



PARLIAMENT OF NEW SOUTH WALES
LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO 1

REPORT
ON
INQUIRY INTO OLYMPIC TICKETING

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Chairman's Foreword

This important inquiry by the NSW Legislative Council's General Purpose Standing Committee No 1 was really launched by the massive outcry across NSW, when thousands of Australians, including myself, failed to succeed in their attempt to purchase tickets for the Sydney 2000 Olympics Games. This was in spite of being told in an extensive media campaign that there were five million available tickets for the public.

The outcry volume dramatically increased to an angry scream when headlines shouted – "Tickets for the Rich!", claiming "thousands of tickets had been secretly sold to the rich with a wink and a nod", as Premium Packages. Only 3.08 million tickets were available for the public – not five million.

The New South Wales Upper House responded to this sense of injustice by debating a motion demanding SOCOG's list of premium ticket purchasers and other records. In the end, the Upper House supported my motion to refer this controversial issue to General Purpose Standing Committee No 1, in accordance with the amended terms of reference on page ii.

In order to assist the Standing Committee's inquiry, I agreed to a proposal from the Minister for the Olympics that a Review Team audit all of SOCOG's records and procedures. The Review Team's report, attached herewith, confirmed many of the facts we had established through our public hearings, which received significant television coverage.

This report contains eight important recommendations, including that:

- in the interests of restoring public and sponsor confidence, SOCOG should consider making public the list of all 41 purchasers of tailored premium packages, bearing in mind its commitments to the purchasers of these tickets.
- the SOCOG Board formulate and sign off on a publicly available, comprehensive ticketing policy. This policy should cover all aspects of ticketing policy, including guidelines for the sale of tickets at a premium price, whether these tickets are sold as discreet items or as part of a wider hospitality package.
- SOCOG place a high priority on achieving a quota of 1.4 million Olympic Opportunity tickets.

It is important to make the point that only a relatively small number of tailored premium packages were sold by SOCOG. When I inspected the controversial premium package ticket list compiled by the Review Team, I found that of the total 686 purchasers on the list, 645 were Stadium Package holders. These Stadium Package holders, who had purchased their Stadium Packages through a public offer, had been offered premium tickets to non-stadium events in a direct-marketing campaign. Only 41 purchasers of premium tickets, including agents, companies and individuals, bought premium tickets as part of a tailored premium ticket package.

I believe that both the Review Team report and our report will help to put SOCOG on a stronger commercial footing. Being a great supporter of the Sydney 2000 Olympic Games, I believe that implementation of the recommendations made by the Standing Committee will assist SOCOG to make the Games the success they need to be.

I thank my fellow Committee Members and the Committee Staff, Director Anna McNicol, A/Clerk Assistant Committees, David Blunt, and Committee Officers Phaedra Parkins and Ashley Nguyen, for their valuable assistance under heavy pressure in preparing this report.

The Rev Hon Fred Nile MLC

Chairman

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Minutes of Proceedings of the Committee

- Minutes No 10 29 October 1999
 - Minutes No 11 8 November 1999
 - Minutes No 12 10 November 1999
 - Minutes No 13 12 November 1999
 - Minutes No 14 15 November 1999
 - Minutes No 15 17 November 1999
 - Minutes No 16 19 November 1999
 - Minutes No 17 22 November 1999
 - Minutes No 18 22 November 1999
 - Minutes No 19 23 November 1999
 - Minutes No 21 26 November 1999
 - Minutes No 22 30 November 1999
 - Minutes No 23 1 December 1999
-

Committee Membership

The Hon Rev Fred Nile MLC (Chair)	<i>Christian Democratic Party</i>
The Hon Tony Kelly MLC (Deputy Chair)	<i>Australian Labor Party</i>
The Hon Patricia Forsythe MLC	<i>Liberal Party</i>
The Hon John Johnson MLC	<i>Australian Labor Party¹</i>
The Hon Doug Moppett MLC	<i>National Party</i>
The Hon Peter Primrose MLC	<i>Australian Labor Party</i>
The Hon Dr Peter Wong MLC	<i>Unity</i>

Other Members who participated in the inquiry

The Hon Charlie Lynn MLC	<i>Liberal Party</i>
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Committee Secretariat

Ms Anna McNicol	<i>Director</i>
Mr David Blunt	<i>A/Clerk Assistant, Committees</i>
Ms Phaedra Parkins	<i>Committee Officer</i>
Ms Ashley Nguyen	<i>Committee Officer</i>

¹ The Hon John Johnson MLC is substituting for the Hon Henry Tsang MLC for the purposes of this inquiry.

Terms of reference²

1. That General Purpose Standing Committee No. 1 inquire into and report on all matters relating to SOCOG ticketing, and in particular:
 - (a) the allocation of premium ticketing for the Year 2000 Olympic events held by the Sydney Organising Committee for the Olympic Games, that is, tickets not offered to the general public by SOCOG in its July 1999 Public Ticket Offer, but reserved for sale at a premium,
 - (b) all deliberations and minutes of the SOCOG Ticketing Commission relating to all ticket sales and not only premium tickets,
 - (c) the publication of ticket books and information in formats that were accessible for people with disabilities,
 - (d) the decision-making in respect of the Human Rights Equal Opportunities Commission (HREOC) findings and other obligations to make the Olympic Games accessible to people with disabilities,
 - (e) how the numbers of deprived tickets for the socio-economic disadvantaged for sessions at Olympic events were arrived at,
 - (f) the number of sessions for the different sports that opportunity tickets for low income groups will be available, the price of the tickets, and the method of distribution of the tickets,
 - (g) the projected revenue shortfall in the SOCOG budget and the financial contribution that ticket sales make towards these shortfalls,
 - (h) the cost of providing full subtitling of all events telecast.
2. That the Committee report by Thursday 2 December 1999.

² *Minutes of the Proceedings*, 26 October 1999, No 16, p163. As amended by *Minutes of the Proceedings*, 16 November 1999, No 22, p216, and *Minutes of the Proceedings*, 30 November 1999, No 28, p302.

Executive Summary

BACKGROUND

The first public offer of Olympic tickets in Australia opened on 30 May 1999 and ran until 16 July 1999. SOCOG received around 320,000 applications for tickets, which is estimated to represent purchases for over one million Australians. On 6 October 1999, SOCOG sent notifications to applicants advising them of the results of the ticket ballot.

While SOCOG issued a News Release at the time the notifications were sent out stating that some events had been oversubscribed, this did not prepare many applicants for the disappointment of missing out when they received their notifications. Problems with the delivery of notifications compounded people's concerns about their ticket allocations, particularly given SOCOG's policy that further tickets were to be distributed on a first-in, first-served basis. This policy was subsequently replaced by a second ballot process.

In mid-October, media reports emerged about the sale of premium tickets to a small number of purchasers. At a Legislative Council Budget Estimates hearing on 15 October 1999, questions about Olympic ticketing and the sale of premium tickets, were directed to the Hon Michael Knight MP, Minister for the Olympics and President of SOCOG, and Mr Sandy Hollway, SOCOG's Chief Executive Officer.

On 25 October 1999, SOCOG released a session-by-session breakdown of ticket availability and demand for every price category of every sport, which is the first time any Olympics Committee has done this. At the same time, SOCOG advised that only 3.08 million tickets had been available in the public ballot, and only approximately one million tickets would be available for the unique Olympic Opportunity program. This was a decrease of around half a million tickets in each case from the numbers previously announced by SOCOG. However, at the time of the announcement, SOCOG indicated it would be adding a further 520,000 tickets to the public quota, bringing it to a total of 3.6 million. SOCOG has also indicated it is endeavouring to return the number of Olympic Opportunity tickets to the level originally announced.

On 26 October 1999, after considerable debate about the Olympic ticketing issue, the Legislative Council resolved to refer the matter to General Purpose Standing Committee No 1 for inquiry and report by 23 November 1999. This reporting date has subsequently been extended to 30 November 1999. The Standing Committee held four public hearings between 8 November 1999 and 23 November 1999, during which the Standing Committee heard evidence from 14 separate witnesses. The Standing Committee also received a number of written submissions addressing the terms of reference.

A joint initiative between SOCOG and the Australian Competition and Consumer Commission was announced on 29 October 1999. This initiative has provided a mechanism for SOCOG to deal with complaints about the ticketing process, and a refund option for ticket applicants who received tickets to their third choice of events.

During the course of the Standing Committee's inquiry, the Minister commissioned an Independent Review Team to look into SOCOG's ticketing processes. The Review Team reported to the Minister on 22 November 1999, and presented a copy of their report to the Standing Committee at a public hearing that evening. The Review Team's report provided a detailed account of processes associated with the availability of Olympic tickets for the public, and the sales of premium tickets. The Review

Team made a number of findings that were critical of SOCOG. A copy of the Review Team's report is appended to this report.

REPORT CONTENT

The terms of reference for the inquiry directed the Standing Committee to look at range of issues associated with Olympic ticketing.

Section One

Section one of the report provides background information about the referral of the inquiry, the inquiry process and the Independent Review Team.

Section Two

The roles and responsibilities of those people involved in the oversight of Olympic ticketing are the focus of section two. In this section, the Standing Committee considers the actions of the SOCOG Board, its Ticketing Sub-Committee, SOCOG management and the internal auditors.

The Standing Committee stresses the need to provide greater definition to the role and operation of the Ticketing Sub-Committee and makes the following recommendation.

Recommendation 1

(page 7)

The Standing Committee recommends that the SOCOG Board review the structure and charter of its Ticketing Sub-Committee, with a view to ensuring an appropriate mechanism, such as the reconstitution of the Sub-Committee as a fully fledged Standing Committee, is put in place to ensure future ticketing processes are appropriately oversighted by the SOCOG Board and to ensure there are no perceived conflicts of interest by Members of the Ticketing Committee.

Section Three

Section three of the report focuses on the allocation of tickets to the Australian public. The Standing Committee believes that SOCOG should have recognised the importance Australians place on transparent and fair processes and released details of the number of tickets available to the public for each session prior to the public ballot.

Section Four

The issue of premium tickets is addressed in section four. The report considers both the sale of premium tickets to Stadium Package holders and the sale of tailored premium packages. The Standing Committee is critical of SOCOG's failure to develop a detailed policy for the sale of premium tickets. Without a policy, the premium package ticketing process lacked transparency, a matter of serious concern to the Standing Committee.

The Standing Committee acknowledges that the original Stadium Package and Stadium Gold offers were open to the general public. The Standing Committee notes the decision of the Ticketing Sub-Committee to offer premium ticket packages to non-stadium events to Stadium Package holders.

However, the Committee is certain that many individuals who had no interest in events held at Stadium Australia would have been willing to pay a premium for a guaranteed category A seat at certain non-stadium events.

Recommendation 2

(page 15)

The Standing Committee recommends that, in the interests of restoring public and sponsor confidence, SOCOG should consider making public the list of the 645 purchasers of premium tickets who purchased these tickets by way of the offer made to Stadium Package holders, bearing in mind SOCOG's commitments to the purchasers of these tickets.

