

MEDIA RELEASE

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OLYMPIC BUDGETING REPORT RELEASED

The Rev Hon Fred Nile MLC, Chairman of General Purpose Standing Committee No 1, has today tabled the Committee's *Olympic Budgeting* report.

Rev Nile said "While the Committee was given until the first sitting day in August 2000 to complete its inquiry, we felt it was important to report on the matter as quickly as possible. This should allow those involved in preparations for the Games to now focus on making them a success."

The terms of reference for the inquiry required the Committee to consider:

- the contingency grant to SOCOG of \$140,000,000 in the *Appropriation (Further Budget Variations) Act 2000*; and
- the deterioration in the finances of SOCOG and the reasons for that deterioration.

The Committee established that, since the beginning of 2000, SOCOG has increased funds available for expenditure by a total of \$192.12 million. In addition to the \$140 million contingency grant, payments totalling \$52.12 million were foregone by the New South Wales Government, the IOC and the AOC.

Rev Nile said, "The Committee has concluded that initial budget planning by SOCOG was not thorough enough. SOCOG should have set aside a larger amount for contingencies. The analysis of financial risks provided to the Committee highlights the complexity of SOCOG's operations and the uncertainty associated with revenue and expenditure items."

Rev Nile said, "The greatest contributing factor to the deterioration in SOCOG's finances relates to ticketing revenue and expenditure. SOCOG appears to continue to suffer a negative impact from the ticketing problems that were the subject of an inquiry by this Committee in November 1999. While considerable effort has been made to regain public confidence in the ticketing process, SOCOG has not reached the anticipated budgeted income from ticket sales. The net amount to be raised from ticket revenue remains a significant budget issue for SOCOG," Rev Nile said.

"With respect to the timing of the request for funds, the Committee believes that had SOCOG held a Board meeting in May, at the usual time in the middle of the month, the Board would have in all likelihood been made aware of the deterioration in SOCOG's finances one month earlier than in fact was the case. However, the Committee has noted that the absence of a large number of Board members in Olympia for the lighting of the Torch made a May meeting difficult," Rev Nile said.

The report is available on the Committee's website at: www.parliament.nsw.gov
or by telephoning the Committee Secretariat on 02 9230 3544

*For further information and comment please ring the Hon Revd Fred Nile MLC,
Chairman of the Committee, on 02 9230 2132 (ph) / 02 9751 1949 (pager)*