are provided to our Board Executive Committee for review and approval. If necessary, policies can be updated, but again any changes require approval from the Executive Committee.

8. Don't you think citizens have the right to demand more transparency, after all you are spending taxpayers dollars?

- We recognize the responsibility we have to taxpayers.
- We understand that residents of Halifax and Nova Scotia are interested in the Games bidding process – it's their right to expect accountability and responsibility.
- We want residents to feel confident that we are preparing a bid that is right for this city, province and country.
- We will continue to release information when it does not compromise the success of the bid.
- And we've committed to release our entire bid budget once the bid process is complete.

9. How often will you be providing updates on your expenditures?

- As we move through the international bidding process there will be opportunities to provide updates that not only focus on the financial aspect of the bid but also on the bid process.
- We will provide quarterly updates. You can expect the next update in May, another in August and a final update post-bid decision (post-November 2007).

10. We've heard from several city Councillors who say that you haven't been open with them – has the information outlined here today been shared with Council?

- The information discussed here today has all been approved by our Executive Committee which includes representation from HRM.
- We also regularly update Council on our activities.
- We have made all information discussed today available to all Councillors.

11. We continue to hear that your secrecy is because of your competitive situation, why then is Glasgow being so open with their bid specifics (sports, facility costs, Games budget etc.)?

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- Glasgow's circumstances, strategy, government process and requirements, and overall approach are different than ours.
- We have consistently released information to the public when it didn't compromise our international position and will continue with this approach throughout the bid process.
- We respect that our funding partners need to follow their respective processes in evaluating our Games budget – it would be inappropriate and irresponsible for us to release those specifics until all of our government partners are comfortable doing so.

Salaries / Staffing:

1. Why did it take you so long to release salary information, clearly it isn't competitive information?

- We had to consult with our Board Executive Committee and partners as to their comfort with our releasing further detail – together we have determined that we are at a point in the bid process where this information can be shared.
- And we needed to get the information together, literally – we have a very lean staff and our singular focus over the last six – eight weeks has been finalizing the Games budget so that it could be tabled with our board and our funding partners.

2. Why haven't you released a full breakdown of salaries for all employees?

- We looked to the practices of our partners in terms of releasing salary information for guidance.
- We chose the level of information we thought was appropriate, given the size of our organization.
- We tried to respect the privacy of our employees while balancing it with the need for transparency.

3. What is the bonus structure / If so how much?

- Continuity and consistency are extremely important in the bid process. Retaining senior staff to lead the strategic direction of the bid committee is vital to our success.

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- Consistent with most bid and games environments, our directors are eligible for bonuses upon completion of their contract. Those bonuses will be reflective of individual agreements and within our international bid budget.

4. Do staff receive benefits?

- All Halifax 2014 employees have agreements that do not include benefits.
- To be comparable with the compensation arrangements of our government seconded employees, all Halifax 2014 employees are compensated directly to cover things such as benefits.

5. How does your staff compensation (salaries, bonuses, benefits) compare to HRM/PNS?

- The salaries for Halifax 2014 were developed by consulting both HRM's and the Province of Nova Scotia's salary bands for positions with similar responsibilities.
- They are very comparable.
- (more information to come here from Dale)

6. How open is your hiring process – are all positions posted / advertised?

- Our hiring process has always been focused on ensuring we find the right talent and experience to prepare a successful bid for Halifax.
- While some employees have been seconded from our funding partners, others were hired through a competitive process where job openings were posted and advertised with the help of HRM.
 - All short-listed candidates are interviewed and evaluated by a panel (usually 3 people) which includes an HR representative from HRM.
 - In some cases, the skill set required to fulfill a position has been so specialized that it was necessary to do a dedicated search for an individual with previous bid or Games experience (i.e. Tony Holding).

7. Why does it take so many staff to prepare the bid – why isn't this being run as a volunteer organization?

- Preparing a successful bid is a full-time job for a group of people. One that requires the right mix of talent and experience.

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- The bid process is extremely rigorous, stringent and intense – our deadlines are dictated by the CGF and must be met. This requires a full-time commitment and a dedicated focus to the task at hand.
- Currently we have a number of volunteer advisory committees involved in the bid. And, when appropriate we reach out to a pool of approximately 35 athletes who volunteer for events etc.
- Of course, if we win the bid, volunteers will be integral to staging a successful Games.

8. What happens to your staff if your bid isn't successful?

- All employees of Halifax 2014 have contract terms that are reflective of the bid process and its resource requirements.
- Most employees terms will conclude no later than November 30, 2007.
- A small transition team has a term that extends beyond that to support the outcome of the decision in the short-term, gathering information, completing financial and accounting details, final reporting.