The Standing Committee believes the word of mouth referral process used to sell tailored premium package tickets lends itself to accusations of impropriety, such as a suggestion that referrals were made to friends and acquaintances of SOCOG Board members and staff. Without releasing the details of purchasers it is difficult to avoid speculation of this kind. The Standing Committee believes that if SOCOG had been more open about the availability of tailored premium packages, there would be no reason for such speculation.

The Standing Committee welcomes advice from SOCOG that the Board has approved a suggestion by the Minister that the names of organisations which purchased tailored premium packages for on-selling rather than their own use be published. However, the Standing Committee believes there is an argument to release the names of all purchasers of the tailored premium ticket packages.

Recommendation 3

(page 18)

The Standing Committee recommends that, in the interests of restoring public and sponsor confidence, SOCOG should consider making public the list of all 41 purchasers of tailored premium packages, bearing in mind its commitments to the purchasers of these tickets.

The lack of transparency associated with the sale of premium package tickets extended to the setting of premium levels. The Standing Committee is deeply concerned that the absence of any set policy or guidelines for the setting of premium levels provided an environment conducive to corrupt conduct, although the Standing Committee did not find any evidence to suggest corrupt conduct had occurred. While the Standing Committee acknowledges that the Review Team did not consider the premium ticket program of itself inappropriate³, the Standing Committee has not been provided with an adequate explanation about the variance in premiums charged.

The Standing Committee believes the SOCOG Board should immediately put in place a transparent mechanism to closely supervise the future sales of tickets at a premium. This mechanism should be detailed in a publicly available, comprehensive ticketing policy (see recommendation 3 below).

The impact of premium package ticket sales on sponsors is considered briefly in the report. In the latter stage of the inquiry the Chairman of Network Seven, the Australian broadcast rights holder,

³ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p49.

provided the Standing Committee with copies of correspondence forwarded to the Minister expressing concern about the possibility of premium packages having been sold to competitors and the impact of premium package deals on sponsors' access to Olympic tickets.

In relation to the oversight of premium ticket sales, the Standing Committee believes it is imperative that the Board formulate and sign off on a comprehensive ticketing policy. The success and integrity of SOCOG's ticket sales leading up to the Olympic Games is dependent on the existence of such a policy.

Recommendation 4

(page 20)

The Standing Committee recommends that the SOCOG Board formulate and sign off on a publicly available, comprehensive ticketing policy. This policy should cover all aspects of ticketing policy, including guidelines for the sale of tickets at a premium price, whether these tickets are sold as discreet items or as part of a wider hospitality package.

Section Five

The Standing Committee addresses the issue of access to Olympic tickets for low income groups in section five of the report. The Standing Committee supports SOCOG's initiatives to provide low-priced access to Olympic Games, and is consequently concerned about the reduction in Olympic Opportunity tickets.

It is apparent to the Standing Committee that the SOCOG Board gave SOCOG management a clear instruction to set aside 1.5 million tickets for the Olympic Opportunity program. While the Standing Committee welcomes Mr Hollway's advice that SOCOG is working to reinstate the original number of Olympic Opportunity tickets, the Standing Committee is greatly concerned that SOCOG management disregarded the SOCOG Board's original direction. The Standing Committee believes that achieving a quota of 1.4 million Olympic Opportunity tickets will be a crucial part of SOCOG restoring public confidence in its management of the Olympic Games.

Recommendation 5

(page 23)

The Standing Committee recommends that SOCOG place a high priority on achieving a quota of 1.4 million Olympic Opportunity tickets.

The Standing Committee was advised that the policy for distribution of Olympic Opportunity tickets has not yet been finalised. The Standing Committee emphasises the importance of SOCOG developing a detailed policy on how Olympic Opportunity tickets are to be distributed. The Standing Committee believes that the distribution process must be seen to be transparent and equitable in terms of access by individuals in the target group.

Recommendation 6

(page 25)

The Standing Committee recommends that SOCOG's publicly available, comprehensive ticketing policy include details of the mechanism to distribute Olympic Opportunity tickets. Further, that this policy include a mechanism to ensure access to these tickets by children in disadvantaged schools.

Section Six

Section six of the report deals with access for people with disabilities. The terms of reference of the inquiry direct the Standing Committee to consider obligations to make the Olympic Games accessible to people with disabilities, the accessibility of ticket books and information to people with disabilities, and the subtitling of events telecast.

The Standing Committee has considered in some detail the events surrounding a request by Mr Bruce Maguire for a braille version of the ticket offer book.

The Standing Committee believes SOCOG had an opportunity to make amends for the oversight by agreeing to produce a braille version of the ticket offer book. The Standing Committee is satisfied it would have been relatively inexpensive to produce a braille version. In addition, the Standing Committee believes that production could have been accomplished in time for users of the braille version to have furnished applications for the first ticket ballot.

The Standing Committee believes SOCOG should ensure that a braille version of the Souvenir Program is available as a permanent memento of the Sydney 2000 Olympic Games.

Recommendation 7

(page 31)

The Standing Committee recommends that SOCOG produce a braille version of the Souvenir Program.

Given the difficulties associated with collecting information from all television rights holders about the subtitling issue, the Standing Committee has been unable to determine the cost of providing full subtitles of all events telecast. However, the Standing Committee believes it is adequate for the Australian rights holder, the Seven Network, to provide subtitling and that this service should be widely publicised.

Section Seven

The concluding section of the report highlights the need for SOCOG to be more open about its policies and decision-making processes than it has been in the past. The Standing Committee believes that an important part of restoring public confidence in the Sydney 2000 Olympic Games will be its response to recommendations contained in this report.

Recommendation 8

(page 38)

The Standing Committee recommends that, on the first sitting day in April 2000, the President of SOCOG provide a response to the Legislative Council about progress on the implementation of recommendations contained in this report.

1 Introduction

1.1 Referral of the Inquiry

On 15 October 1999, General Purpose Standing Committee No 1 held a Budget Estimates hearing at which the Standing Committee examined the proposed expenditure from the Consolidated Fund for the portfolio area of the Olympics. At that hearing, Members of the Standing Committee asked the Minister for the Olympics, the Hon Michael Knight MP, and the Chief Executive Officer of the Sydney Organising Committee for the Olympic Games (SOCOG), Mr Sandy Hollway, a number of questions about Olympic ticketing.

On 21 October the Minister wrote to the Standing Committee indicating his and Mr Hollway's willingness to speak again to the Standing Committee about matters relating to Olympic Ticketing. The Minister indicated that both he and Mr Hollway would be available to attend an additional Budget Estimates hearing on 8 November 1999.

At a meeting of the Standing Committee held on 21 October 1999, the Standing Committee resolved to hold an additional Budget Estimates hearing in relation to the Olympics portfolio on 8 November 1999, at which the Minister and Mr Hollway would be requested to attend. The Minister was advised of this resolution by correspondence dated 25 October 1999.

On 26 October 1999, the Legislative Council resolved that General Purpose Standing Committee No 1 inquire into and report on all matters relating to SOCOG ticketing and in particular:

- (a) the allocation of premium ticketing for the Year 2000 Olympic events held by the Sydney Organising Committee for the Olympic Games, that is, tickets not offered to the general public by SOCOG in its July 1999 Public Ticket Offer, but reserved for sale at a premium,
- (b) all deliberations and minutes of the SOCOG Ticketing Commission relating to all ticket sales and not only premium tickets,
- (c) the publication of ticket books and information in formats that were accessible for people with disabilities,
- (d) the decision-making in respect of the Human Rights Equal Opportunities Commission (HREOC) findings and other obligations to make the Olympic Games accessible to people with disabilities,
- (e) how the numbers of deprived tickets for the socio-economic disadvantaged for sessions at Olympic events were arrived at,
- (f) the number of sessions for the different sports that opportunity tickets for low income groups will be available, the price of the tickets, and the method of distribution of the tickets,
- (g) the projected revenue shortfall in the SOCOG budget and the financial contribution that ticket sales make towards these shortfalls,
- (h) the cost of providing full subtitling of all events telecast.

2. That the Committee report by Tuesday 23 November 1999

The Standing Committee met on 29 October 1999 to discuss the reference. At that meeting it was decided the additional Budget Estimates hearing scheduled for 8 November 1999 be instead constituted as an Olympic Ticketing hearing. In addition, the Standing Committee resolved that in addition to the Minister and Mr Hollway, Mr Graham Richardson, Chair of the SOCOG Board's Ticketing Sub-Committee, and Mr Paul Reading, SOCOG's General Manager, Commercial and Marketing, be requested to attend the hearing to answer questions of the Standing Committee.

At a meeting of the Standing Committee held on 10 November 1999, the Standing Committee resolved to seek an extension from the House for the reporting date for the inquiry, until 30 November 1999. The House granted the extension on 16 November 1999.⁴ On Tuesday, 30 November, the House granted a further extension until Thursday, 2 December 1999.⁵

1.2 The Inquiry Process

Given the short timeframe for the inquiry, the Standing Committee decided that it would not be practicable to advertise for public submissions, particularly as an advertising process may have led all dissatisfied persons who did not get tickets to flood the Standing Committee with thousands of submissions. Instead, the Standing Committee resolved to write to a limited number of individuals and organisations inviting them to make written submissions (refer to list at Appendix 1). Over the course of the inquiry the Standing Committee received unsolicited correspondence from a number of individuals relating to the terms of reference. This material has been given consideration where appropriate, and has been included in the records of the inquiry.

The Standing Committee held four separate Olympic Ticketing hearings at Parliament House during the period from 8 November 1999 to 23 November 1999, all of which were open to the public and the print, radio and television media. A total of 14 individuals gave evidence to the Standing Committee (refer to list at Appendix 2).

The limited time provided to the Standing Committee to conduct the inquiry has meant that certain elements of the terms of reference have not been as exhaustively explored than might otherwise have been the case.

1.3 Independent Review of SOCOG's Ticketing Process

On 2 November 1999 the Minister wrote to the Chairman of the Standing Committee confirming that after consultation with the Chairman he had commissioned an independent review of SOCOG's ticketing processes:

... to provide both me as Minister for the Olympics and your Committee with additional independent information on the SOCOG ticketing process.⁶

The correspondence indicated that Mr John Shirbin, Solicitor, Clayton Utz, and Mr Rory O'Connor, Auditor, Deloitte Touche Tohmatsu, (the Review Team) had been engaged:

⁴ *Minutes of the Proceedings*, 16 November 1999, No 22, p216.

⁵ *Minutes of the Proceedings*, 30 November 1999, No 28, p302.

⁶ Correspondence from the Hon Michael Knight MP, Minister for the Olympics and President of SOCOG to the Rev Hon Fred Nile MLC, Chairman, dated 2 November 1999.

... to ensure that the Board, the Legislative Council Standing Committee and I have a clear and independent understanding of the processes, the key decisions that were made and clarity as to the manner in which overall numbers available to the public were determined as well as quotas for individual sessions of sporting events. The review will examine SOCOG records and interview key SOCOG personnel and Board Members in this process.

A copy of this correspondence is attached at Appendix 3.

