

# **SOCIO-ECONOMIC IMPACT OF THE SYDNEY 2000 OLYMPIC GAMES**

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This paper was given to the 2001 Seminar of the International Chair in Olympism.

Six months have passed since the Sydney 2000 Olympic Games, and although a number of projects are examining the impact of the Games, none of these have been published to date. This paper examines information currently available on the impact of the Sydney 2000 Olympic Games, and gives an anecdotal recollection of the Sydney 2000 Olympic Games.

### **Winning the Olympic bid**

At 4am on September 23 1993, a large number of Australians jumped for joy at the words spoken by Juan Antonio Samaranch, ‘and the winner is Sydney’, as Sydney was awarded the Sydney 2000 Olympic Games. Sydneysiders partied, and along with a number of my colleagues in Canberra at the Australian Sports Commission and Australian Institute of Sport, I also celebrated. Most of the Australian Institute of Sport scholarship holders celebrating were junior athletes, and they immediately started visualising their performance in an Olympic Games on home soil. For the sports administrators, after the initial celebration, the next thoughts were of the challenge that the following seven years would bring.

Australia has a strong affinity with the Olympic movement, and a strong passion for sport. Australia has competed at every Olympics, one of only a handful of nations to do so, and given our relatively small population, Australia has performed very well. Australia last hosted the Olympics in Melbourne in 1956, a period remembered as a golden era in Australian sport. The enthusiasm at winning the bid for the Olympic Games was in part a hope that the Olympics would rekindle Australia’s winning sporting ways.

### **Lead-up**

Sydney, as is the case with most host cities, had its share of problems leading up to the Games. The major shortfalls and scandals were:

#### *‘Tickets for the rich’*

Ticketing was probably the biggest problem before the Games. Initial public sales of Olympic tickets were offered via applications and a ballot process.

Considerable public controversy followed Sydney Organising Committee for the Olympic Games (SOCOG)'s notifications to successful and unsuccessful ticket applicants.

An independent review by Clayton Utz and Deloitte Touch Tohmatsu consultants, and a Standing Committee Report by the New South Wales Parliament, were held to examine the ticketing process. The Clayton Utz/Deloitte Touch Tohmatsu report stated:

There remains widespread public concern that the ballot:

- included less tickets than promised
- included unacceptably low numbers of tickets for some high demand sessions, and
- was conducted after SOCOG had removed tickets and sold or reserve them for sale at a premium <sup>1</sup>

#### *International and local bribery scandals*

The Sydney 2000 Games were affected by the International Olympic Committee bribery scandal related to the Salt Lake City bid. In the wake of this investigation Australian IOC member Phil Coles who was banned for two years from any involvement with IOC Committees.

In addition to this controversy, the decision to allow Australian IOC Vice President Kevan Gosper's daughter to be the first Australian to run a leg of the torch relay in Greece, in place of a young Greek/Australian girl further damaged the public's perception of the Games.

#### *Budget blowouts*

The cost of the Sydney Games steadily rose from initial budget estimates. Initial slow ticket sales and the failure to meet sponsorship targets necessitated budget cuts and an injection of additional funds from the New South Wales Government.

Potential shortcomings were highlighted by the media, leading in to the Olympic Games.

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<sup>1</sup> Independent review of SOCOG's ticketing processes. Clayton Utz & Deloitte Touche Tohmatsu 22 November 1999

There was also concern about potential problems during the Games. The public transport system was one of concern, as were airport congestion, city traffic, security threats and the cost of running Olympic facilities after the Games. The international media's reporting on Indigenous issues also caused authorities concern.

The problems being faced by SOCOG were highlighted in a satirical television series entitled *The Games*. This high-rating show often touched on issues that later became problems for the real Olympic Games. The show highlighted Australia's delight at mocking some of the traditions of the Games, an attitude that continued through the Olympic Games period. An American colleague who loved the series commented that he doubted it would have been able to be shown on American television.

Before the Games there was a lot of talk of doom and gloom, and it was debated whether the public would remember the problems leading up to the Games, or the Games themselves when the event was finally over.

