

**GENERAL PURPOSE STANDING COMMITTEE No. 1**

**Tuesday 6 June 2000**

**Examination of proposed expenditure for the portfolio area**

**OLYMPICS**

**The Committee met at 8.00 p.m.**

**MEMBERS**

Reverend the Hon. F. J. Nile (Chair)

The Hon. R. T. M. Bull  
The Hon. M. J. Gallacher  
The Hon. A. B. Kelly

The Hon. P. T. Primrose  
The Hon. H. S. Tsang  
The Hon. Dr P. Wong

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**PRESENT**

**The Hon. M. S. Knight**, *Minister for the Olympics*

**Olympic Co-ordination Authority**  
**Mr D. Richmond**, *Director-General*

**Sydney Organising Committee for the Olympic Games**  
**Mr M. Eyers**, *Deputy Chief Executive*

**Olympic Roads and Transport Authority**  
**Mr R. Christie**, *Chief Executive Officer*

**Minister's Staff**  
**Ms A. Milne**, *Policy Adviser*

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**CHAIR:** I welcome you to this public hearing of the General Purpose Standing Committee No. 1. First I wish to thank the Minister and departmental officers for attending tonight. At this meeting the Committee will examine the proposed expenditure from the Consolidated Fund for the portfolio area of the Olympics. Before questions commence, some procedural matters need to be dealt with. As you would be aware, paragraph 4 of the resolution referring the budget estimates to the Committee requires the Committee to hear evidence on the budget estimates in public.

Under Standing Order 252 of the Legislative Council this Committee has resolved to authorise the media to broadcast sound and video excerpts of its public proceedings held tonight. The Committee's resolution conforms with the guidelines governing the broadcast of proceedings adopted by the Legislative Council on 11 October 1994. The attendant on duty has copies of those guidelines. I emphasise that only members of the Committee and witnesses before it may be filmed or recorded. People in the public gallery are not considered to be part of the proceedings and, therefore, should not be the primary focus of any filming for photographs. In reporting proceedings of this Committee, as with the reporting of both Houses of Parliament, you must take responsibility for what you publish or what interpretation is placed on anything that is said before the Committee.

While there has been provision in previous years' budget estimates resolutions for Committee members and substitute members to refer directly to their own staff at any time, there is no such provision in the current resolution. Members and their staff are therefore advised that any messages should be delivered through the attendant on duty or the Committee clerks. For the benefit of members and Hansard, and for the effective operation of this Committee, it is important that departmental officials identify themselves by name, position and department or agency before answering each question. There is a wide latitude allowed in asking questions on any of the budget estimates and related documents before the Committee. However, when a member is seeking information in relation to a particular aspect of a program or subprogram, it will help the Minister, and the Committee, if the program or subprogram is identified.

The Committee has agreed for this hearing not to allocate specific blocks of time to individual parties or members. Members will be provided with an opportunity to pursue specific lines of questioning until such time as they have exhausted questions relating to that issue. I will endeavour to ensure this process is as equitable as possible and that all members are given an opportunity to ask questions. As you are aware, a period of two hours has been set aside for tonight's public hearing. If, at the conclusion of the hearing, members have not exhausted the questions to which they require answers, the Committee may decide to hold additional hearings before it is required to report on 25 June. I understand that the lower House is sitting. Minister, are you required to leave this hearing this evening to attend divisions?

**Mr KNIGHT:** As you may be aware, a no-confidence motion has been moved by the Opposition against the Minister for Transport. The Leader of the Opposition, who moved the motion, is now replying. At some stage within the next 10 to 20 minutes there will be a division. I should attend that for obvious reasons. I am happy if you want to add the time I am away onto the hearing. I would appreciate it if the hearing is suspended when I leave.

**CHAIR:** Prior to the hearing the Committee discussed this eventuality. The Committee agreed that if you are required to attend a division in the lower House, members of the Committee will continue questioning departmental officers in your absence. I declare the proposed expenditure open for examination.

**The Hon. M. J. GALLACHER:** David Richmond, would you please indicate whether you plan to cancel the rights to host concerts at the Sydney Entertainment Centre in favour of moving concerts and events to the Superdome after the Olympics?

**Mr KNIGHT:** Can I clarify the procedures? Previously when I have come to estimates, questions have been directed to the Minister and he may or may not refer them to a departmental officer. Could someone please explain if this is a different procedure?

**The Hon. M. J. GALLACHER:** I assist the Minister by referring to paragraph 3.3, examination of witnesses, as spelt out in the handbook for General Purpose Standing Committees in relation to estimate committees.

**CHAIR:** On page 21, item 7 states:

The Committee may ask for explanation from Ministers in the House or officers of the department statutory bodies or corporations relating to items of proposed expenditure.

The Hon. M. J. Gallacher is availing himself of that procedure.

**Mr KNIGHT:** In the light of that, could I ask for the line item of expenditure to which the Leader of the Opposition refers?

**The Hon. M. J. GALLACHER:** Mr Chairman, you might refer the Minister to the subsequent paragraph in the handbook. It might assist the Minister on his way to the House for a division. At page 7 it says that wide latitude is allowed and states:

It would assist the budget estimates process if members are able to preface their questions by making reference to a specific line item or program area set out in the budget, although there is no requirement to do so.

**Mr KNIGHT:** So you are not going to assist us?

**CHAIR:** It would assist witnesses if references could be given, if only for the purpose of saving time, quite apart from obtaining answers.

*[The Minister withdrew to attend a division.]*

**Mr RICHMOND:** I have no specific plans to make any decision about events at the Entertainment Centre. What I have done, after consulting with the Minister and consulting with the Government, is to institute a review of the respective roles of the Sydney Entertainment Centre and the Sydney Superdome. That has been done for a number of reasons: first of all, because of the Government's significant investment in both facilities and venues; and, second, because specifically in the project agreement that the Government signed with the millennium consortium to construct and operate the Sydney Superdome there was a provision whereby if there was to be any change in the role of the Sydney Entertainment Centre, and such a decision was made about a change in its role, the millennium consortium would pay an additional \$7 million to the Government; and that decision, if there were to be a change of role, needed to be made by the end of this year.

Consequently, because of the investment that the Government has in both facilities, and because of that particular provision—and, given it is there, it would be remiss if we did not ask the question about the \$7 million that might otherwise not come to the taxpayers—we have commissioned a review of whether there is a case for some change in roles. I have no predetermined view as to what that outcome would be.

At the stage that the Government entered into the contract with the millennium consortium for the Sydney Superdome it undertook internally a similar review and came to the policy position that the two facilities should be free to compete against each other. But, given the provisions in the contract and the need to clarify that for the future, and given that the Entertainment Centre lease is effectively completed at the end of 2003, it seemed sensible to come forward with a review process and a strategy for the Government to consider. The Government will do that, I would expect, in about August. The Government will make its decision. What the Government's decision might be is something for the Government. But I certainly have no specific plans to do anything at this moment, except to conduct the review. I certainly have no predisposition to one position or another at this point in time.

**The Hon. M. J. GALLACHER:** Mr Richmond, have you received an offer from Abigroup to demolish the Sydney Entertainment Centre and build a hotel or some sort of commercial building on the site?

**Mr RICHMOND:** I am not sure that I have received an offer. I have a feeling that at some point in time, either in a conversation or it could have been in an incidental letter, the consortium may well have put that sort of a view. Of course, no doubt if that is their view, they will put it to the review process. But I am sure that other people who hold a different position in relation to the Entertainment Centre will also put their views about it. To get a balanced view about the future of those two venues in this city it is essential they do the review.

**The Hon. M. J. GALLACHER:** I assume by your first answer that, as Director-General of the Olympic Co-ordination Authority, you are unable to give us a guarantee that you will not limit the role of the Sydney Entertainment Centre in order to prop up the Sydney Superdome, and that you will not close the Entertainment Centre.

**Mr RICHMOND:** I cannot give you a guarantee about anything. That is not my decision to make. What I can guarantee is that I have no preconceived view about that. There will be a review process, and it will consult with stakeholders who have an interest in both facilities, whether that be a commercial or a community interest. Recommendations will then go to Government. It will be up to the Government to make a decision. I am not in a position to give you any guarantee about that, except a guarantee that I have no preconceived view about it.

**The Hon. M. J. GALLACHER:** Finally, would you be prepared to table the incidental letter that you have just mentioned?

**Mr RICHMOND:** If such a letter exists. I said I could not quite recall. I have a feeling that somebody may have said that to me. There could be something somewhere in correspondence. I have no objection to tabling that letter. I do not know the context of the letter, so that, if it were to be provided, I would have to look at it to ensure it does not contain any commercial in confidence information. But, if a letter exists, you are welcome to have it. I was referring to my recollection of the matter.

**The Hon. Dr P. WONG:** What financial and other arrangements have been made to ensure the future viability of the Sydney Superdome facility at Homebush Bay? Could you indicate what ongoing financial liability will fall to the New South Wales Government under this arrangement?

**Mr RICHMOND:** The Government's obligation, of course, to the Homebush Bay site derives from its role as the owner of the site and the manager of the public domain at Homebush Bay. That really involves looking after the precinct similar to the way in which the Darling Harbour Authority has managed and looked after the Darling Harbour Authority precinct for the past 10 years. In the forward estimates that have been provided to the Treasury we have done some preliminary costings for the management of the Olympic venues over time, and those figures are in the order of \$40 million to \$50 million a year. That reflects the analysis that has been done in recent times. We will be reviewing those figures, and at the time that we have a definitive position on that, bearing in mind that as we lead up to the Olympic Games we are conducting a major review of the asset arrangements post-Olympics, that information will then become public. But, at this point in time, that is a notional estimate which is included in the forward estimates.