The Review Team's work was oversighted by a Joint Directorate consisting of Dr David Richmond, Director General of the Olympic Coordination Authority (OCA), and Mr Jim Sloman, Deputy Chief Executive Officer and Chief Operating Officer of SOCOG. At the invitation of the Minister, the Director of the Standing Committee attended meetings of the Joint Directorate as an independent observer.

The Review Team provided a written report entitled "Independent Review of SOCOG's Ticketing Processes" to the Minister on Monday, 22 November 1999. The Review Team presented this report as evidence when they appeared before the Standing Committee at the hearing held that evening. The Standing Committee resolved to publish the document immediately after it had been accepted.

The report contains background information about the Olympic ticketing process, detailed commentary about the availability and distribution of tickets to the general public in Australia and information about premium tickets. The report includes a number of findings in relation to SOCOG's Ticketing Processes, and makes five recommendations.

As stated above, the Review Team were given their assignment by the Minister to ensure the Standing Committee was provided with a clear understanding of SOCOG's ticketing processes, and the investigation involved a close examination of SOCOG records and interviews with key SOCOG personnel and Board Members. Given the detailed nature of the Review Team's report, the Standing Committee has decided to incorporate the Review Team's report in this report to Parliament. Consequently, this report should be read in conjunction with the report of the Review Team, which is reproduced as Appendix 4 to this report.

2 Oversight of the Ticketing Process

2.1.1 SOCOG Board

A list of the Board of Directors is provided below, along with the capacity in which they are appointed.

Table 1: SOCOG Board of Directors

<i>Name</i>	<i>Capacity in which appointed</i>	<i>Dates of appointment</i>
The Hon Michael Knight MP (President)	Minister for the Olympics	27 Sep 96 – present
John Coates, AO (Senior Vice-President)	President of the Australian Olympic Committee	12 Nov 93 – present
Councillor Frank Sartor (Vice-President)	Lord Mayor of the City of Sydney	12 Nov 93 – present
R Kevan Gosper, AO (Vice-President)	Member of the International Olympic Committee representing the International Olympic Committee in Australia	12 Nov 93 – present
Phil Coles, AM (Vice-President)		12 Nov 93 – 14 Jun 99
Chris Hartcher, MP	Shadow Minister for the Olympics	19 Apr 99 – present
The Hon Ian Armstrong		27 Sep 96 – 14 Jan 99
The Hon Ron Phillips, MP		14 Jan 99 – 9 Apr 99
Craig McLatchey	Secretary-General of the Australian Olympic Committee	15 Sep 95 – present
Sandy Hollway	Chief Executive Officer of SOCOG	27 Mar 97 – present
The Hon Nick Greiner, AC	Persons with appropriate expertise and experience appointed by the Governor on the recommendation of the Minister	12 Nov 93 - present
Anna Booth		19 Apr 95 – present
Roderick McGeoch, AM		12 Nov 93 – 24 Nov 98
Graham Richardson		15 Feb 96 – present
Brian Sherman		15 Apr 96 – present
Marjorie Jackson-Nelson , AO, MBE		26 Nov 98 – present
Donald McDonald, AO		Persons with appropriate expertise and experience appointed by the Governor on the recommendation of the Minister, being persons nominated by the Prime Minister of Australia to the Minister for consideration by the Minister
John Valder, AO, CBE	31 Mar 96 - present	

Source: Sydney Organising Committee for the Olympic Games 1999 Annual Report

The role and responsibilities of the Directors of the SOCOG Board are set out on page 17 of the report of the Review Team. The Directors have responsibilities similar to Directors of private corporations⁷ and are required under Section 24 of the SOCOG Act to “exercise the degree of care and diligence that a reasonable person in a like position in a corporation would exercise in SOCOG’s

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The report of the Review Team acknowledges that:

... SOCOG has to meet a complex set of financial, political and social objectives, and operate according to a very different set of external constraints and influences than does a private sector business.⁹

One of the Review Team’s principal findings highlights the failure of the Board as a whole to adequately oversight the ticketing process.¹⁰ The Standing Committee’s investigations have confirmed the failure of the SOCOG Board to efficiently carry out their responsibilities concerning the Olympic ticketing process.

The Standing Committee notes that during a press conference held on 29 October 1999, the day of the announcement of the agreement between SOCOG and the ACCC, the Minister publicly apologised many times for problems with the ticketing process.¹¹ In addition, at the Standing Committee’s public hearing held on 8 November 1999, the Minister stated:

The SOCOG Board, including me, is collectively responsible for the actions of SOCOG.¹²

The Standing Committee notes that a media release issued by the Minister on 22 November 1999, in response to the report of the independent Review Team, stated that:

... the Board had unanimously passed a resolution that noted and accepted the criticism in the report that it should have been more pro-active in reviewing the detail of major SOCOG management decisions in the ticketing area.¹³

The Standing Committee also notes that the report of the Review Team states:

... On many occasions, reports were made directly to the Board by members of management without first being authorised by the CEO. Of particular importance to this review is the fact that Ticketing Division reports by Paul Reading fell into this category.

⁷ Whilst SOCOG is a statutory corporation and not a public company, it is instructive to note the nature of the duties of a non-executive director of a public company. These duties arise from a number of sources including: the *Corporations Law*, the common law, equity, and their contract. Central to these duties are requirements that directors perform their duties with care and diligence. The NSW Court of Appeal has stated that “the responsibilities of directors require that they take reasonable steps to place themselves in a position to guide and monitor the management of the company.” (*Daniels t/as Deloitte Haskins & Sells v AWA Ltd* (1995) 16 ACSR 607; 13 ACLC 614.)

⁸ *Sydney Organising Committee for the Olympic Games Act 1993*

⁹ O’Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG’s Ticketing Processes*, p17.

¹⁰ O’Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG’s Ticketing Processes*, p17.

¹¹ News release issued by SOCOG on 29 October 1999.

¹² Evidence of the Hon Michael Knight MP, Minister for the Olympics and President of SOCOG, 8 November 1999, p4.

¹³ News release issued by SOCOG on 22 November 1999.

The bypassing of the official structure also worked in the reverse direction. For example, the President has a working involvement with management and has informed the Review of conversations with operational staff in relation to ticketing issues at which the CEO may or may not have been present.¹⁴

The Standing Committee is encouraged by the following resolution passed by the SOCOG Board on 22 November 1999:

In the light of the information and recommendations contained in the report of the Independent Review Team, the Board resolves that a sub-committee of the Board consisting of Donald McDonald (Chair), Craig McLatchey and Nick Greiner (with Mr Eyers to act as secretary) report to the next meeting of the Board on any additional matters the Board should consider to ensure its corporate governance responsibilities continue to be fully met.¹⁵

A complete list of the resolutions passed by the SOCOG Board on 22 November 1999, in response to the Review Team's report, can be found at Appendix 5.

2.1.2 Ticketing Sub-Committee

The "ad hoc" nature of the SOCOG Board's Ticketing Sub-Committee is detailed on page 18 of the report of the Review Team. The report of the Review Team indicates that:

Whilst other committees or commissions established by the Board (such as Audit and Finance) have been established in terms of a governing charter, no such document exists in regard to the Ticketing Sub-Committee.¹⁶

The Review Team found that the Ticketing Sub-Committee:

... did not have sufficient rigour in its processes to compensate for the lack of checks and balances in the Ticketing management structure.¹⁷

The Standing Committee's investigations also found that the Ticketing Sub-Committee failed in its duties. Further, the Standing Committee suggests that the very existence of the Ticketing Sub-Committee may have provided a false sense of security to the SOCOG Board about ticketing processes. Given the Ticketing Sub-Committee is a creature of the Board, the Board must take ultimate responsibility for the nature and operations of the Ticketing Sub-Committee.

The Standing Committee notes that the SOCOG Board's response to the report of the Review Committee does not include any specific reference to the Ticketing Sub-Committee. The Standing Committee believes that the SOCOG Board's sub-committee (established on 22 November 1999 to consider corporate governance issues) should ensure the Board understand the need to provide greater definition to the role and operations of the Ticketing Sub-Committee.

¹⁴ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p18.

¹⁵ Document tendered by the Hon Michael Knight MP, Minister for the Olympics and President of SOCOG, at a hearing of the Standing Committee held on 23 November 1999.

¹⁶ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p18.

¹⁷ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p38.

Recommendation 1

The Standing Committee recommends that the SOCOG Board review the structure and charter of its Ticketing Sub Committee, with a view to ensuring an appropriate mechanism, such as the reconstitution of the Sub-Committee as a fully fledged Standing Committee, is put in place to ensure future ticketing processes are appropriately oversighted by the SOCOG Board and to ensure there are no perceived conflicts of interest by Members of the Ticketing Committee.

2.1.3 SOCOG Management

The SOCOG management structure in place at the relevant time is outlined on page 18 of the report of the Review Team. Principal findings of the Review Team highlight the major role played by SOCOG's senior and middle management in causing the ticketing controversy, including the lack of appropriate reporting between various levels of management within SOCOG.¹⁸ The report shows that a number of crucial decisions, relating to for example the allocation of tickets to the premium ticket quota, were made with no reference to senior management.¹⁹ Further, the report shows that senior management, along with the SOCOG Board, failed to ask appropriate questions, or provide adequate direction, about the allocation of tickets.²⁰ In addition, the report criticises management for not ensuring accurate information was provided to the public about tickets in the public ballot.²¹ The Standing Committee's investigations confirm these findings of the Review Team.

One particularly serious matter identified by the Review Team was the deliberate withholding of information from the SOCOG Board by senior management.²² The Standing Committee concurs with the view of the Review Team that this conduct was totally "unacceptable".²³ The Standing Committee believes that the concerns of SOCOG staff should have been brought to the attention of the Board.

The Standing Committee notes that the Review Team report states:

The CEO put to the Review team that it was important to maintain SOCOG's present management model which involves extensive delegation of responsibility. The Review Team's findings demonstrate that the model did not work properly in Ticketing. It is the Review Team's opinion that it was the absence of basic management controls combined with the extensive delegation of responsibility that has led to the issues the subject of this Review. The Board should

¹⁸ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p37.

¹⁹ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p37.

²⁰ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p38.

²¹ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p2.

²² O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p34.

²³ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p38.

consider whether the model is appropriate and if so, the framework and checks and balances within which it operates.²⁴

The Standing Committee also notes the announcement of the Minister on 22 November 1999 detailing changes to the SOCOG management structure.²⁵ A copy of the announcement can be found at Appendix 6.

2.1.4 Internal Auditors

The report of the Review Team outlines the contracted role of the internal auditors, Arthur Andersen, in the conduct of the public ticket ballot process.²⁶ The report indicates that Arthur Andersen's job engagement letter contained a requirement for the SOCOG Board to sign off on the original quota of tickets allocated to the general public. The Review Team established that the internal auditors did attempt to obtain the sign off immediately prior to and after the running of the ballot (on 30 August and 6 September respectively). However, the sign off was refused to them by Mr Reading, on the basis that the information was too commercially sensitive to be provided to the Board. The report of the Review Team acknowledges that the internal auditors chose to then adopt an alternative procedure of advising the Board through a written report.

