

Chapter 6:

**SYDNEY 2000 OLYMPIC AND
PARALYMPIC GAMES**

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In September 1993, the International Olympic Committee awarded the City of Sydney the right to host the Olympic Games in the Year 2000. The Games will be held between 15 September and 1 October 2000. The Paralympics will be held between 18 and 29 October.

As part of the process of mounting Sydney's bid for the Olympic Games, estimates were prepared of the costs of staging the Olympics and strategies developed for financing these costs. The estimates were used to develop two budgets: one for planning, organising and holding the Olympic Games; and one for constructing venues required to augment existing sports facilities.

In order to secure the Olympics for Sydney, the NSW Government was required to give an unqualified guarantee that the State would underwrite the Olympics' budget. The Government has a responsibility, therefore, to maintain close oversight of the planning for the Olympics and implementation of those plans to ensure that essential Olympic facilities are provided on time and within reasonable costs and that the Sydney 2000 Games are a success.

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES

The Sydney Organising Committee for the Olympic Games (SOCOG), established in January 1994, is responsible for organising and staging the Olympic Games in a financially sound and responsible manner. Key functions include: organising accommodation and transport for athletes, officials and the media; organising the sports program; the cultural program and the opening and closing ceremonies; establishing a marketing program; providing appropriate security and health arrangements; and as host broadcaster, providing media facilities and services. SOCOG will raise revenue from television rights, sponsorship, licensing and ticketing. It is to pay for the fit-out of venues for Olympic events.

In September 1996, amendments were effected to the SOCOG Act whereby the Minister for the Olympics was appointed as President of SOCOG and the Shadow Minister for the Olympics appointed to the SOCOG Board.

Costs incurred by SOCOG will be financed by revenues generated from staging the Games. As SOCOG's costs are expected to be more than offset by its receipts, it is treated as a Non Budget Sector agency.

Under the original SOCOG Act 1993, any surplus arising from the Games was to be distributed between the International Olympic Committee (10 per cent), the Australian Olympic Committee (AOC, 10 per cent) and 80 per cent the AOC to be held in trust. Income generated by these funds was to be paid to the national federations for sports on the Olympic Program.

The Board of SOCOG could also not approve nor amend any Games budget without the approval of the President of the AOC. The Government has negotiated a revised financial agreement with the AOC.

The veto power of the AOC over the Budget of SOCOG and the AOC entitlement to 90 per cent of any operating surplus generated by SOCOG has been removed. In return, guaranteed payments of \$5 million (in 1992 Australian dollars) and \$70 million (in 1992 Australian dollars) will be made respectively to the AOC and the Australian Olympic Foundation to support Australian athletes for future international competition.

Necessary amendments to the SOCOG legislation were proclaimed in December 1996. These new arrangements allow taxpayers of this State to derive 90 per cent of any surplus from SOCOG's staging of the Olympic Games, with the remaining 10 per cent being distributed to the International Olympic Committee under the arrangements that apply to each Olympic Games.

SOCOG has revised its Games budget in the light of the new legislative framework, major television and sponsorship deals and observations made during the Atlanta Games in 1996. The revised Games Budget has been reviewed and approved by the Government and will be released shortly.

SYDNEY PARALYMPIC ORGANISING COMMITTEE

The Paralympics will be held after the 2000 Olympic Games at Sydney Olympic Park, Homebush Bay. The Sydney Paralympic Organising Committee (SPOC) is a Government controlled public company limited by guarantee which is organising the staging of the 2000 Paralympics.

SPOC is administered by a Board of Directors which is responsible to the Members of the Company including the Premier, the Minister for the Olympics and the Treasurer.

The New South Wales and Commonwealth Governments have agreed to contribute \$25 million each to the cost of the Games.

OLYMPIC CO-ORDINATION AUTHORITY

The Olympic Co-ordination Authority (OCA) is responsible for implementing strategies for the planning, redevelopment and management of the 760 hectare Homebush Bay area.

It is responsible for the delivery of new sporting and recreational facilities and venues at Homebush Bay, Penrith Lakes, Blacktown, Bankstown, Horsley Park and Cecil Park which will be used during the staging of the Olympic and Paralympic Games. The Olympic Co-ordination Authority is also responsible for the relocation of the Royal Easter Show to new showground facilities at Homebush Bay.