Again, as far as the individual facilities are concerned, the contractual arrangements that the Government has entered into with entities such as the Superdome, the stadium and the tennis centre will require those entities to manage those facilities and accept the risk associated with the management of those facilities over time. That is the nature of the contract entered into. It is our expectation that it will be their responsibility to manage those facilities, accepting inherent commercial risks and indeed the inherent commercial gains. The Government's responsibility is, really, to provide an effective public domain at Homebush Bay, look after the parklands and maintain the facilities, in a manner similar to what has happened at Darling Harbour over the last decade and indeed other major parkland and public spaces around this city, such as Centennial Park and Moore Park.

It would come as no surprise that the maintenance of those sorts of areas so that the public can enjoy their usage of the site will, of course, involve a continued commitment by the Government. It is worth mentioning that this year alone some seven million people visited Homebush Bay to take part in various events. It is critical to their enjoyment of the site and the enjoyment of their leisure time that the public domain is well managed and well looked after.

**The Hon. Dr P. WONG:** You have not answered my question. What are the financial liabilities? Will people in New South Wales have to keep putting money in to subsidise the loss of the Superdome in the future?

**Mr RICHMOND:** As I understood it, your question had two parts. The first related to facilities at Homebush Bay. In relation to the venues, as I said earlier, the commercial arrangements are such that the consortium that entered into those contracts is expected and required to bear the commercial risk in relation to the operation of those venues. That applies to the Superdome, the Olympic stadium, the tennis centre and any other venue where the private sector has a contractual obligation to the Government to manage those venues and accept the risk. At the moment we have no involvement in a financial sense, nor do we intend to have, in relation to the operation of the venues, other than those are that are still in government ownership. That does not include the Superdome, the stadium or the tennis centre.

**The Hon. R. T. M. BULL:** I refer to a related issue regarding the reconfiguration of venues post-Olympics. With respect to Stadium Australia, you refer in the budget papers to reducing the seating to 80,000. What cost has been borne by the private enterprise partners in Stadium Australia, or are all costs being borne by the Government?

**Mr RICHMOND:** With your indulgence, I will respond to a question asked earlier by the Hon. Dr P. Wong. The Auditor-General has published a review of commercial arrangements in respect of the Superdome. That has been tabled in the Parliament. I refer you to that so that you can understand matters in more detail. In

relation to the stadium arrangements, the stadium contract was a scheme in which the consortium accepted the obligation to build, own and operate and then transfer the asset back to the Government at the end of approximately 31 years, which is what the contract ended up stating. The substantial capital cost and contribution is met by the private sector.

The public sector contribution of the New South Wales Government, which is of the order of \$150 million of a total of around \$650 million, represents significant value for money in relation to what taxpayers had to pay to get the Olympic stadium in place. The contract also provides for the reconfiguration of the stadium post-Olympics into a mode which would make it more efficient and more able to deliver its primary long-term objective, that is, to act as a facility for the playing of football. But, essentially, the Government's contribution is a much smaller part of the cost of the building and development of the stadium.

**The Hon. R. T. M. BULL:** You estimate that \$100.5 million will be needed for the reconfiguration of venues and venue overlay. How much of that will be spent at Stadium Australia? Is Stadium Australia putting in any of the cost of that reconfiguration?

**Mr RICHMOND:** The Olympic Stadium cost that is reflected in the budget is \$13.7 million. That is reflected in the \$150 million that I talked about. In other words, the only thing that has changed in relation to the original contract in that regard is that an agreement was entered into to enable Stadium Australia to reconfigure and have the stadium operate in such a manner that it can be used to stage Australian football, or Aussie rules, games, and additional funding was identified from the Government, as there was from Stadium Australia. But the major part of the cost of the reconfiguration, like the total cost of building the building, is borne by the consortium. In this case it is the responsibility of the builder, Multiplex. The Government's contribution is a smaller part. I do not have the total cost with me, but I would be happy to take that question on notice and provide the answer to you.

**CHAIR:** During debate on the Olympic Arrangements Bill the Minister gave certain assurances that the distribution of religious material would be accommodated during the Olympic Games, as occurred at the Atlanta Olympic Games and, I understand, other Games. Will you explain what arrangements have been made with organisations like Quest Australia to distribute literature?

**Mr RICHMOND:** We have a specific arrangement with Quest. It will have a facility at the Homebush Bay site and it will have an opportunity to distribute literature at Homebush Bay. Homebush Bay, of course, will be an extremely busy site during the Games. We are limiting the number of people who can operate concessions and activities at the site. Because of crowd flows and large numbers of people, particularly in the second week, it will make it difficult to have an open approach to enable anybody to set up those sorts of facilities, let alone keep our obligations to Olympic sponsors. But we have made a special effort to meet the requests from Quest. Quest will be there; it will have a facility; and it will be able to distribute literature at Homebush Bay.

In relation to the city of Sydney generally, except for key transport nodes or key areas where the presence of people distributing material or setting up stands would interrupt pedestrian traffic and create safety issues, we would expect that people distributing religious material would be able to go about that process in the normal course of events. In other words, as long as it does not create a problem for the movement of people, we would have no difficulty with that. We would expect that that would happen in the normal course of their activities and our activities during the Olympics.

**CHAIR:** Would that include Olympic live sites at central business district locations, such as Darling Harbour and Circular Quay?

**Mr RICHMOND:** There would certainly be an opportunity to do some distribution around the Darling Harbour area. The issue would really be how easily that can be managed, having regard to the large numbers of people. At least at Homebush Bay we have a reasonable indication of the numbers because the great majority of people have tickets. We can count them and we know how many will be there. There will be some issues in relation to management of Olympic live sites. But certainly we would consider any requests in relation to those sites. The overriding consideration is public safety and people movement. As a general rule I would have thought that there would be no restrictions on people distributing religious literature, other than the issue of public safety.

**CHAIR:** I understand that Quest has offered, at no cost to SOCOG and the Olympic Co-ordination Authority, top professional music, entertainment and creative art groups, many of whom appear on television

and at large concerts, particularly in the United States, to perform at Olympic live sites and that the Olympic Co-ordination Authority has rejected the offer. Is that a fact? If so, why?

**Mr RICHMOND:** I am not aware of it. It may well be a fact. I am happy to take that question on notice and respond accordingly. I am not aware of it.

**CHAIR:** Will someone else handle that?

**Mr RICHMOND:** Indeed. When we look at entertainment across the Olympics, whether it is at Homebush Bay or in the city, we look at a wide range of entertainment. Many people are approaching us to do all sorts of things. What we trying to do with the Olympic live sites is to create themes which are linked to sporting activities on a nightly basis. It may well be that that will be part of the consideration if there has been some rejection of an offer. I am not aware of that but I will certainly investigate the matter and respond to you accordingly.

*[The Minister returned.]*

**Mr KNIGHT:** I bear good tidings. Mr Scully continues as the Minister for Transport, and Minister for Roads. Even better, I am not the Minister for Transport.

**CHAIR:** Minister, I understand that some Aboriginal groups have also asked whether they could participate in some of the musical events in the Domain and other areas. I thought it would have been a good move for the Olympic Co-ordination Authority to have Aboriginal people who want to support the Olympics and who want to be involved. What is your latest information? My latest information is that they do not seem to be getting any acceptance or agreement to participate.

**Mr KNIGHT:** I am not aware of that issue. Obviously, as you would imagine, the entertainment is handled much further down the line than Mr Richmond or I. But, we will look at the matter now that you have raised it. There is a complex procedure, as I think Mr Richmond was indicating, of mixing various forms of entertainment to different sites at different times, to fit in with different client groups, for want of a better phrase, who will be at Olympic live sites at particular times. It is a complex procedure, but I will ask someone to look at it.

**CHAIR:** You will be happy to have Aboriginal groups participating as a reconciliation gesture?

**Mr KNIGHT:** I am very happy to have broad participation in the Games. I would not want to commit to a one-off thing tonight. I would want the people who have creative control and better artistic judgment than I to make decisions on a site-by-site basis. We have a strong Aboriginal component in the opening ceremony of the Games. We will have an Aboriginal cultural pavilion on site at Olympic Park. Of course, the torch relay is commencing on Thursday. I will be heading off tomorrow with the shadow Minister, Chris Hartcher, and others to see Nova Peris-Kneebone, the first indigenous Olympic gold medallist for Australia, to be the first torch bearer. There will be strong participation from the traditional owners of Uluru.

We will be looking for a broad involvement from the indigenous community. Of course, one of the great Australian athletes who also happens to be one of the great indigenous athletes—Cathy Freeman—has enormous support from the Australian community. So, we are looking at many, many ways to involve indigenous people. But, I would have to take this specific question on notice.

**The Hon. R. T. M. BULL:** To go back to the original subject—the venues post-Olympics—Mr Richmond, will the Royal Agricultural Society [RAS] have autonomy in selecting which events will be held on the Showground after the Olympics?