9. How many consultants work on behalf of the bid? How were they hired?

- We have a number of consultants who advise the bid society and our board of directors.
- Some are engaged for a short period of time, to complete a specific task, and others have ongoing contact with us, providing advice and counsel based on their expertise.
- The consultants are chosen based on their expertise, experience, exclusivity and then contracted based on our procurement and hiring policies.
- The funds spent on consultants have been budgeted within our international bid budget, and are being managed prudently and carefully.

If pressed:

- The specific number of consultants, who they are, and what kind of services they provide us is competitive at this point in the bidding process.

10. How many volunteers do you have?

- We regularly reach out to the community for volunteers:

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- Our cultural, environmental, development and sport advisory committees are all volunteer based groups with involvement from Halifax 2014 staff. Through these committees we have approximately 50 volunteers.
- We also have a pool of approximately 35 athletes that we regularly call upon for things like parades and events.
- The domestic bid committee was predominantly a volunteer-based organization with approximately 100 people working on the bid preparation.
- Of course, if we win the bid, volunteers will be an integral part of staging a successful Games.

International Travel:

11. How many countries have you visited so far?

- Visiting Commonwealth nations and territories is an important part of the bidding process.
- It provides us with an opportunity to learn first hand what's important to them in a Games experience while at the same time introducing them to Halifax and Nova Scotia.
- To date we've visited approximately 30 countries covering all six regions of the Commonwealth.
 - For example we've visited Botswana and Swaziland in the African region, Guyana in the Americas region (Caribbean) and our first visit into the Pacific region was Samoa...give a Samoa highlight.
 - November – we went to Malawi for the Association of National Olympic Committees of Africa annual conference and the Bahamas for the meeting of the Caribbean Association of National Olympic Committees.
 - December – also attended the Asian Games in Doha, Qatar.

12. How many more countries will you be traveling to before May?

- An important part of the bid process is reaching out to all Commonwealth nations and territories to ensure our bid is reflective of their needs.

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- We will continue to reach out to them through a combination of face-to-face meetings, presentations, newsletters, day-to-day contact with our staff and ensuring we share information with them when it's important.
- We will continue to travel and will release those specific details when it's appropriate and does not compromise our position competitively.

13. How does your travel strategy compare to Glasgow and Abuja – is it more of less?

- We're focused on preparing a successful bid for Halifax that focuses on our strengths and capabilities.
- Certainly, we've been at some of the same conferences and events as Glasgow and Abuja (such as ANOCA and CANOC) but I am not aware of their specific travel strategies.

14. Do you think it's wise to spend taxpayers dollars on business (first class) travel?

- The large majority of our travel is economy (need to insert % breakdown).
- Virtually all of the paid travel by the Halifax 2014 team until the fall of this past year, a considerable amount, was economy class according to the travel policy of the Society. At that point the travel policy was revised to include the possibility to fly business class in a very limited number of circumstances.
- The change was based on other government travel policies and in recognition of the wear and tear on our senior team. This change in the policy was approved by the Executive Committee.
- When our team arrives in Commonwealth countries they need to be rested and fresh in order to sell Halifax and our bid. Often times, they are traveling with no breaks and little time to recuperate between trips.
- Our travel policy has a provision that if an individual is required to travel for 12 consecutive hours or more they can travel in business class.
- Often times these upgrades are provided at no cost by the airlines to the Bid Society based on the level of travel we do.

15. How many Halifax 2014 staff travel regularly on behalf of the bid?

- The majority of our international travel is done by a core team that normally travels in pairs. Those representatives include:

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- Fred MacGillivray
- Scott Logan
- Dr. Andrew Pipe, president of the CGC
- Tom Jones, CEO of the CGC
- Kate Randall, our international relations officer

16. Will delegates coming to Halifax for inbound visits be traveling first class?

[Need response]

17. Why do you consider travel details so competitive?

- An important part of the bid process is reaching out to all Commonwealth nations and territories to ensure our bid is reflective of their needs.
- It's important to point out however that visits to CGAs are not a mandatory part of the process.
- This is a highly competitive situation and it's important to keep some parts of our strategy confidential, reducing our competitors' ability to react.
- In many cases we do not want to give our competitors insight into who we are visiting and when.

18. How does your travel policy compare to HRM/PNS?

- Halifax 2014's travel policy is reflective of both the policies of HRM and the Province – in fact we used their existing policies as a guide to developing ours and you will see many similarities.
- Our travel policy has been prepared to reflect the short timeframe of the bid process, the amount of travel required and our carefully managed bid budget.

19. Your travel policy references a \$200 car allowance, how many employees are receiving this allowance? Who?

- **[Gathering info here (very few)]**

Games Budgeting Process

20. Why is the budgeting process taking so long?

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- The highly detailed budgeting process (more like an Olympic bid) we are undertaking reflects how much detail and due diligence we are investing in preparing our submission, putting Halifax and Canada in an optimal position should we be successful in winning the Games.
- Like in any organization, budgets aren't built overnight. Any modification or revision to our bid can have a financial implication that needs to be considered by our board of directors.
- It's important that people recognize our responsibility to ensure all our government funding partners are comfortable with our Games budget before it can be approved and released publicly – this is an ongoing process that takes time, careful planning and patience.