The Standing Committee notes the report of the Review Team states:

In the Review's opinion, the internal auditors should have obtained a sign off prior to the running of the ballot or, failing that, immediately thereafter. On finding no such sign off was forthcoming, they adopted the alternative procedure of including reference to the number of tickets in the ballot in their report to the Board dated 1 October 1999. After the sign off was refused to them at the meeting with Paul Reading on 6 September 1999, had the internal auditors immediately reported this to the Audit Committee and Sandy Hollway, this would have put the Committee and Sandy Hollway on notice of the lower public ballot quota.²⁷

The Standing Committee's hearings confirm this finding.

The Standing Committee notes that the internal auditors advised the Review Team that Mr Reading indicated the reason for his refusal was that the SOCOG Board "leaked like a sieve".²⁸ The Standing Committee believes that Mr Reading's refusal to facilitate a sign off from the Board for the internal auditors is a particularly serious instance of Mr Reading deliberately withholding information from the SOCOG Board.

The Standing Committee notes that Arthur Andersen is a sponsor of the Sydney 2000 Olympic Games. It is the Standing Committee's view that, as a sponsor, Arthur Andersen has a vested interest in the success of the Sydney 2000 Olympic Games, including a desire for SOCOG to maintain a good public image. The Standing Committee is concerned there is the potential for Arthur Andersen to have a conflict of interest when performing audit functions for SOCOG, particularly when adverse findings might impact negatively on SOCOG's public image.

²⁴ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p3.

²⁵ News release issued by SOCOG on 22 November 1999.

²⁶ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p34.

²⁷ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p38.

²⁸ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p34.

The Standing Committee offered Mr Graham Paton, a Partner at Arthur Andersen, the opportunity to make a written submission addressing the inquiry's terms of reference by way of correspondence on 22 November 1999. In correspondence dated 23 November 1999, Mr Paton stated:

Having had the time to read the report of the Independent Review today, I would be happy to respond to any particular questions that you might have on its contents.²⁹

²⁹ Correspondence from Mr Graham Paton, Partner, Arthur Andersen, dated 23 November 1999.

3 Ticket Allocations to the Australian Public

3.1 Key dates and events

Appendix 7 summarises the key dates and events in relation to the ticketing process.

3.2 Public perception of ticket availability

It is important to note that from May 1998 to April 1999, SOCOG provided a consistent message to the general public that five million Olympic tickets would be on sale to the Australian public. While SOCOG made public statements in the period leading up to the public ticket offer that 1.5 million of the five million tickets would be allocated to the Olympic Opportunity program, no reference to the Olympic Opportunity tickets was included in the ticket offer book that was distributed on 30 May 1999. In fact, two messages included at the front of the ticket offer book clearly implied that five million tickets were available to the Australian public.

The Standing Committee notes the Review Team's view that:

Good corporate governance ... would have meant treating the Ticket Book like a prospectus.³⁰

The Review Team established that Paul Brown, SOCOG's Senior Legal Counsel, suggested a due diligence process for the preparation of the ticket book.³¹ This process would have provided a verification process for all facts contained in the ticket book, including statements about the number of tickets available, but this process was not fully implemented.

There was also arguably no real understanding within the general community of SOCOG's contractual obligations to provide around a third of all available tickets to the International Olympic Committee (IOC), the Australian Olympic Committee (AOC), International Sporting Federations (IFs), National Olympic Committees (NOCs), Sponsors, Broadcasters and Hotels.³² Further ticket allocations had to be set aside for holders of Stadium Australia memberships and Stadium Gold passes, the Olympic Club and Corporate Suites (approximately an additional 8 per cent).³³ A copy of information released by SOCOG on 25 October 1999 about category allocations can be found at Appendix 8. The report of the Review Team also provides detail about these obligations.³⁴

In addition, there appears to have been widespread public perception that there were plenty of tickets for all sessions of all events. This is despite comments made by SOCOG Board Members as early as 22 February 1998 that there would be difficulties in obtaining tickets to the more popular events.³⁵ The Standing Committee also notes that the ticket offer book made provision for purchasers to indicate

³⁰ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p37.

³¹ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p29.

³² News release issued by SOCOG on 25 October 1999.

³³ News release issued by SOCOG on 25 October 1999.

³⁴ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, pp12-15.

³⁵ *The Sun-Herald*, "Squeeze on Games seats", 22 February 1998, p13.

alternative choices if their first choice was oversubscribed, clearly indicating that it would not be possible to fill all first-choice requests.

From around 6 October 1999, notifications of the ticket ballot results were delivered to applicants around Australia. As growing numbers of people learnt they had not been successful in obtaining their first choice tickets, concerns began to surface about the number of tickets allocated in the ballot to certain events.

The Standing Committee notes the report of the Review Team indicates that the Minister was not advised there were less than 3.5 million tickets in the public ballot until 2 September 1999.³⁶

3.3 Public disclosure of ticket allocations

On 25 October 1999, SOCOG released details of the ticket allocations to each session at each venue, including the total public quota, the current number of tickets allocated from that quota and the quota contingency. An extreme example demonstrating the low number of tickets available to the public for some events is diving. For one session, there were only 16 A, 123 B, 18 C and 440 D class tickets available.³⁷

The report of the Review Team details SOCOG's response to concerns raised by the Australian Competition and Consumer Commission (ACCC) about the low numbers of available tickets to some sessions.³⁸ The Standing Committee is satisfied that the process negotiated between the ACCC and SOCOG adequately resolves many of the issues arising from the original public ballot process, including the lack of information about ticket availability.

The Standing Committee notes the statement of Mr John Bosiljevac, SOCOG's Program Manager for Ticket Operations, that:

To the best of my knowledge, I do not think there is any sporting event anywhere in the world of any calibre that has ever released the numbers [of tickets publicly available on a session by session basis] for the reasons that there are commitments that these organisations enter into that are sometimes very difficult to understand.³⁹

Nevertheless, the Standing Committee believes that SOCOG should have recognised the importance Australians place on transparent and fair processes and, released details of the number of tickets available to the public for each session prior to the public ballot. The Standing Committee notes that ticket allocation processes for arguably most other major sporting events give consumers some certainty about the availability and quality of seats at the time of purchase. In contrast, the uncertainty associated with incomplete Olympic venues and/or uncertain seat configurations in some venues, along with no information about the number of seats available to the general public, meant there was no way for individuals to assess their chances of obtaining a desired ticket.

³⁶ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*.

³⁷ Document tendered by the Hon Michael Knight MP, Minister for the Olympics and President of SOCOG, at a hearing of the Standing Committee held on 8 November 1999.

³⁸ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, pp35-36.

³⁹ Evidence of Mr John Bosiljevac, Program Manager, Ticket Operations, SOCOG, 15 November 1999, p60.

The Standing Committee believes that the additional requirement that payment be made prior to any tickets being allocated was unreasonable, given the lack of information about the likelihood of a ticket being allocated. In addition, the Standing Committee is concerned about the length of time between the lodgement of order forms for tickets and the notification about ticket allocations (and the distribution of refunds). During this period, consumers forwent interest on the money they were required to provide to SOCOG, and SOCOG had access to a large amount of money, a significant amount of which would have to be returned when consumers missed out on tickets.

However, the Standing Committee concedes that even though SOCOG released details about the number of category D tickets for the opening and closing ceremonies⁴⁰, these events were dramatically oversubscribed. While SOCOG had announced there would only be 10,000 category D seats available at the opening ceremony, 168,805 first choice ticket applications were received for these tickets. Category D tickets for the closing ceremony were also in high demand, with 46,311 first choice ticket applications being received for the 5,000 tickets available.⁴¹

Despite the high demand for many tickets, SOCOG indicated that three quarters of applicants in the first public ballot received some tickets, with 60 per cent of people receiving more than half the tickets they applied for, and one third of people having their order completely filled.⁴²

The Standing Committee notes the resolution passed by the SOCOG Board on 22 November 1999 to include information for each category at each session on the minimum number of tickets available for sale to the public in the next ticket brochure.⁴³

⁴⁰ News release issued by SOCOG on 26 August 1998.

⁴¹ Document tendered by the Hon Michael Knight MP, Minister for the Olympics and President of SOCOG, at a hearing of the Standing Committee held on 8 November 1999.

⁴² News release issued by SOCOG on 6 October 1998.

⁴³ Document tendered by the Hon Michael Knight MP, Minister for the Olympics and President of SOCOG, at a hearing of the Standing Committee held on 23 November 1999.

4 Premium Tickets

4.1 Key dates and events

Appendix 7 summarises the key dates and events in relation to the ticketing process.

4.2 Importance of ticket sales in SOCOG's overall budget context

The terms of reference for this inquiry direct the Standing Committee to consider the financial contribution that ticket sales make towards the SOCOG budget. Table 2 (below) shows that ticketing revenue forms a crucial part of SOCOG's budget, accounting for around one quarter of all budgeted revenue.

Table 2: Sydney 2000 Games Budget

	<i>\$'000</i>
<i>Income</i>	
Television Rights	1,033,100
Sponsorship	873,800
Consumer Products	63,200
Ticketing Income	607,900
Other Revenue Incentives	5,000
Total Income	2,547,000
<i>Expenditure</i>	
NSW Government	405,600
Australian Olympic Committee	75,000
Sydney Paralympic Organising Committee	18,000
IOC Payments	11,100
Program Expenditure	1,864,600
Contingency	142,700
Total Expenditure	2,517,000
<i>Net Income</i>	30,000

Source: Sydney Organising Committee for the Olympic Games 1999 Annual Report, p71.

Within the ticketing income line item, revenue will come from a number of sources including sales of premium tickets, Olympic Opportunity tickets and tickets offered to the general public.

The Standing Committee notes the following comment made in the report of the Review Team:

Since 1997, ticketing revenue has become an increasingly important element in assisting SOCOG to meet its revenue targets and thus to meet its expenditure needs. Ticketing revenue issues, rather than ticket allocation issues have been the major focus.⁴⁴

The Standing Committee acknowledges the financial importance of ticketing revenue in the overall context of SOCOG's budget.

4.3 Differentiation between various forms of premium tickets

The report of the Review Team provides explanations about the various forms of premium tickets that have been sold by SOCOG.⁴⁵ The Committee is satisfied that a number of forms of premium tickets were offered in a transparent manner, including Sports Passes and Stadium Packages. In contrast, the availability of tailored premium ticket packages was deliberately kept quiet (see section 4.7 below).