**Mr RICHMOND:** The arrangement with the RAS is that essentially they have two back-to-back 99-year leases, which is as close to freehold as you will get. Yes, the RAS will be expected to manage its venue and attract events which turn it into as viable a proposition as possible.

**The Hon. R. T. M. BULL:** So, will the new Homebush authority, whatever it is called, have any authority over what the RAS does on the ground?

**Mr RICHMOND:** The relationship with the RAS is about three things. One, it is about facilitating the public domain, as I talked about before, to make sure the public spaces work well so people coming to the RAS,

whether it is to the show or an exhibition, can effectively access the site; and looking after car parking and those sorts of arrangements. Second, the Government does have a commercial arrangement with the RAS. There is an obligation that it provides part of its profits and revenue into a sinking fund to maintain the buildings so we do not get the situation that has been experienced at the former showground, and also so there is an opportunity for the Government to share the revenue the RAS receives. So, the Government would be encouraging the RAS to have a variety of activities at the showground.

The only constraints on that would be the issue of the viability of the site. In other words, any activity on the site has to be manageable and also has to be compatible with the activities of the other venue operators. The venue operators on the site have recently formed a business association, which is a healthy development. They are working together not only to look at individual events at their own venues but to look at ways they can co-operate across the site. As the venue manager, the RAS has autonomy. It is bound by development conditions, planning consent rules and environmental rules, as everybody else is, but the answer is yes, its job is to generate activities that fulfil a business plan that provides revenue for both the RAS and the Government.

**The Hon. R. T. M. BULL:** Mr Christie, Budget Paper No. 3, Volume 2, page 15-22, mentions an amount of \$6.6 million this year to assist the Royal Easter Show Transport Support and Services. Next year it is \$670,000. Is that ongoing transport support for the RAS? We can come back to that a little later, if you like.

**The Hon. Dr P. WONG:** Can the Minister indicate whether the Olympic Co-ordination Authority [OCA] has agreed to meet the significant ongoing maintenance costs of the Olympic velodrome at Bankstown over the next 10 years? If this is the case, will the Minister indicate the level of the State Government commitment. Will the Minister also indicate whether the viability of the Bankstown Sports Club to manage this facility after the Olympics is dependent on a substantial number of new gaming machines being approved for operation at the facility?

**Mr KNIGHT:** Subject to anything Mr Richmond may want to add to help you, my understanding is the arrangements that we entered into with Bankstown council when it won the competition, for want of a better word, to have the velodrome there is that Bankstown council took on responsibility for ongoing maintenance and operations, and that was the nature of the arrangement signed with it. I think there is something to do with a sinking fund issue that Mr Richmond can elaborate on. But, Bankstown council, in an arrangement with the Bankstown Sports Club, is effectively the operator.

**Mr RICHMOND:** As with the other venues I spoke about, it has accepted the obligation to maintain an operator facility over the period of the arrangement. Of course, in that case it was council land that was contributed to the project, and associated with that project a number of other developments have been built on-site to provide additional facilities for that area in the long term.

**CHAIR:** You are saying the council is responsible for all those locations?

**Mr RICHMOND:** Yes. It has the velodrome. Training facilities for athletics, upgrading of car parking and upgrading of some of the parkland areas have been part of the total project. The council will get the benefit of that, but it has provided the land for the velodrome. The only exposure to the Government is the question of the major replacement of buildings. We have not entered into a sinking-fund arrangement, as there is not the same revenue stream as with the RAS facilities. It is conceivable that from time to time in the future, as there would be for other sporting facilities, there may be some request from council to upgrade or replace major items. Leaving aside that, the day-to-day operations, the maintenance costs and operating costs are council's responsibility.

**Mr CHRISTIE:** In answer to Mr Bull's earlier question, the figure of \$667,0000 was the budgeted figure for next year and represents the net cost of bus transport to three special test events to be held at Homebush Bay prior to the Olympics. That is the Australian Rugby Union [ARU] Bledisloe Cup on 15 July, the ARU test match on 29 July and the National Rugby League grand final on 27 August.

**The Hon. R. T. M. BULL:** Would that be ongoing or is that the conclusion of those subsidies?

**Mr CHRISTIE:** That is the conclusion of those events for the Olympic Roads and Transport Authority [ORTA] leading up to the Olympics.

**Mr KNIGHT:** Of course, ORTA is an organisation that was formed with a time-limited responsibility. Like the Olympic Co-ordination Authority and SOCOG, it gets wound up post-Olympic Games. The broader question of how transport is running to major events at Olympic Park is not an ORTA issue, it is part of the

broader government review. Therefore, any funding that government decides is appropriate in those areas would not come through my portfolio, let alone through Mr Christie's organisation, which would—

**Mr CHRISTIE:** Will be wound up, yes.

**CHAIR:** Then who takes over from ORTA?

**Mr KNIGHT:** That is a matter on which we are doing a range of work to do with the longer-term operations of Olympic Park at Homebush Bay. Mr Richmond flagged some of that in answer to an earlier question. We are taking it back to Cabinet for a whole-of-government approach. We are not building an empire here; we are not territorial. We are looking at a broader, whole-of-government approach. Clearly, there are a lot of fabulous venues out there that are getting terrific use within the community.

**CHAIR:** With regard to transport, for example, one of the Ministers could take over that responsibility?

**Mr KNIGHT:** I cannot foreshadow what Cabinet would decide. However, I am the Olympics Minister, and my sole transport responsibility consists, through ORTA, of transport to Olympic and Paralympic events and to designated test events that the Premier, under the Act, designated as Olympic test events. The Premier designated the Royal Easter Show, the Bledisloe Cup, a number of other big matches, including the grand final of the rugby league and so on, as official, dedicated ORTA test events, and that is why the funding comes through my portfolio. However, anything that the Government decides to do post-Olympics in terms of major events would be extremely unlikely to come through my portfolio.

**CHAIR:** As you are aware, there have been lots of problems with CityRail derailments and so on. Is there a contingency plan in place should that occur in connection with the Olympic railway station? Obviously, there is a rapid movement of trains and that is all part of the movement of large numbers of people. What would happen if there were a derailment?

**Mr KNIGHT:** There is a fair bit of rail contingency plans and general transport contingency plans, because obviously one must look at every eventuality and every possibility. Although, I must say I think you will find that in the coming days the Minister for Transport will have some things to say which go a long way towards improving rail reliability, and it is not my place to steal his thunder and his proposals. A number of things that have been done. ORTA has worked with some consultancies, for example Marsh risk consultancy—it is not Alan Marsh; it is a different organisation. The company won a tender to develop some Olympic transport contingency plans. A range of things are in place.

**The Hon. M. J. GALLACHER:** Mr Richmond, what is the final true cost of the Olympics for the State of New South Wales?

**Mr RICHMOND:** The budget papers provide for a net cost of \$1.79 billion as being the cost of the Olympics in relation to the Olympic sections of the budget, which really reflects the net cost of delivering the various facilities, the cost of provision of services such as the Integrated Transport Authority, police, and other components of government activity across a very wide range of government agencies that are affected by the Olympics. It also reflects an assessment of a revenue item of induced State taxation to come to that figure of \$1.79 billion as the net cost of the Olympics to the State budget.

That is how we calculate it for Olympic purposes. There is always debate about that. For example, we have included the total cost of delivering the showground facilities, which are very substantial. When the Treasurer has done his estimate he has not included that, so there is some variation in the way it is treated. The figure we have used is \$1.79 billion. However, with those sorts of issues there is always debate about what you put in and what you do not put in.

**CHAIR:** Does that include the entire showground facilities?

**Mr RICHMOND:** That is right.

**Mr KNIGHT:** Our figure includes the whole of the stadium, which obviously has a life and a use beyond the Olympics, as well as during the Olympics and the Paralympics. So there is an issue of what you include and what you do not include. That is the way the Olympic Co-ordination Authority has done its calculation traditionally.



**The Hon. M. J. GALLACHER:** Mr Richmond, will you provide the schedule for each government agency, including ambulance officers, transport and all other services, showing the total expenditure on Games sites and on the operation of the Games that has brought you to the \$1.79 billion? Would you be prepared to provide the committee with that schedule?

**Mr RICHMOND:** Certainly. I would prefer to give it in the format in which it already exists, rather than creating a special format. However, I think we can substantially answer your question from the existing documentation that we have. For each of the government services we have gone through a detailed process, where they have identified the resources that they need deployed, including the personnel, and the others will announce the funds that they need to support that.

**The Hon. M. J. GALLACHER:** In the interests of the Committee, I think it would be best to provide it in a breakdown form, rather than in a lump sum form. What is the total cost of expenditure on Olympic security over all agencies, including police?

**Mr RICHMOND:** May I take that question on notice. I have not broken up that figure. That would be in the schedule, obviously. One of the subprograms, if you like, is the security program of transport, and then of course we start to move into a lot of smaller items.

**The Hon. M. J. GALLACHER:** To assist the committee in its future deliberations regarding the overall impact and cost of the Olympic Games for the people of New South Wales, could you also prepare a breakdown of the costing of expenditure on Olympics security by showing it in three categories, namely purpose, equipment, and staffing and overtime?

**Mr RICHMOND:** I will do my best to do that. Please understand that we have formatted the information perhaps in a slightly different way. But certainly we will provide you with a detailed disaggregation of the items that make up the security budget for the Olympics. Of course, if there are still further questions that you need to explore from that, we will be happy to do our best to answer them.