It is further responsible for co-ordinating the inputs of the various NSW Government agencies involved in the preparations for the Olympic and Paralympic Games, and for maintaining close liaison with SOCOG and SPOC.

The Authority is required to build facilities which meet both the needs of SOCOG and SPOC for staging the Games and, importantly, for also providing long term sporting, social and cultural benefits for the people of New South Wales.

Progress to Date

By the time Sydney was awarded the right to host the Olympics, construction was well advanced on the Aquatic and Athletic Centres at Homebush Bay and the International Regatta Centre at Penrith.

On taking office in March 1995, the Government appointed a Minister to take responsibility for the Olympics and replaced the former structure under which four Ministers and five separate Government agencies (in addition to SOCOG and SPOC) shared the State's core Olympic responsibilities. The following significant events have since occurred -

- a final Masterplan has been released for the redevelopment of Homebush Bay, firming-up planning for the location of the major sports venues;
- a Master Concept Design for the public domain at Homebush Bay has been developed. The design will provide for a linkage between venues, facilities and surrounding park and recreational areas. The open plaza areas will ensure that crowds flow freely in and out of Homebush Bay at the time of large events;
- construction of a rail loop which includes a three platform railway station that will enable up to 30 trains an hour to service the Olympic and Showground sites is well advanced;
- construction is also well advanced on the new Royal Agricultural Showground at Homebush Bay which will enable the Royal Easter Show to be held in 1998 at the new location for the first time;
- completion of Stage 1 and 2 of the Penrith Lakes International Regatta Course and commencement of Stage 3 which includes grandstands and storage facilities;
- a site adjacent to the major Homebush Bay Olympic venues has been acquired from the Commonwealth for construction of the Athletes and Officials Village. Remediation of the site has commenced, Mirvac Lend Lease Village Consortium was chosen as the preferred proponent for development of the \$470 million Village and a Development Application has been lodged. The NSW Government will contribute a total of \$57 million (in 1997-98 dollars);
- major remediation work on Wilson Park, the Auburn Tip and Haslam's Creek has been undertaken and is continuing;
- construction by Multiplex has commenced on the new 110,000 seat Olympic Stadium. The NSW Government will contribute \$121 million (in 1997-98 dollars) toward this \$690 million project;
- announcement of a strategy to develop the Lidcombe Hospital site for the housing of up to 6,000 media representatives during the year 2000 Games;
- Aquilina Reserve, within the City of Blacktown, has been chosen as the location for the Olympic Softball Centre to contain one competition field and three training diamonds with a spectator capacity of 8,000;
- the Olympic Roads and Transport Authority has been established to co-ordinate transport arrangements for the Olympic Games and will report to the Government via the Minister for the Olympics;

- Bankstown has been announced as the site for the new Olympic Velodrome and Cecil Park is the site for the new shooting venue;
- proposals have been requested for the construction and operation of a minimum three star standard 250 room hotel on the Olympic Plaza at Homebush Bay;
- construction work has commenced on various roads, car parks and infrastructure requirements including the Bennelong Road Ferry Wharf and the undergrounding of overhead powerlines;
- proposals have been called for the construction of the Multi-Use Arena at Homebush Bay with a seating capacity of 15,000 and a spectator capacity of 20,000 in post Olympic configuration. The Arena will be used for Gymnastics during the Olympics. Negotiations are continuing with two remaining preferred proponents; and
- development of the Equestrian site at Horsley Park has commenced.

In 1996-97 the Olympic Co-ordination Authority either commenced work or finalised arrangements worth approximately \$2 billion for the development of Homebush Bay.