### **Torch relay**

The event to turn the tide for Australians to embrace the Olympic Games was the torch relay. For 100 days the torch wound its way around Australia, from the Red Centre of the vast continent through the 27,000 km route through 750 towns and via 11,000 runners to Sydney. The torch relay united Australians, and took the Olympic Games beyond Sydney to the whole of the nation. Huge crowds witnessed the running of the torch, but in addition to being a media event, it was also a community event.

### **Staging of the Olympic Games**

Despite all of the negativity, the staging of the Sydney Olympics was an unqualified success. The predicted trouble spots did not eventuate. Public transport was a problem, just before the Games, however during the Games, the entire system ran smoothly. In fact the whole of Sydney ran better than it usually did. This was partly due to the fact that schools

closed for three weeks, many offices closed and staff took leave for the entire period. A party atmosphere reigned throughout Sydney, a party celebrated by visitors and locals alike.

Other factors contributed to making the Sydney Olympic Games a success, including the volunteers. Sydney's 47,000 volunteers presented a cheerful face of the Olympics. If SOCOG had paid for the hundreds of thousands of work hours provided by the volunteers, wages would have added A\$140 million to the cost of the event. Their work went far beyond an economic consideration, the enthusiasm of the volunteers was a huge hit with all. The volunteers were held in such high regard that 100,000 people turned up for a ticker-tape parade for the volunteers after the Games.

The Olympic Games highlighted the role of volunteers in Australian society. There was a great impetus post-Games to see some of the highly regarded volunteers make themselves available for other community projects.

Australians relished all aspects of the Olympic Games, from the friendly smiling faces to the smooth running public transport, and the wonderful venues. The Games gave us a wonderful sense of pride. We were concerned the opening and closing ceremonies might make us cringe, yet the unique Australian icons such as the Hills hoist and surf lifesavers blended together well in a professional and irreverent toast to the Games and to our nation.

In fact it was our ability to laugh at ourselves that provided some of the highlights of the fortnight. After a feast of sport from morning to 11pm, people still stayed tuned to their televisions to watch 'The Dream' a satirical look at the events of the day. The Dream had its own mascot, 'Fatso' the wombat, a mascot that received a great deal more publicity than any of the official mascots, and which appeared on the victory dais of several Australian gold medallists.

### **Economic impact**

The Sydney Olympic Games appear not to have been the money maker the 1984 Los Angeles Games were, nor will they be a financial burden on the NSW State Government.

Record ticket sales, with more than 91% sold, helped the coffers and the financial equation. The total cost of staging the Olympic Games as announced by NSW Treasurer Michael Egan was \$6.5 billion. The Federal Government contributed \$194 million, and the private sector \$1.3 billion, while the NSW State Government contributed \$2.3 billion.

Several projection reports on the economic impact of the Sydney 2000 Olympic Games appeared before the Games. The most recent of these published was completed early in 1999 by Arthur Andersen.

The study found that, over the entire period 1994-95 to 2005-06, the Sydney 2000 Olympics will generate a total of \$6.5 billion in extra economic activity in Australia. Some \$5.1 billion of this activity occurs in NSW with the remainder occurring in the other states and territories<sup>2</sup>

The overall impact of the Games is to increase Australian economic activity by 0.12% over a 12 year period from 1994-95.

Available figures from the Australian Bureau of Statistics show Australia with \$1.4 billion from Olympic-based income during the September quarter. This included \$450 million in export revenue and broadcast fees of \$973 million. The trade balance went from a \$1.3 billion deficit in August to a September \$677 million surplus<sup>3</sup>. This was Australia's first trade surplus since November 1997.

### **Impact on rates of sport/physical activity participation**

The Australian Sports Commission, the federal government body responsible for the development of sport in Australia at both the elite and grassroots levels, has just started a research project on the post-Olympic impact on participation rates of sport and physical activity.

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<sup>2</sup> Arthur Andersen. Economic Impact Study of the Sydney 2000 Olympic Games. Executive Summary January 1999. p. 1

<sup>3</sup> Thornhill, Alan Games, exports give rare surplus. West Australian 1st November 2000 p.6

One of the assumed benefits for a country hosting the Olympic and Paralympic Games is the increase in interest and active participation in sport and physical activity by its residents. It is further believed that this increased interest/participation might result in other positive outcomes including health and economic benefits.