**Mr KNIGHT:** I can provide some further information. In the budget papers on security services there is a recurrent figure of \$119.3 million and a capital figure of \$25.3 million. Those are net figures from the budget papers relating to SOCOG funding. I hope you do not fall into the error that your colleague in the lower House the Leader of the National Party fell into, of not understanding the difference between gross and net expenditure of the contribution that has come in from SOCOG. That is the net figure of \$38.1 million from SOCOG.

**The Hon. M. J. GALLACHER:** Mr Richmond, why was the Olympic softball stadium at Blacktown chosen as the site for the anti-terrorist exercise in May 2000?

**Mr RICHMOND:** I am not able to answer that specifically. Obviously, the security forces, the police commissioner and the supporting forces from the Australian Defence Force and others have been exercising every comprehensive program to protect the community against terrorism. I do not know why they chose that particular venue, and I am not in a position to comment on it. I would suggest that it is not an issue that, even if we knew about it, we ought to go into in detail, because there is a very comprehensive program of security. In the interests of safety of the community, from time to time we want to make it very clear that we are doing this testing. But to understand the rationale behind it and how resources are deployed, that should be better kept with the security forces. I am certainly not privy to it, and I could not answer the question.

**The Hon. M. J. GALLACHER:** What was damaged in the course of that exercise which is not subject to any security difficulties?

**Mr RICHMOND:** Damage caused on the site in the execution of the exercise included damage to some of the flooring, carpet, doors and glass partitions and other partitions on the site. That was a very unfortunate incident. In fairness to the defence forces, they have conducted a number of exercises, indeed more complex ones than that, in other facilities and there has been absolutely no damage at all. It is one of those unfortunate things that happen. Of course, under the arrangements with the defence forces, they are obliged to make good and meet all the costs. We have substantially made good most of the damage and are in the process of rectifying the balance of it, and they will meet the cost. I would not want to add more than that, except to repeat that this is the first time in a series of exercises that things have gone wrong, and we need to bear that in mind.

**The Hon. M. J. GALLACHER:** What was the total damage bill?

**Mr RICHMOND:** I am not actually aware of the final cost. There was a broad estimate made at the time but it has not been verified. I would be happy to provide that to you on notice.

**The Hon. M. J. GALLACHER:** You made a point earlier of saying you have got part of the money back. How much is still outstanding therefor?

**Mr RICHMOND:** I am not aware of the details of that. What I said before is what we have done. They have an obligation to pay it. We have undertaken a substantial part of the rectification. We will complete the rest of the rectification. I am not aware that we have actually been paid any money but we will be under the arrangement with the defence forces. I am very pleased to provide on notice the details of the damage.

**CHAIR:** If they have any more trials or experiments, do they consult you and say, "We're going to have one somewhere?" You may be a bit nervous about it and you might like to shift them to somewhere else.

**Mr RICHMOND:** They do consult us and usually they lay down a very clear path of access that they will use. We take precautions with them to protect the rest of the asset. For some reason, there was some deviation from that path of access into the facility and through the facility. But, yes, they do consult us. The last exercise was the exercise that was well publicised a week or two weeks ago in relation to the showground. It was partly publicised to place the community on notice that we were serious in our anti-terrorist capability. That was in the showground and at the baseball stadium at Homebush Bay in Sydney Olympic Park. That was the last exercise of that nature. There will not be any more.

**The Hon. Dr P. WONG:** Minister, can you indicate what, if any, post-Olympic spending commitments have been entered into by the Government in relation to all aspects of the ongoing operation of Olympic venues and sites?

**Mr KNIGHT:** Mr Richmond tells me that, in my absence, he indicated to you that there was a forward estimates figure in the vicinity of \$40 million to \$50 million but that needs a bit of validating and a bit of working up. Perhaps if I help you by elaborating. We have completed the construction of all the permanent venues and it is a great tribute to the Olympic Co-ordination Authority [OCA] that it has been on time and has been on budget. Over the next few months is the appropriate time to undertake a review about the future management of the precinct at Homebush.

We have entered into a number of specific arrangements with end users of those facilities—for example, the Royal Agricultural Society [RAS] is running the showground and Stadium Australia Consortium is running the stadium. We have entered into a number of arrangements. A good example is Tennis New South Wales, which has the ongoing lease for a very long period and responsibility for the tennis centre, but we still have a few venues that we have not settled the long-term arrangements on. A good example of that would be the shooting centre and the equestrian centre would be another example. They are two that we have not settled the long-term arrangements on.

As Mr Richmond indicated to you earlier, I think, we need to settle the long-term arrangements for management of the precinct because it is not just assets such as the showground, the superdome, the aquatic centre and the tennis centre but the whole precinct—the boulevard, the internal roads, the services, the water reclamation and management and the millennium parkland. We are working through those issues. I suppose we have always had a little bit of a dilemma that on the one hand and we want to get everything finished for the Olympics—and that has been our primary focus—but we also want to see that the long-term usage is properly done and we also want to see that done in the most cost-effective way for the taxpayers. At one level, we could not do all of that while we were still doing the building. We do not want to wait until the post-Olympics period to try to put the rest of those plans in place. The review process is going on at the moment.

**CHAIR:** I will move on to the area of ticketing. Some people have been surprised to see the advertisements in News Ltd publications inviting people to order tickets for the events for which information had been given. A long time ago people were told there were no tickets available and that they had sold out even for the closing ceremony and perhaps even for the opening ceremony and other events. Is there any simple explanation for that?

**Mr KNIGHT:** There is an explanation, but it is not particularly simple. As you would know, Mr Chairman, having dealt with the ticketing inquiry, nothing to do with ticketing is simple and straightforward.

The sorts of things that bring more tickets back into the market are: first, as you know we found a staff member, who is no longer with the Sydney 2000 organisation, who quarantined a large number of tickets without approval.

**CHAIR:** Without approval?

**Mr KNIGHT:** Without approval, yes, so there had been a return of tickets. There had also been the finalisation since Michael Eyers joined the organisation of the sign-offs of the venue capacity. I will just give you a simple example. The difficulty of signing off on venue capacity is twofold: For example, if you want to buy a ticket to a concert at the Opera House next week or the week after or whatever, the Opera House staff know the capacity—it is very clear—and how many seats they have got. In the case of an Olympic venue which is a venue with seats such as the stadium, you have to subtract from that process all of the camera-positioned seat kills and that is not like the number of cameras that televise the football. There are many, many more cameras to undertake the television broadcast requirements that we have. It involves quarantining huge areas of the stadium for the media. It is not like saying, "We will just put them in a few press commentary positions that you put them in for the football." You have to take out a whole swag of what would otherwise be seats.

Even in a venue where you normally sell seats and you have a configuration where you are able to identify the seats, there are still dramatic changes—even more so if you take a venue like the dome—not the Superdome but the dome in the RAS where there are no seats. The dome is another venue that normally has no seats, but to conduct the preliminary basketball we have to put seats in. So you have to do the design of temporary seats; you have to do the design of the athletes' entrance; the design of the press areas; the design of the press entrance; a whole range of things, including the technology that goes in. As part of that process which has been ongoing, you either wait until that is all finished before you do any ticket sales or you start by selling some tickets and you make an estimate—the biggest crowd that you think you might need to have—knowing that, as you refine, some will come back to the market.

Michael Eyers has been involved in finalising design sign-offs right across OCA and SOCOG in those venues and that has returned a number of tickets to us. We have also had tickets that have come back from sponsors, international sporting federations and International Olympic Committees. The rules of the IOC—the rules of the Olympic Games, not our rules—essentially mean that in the case of certain of those organisations, they are allowed to order tickets. They have a final date on which they have to pay for the tickets but they can decide, without forfeiting their deposit, to give back a whole lot of tickets that they have ordered which then become available. Those are some of the ways in which tickets become available. I do not know if Michael wants to add anything to that.

**CHAIR:** There are suggestions that members of the public are a bit browned off at the ticket fiasco and that the tickets are not selling as well. Is there any progress report on the ticket sales? Is it up to your estimation?

**Mr KNIGHT:** It is important to say that we had two criteria or objectives in the current round of ticketing. The first—after the problems we had last year, of which members of this Committee are very familiar—was that we faced a climate in which there was a great deal of scepticism about the ticket-selling process. The first and most essential thing that had to be done was to get back some credibility into the ways in which tickets were being sold. That was the first and prime objective, because until we got some credibility of the public into the mechanisms for selling the tickets, it would be impossible to meet the ticket budget, and it would be impossible to sell tickets next month, the month after and so on, as we approached the Games.

An essential precondition of selling anything in September was to get some credibility into the mechanisms for selling. The present process, which is almost complete, was not perfect; there were glitches and hiccups. I am sure some people were not completely happy with the way in which they were treated in the process. But it is fair to say that the process in which Michael Eyers, Alan Marsh and many other talented people took part, has received much more public acceptance than the procedure that this Committee examined in detail last year.

That has been reflected in the fact that we have not seen the great outpourings of anger and distress that we saw last time. Secondly, we wanted to sell some tickets in this process. We have sold a significant number of tickets and made a substantial dent in the \$200 million that we were still chasing from tickets. When this process is complete the figure will be made public.

**CHAIR:** I refer to the program which offered tickets to schoolchildren. I have received some reports that some schools and/or teachers did not offer the tickets to children but returned them—maybe as a payback for the teachers pay dispute. Is that so? Can children in those schools which may have been disadvantaged get those tickets back?