Environmental Initiatives

The Authority has a strong commitment to Ecologically Sustainable Development (ESD). Environmental issues are at the forefront of criteria under which the various facility proposals are assessed by the Authority and infrastructure design and development is progressed. Major environmental initiatives include -

- the approval and public release of a formal OCA Environment Policy;
- the preparation of generic Environment Tender Specifications and the development of Energy Guidelines for domestic, commercial, industrial and sporting venues;
- incorporation of environmentally friendly principles into the design and construction of the Aquatic Centre;
- the use of solar power with solar collectors in the development of facilities wherever feasible;
- adoption of design techniques which maximise the use of natural lighting and maintenance of building temperatures at comfortable levels;
- incorporation of wetland re-generation, natural habitats and flora and fauna protection schemes into remediation works;
- protection of significant conservation and ecological areas near the Village site at Newington through buffer zones under an ecological plan of management. These include the natural woodland and wetland communities on the site and on adjacent saltmarshes and grasslands;
- the protection of mature trees and proposals for major green area landscaping across all Olympic and Showground sites;

- adoption of water cycle infrastructure strategies for effective water conservation recycling, storage and distribution;
- adoption of effective and efficient recycling programs which maximise the use of recycled materials;
- the establishment of a concept design team for the development of Millennium Park at Homebush Bay; and
- the commencement of a major independent external review of OCA's environmental performance.

Impact on the State Budget

The capital budget for which the Olympic Co-ordination Authority is responsible is funded through the State Budget and is subject to ongoing review. In 1996, the budget was reviewed in light of the revised Masterplan for Homebush Bay, Government decisions on the early relocation of the Royal Agricultural Society, the necessity for the provision of a rail loop line to service public transport needs of the major facilities and the redefinition and scoping of facilities and infrastructure required for the year 2000 Games and beyond.

The capital budget has now been further redefined to provide for the Government's contribution to the Olympic Villages and the development of facilities for the additional Olympic sport of women's softball.

Expenditure in the current and next financial years has been fully provided for in framing the Budget and Forward Estimates to accord with Government policy that the costs associated with the Olympics should be funded within the Budget so that a debt is not left to be met by future taxpayers.

A summary of the provisions made in the 1997-98 Budget and the Forward Estimates for Olympic projects is provided in the following table. Further details of the 1997-98 allocation is provided in Budget Paper No. 4 "State Capital Program 1997-98".

OLYMPIC AND PARALYMPIC CONSTRUCTION PROGRAM

(figures are in 1997-98 dollars)

PROJECT	START	FINISH	EST. TOTAL COST	EXP TO 30-6-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m
Homebush Bay rail line and station to service the Olympic site	1992	1998	94.7	71.6	23.0
Infrastructure works and services at Homebush Bay	1992	2001	805.7	419.8	211.2	112.8	34.3
Construction of the International Regatta Centre	1989	1998	36.0	33.7	2.3
Government contribution to Olympic Stadium and associated infrastructure	1996	2001	121.7	29.5	34.8	27.9	2.4
Olympic Village - development costs	1994	1997	9.0	7.7	1.2	0.2	...
Olympic Village site - acquisition and remediation including Wilson Reserve and Auburn Tip	1996	2000	96.4	7.5	52.7	35.9	0.3
Other Olympic and Paralympic facilities and venues including siteworks and landscaping	1994	2000	560.5	16.7	124.0	251.3	124.2
Relocation of the Royal Agricultural Society to Homebush Bay for the 1998 Royal Easter Show	1992	2000	387.8	204.1	178.9	3.5	0.4
TOTAL				790.6	628.1	431.6	161.6

The total cost to the Olympic Co-ordination Authority of the Olympic Capital Program (ie excluding investment by the private sector) to 2000-01 has been escalated into 1997-98 dollar values and is estimated at \$2,111.8 million compared to the benchmark of \$1,987.8 million (in 1997-98 dollars) established for the 1996-97 Budget. This revised estimate now provides for the known Olympic Co-ordination Authority contribution to the Olympic Villages and the new Olympic venue for women's softball to be constructed at Blacktown.

It is estimated that the total cost will be funded or recouped in part by grants from the Commonwealth of \$175 million, contributions from SOCOG of approximately \$295.6 million and interest received from investments and other minor revenue of approximately \$42.8 million. These offsets provide for a net cost to the Olympic Co-ordination Authority of \$1,598.4 million in 1997-98 dollar values. This represents less than 1.5 per cent of total State Budget outlays for the corresponding period.