4.4 Lack of a detailed policy for the sale of premium tickets

The report of the Review Team indicates that at a Board meeting held on 13 August 1999, the Board Directors gave some consideration to ticket distribution, although the Minutes of that meeting provide minimal detail about decisions of the Board in this regard.⁴⁶ The report of the Review Team indicates that a Board Paper entitled "SOCOG Ticket Distribution Policy" was approved by the Board, but this document clearly stated it lacked detail about premium ticket sales.⁴⁷

In evidence to the Standing Committee, Mr John Moore, former Group Manager – Marketing and Image, SOCOG, described the difference between what he termed the formal and informal ticket selling processes. Mr Moore stated:

SOCOG had been working on its formal ticketing program very diligently, highly structured and highly involved by policy from all kinds of people, whether it was members of the board, consultants or whatever. ... Sitting under this was this informal program which had been stadium-related, and then thousands of tickets sitting in the hands of Mr Reading. ... I think the value of those tickets and other assets became very obvious to SOCOG. The golden goose suddenly appeared, if you like, from the value of those tickets.⁴⁸

At a public hearing held on 15 November 1999, the Chairman of the Ticketing Sub Committee, Mr Richardson advised the Standing Committee that:

There is no policy laid down at the ticketing committee or the board other than the fact that we were going to have a crack at selling some premium tickets, remembering that we did not know what the market would bear. My impression was that Mr Reading and his team would go out and try to sell some to find out what the market would bear so that we could come back and have a look at it later.⁴⁹

⁴⁴ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p16.

⁴⁵ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, pp39-50.

⁴⁶ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, pp42-43.

⁴⁷ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p42.

⁴⁸ Evidence of Mr John Moore, Former Group Manager – Marketing and Image, SOCOG, 15 November 1999, p35.

⁴⁹ Evidence of Mr Graham Richardson, SOCOG Board Director and Chairman of the SOCOG Board's Ticketing Sub-Committee, 15 November 1999, p81.

The Standing Committee heard from Mr Reading that the only written policy directions relating to the sale of premium tickets related to the requirement not to sell tickets to competitors of official sponsors, and the requirement to maximise revenue from sales.⁵⁰

4.5 Sale of premium tickets to Stadium Package holders

The Committee notes that the Ticketing Sub Committee gave approval to SOCOG staff in March 1999 to directly market premium tickets for non-stadium events to Stadium Package holders.⁵¹ An offer to approximately 6,000 Stadium Package holders in the form of a ticket order brochure was made at the end of April 1999, for a limited period until 14 May 1999. The Standing Committee understands that 645 Stadium Package holders took up the offer to purchase premium tickets for non-stadium events.

The Standing Committee is critical of the decision of the Ticketing Sub-Committee to only offer these packages to Stadium Package holders. The Committee is certain that many individuals who had no interest in events held at Stadium Australia, would have been willing to pay a premium for a guaranteed category A seat at certain non-stadium events. However, given the Ticketing Sub Committee's approval for this policy, and given that the Stadium Package offer was open to the general public, the Committee acknowledges the process of selling these premium ticket packages was at least open to some scrutiny.

Recommendation 2

The Standing Committee recommends that, in the interests of restoring public and sponsor confidence, SOCOG should consider making public the list of the 645 purchasers of premium tickets who purchased these tickets by way of the offer made to Stadium Package holders, bearing in mind SOCOG's commitments to the purchasers of these tickets.

4.6 Sale of tailored premium packages

The report of the Review Team indicates that 360,000 tickets (600 class A tickets to all 600 ticketed sessions) were allocated to a tailored premium package ticket sales program in March 1999, at the direction of Paul Reading.⁵² The Standing Committee notes there does not appear to have been any direction from the Board or the Chief Executive Officer to do this. The report further indicates that sales of tailored premium packages, to domestic and international corporations and individuals, commenced in May 1999.⁵³

⁵⁰Evidence of Mr Paul Reading, Group General Manager – Commercial and Marketing, SOCOG, 15 November 1999, p48.

⁵¹ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p44.

⁵² O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p44.

⁵³ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p44.

The report of the Review Team identifies 41 separate purchasers of tailored premium packages, including seven agents, one club, 19 companies, one government organisation and 13 individuals.⁵⁴ The reconciliation of sales conducted by the Review Team shows a total of 36,558 tickets were sold under the program.⁵⁵

4.7 Lack of transparency for tailored premium package sales

4.7.1 Promotion of the availability of tailored premium packages

The Standing Committee has been advised that the availability of tailored premium packages was not promoted by SOCOG.⁵⁶ The report of the Review Team indicates its understanding that interested parties were advised to contact Mr Reading and:

... there were a number of sources of referrals of prospective purchasers of tailored Premium Packages, including from some Board members.⁵⁷

The Minister told the Standing Committee that:

I am very sorry that we did not go out and explain more in advance about premium packages to the public.⁵⁸

When questioned about SOCOG's decision not to promote the availability of premium packages, Mr Hollway advised the Standing Committee that:

... with the benefit of hindsight we wish we had made public [the fact] that we do have a premium program.⁵⁹

At a public hearing on 15 November 1999, the Standing Committee heard from Commander Robert Garing, Secretary of the Tattersalls Club that the Club approached SOCOG directly in relation to the purchase of tailored premium tickets.⁶⁰ Commander Garing told the Committee that approximately two and a half years ago he started to give consideration to how he might obtain Olympic tickets for members of the Tattersalls Club. Commander Garing's original intention was to purchase tickets via one of Tattersalls' overseas members, who is involved in the international sale of Olympic tickets. Commander Garing advised the Standing Committee that in June this year, the overseas member suggested he contact Mr Reading directly, as it was now possible to purchase premium tickets directly from SOCOG. Commander Garing advised the Standing Committee that he negotiated the purchase of a number of tailored premium tickets with Mr Reading up until the beginning of November 1999.

⁵⁴ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p46.

⁵⁵ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p46.

⁵⁶ Answer from the Hon Michael Knight MP, Minister for the Olympics and President of SOCOG to written question placed on notice after the Standing Committee hearing of 8 November 1999, provided by way of correspondence from Mr David Tierney, Chief of Staff, Office of Minister for the Olympics, dated 18 November 1999.

⁵⁷ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p45.

⁵⁸ Evidence of the Hon Michael Knight MP, Minister for the Olympics and President of SOCOG, 8 November 1999, p25.

⁵⁹ Evidence of Mr Sandy Hollway, Chief Executive Officer, SOCOG, 15 November 1999, p49.

⁶⁰ Evidence of Commander Robert Garing, Secretary, Tattersalls Club, 15 November 1999, p23.

While the Standing Committee has been unable to ascertain the referral methods for all 41 purchasers of the tailored premium packages, the Standing Committee is concerned that the referral process appears to have operated to a large extent on a word of mouth basis. The Standing Committee believes the referral process used lends itself to accusations of impropriety, such as a suggestion that referrals were made to friends and acquaintances of SOCOG Board members and staff. Without releasing the details of purchasers it is difficult to avoid speculation of this kind. The Standing Committee believes that if SOCOG had been more open about the availability of tailored premium packages, there would be no reason for such speculation.

The Standing Committee notes the following statement made by the Minister at the public hearing held on 8 November 1999:

As I have said on many occasions, I do not believe it is proper or appropriate for the names of individuals or companies which purchase tickets at a premium above face value for their own use to be publicly named. They are entitled to their privacy and SOCOG generally is very concerned that publicising the names of those who have purchased will compromise the future marketing drive to sell a range of packages including such things as tickets, hospitality and accommodation at a premium. The consequences of SOCOG not achieving planned revenue from such activities would be harmful to either the quality of the Games or the taxpayers interests, or both.

I do, however, have a different view about naming organisations which purchase premium products for resale to their own members—as the Tattersalls Club appears to be doing—and commercial organisations which are involved in a broader marketing exercise. I have been provided with two documents in regard to the names of purchasers of premium packages. I have given both to the review team to examine. It is my view that once these documents have been audited by the review team details of purchasers should be made available to this Committee on a confidential basis. The manner in which that is done is a matter for the chairman.⁶¹

In addition, Mr Hollway advised the Standing Committee on 30 November 1999 that:

The SOCOG Board has accepted the Minister's proposition to publish the names of the organisations which purchased premium packages for on-selling rather than their own use. As I understand it, that process is currently being finalised.⁶²

The Standing Committee received further correspondence, from the Minister, on 1 December 1999 providing details about the sale of premium packages.⁶³ A copy of this correspondence can be found at Appendix 9.

⁶¹ Evidence of the Hon Michael Knight MP, Minister for the Olympics and President of SOCOG, 8 November 1999, p5.

⁶² Answer from Mr Sandy Hollway, Chief Executive Officer of SOCOG to written question placed on notice on 29 November 1999, provided by way of correspondence from Mr Simon Balderstone, General Manager, Executive Office and Board Support, and Environment, SOCOG, dated 30 November 1999.

⁶³ Correspondence from the Hon Michael Knight MP, Minister for the Olympics and President of SOCOG, dated 1 December 1999.

Recommendation 3

The Standing Committee recommends that, in the interests of restoring public and sponsor confidence, SOCOG should consider making public the list of all 41 purchasers of tailored premium packages, bearing in mind its commitments to the purchasers of these tickets.

The Standing Committee recognises that organisations and individuals who purchased tickets at a premium from SOCOG have done so within a framework that was at best approved, and at worst tacitly agreed to, by the SOCOG Board.⁶⁴ The Standing Committee believes that the framework within which tailored premium packages were sold is solely the responsibility of the Board and management of SOCOG.

4.7.2 Determination of premiums

The report of the Review Team indicates that the premiums charged by SOCOG for the tickets sold to the 41 purchasers of tailored premium ticket packages varied from 2.6 to 6.2 times the face value of the tickets.⁶⁵

The report of the Review Team states that:

... the Premium Package files were not adequately maintained. In particular, the details in those files relating to individual sales were neither comprehensive or systematic.⁶⁶

While the Standing Committee has been given access to files relating to the sale of premium ticket packages, the state of the files provided was not conducive to providing Members with a clear understanding of the sale processes.

The Standing Committee is deeply concerned that the absence of any set policy or guidelines for the setting of premium levels provided an environment conducive to corrupt conduct, although the Standing Committee did not find any evidence to suggest corrupt conduct had occurred. While the Standing Committee acknowledges that the Review Team did not consider the premium ticket program of itself inappropriate⁶⁷, the Standing Committee has not been provided with an adequate explanation about the variance in premiums charged.

The Standing Committee believes it is critical that the SOCOG Board immediately put in place a transparent mechanism to closely supervise the future sales of tickets at a premium. This mechanism

⁶⁴ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p46.

⁶⁵ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p46.

⁶⁶ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p47.

⁶⁷ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p49.

should be detailed in a publicly available, comprehensive ticketing policy (see recommendation 3, at the end of section 4, below).

4.8 Sponsorship commitments

The Standing Committee is conscious of the need for SOCOG to ensure the rights of Olympic sponsors are not undermined by the sale of premium tickets to their competitors.