**Mr KNIGHT:** I cannot second-guess why, but a number of schools declined to participate. From a revenue point of view it is not a big issue for us. For example, tickets at \$10—even a lot of them—do not provide huge amounts of revenue, but we saw it as an important equity issue. We regret the fact that more schools did not choose to participate in the scheme. However, those tickets are now part of the general inventory, and individuals—young people, friends and families—can still access those tickets through the general sales mechanisms. They can still get them.

**CHAIR:** At those low prices?

**Mr KNIGHT:** Yes.

**The Hon. R. T. M. BULL:** Why did the former employee quarantine tickets?

**Mr KNIGHT:** That question was asked by members of this Committee during the inquiry last year. They did not get a satisfactory answer from him, and I did not get a satisfactory answer from him either. He did it without approval.

**The Hon. R. T. M. BULL:** Mr Eyres, how many tickets have been returned to SOCOG by the national olympic committees as unsold?

**Mr EYERS:** I would have to take that question on notice and provide an answer at a later date, because the process of allocating tickets to the national olympic committees, getting them back and varying their allocation is an ongoing one: it has not stopped. We are still dealing with some quite substantial requests for substantial numbers of tickets, both in and out. It is also important to note that the process of sale of Olympic tickets overseas is undertaken by general sales agents for overseas Olympic needs. In other words, if you want to buy an Olympic ticket in the United States of America you buy through a general sales agent appointed by the United States Olympic Committee. It is not a simple process or a static one.

**The Hon. R. T. M. BULL:** Do you have a final date after which no more tickets can be retained?

**Mr EYERS:** 1 October.

**The Hon. R. T. M. BULL:** In other words you have not got a final date?

**Mr EYERS:** That is a serious answer.

**The Hon. R. T. M. BULL:** What is their estimated value? What inevitably will happen to those tickets?

**Mr EYERS:** I can certainly tell you what will happen to the tickets. There are a number of groups that have different priorities as far as access to and allocation of tickets. During last year's public offer most venues were mapped. Now all venues are mapped in the ticketing computer system. In other words, last year if you bought a ticket you were really buying rights to eventually get allocated a particular seat when the venue that was holding the event was mapped in the computer system. Early this year we completed that mapping. As the Minister has already indicated, it is a fairly complex task with a large number of venues, to make sure that you have got the configurations right for the different events that are in the different venues, even if they are events which have already been dealt with.

All tickets that have been assigned to anyone—the IOC or broadcasters, either for camera positions or simply for their general ticket entitlement—are mapped into venues. If a national Olympic committee, or anybody who is entitled to do so, returns a ticket, that ticket is available and, in some cases, the seats are in parts of the venues that have been reserved. Olympic family seating for the most part is separate, at least for the major venues, but tickets which are returned by broadcasters, for example, are available for public sale and go to other broadcasters, like any other returned seat.

**Mr KNIGHT:** The dilemma is that if they are returned late, you have missed out on some expected revenue. However, it gives you the opportunity to sell that seat to a member of the Australian public. We do not know how many there will be.

**CHAIR:** Do you mean tickets at the gate?

**Mr KNIGHT:** Not necessarily at the gate, because they include transport. For example, if there is a return very close to the event for swimming we will have no trouble selling it to the Australian public.

**Mr EYERS:** Not quite at the gate but on the day, or on the day before.

**Mr KNIGHT:** Some of those things will happen, but we have no way of knowing how many there will be. We do not want people depending on them, but we want to flag that it is a reality.

**The Hon. R. T. M. BULL:** Have all of the seats that are part of the latest release, which has been going on for some weeks now, been oversubscribed or fully subscribed?

**Mr EYERS:** No. In many cases, they have been. For example, track cycling at the Dunc Gray Velodrome is a sport for which there are seven sessions. That is a very good venue, but it has a relatively small number of seats. It is a popular sport. All tickets on offer for every session of track cycling had a multiple of offers for every seat. On the other hand, there are some other sports with very large inventories, with very large numbers of seats available, and some without a significant following in Australia, although visitors to Australia may well be followers of those sports, like volleyball or handball. The take-up rate in those sports from recent promotions has not been as large.

But, for what would be recognised as the glamour or high-demand events—particularly given that we were in effect offering a sport a day, and in most cases for one day only—the rate of interest was very substantial and very satisfactory. I might say that that process has now moved with sale of football tickets to the conventional first-come-first-served system of ticket sales. We now have venue maps and inventories organised and selling mechanisms in place, so that from here on we sell all tickets, in one sense, in a conventional fashion. But all the while one has to realise that we are still dealing with a very large number of tickets for a huge number of sessions across a large number of sports. The number of noughts at the end of the stock adds some complexities, but we are now selling tickets on what will increasingly look like a familiar choose-your-event, choose-your-session, buy-your-ticket system.

**The Hon. Dr P. WONG:** On what ground was the printing of Olympic tickets contracted out to a small printing company in America and to a printing company in England? How much money was spent on the printing of Olympic tickets? Is it a fact that SOCOG received advice from a leading American FAI fraud adviser to use Australian printers because they have the best security system to produce a highly secure item? Why was that advice not accepted?

**Mr KNIGHT:** I am not sure whom you want to answer the question.

**The Hon. Dr P. WONG:** I have no problem; I will be happy whoever answers the question.

**CHAIR:** Whoever agreed to the contracts, I suppose.

**The Hon. Dr P. WONG:** That is right. That is an excellent suggestion.

**Mr KNIGHT:** Mr EYERS came after the decision, but knows about it because it is his area. I was there at the time the decision was made, as was the shadow minister. I am not sure whom you would like to answer the question.

**The Hon. Dr P. WONG:** I have no problem with whomever answers the question.

**Mr EYERS:** Perhaps I could start the answer to the question. What is involved in delivering tickets for the Olympics, and even what is involved in preparing the tickets, is more than simply printing them. The tickets are delivered to the door. That is part of the system that has been used in previous Olympics offered under the arrangements that the IOC puts in place through its arrangements with its top sponsors, who include a ticket delivery sponsor. So that the system offered is one where delivery to the door is part of the system.

Once you are delivering Olympic tickets to the door you are dealing with a valuable commodity. The process imposes some requirements which mean, for example, that the use of post office boxes or even the use of post for delivery becomes insufficiently secure. Bear in mind that Olympic tickets are not a commodity for which an 86 per cent, or 93 per cent or 98 per cent delivery success rate is satisfactory; you have to get 100 per cent. So the whole process involves considerably more specialisation in the assembly of the material to deliver and in its actual delivery.

As far as ticket printing is concerned, this means you are looking for a contractor who combines the capacity both to print the tickets and then to prepare the tickets for delivery. The number of tickets for public delivery in Australia will fill two jumbos; it is not a small task. There are a lot of packages, and each of the packages that goes to everybody who has ordered tickets has, we hope, that customer's tickets and nobody else's tickets. So you are looking for a contractor whose capacity is both to print tickets and to envelope the tickets properly, and to do that to an established high level of quality performance. So the reason for the choice of an American printer I suppose could be described as the choice of an American printer and packer. That standard of packing of tickets, once printed, as I understand SOCOG concluded after running a tender process, was not available in Australia.

**The Hon. Dr P. WONG:** Is it true, as reported in the media, that some of those tickets will not pass through a normal ticket security machine in Australia?

**Mr EYERS:** They were never intended to. One of the features of the Olympic tickets is that they are commemorative tickets; if you like, they are flash cards. Remember, they have to be used by people to find their way to crowded venues. It is useful if you have a ticket that you can easily show to an usher. They are also free transport passes. They are not the size of a normal thermal; they are several times that size. I think everybody always knew that a ticket of that size would not feed into a conventional turnstile.

It is also important at the Olympics to have the security systems and crowd control measures that are necessary when one is trying to organise a large venue to be filled with spectators and then, at the end of the session, have those spectators leave and be replaced by other spectators. Using turnstiles would slow traffic up. Spectator traffic moves more quickly without turnstiles. If the checking of people's entitlement to go into a venue is carried out further back from where the turnstiles normally are, across a longer perimeter, people can be dealt with more quickly; and, in the major venues, that is what we are going to have to do.

**The Hon. M. J. GALLACHER:** Mr Chairman, if there are no further questions in relation to ticketing, I would like to move on to another subject matter.

**CHAIR:** I think the \$64,000 question is: When do people get their tickets? Nobody has got a ticket yet, have they?

**Mr KNIGHT:** No.

**CHAIR:** I have not got my tickets yet. When do we get them?

**Mr EYERS:** There has been a lot of talk of tickets, but as yet physically there are no tickets. We will be opening box offices in the course of the next couple of weeks. They will print smaller thermal tickets. So people who go to box offices probably will get their tickets first. The commemorative, or souvenir, tickets are due to be delivered on five Sundays—the four Sundays in August and the first Sunday in September. So by the second Sunday in September, Mr Chairman, you should have your tickets.

**Mr KNIGHT:** If I could add to that. We take this issue enormously seriously, for obvious reasons. We not too long ago employed John Purdie-Smith as our co-ordinator, to work closely with the printer, the assembler and the delivery people, and to oversight this whole process. He would be known to a number of members of the Committee as the man who put together the very complex arrangements to fix the damage across large parts of Sydney that followed horrific hailstorms. Bob Lease from the Olympic Co-ordination Authority was lent to put the process in place, and it was John Purdie-Smith who managed the whole of that very complex arrangement involving many, many contractors, two insurance companies and many other people. We thought he was someone who had the sorts of skills that we could use on a project of this importance.