Immediately following the Games, the Australian media provided anecdotal evidence of large increases in interest and participation in Olympic sports. It appears however that in most cases this increase may not have been sustained. The latest annual Australian survey of sporting interests<sup>4</sup> and the effectiveness of sponsorship shows few sustained changes in interest and participation post-Olympics. The only areas of change that could be attributed to the Olympics are in the area of television viewing. The Sweeney Sport Report 2000/2001 states:

The more significant increases recorded over the last 12 months are for sports where Australia experienced success in the Olympic Games ...

- beach volleyball (up 7 percentage points)
- water polo (up 3 points)
- hockey (up 3 points)
- athletics (up 3 points)

This is probably because there was more access to these events on television due to the Olympics coverage; although it does go against the general Australian trend of sports losing their TV viewing audiences. The research the Australian Sports Commission will undertake will canvas a number of areas including:

- changes in active participation - as player, coach or official
- changes in non-active participation
- sustainability of changes in participation

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<sup>4</sup> Sweeney Sports Report 2000/2001: the 14th annual survey of sporting interests and the effectiveness of sponsorship. Melbourne: Sweeney Sports, 2001.

- capacity issues raised by increases in participation
- sustainability of volunteers — for example, have Sydney 2000 volunteers continued to volunteer?

The research will use a consultation process involving liaising with several key sport and recreation groups to collect available information on such things as participation rates, changes in numbers of memberships and other impacts of the Sydney Olympic and Paralympic Games. Statistical data from pre- and post-Olympic and Paralympic participation related surveys will be analysed. Where possible the data will be assessed according to age, gender, people with disabilities and ethnic status.

### **Impact on tourism**

A report by the Tourism Forecasting Council in 1998 states:

The Sydney 2000 Games is expected to bring long-term promotional benefits for the whole of Australia and a significant increase in international tourist arrivals.

Between 1997 and 2004 an extra 1.6 million international visitors are expected to come to Australia as a result of the Games, generating an additional A\$6.1 billion in tourism earnings and creating 150,000 new jobs.<sup>5</sup>

Mr Michael Payne, IOC Director of Marketing, stated

Australia is the first Olympic host nation to take full advantage of the Games to vigorously pursue tourism for the benefit of the whole country. It's something we've never seen take place to this level before, and it's a model that we would like to see carried forward to future Olympic Games in Athens and beyond.

This is due in part to the nature of the product the Australian Tourist Commission (ATC) is promoting. Given Australia's geographic position, most tourists tend to spend time in more

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<sup>5</sup> The Olympic effect: a report on the potential tourism impacts of the Sydney 2000 Games. Sydney: Tourism Forecasting Council, 1998. P. 13

than one location. Once they get here, they generally want to see some of the country outside Sydney.

The ATC obtained US\$6.7 million from the Australian government over 4 years (1997–2000) to maximise the tourism opportunities presented by Sydney's staging of the 2000 Olympic Games.

The ATC Olympic Games Tourism Strategy Review summarised the most significant results achieved by the strategy as being:

- an additional 1.6 million visitors spending US\$3.5 billion
- accelerated development of Brand Australia by 10 years
- media relations and publicity programs generating US\$2.1 billion
- Olympic sponsors spending US\$170 million promoting Australia

Visits to the ATC's web site [australia.com](http://australia.com) jumped 700 per cent during the Games compared to average September 1999 figures.

An ATC post-Games strategy involves four elements:

- Launch of over 90 joint tactical advertising campaigns, worth more than \$45 million and involving more than 200 industry partners, promoting holiday deals to Australia;
- An aggressive \$6 million direct marketing campaign including the redevelopment of the ATC's web site [australia.com](http://australia.com)
- Undertaking research on how the Olympic exposure has shifted Australia's image internationally; and
- Continuing to build the lucrative Meetings, Incentive, Convention and Exhibition (MICE) sector<sup>6</sup>

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<sup>6</sup> Australian Tourist Commission. Resources for the Tourism Industry  
[www.atc.net.au/news/olympic/olympic2.htm](http://www.atc.net.au/news/olympic/olympic2.htm)

The ATC in mid 2001 is still using the Olympic Games to promote Australia, building on the success of the Olympics to generate further tourist income. An article on the ATC's web site states:

The success of the Sydney 2000 Olympic and Paralympic Games has created a spirit of euphoria that's set for a marathon run. The XXVII Olympiad may be over but the party continues.

