

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: the staging of all 28 sports on the Olympic program; organising accommodation for athletes, officials and the media; organising the sports program; the cultural program and the opening and closing ceremonies; establishing a marketing program; 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 Opposition Spokesperson on the Olympics was 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 Public Trading Enterprise. Hence its costs and revenues do not appear in the Budget result.

As a result of successful negotiations with the International and Australian Olympic Committees amendments to the SOCOG legislation, proclaimed in December 1996 and May 1997, now require SOCOG to distribute all of its profits and net assets to the Treasurer on behalf of the State for payment into the Consolidated Fund.

The May 1997 amendment to the SOCOG Act has the impact of rendering SOCOG exempt from Federal income tax, an exemption which the Australian Taxation Office had previously advised no longer applied to SOCOG.

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 in future international competition. SOCOG will pay the International Olympic Committee \$8.83 million (in 1992 Australian dollars) at the completion of the year 2000 Games.

In May 1997, the Minister for the Olympics, with the concurrence of the Treasurer, approved SOCOG's revised Games budget. This approved budget provides for a surplus of \$30 million from SOCOG's operations to be returned to the State of New South Wales after gross Games expenditure of \$2.3 billion. SOCOG's revenue will be sourced from the sale of tickets, television rights and consumer products and the marketing of Olympic sponsorship agreements.

SYDNEY PARALYMPIC ORGANISING COMMITTEE

The Paralympics will be held from 18 to 29 October 2000, after the Olympic Games, with most sports 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, Minister for the Olympics, the Treasurer and the Minister for Sport and Recreation.

The New South Wales and Commonwealth Governments are contributing \$25 million each to the cost of the Games, with SOCOG contributing \$15 million in line with the Olympic Bid commitments.

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, Ryde and Cecil Park which will be used during the staging of the Olympic and Paralympic Games. During 1998 the Olympic Co-ordination Authority was responsible for the relocation of the Royal Easter Show to the new showground facilities at Homebush Bay. A record crowd of 1.26 million visitors attended this 16 day event, more than 85 per cent of whom commuted to the Showground on public transport.

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

The Authority is required to build facilities which both meet the needs of SOCOG and SPOC for staging the Games and, importantly, provide 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;
- completion of the Olympic Park railway station and a rail loop that will enable up to 30 trains an hour to service the Olympic and Showground sites. The rail loop and station successfully serviced record crowds attending the 1998 Royal Easter Show at Homebush Bay;
- completion of the new Royal Agricultural Society Showground. The new Showground was handed over to the Royal Agricultural Society on 31 January 1998;
- the official opening of the Penrith Lakes International Regatta Course following the completion of works including grandstands and boat storage facilities;
- completion of remediation works for the development of the athletes village site. The Lend Lease/Mirvac Consortium has commenced construction of houses and units on the Newington site which will house athletes and officials in the Olympic Village;
- major remediation work on the Western and Northern Newington site, including Stage 1 of Wilson Park, is continuing;
- the achievement of all major milestones to date by Multiplex which is constructing the new 110,000 seat Olympic Stadium targeted for completion in June 1999;
- initial pre-construction works have been completed and construction has commenced on permanent buildings required at the Lidcombe Hospital site that is to provide housing for up to 6,000 media representatives during the year 2000 Games;
- the Accor/Lend Lease consortium has been awarded the contract to construct and operate a 318 room Ibis/Novotel hotel on the Olympic Boulevard at Homebush Bay. The hotel will be constructed on land leased to the consortium by OCA. OCA will not be contributing to the construction cost of the development;