**The Hon. M. J. GALLACHER:** I move on to VIP security and direct my question to Mr Richmond. What is a VIP for the purpose of the Olympic Games?

**Mr RICHMOND:** Did you ask me that question in the context of security?

**The Hon. M. J. GALLACHER:** Yes.

**Mr RICHMOND:** The only status people have relates to security. The status for security flows from two things. First, there are general commitments under the host city contract to make sure that Olympic

constituents are adequately protected within Australia. The Commissioner of Police, in his role as the head of security, obviously develops a regime of protection which ensures the safety of athletes, Olympic officials, people who coach and support the teams, the Olympic family and other officials. So there is a sense in which there has to be adequate protection of those people, as groups of people, if you like.

A fundamental commitment was entered into by the New South Wales Government in the bid process that all countries would be required to do that. The Commissioner of Police would then do assessments in relation to individuals, as to who may or may not be VIPs in the sense that you talked about—people who might require some close personal protection. That is a matter that he would do through his security assessment. He would employ resources to protect those sorts of people. Those, essentially, would be the sorts of security arrangements. As well as that, of course, there is an obligation to provide security for assets, for our icons, for the general public and contractors who are working at the Olympics. That is the broad framework.

The only VIP security is in the sense of us protecting our guests who come here to conduct the Olympics, and of course those people who may need special protection from a security point of view. The only other class of VIPs, aside from the security issue, would be guests of the New South Wales Government or the Commonwealth Government at Games time, for instance heads of State, members of royal families and Ministers of State. Some of them may also fall into the category in which some additional security protection is required. Coming as guests of government they would fit within the general obligations we would have to protect guests of government, whether it be for the Olympics or for any other event. But I am trying to answer the question in the context as I understand it. You might have had some other issue in mind.

**The Hon. M. J. GALLACHER:** I am looking at what security measures are in place. I am looking at two classifications: guests and the earlier classification that you gave. Will the Olympic security command be given information on a daily basis as to who is there to ensure that there is suitable protection for those who are coming and going from the place?

**The Hon. P. T. PRIMROSE:** As a member of this Committee I have real problems with this. I know that wide latitude is given in committees. The first question that was asked was: Who might be receiving special protection? To whom are we giving information? Now further security questions are being asked. Unless questions are budget-related and relate specifically to finances as opposed to operational matters, I urge members of the Opposition to think carefully about asking this line of questions.

**The Hon. M. J. GALLACHER:** The Opposition has given it a lot of thought. It all comes down to what is being provided. Everything has a dollar value. We are keen to find out whether VIPs, under the two classifications that have been given, are suitably protected and whether the necessary security is there.

**The Hon. P. T. PRIMROSE:** If you want that sort of information I suggest that the Committee hear it in camera.

**The Hon. M. J. GALLACHER:** With all due respect, I will not ask any questions about who will be guarding whom or about anything that will breach people's security.

**The Hon. P. T. PRIMROSE:** You have already asked that.

**The Hon. M. J. GALLACHER:** I asked whether the VIP security unit at Olympic Games venues would be given daily briefings as to who is coming and going to ensure that they are suitably protected. I did not ask any questions in relation to the operational or procedural aspects of providing that security. I am purely questioning the witness to establish whether such a safeguard is in place. We want to be assured that there is up-to-date referencing to the security command section at Olympic Games venues and that people are suitably protected.

**CHAIR:** I think the Minister should give an assurance that those people will be suitably protected. I think the Committee needs to hear that. If lists of names are given, that sort of information could be used by terrorists.

**Mr KNIGHT:** I have some difficulty with this line of questioning. We are okay with the wide latitude that has been given. We will answer questions about ticketing that are not related to the budget. We will answer questions about the torch relay, even though they are not related to the budget. But the line of questioning now relates to matters in the police budget. It is not money that comes to me. I am not getting any of this money and

I do not have operational responsibility for security. The security model is operationally under the Commissioner of Police. The estimates come under the Minister for Police, but the Commissioner of Police has responsibility for security. Much as we would like to do so, we cannot even give you the assurance that you are seeking. We understand that a process is in place. We co-operate with the police, but it is their call. They decide who are the protected persons, not us. It is not our area.

**The Hon. R. T. M. BULL:** SOCOG is not contributing anything towards security?

**Mr KNIGHT:** Money is being contributed in the estimates for security.

**The Hon. R. T. M. BULL:** From SOCOG?

**Mr KNIGHT:** From the SOCOG budget.

**The Hon. R. T. M. BULL:** What does it amount to?

**Mr KNIGHT:** It is \$38.1 million. But the operational responsibility rests with the Commissioner of Police.

**Mr RICHMOND:** It is a national issue. It is really a matter between the security forces across the nation. It is a system. It is not for us to respond to that issue.

**The Hon. M. J. GALLACHER:** There was an interjection earlier when I started on this line of questioning. The witness mentioned Ministers of the Crown. Do members of Parliament constitute VIPs?

**Mr RICHMOND:** I was talking about people who were guests of State or Federal governments—someone who would fall into the various categories that I outlined. That would be a decision for those inviting those people.

**The Hon. M. J. GALLACHER:** Thank you for that answer. So, in essence, someone could be a guest of the State Government and, coincidentally, a member of Parliament who is a member of that State Government?

**Mr RICHMOND:** No. We are talking about international guests.

**The Hon. M. J. GALLACHER:** You did not clarify that. You said guests of a State or Federal government.

**The Hon. Dr P. WONG:** My question relates to international Olympic membership. What arrangements were made under the international Olympic membership program? How much money was allocated to this program? Which countries, companies and individuals were included in the operation of this program? Was the program effective? Did the program wind up with any losses?

**Mr EYERS:** I think the Hon. Dr P. Wong is referring to the Olympic Club, and to international or non-Australian residents who are offered membership of the Olympic Club. The Olympic Club initially operated separately from SOCOG in September last year because the club was in financial difficulties. SOCOG took over the club. That is not strictly accurate. SOCOG assumed the liabilities of the corporate entity of the Olympic Club to its existing members. So SOCOG did not assume, for example, any liability to creditors of the Olympic Club, save those creditors who happened to be members. It did not assume any of the responsibilities or liabilities that may have arisen because of the operation of the club prior to its taking over the club. So SOCOG's operational responsibility is to deliver to the existing membership list their various membership entitlements.

SOCOG has certainly not sought to encourage overseas membership. SOCOG's primary focus has been on delivering entitlements to the existing membership. So, the detail of how memberships in the Olympic Club came to be offered, if they were offered, to people who live outside Australia is contained in records, if it is contained in records, of the Olympic Club which do not belong to SOCOG and were not taken over by SOCOG but are records of the previous entity. SOCOG assumed the obligations to the existing members. That is not a very informative answer but it is the extent of SOCOG's information about the fund raising or membership raising activities of the Olympic Club before its obligations were assumed in September last year.



**The Hon. Dr P. WONG:** Was not SOCOG part of the Olympic Club?

**Mr EYERS:** SOCOG did not operate the Olympic Club prior to September 1999. It endorsed—I suppose that word could be used—the operation of the Olympic Club. It encouraged its operation. It made available tickets for Olympic Club draws, but SOCOG was not in any sense manager of the corporate entity prior to September 1999.

**The Hon. Dr P. WONG:** May I read you something from the Olympic Club fact sheet. "The Olympic Club is managed by a committee made up of representatives from the Australian Olympic Committee, the Australian Organising Committee for the Olympic Games, SOCOG, and others"

**Mr EYERS:** Yes.

**The Hon. Dr P. WONG:** So SOCOG was a part of it?

**Mr EYERS:** No. There may have been SOCOG representatives—I am not sure what body that is, but the entity that operated the Olympic Club in a corporate sense was called Olympic Club Management Services. That was a company, as far as I am aware, that had no significant SOCOG involvement.

**The Hon. Dr P. WONG:** What about the money collected by the Olympic Club from its agents?

**CHAIR:** Could I just intervene. I understand there is a court case involving compensation and damages on this issue.

**Mr EYERS:** There is, and SOCOG is a party to that litigation.

**CHAIR:** I am just warning you to be careful.

**The Hon. Dr P. WONG:** Yes, I am asking only general questions.

**Mr EYERS:** Thank you, Mr Chairman. I am aware of the litigation, and I will not be able to say anything that bears on what is at issue in that litigation. All I have said so far is that the structure of the Olympic Club is one in which liability did not attach to SOCOG as an organisation during the operation of the club prior to September 1999 when, as a result of its financial difficulties at that time—not, strictly speaking, the organisation but the liabilities of the organisation to that group of its creditors who were its members—it was assumed by SOCOG.

**The Hon. Dr P. WONG:** You have not answered my question. What happened to the money collected by the Olympic Club from its agents?

**Mr EYERS:** The reason I have not answered the question, Dr Wong, is that I do not know, and SOCOG does not know and has not inquired and has not been required to inquire as to what the answer is. I must say, at this point your questions are bringing us close to an issue that is currently before the courts.

**The Hon. R. T. M. BULL:** I would like to move on to transport. Mr Christie, will Rivercats be used to ferry people to the Games?

