

4.4 SYDNEY 2000 OLYMPIC AND PARALYMPIC GAMES

On 23 September 1993 the International Olympic Committee awarded the City of Sydney the right to host the Olympic Games in the Year 2000. The Olympic Games will be held between 15 September and 1 October 2000. They will be closely followed by the Paralympics.

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 the planning, organising and holding of the Olympic Games and one for constructing new permanent 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 budgets. 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 Olympic Games are a success.

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES

The Sydney Organising Committee for the Olympic Games (SOCOG), established in late 1993, 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, and providing appropriate security and health arrangements, a host broadcaster and other 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 and staffing the events.

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

Under the Sydney Organising Committee for the Olympic Games Act 1993, 100 per cent of any surplus arising from the Games was to be distributed between the International Olympic Committee (10 per cent) and the Australian Olympic Committee (90 per cent, i.e. 10 per cent to the AOC itself and 80 per cent to be held in trust to pay income earned from the Trust to the national federations for sports on the Olympic Program).

The Board of SOCOG could also not approve nor amend any budget without the approval of the President of the AOC. The Government has negotiated a financial settlement with the AOC to remove the financial power retained by it over SOCOG budgeting and financial management issues.

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

These new arrangements will 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 to go towards helping sport in the Oceania region and in Australia.

The payments to the AOC have been made possible by the higher than expected United States' television rights and are to be deducted by the IOC from payments to be made to SOCOG for the television rights. There are no up front payments. The payments will be paid at the conclusion of the Olympic Games in 2000.

SYDNEY PARALYMPIC ORGANISING COMMITTEE

The Paralympics, the Games held for elite athletes with disabilities, will be held after the 2000 Olympic Games at Sydney Olympic Park, Homebush Bay. The Sydney Paralympic Organising Committee (SPOC) has been established as a public company limited by guarantee to organise the staging of the 2000 Paralympics.

The Host Agreement with the International Paralympic Committee was signed in Sydney on 30 August 1995. 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 underwrite the Paralympics budgeted shortfall of \$50 million on a dollar for dollar basis. SOCOG is contributing \$15 million.

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, Holsworthy and Horsley Park which will be used during the staging of the Olympic and Paralympic Games. It is also responsible for the relocation of the Royal Easter Show to new facilities at Homebush Bay.

It is further responsible for the co-ordination and reporting 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

Prior to mounting the bid for the Olympics, work had commenced on the Aquatic Centre and the Athletics Centre and construction was well advanced by the time Sydney was awarded the right to host the Olympics.

On taking office in March 1995, the Government appointed a Minister to take singular 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 also occurred since the establishment of OCA in mid 1995 -

- a final Masterplan has been released for the redevelopment of Homebush Bay, firming-up planning for the location of the major sports venues;
- a decision has been taken to provide a three platform railway station on a rail loop that will enable up to 30 trains an hour to service the Olympic and Showground sites;
- a definite timetable has been set for the relocation of the Royal Agricultural Society to Homebush Bay which will enable the Royal Easter Show to be held in 1998 at the new location for the first time;
- project management and design teams have been set up to commence work on the new Sydney Showground at Homebush Bay;
- completion of Stage I of the Penrith Lakes International Regatta Course;
- finalisation of arrangements for the acquisition of the site for the Athletes Village from the Commonwealth Government;
- major remediation and soil decontamination works are now nearing completion;
- approval of new works necessary for the remediation of the Athletes Village site and the nearby Wilson Park and Auburn Tip;
- nomination of AS2000 as the preferred proponent to build a \$605.7 million Olympic Stadium;

- proposals have been received and are being evaluated from the private sector for financing and construction of the Athletes Village; and
- a detailed study of the proposed equestrian site at Eastern Creek has determined that the site is unsuitable for the Olympic event and a more appropriate site has been approved at Horsley Park.

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 -

- incorporation of environmentally friendly principles into the design and construction of the Aquatic Centre;
- the use of solar power with solar collectors is to be used in the design and development of facilities wherever feasible;
- adoption of design techniques which maximise the use of natural lighting and maintain building temperatures at comfortable levels;
- selection of a preferred Stadium proponent which has proposed sophisticated energy and water conservation techniques in the design of the Stadium;
- consortia expressing interest in the Villages project must demonstrate a capacity to present innovative ESD initiatives;
- incorporation of wetland regeneration, natural habitats and flora and fauna protection schemes into remediation works;
- there are significant conservation and ecological areas near the Village site at Newington which will be protected through buffer zones under an ecological plan of management. These include the natural woodland and wetland communities on the site and 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; and
- adoption of leading edge remediation techniques for contaminated land 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. The capital budget was reviewed in light of the revised Masterplan for Homebush Bay, Government decisions on the early relocation of the Royal Agricultural Society and the rail loop line to service public transport needs of the major facilities.

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 1996-97 Budget and the Forward Estimates for Olympic projects is provided in the following table. Further detail of the 1996-97 allocation is provided in Budget Paper No. 4 "State Capital Program 1996-97".

PROJECT	START	FINISH	ETC	EXP TO 30-6-96 \$000	1996-97 \$000	1997-98 \$000	1998-99 \$000
Homebush Bay rail line and station to service the Olympic site	1992	1999	90,105	695	56,720	29,715	2,975
Other infrastructure works and services at Homebush Bay	1992	2001	569,329	93,067	157,461	177,492	89,351
Olympic rowing and canoe course	1989	1998	36,007	28,346	6,842	819	...
Olympic Stadium - development costs	1994	1997	3,960	3,361	599
Government contribution to Olympic Stadium construction and associated infrastructure	1996	2002	151,555	...	8,016	32,248	53,760
Olympic Village - development costs	1994	1997	8,843	3,883	4,035	925	...
Olympic Village site - acquisition and remediation including Wilson Reserve and Auburn Tip	1996	2000	93,067	...	11,046	53,965	24,957
Other Olympic and Paralympic facilities and	1994	2001	360,831	4,503	27,826	100,721	170,374

venues including
velodrome, tennis, hockey,
equestrian, shooting,
training facilities, siteworks
and landscaping

Relocation of the Royal Agricultural Society to Homebush Bay for the staging of the 1998 Royal Easter Show	1992	2000	383,951	19,724	169,559	188,277	4,410
TOTAL				153,579	442,104	584,162	345,827

The total cost to Government of the Olympic capital program to 2000-01 is estimated at \$1,914 million compared to original bid budget costs of \$1,544 million (escalated to 1996-97 values). It is estimated that these costs will be funded or recouped in part by grants from the Commonwealth of \$175 million, contributions from SOCOG of \$283.5 million, from interest received from investments of \$32.2 million and from any SOCOG profits arising from the staging of the Games.

The increase in total estimated completion costs to Government of some \$370 million over the original bid budget has become apparent as a result of two factors - detailed review by the Authority of the scope and requirements to provide quality long term facilities and the addition of projects since the original bid was made.

Developments which needed to be incorporated within the revised Budget include the transfer into the Budget of the Penrith Lakes project, allowing for remediation and evaluation work for the village, allowing for the rail loop project and the undergrounding of power lines.

The Authority's review has demonstrated that it is no longer feasible to maintain a construction budget within the benchmark set by the original budget without compromising Olympic and long term objectives.

Projected cashflows in relation to the OCA capital budget to 2000-01 are shown in the following graph.

Figure 4.29
Olympic Co-ordination Authority
Capital Cashflows to 2001