### **Impact on sporting infrastructure**

The Olympic Games saw the construction of a series of world-class sporting facilities. They have provided Sydney with the state of the art sporting infrastructure to host other international sporting and major events.

The Games provided for the regeneration of previously poor and partly contaminated land at Homebush Bay. This land is close to the geographic centre of Sydney, providing facilities for Sydneysiders. The International Aquatic Centre is a very popular venue for the swimming public.

There is concern that the sporting venues at Homebush, other than the Aquatic Centre may become a bit of a white elephant. The challenge is now to encourage event organisers to use the Homebush facilities for their events.

### **Sporting expertise**

Following the successful hosting of the Olympic Games, and Australia's good performances on the sporting field, there has been a great deal of interest in the Australian sport system. This is expected to lead to export opportunities as other countries negotiate to purchase our expertise.

### **Impact on Indigenous issues**

Indigenous issues played a large role in the lead-up to the hosting of the Sydney Olympic Games. Indigenous dance and culture were two of the selling points used to help Sydney

win the bid. The cultural Olympiad saw 1997 as ‘The Festival of Dreaming’, a celebration of the world’s indigenous cultures - that of the Australian Aborigines is the oldest known such culture.

Threats of boycotts over a range of issues from handling of the Mabo legislation (native title rights), poor Aboriginal living standards, government comments on the stolen generations to lack of Aboriginal representation on the Olympic Games Organising Committee ensured Indigenous issues were always in the spotlight.

The term ‘stolen generations’ refers to the findings of a 1997 report titled ‘Report of the National Inquiry into the Separation of Aboriginal and Torres Strait Islander Children from their Families.’ The term refers to the children’s removal from their families and access to their culture.

The Olympic Games have often been used as a political tool, and the Sydney Games were no exception. Indigenous leaders used the high media profile of the Games to highlight issues facing their people. The Games were seen as a chance by Indigenous and non-Indigenous Australians alike to move closer to reconciliation.

The Olympic Games did provide impetus to the reconciliation process. The torch relay started at Uluru, a spiritual centre for Indigenous Australians, with Nova Peris-Kneebone, Australia’s first Indigenous Olympic gold medallist, running the first leg on Australian soil. The opening ceremony was described in a media release by the Aboriginal and Torres Strait Islander Commission as ‘a powerful healing statement for Aboriginal Australia’, with Cathy Freeman lighting ‘an awe-inspiring flame for reconciliation’.<sup>7</sup>

Cathy Freeman carried the expectations of an entire nation in her 400m final. Her gold medal was seen as a symbolic win for all Australians, and a further impetus to reconciliation. After much debate she received permission to carry both the Australian and

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<sup>7</sup> Flame of Reconciliation. Media Release Aboriginal and Torres Strait Islander Commission 16 September 2000

the Aboriginal flags on her lap of honour. There is no doubt Cathy Freeman played a major role in the Sydney Olympic Games. Whether she becomes a symbol of the 'Reconciliation Games' remains to be seen.

### **Paralympic Games**

The Sydney Paralympic Games were very well attended by Australian crowds. Day passes were sold to all venues, and it was often impossible to get into events such as the swimming and wheelchair basketball. The Paralympics highlighted the achievements of athletes with a disability, and sent a strong message to the many school children who attended the event.

### **Conclusion**

The Sydney Olympic Games, despite a rocky path in the lead-up phase, were an unqualified success. Sydney has never experienced a party like it, and the performance of Australian athletes contributed to a wonderful fortnight.

Australians felt a strong sense of pride at the successful running of this major event, and basked in the glory of the international praise.

Further research will establish what the socio-economic benefits have been for Sydney and Australia.

There is no doubt the Sydney Olympic Games were enjoyed by most Australians, but have they left their mark?

Australian social researcher Hugh Mackay reported six months after the closing ceremony: It's certainly true that, at the time, many people believed the Games would change us forever. Six months on, though, I'm struggling even to recall what the changes were supposed to be. (I do remember one; we were all going to be nicer to each other.)

But why search for more than you're ever likely to find? We have acquired some pleasant memories. Shouldn't we leave it at that?<sup>8</sup>

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<sup>8</sup> Mackay, Hugh The Games that changed us forever? Not quite... Age 31 March 2001 p.7