**Mr CHRISTIE:** We have an obligation to provide ferry transport to and from Darling Harbour, to and from Homebush Bay and from the city for athletes and officials. Rivercats will be used during the Games period for that purpose.

**The Hon. R. T. M. BULL:** What about private vessels, will they be used to transport people?

**Mr CHRISTIE:** We have engaged a number of Rivercats from the State Transit Authority to provide that transport, and they will be used for that purpose.

**The Hon. R. T. M. BULL:** Who will be conveyed to the Games in government vessels? Will it just be those people?

**Mr CHRISTIE:** It will be athletes—both competing and non-competing athletes—for events both in the city and at Homebush Bay, and Olympic officials who will go with those athletes.

**The Hon. R. T. M. BULL:** What rules will exist for helicopter usage at Games sites?

**Mr RICHMOND:** The only landings that will be permitted will be for emergency purposes and one or two operational purposes, such as the Roads and Traffic Authority surveillance across the road system. But, essentially, no site will be provided for helicopter landings outside emergencies, police and the RTA.

**The Hon. R. T. M. BULL:** So, no VIPs will be using it, it is for emergency purposes only?

**Mr KNIGHT:** That is right. If I can add, a proposal was floating around from a private group that was seeking approval to fly. Some months ago a newspaper report wrongly suggested this was a proposal put forward by me and OCA. It was never our proposal and it will not happen.

**The Hon. M. J. GALLACHER:** Mr Christie, do Olympic guests fall into the category of Olympic officials?

**Mr CHRISTIE:** No. Olympic officials are accredited officials of the Olympic movement. They may be technical officials or officials travelling with athletes.

**The Hon. M. J. GALLACHER:** So, is there a designated means by which guests may get there?

**Mr CHRISTIE:** I do not know what you mean by guests?

**The Hon. M. J. GALLACHER:** The definition I had earlier of guests. Do they get there under their own steam?

**Mr CHRISTIE:** I do not know what guests you are talking about.

**Mr KNIGHT:** Can I help clarify a couple of things here. We are not trying to be difficult, we are trying to be helpful. The Olympic movement works in ways different from how the rest of the world works. I suspect you have all worked that out. The rules are different. So, for example, if the President of South Africa, Mr Mbeki, comes to the Games, he will almost certainly come as a guest of the South African National Olympic Committee. That committee will have certain spots in its accreditation that will enable it to do certain things. That gives him or anyone else in that capacity a certain way in which he is looked after under the Olympic rules.

Many will come as guests of sponsors. For example, we may well find that a person of extremely high status in the business community in America comes as a guest of IBM, or NBC or one of the other sponsors. There is also a small program for guests of the State Government and guests of the Federal Government, who will be treated in different ways from the guests of the national Olympic committees and sponsors. It is a very complex and complicated system. It is not straightforward.

To give you an indication, if the Prime Minister of Australia went to the Atlanta Games, he would have gone as a guest of the Australian Olympic Committee. In fact, he did not go but the then sports Minister went, and he was accredited as a guest of the Australian Olympic Committee, which then had responsibility for his accommodation and entry to events, and so on. It is not a straightforward system and it takes some time to learn the IOC rules.

**The Hon. R. T. M. BULL:** Do I take it, Minister, that all of those people, other than the athletes and some of those officials, will be coming from the city in Rivercats?

**Mr KNIGHT:** No. For example, you may well be a guest of the sponsor, and the sponsor has used its purchase right to buy tickets and has bought a collection of tickets to an event. You go to that event and, normally, if you are the guest of a sponsor internationally, it may well organise transport. For example, a number of the sponsors are contracting with ORTA to run coaches for the sponsors' guests that would be coming out from the city. The general proposal for the Rivercats—Mr Christie may want to elaborate on this—is athletes and some accredited officials. I am pleased to say that Mr Samaranch has indicated that he will use the Rivercat rather than travel out in a car, and will encourage other members of the IOC to do the same.

**Mr CHRISTIE:** May I elaborate on that. Most of the accredited guests will be encouraged to go by coach or public transport. The numbers by Rivercat are very limited and they are pre-booked because of the very small capacity of the Rivercats.

**The Hon. R. T. M. BULL:** Will you allow chauffeur-driven cars to access the Homebush site?

**Mr KNIGHT:** The only way a person can get onto the site is in an accredited vehicle. It is a particular Olympic rule about accreditations. For example, a person may get onto the Homebush site if he or she is in an accredited vehicle for a particular broadcast organisation, a rights holder, that may have an accredited vehicle. By and large, a person who is a guest of a sponsor cannot, but under the rules that flow from the host city contract Sydney 2000 is obliged to provide a certain number of cars and drivers. For example, under the host city contract we are obliged to provide every IOC member with a car and a driver. It is a take-it-or-leave-it proposition; it is a requirement under the contract. Certain other officials from international federations and so on are provided with cars and drivers under that requirement.

**CHAIR:** Can members of the public who receive tickets also book parking spaces at the Olympic site?

**Mr KNIGHT:** No. There will be no private parking on the site. Every ticket includes a free public transport component on the CityRail network or the dedicated Olympic bus network. That includes the regional buses to Olympic Park, the shuttle buses from Penrith to the rowing centre, the shuttle buses from other places to the shooting, equestrian events, and so on. It does not include the ordinary State Transit bus from Coogee to the city, only on the Olympic network. The capacity to drive a private, non-accredited vehicle onto the site is zero.

**CHAIR:** All the parking stations will be filled with those accredited vehicles?

**Mr KNIGHT:** Yes.

**Mr RICHMOND:** And used for other purposes. For example, a substantial part of one of the parking stations near the tennis centre and the hockey centre is being converted to be used as a reunion centre for the athletes and their families. The athletes can come there from the village to meet their families. The big parking station will be largely used for parking but it will also be used to store material, and there will be a lot of people from time to time as we have to move staff onto the site. At the end of the day, there is a limited number of parking spaces available on the site. Even when people who come out there in vehicles, the vehicles will not necessarily be able to park; they will drop people and then go off site.

**The Hon. M. J. GALLACHER:** Mr Richmond or Mr Knight, do any State Government authorities have sponsors' rights?

**Mr KNIGHT:** I can give you a full list. Certainly EnergyAustralia is a sponsor and has certain sponsorship rights under that sponsorship. TAFE is a sponsor at a lesser level. There are various categories of sponsor. There is the international program the TOP, the Australian equivalent of which is the TMOP. There is another level called providers, and there is another level called supporters. I would have to double check whether there are any others, but they are two that immediately spring to mind.

**The Hon. M. J. GALLACHER:** What access would they have to tickets, for example?

**Mr KNIGHT:** They have a capacity to purchase tickets, as do sponsors. And the number of tickets is different. A company's purchasing capacity depends on its category.

**The Hon. M. J. GALLACHER:** The company can therefore allocate those tickets as it sees fit?

**Mr KNIGHT:** Yes, as any sponsor can.

**The Hon. M. J. GALLACHER:** Are they giving you an undertaking to provide you with lists of who will be provided with the tickets?

**Mr KNIGHT:** No. We never get a list from sponsors about who they give their tickets to.

**The Hon. M. J. GALLACHER:** Even though it is a State Government authority?

**Mr KNIGHT:** They may well provide the Minister for Energy with a list, or they may well provide the Minister for Education and Training with a list. That is a matter between them and their departments.

**The Hon. M. J. GALLACHER:** With whose money are they paying for the tickets?

**Mr KNIGHT:** We have enough to do with getting people with tickets into the venues, without asking for the names of the people who have tickets. They buy their tickets. We do not know who IBM gives its tickets to; we do not know who Samsung gives its tickets to; we do not know who any of our sponsors give their tickets to, including Coca-Cola and so on. And those are not authorities within my ministerial responsibility.

**The Hon. M. J. GALLACHER:** You must agree that there is one difference between IBM and EnergyAustralia and TAFE, in that the shareholders of EnergyAustralia and TAFE are you and me and everyone else in this State. Therefore, there should be a level of accountability.

**Mr KNIGHT:** I hope you would agree with me that I have worked very hard not to become the Minister for Transport, I am not the Minister for Energy, I am not the Minister for Education and Training, and I do not have responsibility for those authorities. If I asked those Ministers to provide matters to do with their administration, they would quite rightly tell me to mind my own business.

**The Hon. R. T. M. BULL:** Mr Richmond, with regard to hospitality to official visitors, as distinct from athletes and team officials, what is the cost of providing this hospitality to official visitors?

**Mr RICHMOND:** Firstly, we do not know how many people may end up accepting invitations from the State and Federal governments. Secondly, the cost of the funds that the Federal Government commits to any guests it has is a matter for it to deal with. We are really now talking about a whole range of costs which we would not dissect out in any event. There is the transport component; there is the cost of catering. We would not be dealing with that in a detailed way. Obviously, the estimates that are provided under the Olympic budget do envisage a certain allocation to the Premier's Department to deal with its role, and no doubt the Department of State and Regional Development has a budget, as it would have in the normal course of events, in its role of promoting New South Wales in security business, but it would not necessarily be disaggregated to the level that you have asked for. So I am not in a position to give you that sort of detail.

**The Hon. M. J. GALLACHER:** Mr Christie, following the questions on who constitutes guests, I take you back to the point I made earlier with regard to guests of sponsors. What provision will you make with regard to your responsibility for transportation of these guests of sponsors to ensure that some sort of record is kept of who will take advantage of the transportation that you will provide by Rivercats for guests of sponsors?