On 19 November 1999, Mr Kerry Stokes, Chairman of Seven Network Ltd, provided the Standing Committee with a copy of a letter he had sent to the Minister expressing concern about the sale by SOCOG of premium tickets and other Olympic hospitality.⁶⁸ The letter sought reassurances from the Minister that competitors would not be provided with premium tickets, and that the Seven Network would be given priority access to tickets it desired. The Minister provided the Standing Committee with a copy of his response of 23 November 1999 to Mr Stokes' letter, in which he expressed concern that Mr Stokes had chosen to forward a copy of his (Mr Stokes') letter to the Standing Committee. The Minister's letter stated that SOCOG was committed to supporting sponsors and rights holders, and keen to resolve any tensions between Channel 7 and SOCOG "amicably and privately".⁶⁹

The Standing Committee notes that Mr Stokes was not satisfied with the Minister's response.⁷⁰

The Standing Committee was advised a number of times during the course of the inquiry by the Minister, the Chair of SOCOG's Ticketing Sub-Committee, Mr Richardson, and SOCOG staff that the interests of sponsors are of paramount concern to SOCOG. A particular concern to all of these parties was highlighted by the Minister when he gave evidence to the Committee at the hearing held on 15 November 1999:

... one of the things we need to do to protect our sponsors is not to allow other people to get quasi-marketing rights by virtue of being named as being associated with the Olympic Games. The last thing our sponsors would want, and the last thing we would want to do, is to allow someone who has not paid for a sponsorship, who has paid for a premium package, to get publicity that would give an Olympic association to the business. That would be very detrimental to the sponsors.⁷¹

While it is apparent to the Standing Committee that SOCOG is greatly concerned to ensure holders of premium tickets do not receive marketing benefit equivalent to a sponsor, the Standing Committee notes it is SOCOG policy not to sell premium tickets to sponsor's competitors.

⁶⁸ Correspondence from Mr Kerry Stokes, Chairman, Seven Network Ltd, to the Hon Michael Knight MP, Minister for the Olympics and President of SOCOG, dated 19 November 1999.

⁶⁹ Correspondence from the Hon Michael Knight MP, Minister for the Olympics and President of SOCOG, to Mr Kerry Stokes, Chairman, Seven Network Ltd, dated 23 November 1999.

⁷⁰ Correspondence from Mr Kerry Stokes, Chairman, Seven Network Ltd, to the Hon Michael Knight MP, Minister for the Olympics and President of SOCOG, dated 29 November 1999.

⁷¹ Evidence of the Hon Michael Knight MP, Minister for the Olympics and President of SOCOG, 15 November 1999, p107.

4.9 Oversight of premium ticket sales

The Review Team found that while the Board was aware since 1998 that tickets would be sold in tailored packages at a premium, it failed to formulate any specific policy for their sale.⁷² The Review Team also found that despite the Board and the Chief Executive Officer being aware in mid-1999 that tailored premium packages were being sold, they did not request details about the number of tickets being sold or committed to the program.⁷³ The Review Team noted Mr Reading's decision to only report to the Board about revenue aspects of tailored premium package sales, and was critical of Mr Reading's decision not to provide the Board with information about ticket numbers.⁷⁴ The Committee accepts these findings and criticisms.

The report of the Review Team states:

The Review does not consider that a premium ticket program is of itself inappropriate. Indeed, it is a legitimate way for SOCOG to maximise its revenue and reduce its exposure to a shortfall in the funding of the Games, which shortfall would ultimately be borne by the New South Wales public.⁷⁵

The Standing Committee supports this finding, but believes that SOCOG should have developed a detailed policy before such a program was implemented. Such a policy could have taken into account the uncertainty about the potential of the program, and incorporated a trial period during which the market could have been tested.

The Standing Committee notes that a resolution passed by the SOCOG Board on 22 November 1999 sets out specific requirements relating to the oversight of ticketing processes. While the Standing Committee welcomes the Board's attention to this matter, the Standing Committee believes it is imperative that the Board formulate and sign off on a comprehensive ticketing policy. The success and integrity of SOCOG's ticket sales leading up to the Olympic Games is dependent on the existence of such a policy.

Recommendation 4

The Standing Committee recommends that the SOCOG Board formulate and sign off on a publicly available, comprehensive ticketing policy. This policy should cover all aspects of ticketing policy, including guidelines for the sale of tickets at a premium price, whether these tickets are sold as discreet items or as part of a wider hospitality package.

⁷² O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p49.

⁷³ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p49.

⁷⁴ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p49.

⁷⁵ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p49.

5 Access to Olympic Tickets for Low Income Groups

Sections 1 (e) and 1 (f) of the terms of reference direct the Standing Committee to consider issues associated with access to Olympic Tickets for low-income groups.

5.1 SOCOG's policy for low-priced tickets

A Social Impacts Advisory Committee, reporting to the Olympic Coordination Authority (OCA), was established in 1996 to:

... provide the OCA with advice, including recommendations for appropriate strategies and actions on a broad range of matters relating to the assessment and management of social impacts arising from Sydney's staging of the Olympic and Paralympic Games.⁷⁶

The Standing Committee was advised that, in the second half of 1997, after consultation with the Social Impacts Advisory Committee, the OCA commissioned consultant Robyn Kennedy to conduct a study to identify options to facilitate access to the Olympics generally, and for specific population groups.⁷⁷ The study's findings were outlined in a report entitled *Scoping Study on Access to Attendance at 2000 Olympics Events*, which was provided to the OCA, SOCOG and three members of the Social Impacts Advisory Committee in March 1998.⁷⁸

At a SOCOG Board meeting held on 28 May 1998, the Board endorsed a policy on ticketing and session arrangements for disadvantaged Australians and school children.⁷⁹ Mr Hollway advised the Standing Committee that a more detailed Social Equity Policy was endorsed by the Board in August 1998, which had been developed after consultation with members of the Social Impacts Advisory Committee.⁸⁰

On 26 August 1998, SOCOG announced:

... it had set aside 1.5 million tickets priced between \$A10 and \$A19 for schools, community and welfare organisations as well as individuals.

The move will help both school children and the financially disadvantaged get to the Games.⁸¹

At the time of the announcement it was stated that half of these 1.5 million Olympic Opportunity tickets would be for school children.⁸²

⁷⁶ Olympic Coordination Authority Social Impacts Advisory Committee Terms of Reference.

⁷⁷ Evidence of Mr Gary Moore, Director, Council of Social Service of New South Wales, 15 November 1999, p3.

⁷⁸ Evidence of Mr Gary Moore, Director, Council of Social Service of New South Wales, 15 November 1999, p3.

⁷⁹ O'Connor, R. and Shirbin, J. 1999. *Independent Review of SOCOG's Ticketing Processes*, p27.

⁸⁰ Answer from Mr Sandy Hollway, Chief Executive Officer of SOCOG to written question placed on notice after the Standing Committee hearing of 8 November 1999, provided by way of correspondence from Mr Simon Balderstone, General Manager, Executive Office and Board Support, and Environment, SOCOG, dated 16 November 1999.

⁸¹ News release issued by SOCOG on 26 August 1998.

⁸² News release issued by SOCOG on 26 August 1998.

In response to questioning about the Olympic Opportunity program during the Budget Estimates hearing held on 15 October 1999, the Minister stated:

... this is the first time any organising committee in history has done anything of this nature. This is very much an Australian "fair go" concept that is being implemented.⁸³

In addition to the Olympic Opportunity program, the SOCOG Board also supported the development of a system to isolate category D tickets from cascading in the public ballot.⁸⁴

The Standing Committee expresses its support for the Olympic Opportunity program. The Standing Committee believes it is an important initiative that will provide a memorable Olympic experience for a great many Australians. As such, it is essential that SOCOG ensure the program is a success.

5.2 Access to category D tickets

The Standing Committee notes that access to category D tickets is open to all Australians. Mr Hollway advised the Standing Committee that consideration was given to a separate quota of tickets for social security recipients. However:

... following a review of the possible criteria for inclusion in such a draw, it was felt that a completely fair solution could not be provided and the administrative process in attempting to do so would be too complex to undertake. SOCOG's position was that the D category tickets should be available to all Australians who wished to select them and that there would be no cascading from higher categories into the D category.

The Board endorsed this position.⁸⁵

The Standing Committee acknowledges the difficulties associated with restricting access to a special quota for social security recipients. The Standing Committee believes the approach taken by SOCOG for the sale of category D tickets is appropriate.

5.3 The number of Olympic Opportunity tickets available

The Standing Committee was advised that as of 16 November 1999, SOCOG had approximately one million Olympic Opportunity tickets available.⁸⁶ This represented a decrease of nearly half a million tickets from the figure disclosed in 1998.

At the public hearing held on 15 November 1999, Mr Hollway advised the Standing Committee that the decrease in Olympic Opportunity tickets was primarily a result of venue configurations, and not connected to premium ticket sales.⁸⁷ Mr Hollway further advised the Standing Committee that:

⁸³ Legislative Council General Purpose Standing Committees. 1999. *Examination of Budget Estimates for 1999-2000*. Parliament of New South Wales, p65.

⁸⁴ News release issued by SOCOG on 26 August 1998.

⁸⁵ Correspondence from Mr Sandy Hollway, Chief Executive Officer of SOCOG, dated 17 November 1999.

⁸⁶ Answer from Mr Sandy Hollway, Chief Executive Officer of SOCOG to written question placed on notice after the Standing Committee hearing of 8 November 1999, provided by way of correspondence from Mr Simon Balderstone, General Manager, Executive Office and Board Support, and Environment, SOCOG, dated 16 November 1999.

⁸⁷ Evidence of Mr Sandy Hollway, Chief Executive Officer, SOCOG, 15 November 1999, p104.

SOCOG is currently working on ways of identifying opportunities to bring this target back to 1.4 million, which is the original target less the 100,000 free places now available for road cycling within Centennial Park.⁸⁸

It is apparent to the Standing Committee that the SOCOG Board gave SOCOG management a clear instruction to set aside 1.5 million tickets for the Olympic Opportunity program. While the Standing Committee welcomes Mr Hollway's advice that SOCOG is working to reinstate the original number of Olympic Opportunity tickets, the Standing Committee is greatly concerned that SOCOG management disregarded the SOCOG Board's original direction. The Standing Committee believes that achieving a quota of 1.4 million Olympic Opportunity tickets will be a crucial part of SOCOG restoring public confidence in its management of the Olympic Games.

Recommendation 5

The Standing Committee recommends that SOCOG place a high priority on achieving a quota of 1.4 million Olympic Opportunity tickets.

5.4 The events for which Olympic Opportunity tickets will be available

The Standing Committee was advised that Olympic Opportunity tickets will be available for a range of sports, including baseball, canoe kayak, cycling road race, equestrian, football, gymnastics, handball, hockey, mountain bike, rowing, softball, swimming, triathlon, and volleyball.⁸⁹ Given the current uncertainty of venue configurations, the Standing Committee understands SOCOG has not yet released details of the availability of Olympic Opportunity tickets for specific sessions.

The Standing Committee notes that in her report to the OCA, Ms Kennedy proposed that a quota of discounted tickets for all sessions, including popular events, be set aside for disadvantaged groups such as pensioners, low income earners, youth, people with disabilities Aboriginal and Torres Strait Islanders.⁹⁰

The Standing Committee further notes that while this proposal was not fully implemented, SOCOG has been open with the public about the fact that category A tickets and tickets to some of the more popular sessions will not be available through the Olympic Opportunity program. At the time of the SOCOG announcement about the Olympic Opportunity program on 26 August 1998, the Minister stated:

⁸⁸ Answer from Mr Sandy Hollway, Chief Executive Officer of SOCOG to written question placed on notice after the Standing Committee hearing of 8 November 1999, provided by way of correspondence from Mr Simon Balderstone, General Manager, Executive Office and Board Support, and Environment, SOCOG, dated 16 November 1999.