- design plans are being finalised and construction of facilities is planned to commence in 1998 on the construction of the Olympic Softball Centre at Aquilina Reserve, within the City of Blacktown that will provide one competition field and three training diamonds with an Olympic spectator capacity of 8,000 and permanent seating for 1,000;
- designs are being finalised and construction of venues will commence in 1998 on the Olympic Velodrome at Bankstown;
- construction has commenced on the International Shooting venue at Cecil Park;
- construction work has been completed on various roads, car parks and services infrastructure including the Bennelong Road Ferry Wharf and the undergrounding of overhead powerlines;
- the Millennium Consortium has been awarded the contract to construct and operate the Multi-Use Arena at Homebush Bay with a seating capacity of 15,000 in Olympic Artistic Gymnastics mode and a spectator capacity of 20,000 in post Olympic configuration. The Arena will be used for Artistic Gymnastics and the Basketball finals during the Olympics;
- development of the Equestrian site at Horsley Park is continuing with a target completion date of September 1999;
- the announcement of an \$8.9 million public art program on the Olympic site at Homebush Bay and its associated venues. This program will include sculpture, installations, foundation, environment and landscape art which will be commissioned from some of Australia's leading artists; and
- the inclusion of women's Waterpolo and Slalom Canoeing as Olympic events has necessitated the construction or redevelopment of additional venues. Ryde Aquatic Centre has been selected to be upgraded to conduct all of the preliminary rounds of the men's and women's Waterpolo events, whilst a Slalom Canoeing course is to be constructed adjacent to the International Regatta Centre at Penrith. Both of these facilities will be provided with significant funding from Government but with Ryde and Penrith City Councils being major contributors to the programs and accepting operational responsibility for the facilities following the Olympics.

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 regeneration, 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 planning and announcement of a Millennium Parklands project which is currently in the design and development approval phase. This project aims to provide a 450 hectare parkland area comprising the majority of public areas surrounding and linking with Olympic Park at Homebush Bay. The parklands project will be a major legacy to the people of New South Wales as a result of Sydney holding the Games;
- the commencement of a major independent external review of OCA's environmental performance;
- the establishment of a Homebush Bay Environmental Reference Group to oversee the continued monitoring of the remediated lands at Homebush Bay; and
- the introduction of an environmental sciences education program which will provide opportunities for primary, secondary and tertiary students to be involved in the monitoring programs of the remediated lands at Homebush Bay.

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, OCA's budget was subject to a detailed review and analysis 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.

Expenditure in the current and ensuing 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 Year 2000 Games should be funded within the Budget so that a debt is not left to be met by future taxpayers.

The total construction program for the Olympic Co-ordination Authority is estimated at \$2,185.4 million (escalated to 1998-99 dollar values). This has increased from \$2,159 million (escalated to 1998-99 dollar values) in last year's Budget. The \$26 million increase largely reflects the purchase of the former Lidcombe Hospital site from the Department of Health at a cost of \$25 million. The site is to be sold after the Games.

The cost of new facilities for the additional Olympic sport of slalom canoeing and women's water polo has been met from within the existing program. The total cost of Olympic projects is offset by grants from the Commonwealth of \$175 million, contributions from SOCOG of approximately \$295.6 million and interest received from investments, sale of property and other minor revenue of approximately \$74.2 million. The net cost to Government of OCA's Olympic capital program to 2000-01 is estimated at \$1,640.6 million in 1998-99 dollar values. This represents less than 1.5 per cent of total State Budget outlays for the corresponding period.

A summary of the provisions made in the 1998-99 Budget and the Forward Estimates for Olympic projects is provided in Budget Paper No. 4 "State Asset Acquisitions Program 1998-99".

Essential Public Services provided by Other Government Agencies

The Olympic Co-ordination Authority, in conjunction with the Treasury, has a major role in planning and co-ordinating an integrated budget for the provision of essential public services to support the year 2000 Olympic and Paralympic Games and related events.

Such services include security, police and emergency support, dedicated rail and bus services, management of Sydney Harbour and related waterways and access to health facilities.

The Olympic Co-ordination Authority has the statutory responsibility for co-ordinating the initiatives on Olympic and Paralympic Games matters of other Government agencies.

Agencies have prepared initial strategic plans and identified resources required for the provision of essential services to support the Games. Initial estimates of these costs provide for outlays of approximately \$90 million in capital works (mainly attributable to upgrading transport facilities and procuring necessary security equipment). The estimated service related operating costs are \$318 million.