**Mr CHRISTIE:** Guests of sponsors are not entitled to Rivercat transport. I think when I answered the question earlier I specifically mentioned the fact that the Rivercats were running for athletes.

**The Hon. M. J. GALLACHER:** I take you to the next point, that is coaches.

**Mr CHRISTIE:** Sponsors are entitled to hire coaches. They hire coaches for their guests and for their own staff. They are entitled to certain facilities at Sydney Olympic Park and other venues, and the coaches bring people into those facilities and take them out. They manage those coaches. They pay for them and hire them and those coaches are under their control.

**The Hon. M. J. GALLACHER:** When a person goes to board those buses or those coaches, where will they do that?

**Mr CHRISTIE:** They will do it, as far as the Sydney Olympic Park is concerned, at the millennium marquee where there is a special drop-off and pickup point for those coaches.

**The Hon. M. J. GALLACHER:** Is that a secure area?

**Mr CHRISTIE:** It is really outside the secure area. It is outside what we would call the secure area that requires special accreditation.

**The Hon. M. J. GALLACHER:** What provision would you be making to ensure that guests and sponsors, when they are confronted with a multitude of coaches in front of them, will know which coach they are supposed to be on?

**Mr CHRISTIE:** There will be a call-up system operating at the millennium marquee. Those coaches, after they drop the guests, will be parked at another location. When those guests are ready to leave, the person who is in charge of that group or who has responsibility for that group for the sponsor, will advise us and we will call up the coach.

**The Hon. M. J. GALLACHER:** So you will not be keeping records of who is on any of the coaches?

**Mr CHRISTIE:** No, we will not.

**CHAIR:** We have not had a question on the torch relay.

**The Hon. P. T. PRIMROSE:** I refer you to Budget Paper No. 2, page 6-6. I am sure it is a question that it is probably the most interesting this evening to the general public. Can you give us an update on the torch relay?

**Mr KNIGHT:** The torch is presently in New Zealand. It will arrive on Thursday morning at Uluru which is in the centre of Australia. It will be received by the Governor-General. The flame will come off the plane and the Governor-General will receive the flame. The first torch bearer on Australian soil will be Nova Peris Kneebone, who is the first Aboriginal gold medallist. What we are trying to do through the torch relay is feature a number of great Australians as well as many, many thousands of people who have contributed to their community. It gives us an opportunity to be a 100-day postcard, if you like, in celebration around the country of a great number of local communities. It is a great opportunity for people to show pride in a community and it is a great opportunity for people all around the country to have their community and their celebration featured on international television.

It is also a great opportunity for people in those communities who have been chosen by those communities to get some recognition. Lots of people who have done quite extraordinary things in the community do not get in the papers and do not normally get any recognition. They will get some recognition when they run in the torch relay and many, many thousands of people from a community will cheer them. They will be seen on television certainly around Australia and in many cases right around the world. We want to showcase those communities and those people. As I said earlier, we also want to showcase some more prominent people.

I should tell you tonight of a decision be made recently about the harbour bridge. You would be aware that Greg Norman is going to run on the Sydney Harbour Bridge. That was announced some time ago. Greg Norman is, I think, undoubtedly Australia's best-known international sports person. He will carry the torch for half of the bridge length.

**CHAIR:** With a golf stick in the other hand.

**Mr KNIGHT:** There will be another torch bearer who will be taking the first half of the bridge and passing the flame to him. We have chosen a great Australian athlete, a great Australian competitor and a great ambassador for Australia, Louise Sauvage, in recognition of Louise's stunning contribution as an athlete. She is in a unique position because to my knowledge she is the only person to have won gold medals at the Paralympics and a gold medal in the wheelchair special event on the track in the Olympics. She is an Australian who has won gold at both the Olympics and the Paralympics in that sense.

She has just been recognised internationally, of course, as the best elite sportsperson anywhere in the world who also has a disability. As well as that being a recognition for Louise, I believe it is very important that we recognise our great Paralympians in that way. Louise will be carrying the torch and she will be the other torch bearer on the Sydney Harbour Bridge. Obviously she will be in one of her wheelchairs—probably one of her racing wheelchairs. We will have to get her to slow down a bit because she is extraordinarily quick. She will pass the flame to Greg Norman.

**CHAIR:** You have mentioned television coverage. Are international television stations actually covering the events?

**Mr KNIGHT:** Yes, in two ways. We have a feed which is done by Channel 7 who are our domestic rights holders. They have a number of arrangements to pass things on to internationals. We also have our own torch relay television mechanism, for want of a better word. We are filming a lot of the relay and that will become available to the media right around the world. So the opportunity to showcase the country and individuals is terrific.

**CHAIR:** There was a report that some international media people were not happy. They felt that the arrangements for television were too restrictive. Has that been resolved?

**Mr KNIGHT:** No. It is a very difficult issue that arises from Olympic Park being a special venue. It is a different site from what has been in existence at any previous Olympic Games. There has never been one site where there has been so great a concentration of sporting facilities as there is on that site. We have a unique site and, on the advice of the Commissioner of Police and in consultation with Sydney 2000 senior staff, we have done something different from a security point of view, that is, the security fence does not go around the individual venues but goes around the entire site. Rather than have a secure fence that people have to go through with a magnetometer and bag inspections around the stadium, a secure fence around the Superdome and a secure fence around the aquatic centre, there is in fact one secure fence so that people will only submit to security tests to get inside and they will have free movement around the site.

That has led the sponsors, the rights holders and initially the IOC, wanting to classify the entire site as a venue. If it is classified as a venue, then the only electronic media allowed on the site are the rights holders and none of the non-rights holders are allowed. That was the starting point of the IOC and that is of course the very strong position of the rights holders, the European Broadcasting Union [EBU], the Japanese rights holders, NBC from America and Channel 7. We have tried to effect a compromise to allow some access for non-rights holders to that site. It is more access than the rights holders want and it is more access than the IOC originally wanted, but it is less access than the non-rights holders wanted. You have to strike a balance and that is what we have endeavoured to do. It also strengthens the rights holders' case that we are not allowing any of our competitors' sponsors to do anything on that site.

For example, if you are a competitor of Holden, Coca-Cola, Westpac or Samsung we will not allow you to settle, distribute or even to give away free promotional material on that site because the rights holders say, "If that is the rule for the other sponsors, why isn't it the same for us?" We have tried to effect a compromise—not everyone is happy, I suspect, with the compromise, but it is a compromise.

**CHAIR:** Would Channel 7 on-sell their films? How do other countries get the films?

**Mr KNIGHT:** No, there are rights holders from virtually every country.

**CHAIR:** American viewers will see it through the American NBC?

**Mr KNIGHT:** Yes.

**The Hon. R. T. M. BULL:** I read in the budget papers that you expect approximately half a million people to remain on-site each day. That would obviously be the number of people across all sessions. Are you expecting people, once they get on-site, to remain there for the rest of the day even though they have not got tickets for the following sessions?

**Mr KNIGHT:** It will vary. Predicting the behaviour of people is obviously very difficult. There is a whole lot of modelling and so on of how long people stay on-site, of how many people who have tickets to an event in the morning and an event somewhere else on the site in the evening do stay. We would obviously prefer them to stay rather than add-in another two transport movements but we expect people to come and leave at different times. We have staggered as far as possible the event times for different events, but it will be a very crowded site.

It is something that is difficult to get across to people when they go out and see that huge site. They say it is a big site, with plenty of space, and it will not be crowded. The number of people and the volume that will be on that site will be extraordinary. I saw at first-hand people-jams in Atlanta on much smaller sites. In the area surrounding the Georgia World Congress Centre there were huge pedestrian traffic jams of people that took a long time to unblock. Sometimes you could not get from one place to another that was within sight in under an hour. There were some very huge jams.

We are trying to avoid that, but to give you an indication of how crowded that site will be, if you go out there now and you look near the railway station you will see a very large temporary bridge being built. That bridge is for pedestrians: it is not for vehicles. That bridge is to get some separation between the pedestrians heading in one direction and the pedestrians heading in another direction. We do not believe it will be possible to operate the site with people walking in both directions simultaneously at the Boulevard.

**CHAIR:** It will be 150 per cent stronger than the Israel bridge and, we hope, not too temporary?

**Mr KNIGHT:** Mr Richmond and his staff are responsible for that and they have a pretty fabulous record on construction. That will give you some idea of how crowded that site can be.

**The Hon. M. J. GALLACHER:** Minister, do you agree with Mr Gosper's claim today that the sacking of media and marketing manager Karen Webb was an unwise decision by SOCOG?

**The Hon. P. T. PRIMROSE:** Is this a budget question?

**The Hon. M. J. GALLACHER:** Everything to do with what we have discussed this evening is a budget question.

**Mr KNIGHT:** I am interested that Mr Gosper is now being quoted as a person of repute, and I welcome your changing attitude to him.

**The Hon. R. T. M. BULL:** I have never had any other attitude.

**Mr KNIGHT:** The matter of the structure of staffing arrangements in Sydney 2000 is purely a matter for the senior executives. We have a very strong and capable senior executive team who make the decisions about staffing, and they are empowered to make those decisions.

**CHAIR:** Thank you Minister, senior executives and other members of staff for appearing before this upper House Estimates Committee.

**The Committee proceeded to deliberate.**

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