⁸⁹ Answer from Mr Sandy Hollway, Chief Executive Officer of SOCOG to written question placed on notice after the Standing Committee hearing of 8 November 1999, provided by way of correspondence from Mr Simon Balderstone, General Manager, Executive Office and Board Support, and Environment, SOCOG, dated 16 November 1999.

⁹⁰ Robyn Kennedy & Co. 1998. *Scoping Study on Access to Attendance at 2000 Olympic Events*. Report to the OCA.

... while these may not be the best seats in the house, they'll deliver a very memorable Olympic Games ... The tickets will also include training events to enable people to share the atmosphere of viewing the very popular sports of Swimming and Gymnastics.⁹¹

Given the complexity of the ticketing issue, and the financial considerations associated with staging the Olympic Games, the Standing Committee accepts the decision taken by the SOCOG Board in relation to the determination of events for which Olympic Opportunity tickets will be available.

5.5 The price of Olympic Opportunity tickets

At the time SOCOG announced its policy on ticketing and session arrangements for disadvantaged Australians and school children, the public and media were advised that Olympic Opportunity tickets would cost between \$10 and \$19.⁹² The evidence provided to the Standing Committee by SOCOG officers on 15 November 1999 indicates there is no intention to increase these prices.

5.6 The distribution of Olympic Opportunity tickets

During the Budget Estimates hearing held on 15 October 1999, the Minister stated that Olympic Opportunity tickets will be distributed early in the year 2000.⁹³ At the same hearing, Mr Hollway indicated he hoped to announce a policy and program design for Olympic Opportunity tickets by the end of 1999.⁹⁴ Mr Hollway has advised the Standing Committee that target groups will be consulted before the policy is finalised.⁹⁵

The Minister indicated there would be three mechanisms for distributing Olympic Opportunity tickets: through schools to schoolchildren; through community and welfare organisations; and directly to disadvantaged people.⁹⁶ The Standing Committee notes that the Rev Harry Herbert, Chairman of the Social Impacts Advisory Committee, wrote to Mr Hollway in August 1998, urging:

... SOCOG to consider some type of special program with the NSW Department of School Education to assist access to these tickets by children in disadvantaged schools.⁹⁷

The Standing Committee supports this suggestion of the Rev Harry Herbert.

⁹¹ News release issued by SOCOG on 26 August 1998.

⁹² News release issued by SOCOG on 26 August 1998.

⁹³ Legislative Council General Purpose Standing Committees. 1999. *Examination of Budget Estimates for 1999-2000*. Parliament of New South Wales, p64.

⁹⁴ Legislative Council General Purpose Standing Committees. 1999. *Examination of Budget Estimates for 1999-2000*. Parliament of New South Wales, p65.

⁹⁵ Answer from Mr Sandy Hollway, Chief Executive Officer of SOCOG to written question placed on notice after the Standing Committee hearing of 8 November 1999, provided by way of correspondence from Mr Simon Balderstone, General Manager, Executive Office and Board Support, and Environment, SOCOG, dated 16 November 1999.

⁹⁶ Legislative Council General Purpose Standing Committees. 1999. *Examination of Budget Estimates for 1999-2000*. Parliament of New South Wales, p64.

⁹⁷ Correspondence from the Rev Harry Herbert to Mr Sandy Hollway, Chief Executive Officer of SOCOG. Provided by SOCOG as part of an answer from Mr Sandy Hollway, Chief Executive Officer of SOCOG to a written question placed on notice after the Standing Committee hearing of 8 November 1999, provided by way of correspondence from Mr Simon Balderstone, General Manager, Executive Office and Board Support, and Environment, SOCOG, dated 16 November 1999.

The Standing Committee emphasises the importance of SOCOG developing a detailed policy on how Olympic Opportunity tickets are to be distributed. The Standing Committee believes that the distribution process must be seen to be transparent and equitable in terms of access by individuals in the target group.

Recommendation 6

The Standing Committee recommends that SOCOG's publicly available, comprehensive ticketing policy include details of the mechanism to distribute Olympic Opportunity tickets. Further, that this policy include a mechanism to ensure access to these tickets by children in disadvantaged schools.

6 Access for People with Disabilities

6.1 Obligations to make the Olympic Games accessible to people with disabilities

Due to the fact that premium tickets were the main focus of the inquiry, the Standing Committee received a limited amount of general evidence about ticketing and accessibility to people with disabilities. The specific issues about the decision of the Human Rights and Equal Opportunity Commission relating to braille ticketing books, and about subtitling of events telecast, are covered respectively in sections 6.2 and 6.3 below.

The Standing Committee notes that the Olympic Coordination Authority has established an Access Committee:

... which deals specifically with disability issues, both in terms of physical access to facilities, transport and other issues related to attending the Games.⁹⁸

The Standing Committee also notes that SOCOG has indicated that:

Between one and two per cent of seating in each venue has been reserved for people with disabilities.⁹⁹

Mr Hollway advised the Standing Committee that SOCOG is:

... extremely interested in the issue of access to the Games for people with disabilities. This applies, obviously, in an extremely important way for the Paralympic Games, which we are also operationally delivering, but it will also be vital for spectators and others to the Olympic Games.¹⁰⁰

The Standing Committee appreciates that some considerable effort is being made to ensure the Olympic Games are accessible to people with disabilities.

6.2 Accessibility of ticket books and information to people with disabilities

The main impetus for the Standing Committee's consideration of the accessibility of ticket books and information to people with disabilities comes from the decision of the Human Rights and Equal Opportunity Commission (HREOC) that Mr Bruce Maguire¹⁰¹ was discriminated against by SOCOG because it did not produce a braille version of the ticket offer book.

The Standing Committee has received evidence from Mr Maguire, SOCOG, the Public Interest Advocacy Centre and People with Disabilities (NSW) Inc in relation to this matter. While the submission from People with Disabilities (NSW) Inc indicates:

⁹⁸ Evidence of Mr Gary Moore, Director, Council of Social Service of New South Wales, 15 November 1999, p8.

⁹⁹ News release issued by SOCOG on 26 August 1998.

¹⁰⁰ Evidence of Mr Sandy Hollway, Chief Executive Officer, SOCOG, 8 November 1999, p28.

¹⁰¹ Mr Bruce Maguire is a blind person. Mr Maguire lodged a complaint with the Human Rights and Equal Opportunity Commission alleging that SOCOG had discriminated against him on the grounds of his disability by refusing to provide him with a braille copy of the Ticket Book and the Souvenir Program.

... a number of people who are blind or vision impaired contacted SOCOG to request a copy [of the ticket book] in an accessible alternative format (in braille or computer disk) ...¹⁰²

the Standing Committee has focussed specifically on Mr Maguire's circumstances as the HREOC decision made in his favour appears to be driving force for action in this matter.

6.2.1 The request for a braille version of the ticket booklet

The Standing Committee has established that Mr Maguire notified SOCOG of his desire to be provided with a braille version of the ticket offer book the day after its release, on 31 May 1999. Mr Maguire indicated to the Standing Committee the main reasons for this request were that his primary medium of literacy is braille and that the complexity of the ticket book meant no other medium would allow him to easily access the information.¹⁰³ In his submission to the Standing Committee, Mr Maguire stated:

The Olympic games will be one of the most important sporting and cultural events in my life time. I wanted to make a fully informed decision about what I wanted to see. I wanted to be able to read the ticket book along with everyone else. ...

I am the blind father of two sighted children. My children are accustomed to my independent action. I want my children to grow up with a positive view of disability borne out of their own experience of my participation of all aspects of family life. Being able to read the ticket book with them and make suggestions about events and absorb the information before I discuss it with them is an important part of this process. ...¹⁰⁴

6.2.2 Lack of anticipation by SOCOG for the request

In both his submission to the Standing Committee and his evidence to the HREOC, Mr Maguire indicated that SOCOG advised him that the ticket book would not be made available in braille. The HREOC's Inquiry Commissioner, the Hon William Carter QC, in his explanation of the reasons for his decisions in the matter, stated:

The evidence of Mr John Bosiljevac, the Program Manager, Ticketing at SOCOG, is clear that at no time did the SOCOG organisation, to his knowledge, contemplate the production of the ticket book in braille.¹⁰⁵

The submission from People with Disabilities (NSW) Inc concluded that:

... the failure to produce the Ticket Book and Souvenir Program in alternative formats was initially an oversight.¹⁰⁶

¹⁰² Submission from People with Disabilities (NSW) Inc, p4.

¹⁰³ Submission from Mr Bruce Maguire.

¹⁰⁴ Submission from Mr Bruce Maguire, Appendix 1, paragraphs 47 to 50.

¹⁰⁵ Human Rights and Equal Opportunity Commission, Bruce Lindsay Maguire (Complainant) and Sydney Organising Committee for the Olympic Games (Respondent), Reasons for Decision of the Hon William Carter QC, Inquiry Commissioner, No H99/115, 18 October 1999, p6. The Standing Committee understands that Mr Bosiljevac came to SOCOG after having worked on ticketing at the Atlanta Olympic Games. The Standing Committee expects that Mr Bosiljevac's experience in Atlanta may have exposed him to many of the ticketing issues facing SOCOG. This may suggest the issue of braille ticket books was not raised in Atlanta, or that Mr Bosiljevac was not aware of it if it was raised.

SOCOG has not disputed the suggestion that that they did not contemplate the production of the ticket book in braille. The Standing Committee has not been able to ascertain whether braille ticket books have been produced for any previous Olympic Games.

6.2.3 Interim determination by the Human Rights and Equal Opportunity Commission

Mr Maguire lodged his complaint with the HREOC on 7 June 1999, alleging discrimination on the part of SOCOG.¹⁰⁷ Given his understanding there would be a delay before the matter could be considered by the Commission, and given the deadline for ticket applications was 16 July 1999, Mr Maguire lodged an application for an Interim Determination on 9 June 1999.¹⁰⁸ Mr Maguire advised the Standing Committee this application was granted and an Interim Determination was made on 24 June 1999.¹⁰⁹

Mr Maguire advised the Standing Committee that the Interim Determination required SOCOG to:

... preserve my right to apply for tickets beyond the 16 July deadline on the same terms and conditions that pertained prior to that time, until such time as HREOC could deal with the substantive issues raised in my original complaint.

SOCOG subsequently advised me that they would not comply with this Determination.¹¹⁰

Mr Maguire advised the Standing Committee that he could not afford to take the matter to the Federal Court for enforcement, as this would have required significant financial resources.¹¹¹ Mr Maguire stated in his submission to the Standing Committee:

I therefore had no option but to accept the fact that SOCOG's refusal to provide me with the Ticket Book in braille would result in my exclusion from the first-round ballot.¹¹²

The Standing Committee believes there was ample time for SOCOG to provide Mr Maguire with an appropriate mechanism to access information about the ticket booklet and allow Mr Maguire to furnish an application.