OLYMPIC ROADS AND TRANSPORT AUTHORITY

The Sydney 2000 Olympic and Paralympic Games will create the highest demand for passenger transport ever seen in Australia.

The Olympic Roads and Transport Authority (ORTA) was established by the Government in April 1997 to co-ordinate planning and delivery of Olympic and Paralympic ground transport services. Bringing together Olympic accountability and Government authority, ORTA aims to provide safe, secure and on-time transport for all groups needing transport during the Games - athletes, officials, the workforce, media, sponsors, spectators, tourists and Sydney's daily travelling public.

In conjunction with existing transport agencies and operators, ORTA will -

- co-ordinate, procure and manage transport services for the Olympic and Paralympic Games under a Memorandum of Understanding with the Sydney Organising Committee for the Olympic Games (SOCOG) to ensure all obligations to the International Olympic Committee (IOC) and the International Paralympic Committee (IPC) are met;
- plan, procure and manage transport services for Olympic spectators, both ticketed and non-ticketed;
- prepare and implement an integrated Games transport command and control structure;
- develop and implement an Olympic and Paralympic transport communications strategy designed to ensure people are well informed in order to accept and use the proposed services and respond positively to demand management initiatives;
- develop and review agreements between authorities and, as necessary, review legislation to maximise coordination and integration of the transport plans, services and control systems and minimise disruption and duplication; and
- prepare Olympic and Paralympic transport budgets and maintain budget costs.

Progress to Date

In January 1998, the Minister for the Olympics and President of SOCOG, jointly with the Minister for Transport, released the Sydney 2000 Olympic and Paralympic Games Transport Strategic Plan. The plan, prepared by ORTA, outlines the strategy for providing transport for the Olympic and Paralympic Games. It provides for an integration of road, rail and ferry transport, with special arrangements for cyclists, pedestrians and people with disabilities.

The Sydney 2000 Olympic and Paralympic Games Transport Strategic Plan, indicates that -

- more than 500,000 people are expected to travel to Sydney Olympic Park at Homebush Bay on the busiest days of the Olympic Games;
- at least an additional 100,000 people per day will travel to Darling Harbour - the second biggest venue for Olympic events;
- initiatives to assist the flow of Olympic and Paralympic transport will include Olympic transit lanes, removal of parking from Olympic routes and traffic measures within the Sydney Olympic Park, Darling Harbour and Sydney CBD precincts; and
- a range of measures, including carpooling, changed work hours and working from home, will be encouraged to change Sydney's daily travel patterns.

To assist it in its primary task, ORTA has been made responsible for planning and coordinating transport for a number of designated Olympic transport test events. These include the Royal Easter Show in 1998, 1999 and 2000, the opening of the Olympic Stadium in 1999 and other events as designated by the Premier.

The Royal Easter Show in April 1998 provided the first test of transporting large numbers of people to and from Homebush Bay. The event was Sydney's biggest public transport task ever, with ORTA establishing eight new regional bus routes, coordinating Sydney's biggest rail service, developed a booking scheme for parking and introducing new combined tickets.

The event resulted in an unprecedented community endorsement and use of public transport, with 1.16 million people travelling to Homebush Bay on trains and buses. More than 85 per cent of Show visitors arrived by public transport - more than double the 40 per cent recorded at Moore Park in previous years. On Monday 13 April (Easter Monday), public transport passengers to Homebush Bay approached Olympic levels for the first time, including a peak of 43,645 passengers from 11 a.m. to noon and full-day passenger total of 175,517.

Budget Impact

ORTA's role in relation to transport services to the Olympic and Paralympic Games and related events is to plan, procure and manage delivery of the required services. In this respect ORTA will not be the provider of services but will contract both private and Government operators to meet the essential requirements. ORTA does not then have any major capital commitments, and details of its operational funding requirements appear in Section 4.3 of this Budget Paper.