21. When will the Games budget be released?

- Our Games budget has not yet been finalized.
- Following a rigorous process to prepare a highly detailed budget for the Games, the budget will be submitted to all three levels of government for scrutiny and examination – the process is far from over at that point.
 - We will take direction from our government funding partners as to how we may need to modify the budget – this is an ongoing, detailed process that allows for the due diligence that citizens expect and deserve.
- Our Games budget will be released publicly after it's submitted to the CGF in May 2007.

22. With the federal government capping its Games commitment, isn't it easy to calculate what the other partners will provide?

- While we are extremely pleased with the Games commitment previously announced by the Federal Government we have a responsibility to all of our funding partners to continue with the due diligence that citizens expect and deserve – it's the process our government partners have asked us to follow.
- Once we have submitted our Games budget to all three levels of government I understand that the city and the province will use that information to determine their respective Games funding contributions.

23. Why won't you just confirm that the Games budget will be more than the \$785 previously announced?

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- It would be irresponsible for us to discuss the Games budget before it is finalized and approved by our funding partners.
 - Any modification or revision to our bid can have a financial implication that needs to be considered by our board of directors.
- It's important that people recognize our responsibility to ensure all our government funding partners are comfortable with our Games budget before it can be approved and released publicly – this is an ongoing process that takes time, careful planning and patience.

24. Why wasn't a more stringent budgeting process followed during the domestic bid phase?

- The information provided during the domestic bid phase was based on the budget template that was given to all candidate cities during that process.
 - That template dictated what all candidate cities participating in the domestic bid were to provide in preparing a Games budget.
 - The requirements of the domestic bid are different from the current requirements dictated by the Commonwealth Games Federation in preparing our international bid.
 - The domestic bid phase was also a much shorter timeframe with limited resources (predominantly volunteers).

25. Can we really afford these Games / How will you determine what we can afford?

- Our funding partners in the three levels of government will to evaluate, measure and determine the affordability of the Games to ensure we submit the **right bid for Halifax and for Canada**.
- Each of the funding partners will undertake their own individual assessments of affordability requirements and evaluate the potential benefits.
- That evaluation will enable decision makers to determine the affordability of hosting the Games in 2014.

26. We've seen from media reports that Glasgow has released its estimate for the Games costs (approx \$670 million CDN) why is their budget so much lower? How come they have announced their final number already and you can't?

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- Glasgow’s circumstances, strategy and approach are different than ours and I am not aware of the specific breakdown of Glasgow’s Games cost estimate or how it was prepared so it would be inappropriate to comment on it.
- When we announce our Games budget estimate, we will provide a full picture of the games operating costs, our capital investments and the investments in legacy for Halifax and Nova Scotia
- For now, our focus is on preparing a bid that is **right for Halifax and for Canada** and we will continue to follow the budgeting process requested by our funding partners in the three levels of government.
- We respect that our funding partners need to follow their respective processes in evaluating our Games budget – it would be inappropriate and irresponsible for us to release those specifics until all of our partners are comfortable doing so.

Bid Process

27. What are your chances of winning? How confident are you in your bid?

- We have every confidence in our bid, and our experience and capabilities hosting world-class events.
- We’re working very hard on preparing a successful bid for Halifax – one that is athlete-focused and legacy-driven.
- We are also competing against two very formidable opponents for whom we have the utmost respect.

28. Glasgow has released it’s sports, when will you be announcing your sports? Why haven’t you done so already?

- Again, Glasgow’s circumstances, strategy and approach are different than ours.
- As we move further into the bid process, we have always planned to start announcing more specifics about both venues and sport selection.
- Stay tuned.

29. Are you where you need to be to win this bid?

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- The international bid process is very complex and rigorous – there are many more steps before the final vote in Sri Lanka.
- We have every confidence in our bid, and our experience and capabilities hosting world-class events.

30. How much will your bid book and its submission cost?

- The cost of putting together the bid book and our bid submission has been planned for within our international bid budget.
- We will adhere to that budget.
- The actual cost of producing the bid book and bid submission is information competitive to our bid, however the entire bid budget will be released once the bid is complete and the vote in Sri Lanka has taken place.

31. Why does your process seem more complicated than the process Hamilton followed?

- Our bid process is reflective of preparing a bid that is **right for Halifax**.
- We're not focused on past bids or our competitors – we're focused on preparing a bid that showcases Halifax's strengths and capabilities.
- Comparing past Commonwealth Games bids with Halifax's bid is really like comparing apples to oranges – a closer comparison would be to an Olympic bid.
- CGF requirements have changed significantly since the last bid processes, dictating that the bidding process include a greater level of detail and planning – more like an Olympic bid (London \$48m; Vancouver \$34m).