6.2.4 Action taken by SOCOG in response to the request

At the hearing held on 8 November 1999, Mr Hollway told the Standing Committee that SOCOG gave serious consideration as to whether the ticket book should be produced in braille. Mr Hollway stated:

... it was our decision that it would not be warranted to provide the ticket book in braille for

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¹⁰⁶ Submission from People with Disabilities (NSW) Inc, p4.

¹⁰⁷ Submission from Mr Bruce Maguire.

¹⁰⁸ Submission from Mr Bruce Maguire.

¹⁰⁹ Submission from Mr Bruce Maguire.

¹¹⁰ Submission from Mr Bruce Maguire, p2.

¹¹¹ Submission from Mr Bruce Maguire.

¹¹² Submission from Mr Bruce Maguire, p2.

¹¹³ Evidence of Mr Sandy Hollway, Chief Executive Officer, SOCOG, 8 November 1999, p28.

Mr Hollway indicated that SOCOG instead provided:

... a dedicated capability at our call centre to take people, at whatever length of time required, through the ticket book to help them make their selections.¹¹⁴

Mr Maguire advised the Standing Committee that comprehending the information obtained in the ticket book in oral form was extremely time consuming and virtually impossible.¹¹⁵ In his explanation of the reasons for his decisions in the matter, the Hon William Carter QC acknowledged the difficulties associated with oral comprehension of the material in the ticket book, noting that the need to cross reference material meant this linear mode of information delivery was unsuitable.¹¹⁶

The Hon William Carter QC also stated it is clear that:

... a quote for a braille edition of the ticket book was sought by SOCOG but such an edition was not produced. The evidence therefore makes it clear enough that subsequent to the complaint to the Commission, on 7 June 1999, the respondent, SOCOG, considered the issue raised by the complainant. It is a clear inference that the two options canvassed were, on the one hand, a braille edition of the ticket book and, on the other, a telephone Helpline.¹¹⁷

Mr Maguire advised the Standing Committee that SOCOG provided him with electronic versions of the ticket book on or about 5 July 1999 and on 12 July 1999.¹¹⁸ Given the complexity of the information contained in the ticket book, the Standing Committee accepts Mr Maguire's statement that these electronic versions of the ticket booklet were inadequate as a tool to assist him comprehend material contained in the ticket book.

6.2.5 Decision by the Human Rights and Equal Opportunity Commission

The HREOC hearing was held on 27 and 28 September 1999. A decision was handed down by the Inquiry Commissioner, the Hon William Carter QC, on 30 September 1999, in favour of Mr Maguire.¹¹⁹ The decision required SOCOG to provide Mr Maguire with a copy of the second ticket booklet and conference with Mr Maguire to assist him to furnish an application in respect of the remaining tickets by 8 October 1999. Further, should Mr Maguire wish to engage in the final ticketing process and SOCOG be unable to provide a braille version of the third ticketing brochure by 23 October 1999, SOCOG was required to once again conference with Mr Maguire and assist him in furnishing an application.

¹¹⁴ Evidence of Mr Sandy Hollway, Chief Executive Officer, SOCOG, 8 November 1999, p28.

¹¹⁵ Submission from Mr Bruce Maguire, Appendix 1, paragraphs 54 to 65.

¹¹⁶ Human Rights and Equal Opportunity Commission, Bruce Lindsay Maguire (Complainant) and Sydney Organising Committee for the Olympic Games (Respondent), Reasons for Decision of the Hon William Carter QC, Inquiry Commissioner, No H99/115, 18 October 1999.

¹¹⁷ Human Rights and Equal Opportunity Commission, Bruce Lindsay Maguire (Complainant) and Sydney Organising Committee for the Olympic Games (Respondent), Reasons for Decision of the Hon William Carter QC, Inquiry Commissioner, No H99/115, 18 October 1999, p7.

¹¹⁸ Submission from Mr Bruce Maguire, Appendix 1, paragraphs 66 to 75.

¹¹⁹ Human Rights and Equal Opportunity Commission, Bruce Lindsay Maguire (Complainant) and Sydney Organising Committee for the Olympic Games (Respondent), Determinations made by Commissioner Carter, Matter No H99/115.

6.2.6 Action taken by SOCOG after the HREOC decision

Mr Hollway told the Standing Committee that after the HREOC made its determination about Mr Maguire's complaint:

... we affirmed what we were already doing, which was to provide other facilities which we believe would help vision-impaired people to have access to the tickets—in particular, a dedicated capability at our call centre to take people, at whatever length of time required, through the ticket book to help them make their selections.¹²⁰

Mr Hollway advised the Standing Committee that while SOCOG had been willing to comply with the HREOC determination to provide Mr Maguire with the book and conference with him to assist him make an application for tickets, Mr Maguire chose instead to use the telephone help line.¹²¹ Mr Hollway further advised that, if as envisaged in the HREOC determination, SOCOG does not have time to provide Mr Maguire with the second round ticket book in braille, SOCOG will provide Mr Maguire with the book and will be available to conference with him to assist him make an application for tickets.¹²²

6.2.7 Criticism of delays caused by SOCOG

Mr Gregory Kirk, Principal Solicitor, Public Interest Advocacy Centre criticised SOCOG's approach to Mr Maguire's request for a braille booklet. Mr Kirk told the Standing Committee at a public hearing on 15 November 1999 that:

The conduct of the litigation ended up being very much delayed by SOCOG's approach to it. It seems unlikely from our point of view that SOCOG ever thought that it would successfully defend the claim. ...

... In the event, even though Mr McGuire was successful in the hearing—it was found to be unlawful discrimination against him, the refusal to supply the ticket book in braille and that in fact the provision of it would not have been terribly expensive for SOCOG—the hearing had been delayed for so long by that stage that it was no longer possible for SOCOG to produce it in time for Mr McGuire to enter the ballot, having had access to the ticketing information.¹²³

6.2.8 Indicative time and financial costs associated with the production of a braille version of the ticket book

In his explanation of the reasons for his decisions in the matter, the Hon William Carter QC considered evidence provided to him by the Royal Victorian Institute of the Blind about the estimated financial cost of producing a braille version of the ticket book.¹²⁴ The estimate provided indicated that it would cost around \$1150 to convert the text to braille and to prepare associated material such as tactile

¹²⁰ Evidence of Mr Sandy Hollway, Chief Executive Officer, SOCOG, 8 November 1999, p28.

¹²¹ Correspondence from Mr Sandy Hollway, Chief Executive Officer, SOCOG, dated 17 November 1999.

¹²² Correspondence from Mr Sandy Hollway, Chief Executive Officer, SOCOG, dated 17 November 1999.

¹²³ Evidence of Mr Gregory Kirk, Principal Solicitor, Public Interest Advocacy Centre, 15 November 1999, pp7-8.

¹²⁴ Human Rights and Equal Opportunity Commission, Bruce Lindsay Maguire (Complainant) and Sydney Organising Committee for the Olympic Games (Respondent), Reasons for Decision of the Hon William Carter QC, Inquiry Commissioner, No H99/115, 18 October 1999.

graphics, and a further \$85.10 to produce each braille copy of the ticket book. A total estimated cost of producing 200 braille copies of the ticket brochure would therefore have cost approximately \$17,250. The Hon William Carter QC concluded that given the overall cost for printing and distributing the ticket book was \$7.18 million, the production of 200 braille copies of the booklet would not have constituted “an unjustifiable hardship” for SOCOG.¹²⁵

The Standing Committee was the Royal Victorian Institute for the Blind that indicates it would have taken approximately 15 working days to produce a master braille version of the original ticket booklet. Once this had been completed, it would have been possible to produce 50 copies per day.¹²⁶

6.2.9 Adequacy of SOCOG’s response to Mr Maguire’s request

The Standing Committee is satisfied it would have been relatively inexpensive to produce a braille version of the ticket offer book. In addition, the Standing Committee believes that production could have been accomplished in time for users of the braille version to have furnished applications for the first ticket ballot.

The Standing Committee understands that SOCOG has not approached the Royal Victorian Society for the Blind in relation to the production of braille versions of subsequent ticket offer books. The Standing Committee is hopeful this is not an indication that SOCOG has decided there is no need to produce braille versions of future ticket offer books.

Recommendation 7

The Standing Committee recommends that SOCOG produce a braille version of the Souvenir Program.

6.3 Subtitling of events telecast

At the hearing held on 8 November 1999, Mr Hollway was questioned about the cost of providing full subtitles of all events telecast. Mr Hollway advised the Standing Committee that, under the International Olympic Committee charter, the Sydney Olympic Broadcasting Organisation has a responsibility to provide an international signal, comprising vision and natural ambient sound, for the television rights holders.¹²⁷ Mr Hollway stated:

It is for the rights holders in each country, not the host broadcasting organisation, to decide what commentary they provide in their particular country to go, as it were, over the top of the feed

¹²⁵ Human Rights and Equal Opportunity Commission, Bruce Lindsay Maguire (Complainant) and Sydney Organising Committee for the Olympic Games (Respondent), Reasons for Decision of the Hon William Carter QC, Inquiry Commissioner, No H99/115, 18 October 1999, p18.

¹²⁶ Correspondence from Ms Linley Wallace, dated 29 November 1999.

¹²⁷ Evidence of Mr Sandy Hollway, Chief Executive Officer, SOCOG, 8 November 1999, p18.

provided by the broadcasting organisation ... perhaps just as importantly, with over 200 countries and 50 languages, how could it be otherwise?¹²⁸

Mr Hollway went on to advise the Standing Committee that the rights holder with Australia, the Seven Network, had:

... recently announced their intention regarding the closed captioning for the Sydney Olympics for the Australian audience ... [including] ... plans to include closed captioning for all prime time

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Given the difficulties associated with collecting information from all television rights holders about the subtitling issue, the Standing Committee has been unable to determine the cost of providing full subtitles of all events telecast. However, the Standing Committee believes it is adequate for the Australian rights holder, the Seven Network, to provide subtitling and that this service should be widely publicised.

¹²⁸ Evidence of Mr Sandy Hollway, Chief Executive Officer, SOCOG, 8 November 1999, p18.

¹²⁹ Evidence of Mr Sandy Hollway, Chief Executive Officer, SOCOG, 8 November 1999, p18.

7 Conclusion

The issues addressed in this report, particularly those covered in sections 2, 3 and 4 have led the Standing Committee to conclude that SOCOG needs to be more open about its policies and decision-making processes than it has been in the past.

The Sydney 2000 Olympic Games is a publicly sponsored event, and the citizen of New South Wales have a right to information about key policies and decisions. There is too much secrecy surrounding the running of the Olympic Games and this has eroded some public confidence.

While the Standing Committee recognises that some things have to remain confidential for commercial or contractual reasons, and also recognises that SOCOG has been more open in recent times, SOCOG should in the future share more information about its activities with the public.

The Standing Committee believes that an important part of restoring public confidence in the Sydney 2000 Olympic Games will be its response to recommendations contained in this report.

Recommendation 8

The Standing Committee recommends that, on the first sitting day in April 2000, the President of SOCOG provide a response to the Legislative Council about progress on the implementation of recommendations contained in this report.

In view of the recent reorganisation of SOCOG, the Standing Committee looks forward to closer cooperation between the SOCOG Board and management.