

SOCOG ANNUAL REPORT

FOR THE PERIODS

1 JULY 1999 TO 31 DECEMBER 2000

AND

1 JANUARY 2001 TO 31 OCTOBER 2001



'...they could not have been better...I am happy and proud to proclaim that you have presented to the world the best Olympic Games ever... thank you, Australia'

Juan Antonio Samaranch
1st October 2000



25 February, 2002

The Hon. M. R. Egan MLC
Treasurer
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Treasurer,

The Sydney Organising Committee for the Olympic Games (SOCOG) was wound up on 31 October 2001 following proclamation of Part 7 of the Sydney Organising Committee for the Olympic Games Act 1993. Its assets, rights and liabilities were transferred to the Olympic Co-ordination Authority.

This Report is submitted in accordance with the requirements of the Annual Reports (Statutory Bodies) Act 1984 for your presentation to Parliament

Under Section 4(1A) of the Public Finance and Audit Act 1983, the reporting period for SOCOG which would otherwise have been 1 July 1999 to 30 June 2000 was changed so that the first period the subject of this Report is 1 July 1999 to 31 December 2000. In addition, the reporting period which would otherwise have ended on 30 June 2001 was extended to the date of SOCOG's dissolution, namely 31 October 2001. This Report therefore is in respect of two periods which together cover two years and four months. SOCOG's financial outcomes have been reported on a total program basis and as a result its overall financial results are represented in this Report.

This Report is a formal document of record. A much more extensive review of SOCOG's activities during the reporting period is found in the Official Report of the Games of the XXVII Olympiad, which has been prepared for the International Olympic Committee following the conclusion of the Sydney Games, in accordance with the Host City Contract. This Official Report is publicly available on the Internet at www.gamesinfo.com.au.

SOCOG also provided considerable assistance to the Sydney Paralympic Organising Committee (SPOC) in preparing for the Sydney 2000 Paralympic Games held shortly after the 2000 Olympic Games. The Post Games Report on the 2000 Paralympic Games is also publicly available on the same website.

A further report summarising the financial impact and other details of the Sydney 2000 Olympic games is the Report to the NSW Government on the Costs of the Sydney 2000 Olympic Games prepared in accordance with the Olympic Coordination Act 1995 and to be tabled in the NSW Parliament. This Report also will be available on the Internet at www.gamesinfo.com.au.

Everyone associated with SOCOG is proud to have contributed to hosting the best Olympic Games ever.

Yours sincerely



Robert L Adby
Director General
OLYMPIC CO-ORDINATION AUTHORITY

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DIRECTOR GENERAL'S OVERVIEW

The Sydney Organising Committee for the Olympic Games, SOCOG, has always been an unusual organisation. Created by NSW legislation, its purpose was to prepare for and stage the Sydney 2000 Olympic Games and then, after a period of finalising its business, be dissolved. Preparing for the Games also involved partnership with a range of NSW government agencies. Particularly this concerned the Olympic Co-ordination Authority (OCA), which was responsible for delivering the venues and co-ordinating Government inputs to the Games, and the Olympic Roads and Transport Authority (ORTA), which was responsible for athlete, spectator and Olympic family transport services. This partnership evolved over the period to become an integrated model of operations involving: the Organising Committee, Government Olympic agencies and the Australian Olympic Committee, with each contributing their particular expertise to the overall task of staging the Games. This development culminated in March 2000 with the emergence of 'Sydney 2000' as a single operational entity and brand identity and a blurring of separate organisational roles.

The circumstances of the Sydney Games made this development inevitable. Infrastructure and facilities for the Games were provided by OCA on behalf of the NSW Government and a number of other government agencies provided essential Games services such as transport, health services, security and waterways management. The integration of these services with other aspects of Games preparations undertaken by SOCOG and its contractors required the development of an operational model which reflected the complexity of arrangements and relationships needed to bring the Games together. This process resulted in changed structural and operational arrangements for SOCOG which are recorded in this report.

The report also covers an extended period which again reflects the nature of the task and particular circumstances which made reporting on a financial year basis inappropriate. In the second half of the year 2000 the level of activity directed to staging the Olympic and Paralympic Games, finalising many thousands of contracts and closing relationships with sponsors and other supporters, as well as terminating most of the Games-time staff, made preparing an annual report a practical impossibility. SOCOG was also entering the last phase of its existence and there was logic to providing a single full report at the dissolution of the Organisation.

In recognising these difficulties the Treasurer approved an extended financial reporting period for the 2000 year, from 1 July 1999 to 31 December 2000. As it was evident SOCOG would be dissolved in the second half of the 2001 calendar year a further extended financial reporting period was approved to 31 December 2001 or the date of SOCOG's wind up, whichever occurred first. The Sydney 2000 Games Administration Act passed late in 2000 provided for the winding up of Olympic agencies and nominated OCA as manager of the process. From 1 January 2001 OCA has fulfilled that responsibility and consequently this final report is being presented by its Director General. The report covers a period of two years and four months, from 1 July 1999 until 31 October 2001.

The success of the Sydney 2000 Games is now history and sets a standard for the future. The legacies of the Games, including splendid new sporting and recreational facilities, are numerous and will be seen best with the perspective of future assessments. One area of ongoing concern about the Games was costs, particularly when the impacts of Olympic controversies beyond our control and problems with our ticketing system appeared to threaten revenue. With the outstanding efforts of all concerned, the Government's pre-Games allocation of \$140 million in additional funds to meet contingencies was not required in full and, at the dissolution of SOCOG, \$80 million has been returned to Government.

This report, and other Games reports referred to in the Treasurer's letter above, record the enormous effort required to stage a successful Games. The status of the Sydney Games as the best ever held reflects a great deal of credit on SOCOG and the management and staff of the Organisation are to be congratulated on their success. I want to thank also those SOCOG staff who have continued through the wind-up process and provided OCA with invaluable assistance in finalising Games business, and the staff of OCA, ORTA and SPOC who also assisted.

Robert L Adby
Director General

REPORT OF OPERATIONS - July 1999 to October 2001

Operational Planning

The year before the Sydney 2000 Games was a critical time for bringing together the functional planning strands into the giant tapestry the Games represent. It involved rapid movement towards allocating staff to venue roles, a process known as venuisation, clarification of operational responsibilities between the SOCOG and the OCA and a further restructure of SOCOG to place all functions under two Deputy CEOs. It also saw the final evolution of the integrated model with SOCOG and Government agencies working in partnership which characterised the Sydney Games, and the emergence of Sydney 2000 as the single operating entity for delivering the Games.

From 1997 SOCOG's operations planning was based in a unifying control structure and progressively geared to venue level operations during the Games. Timing was a critical issue as transfer of staff to venues was not possible or desirable very early but had to be ready to happen at the right time for each venue, both competition and non-competition. During 1999, in particular, there was refinement of venue management and operational plans using lessons learned from Test Events. In all there would be 190 venues, 30 competition and 160 non-competition, with a total staffing requirement of more than 80,000 people, including volunteers and contractors. A concurrent issue during 2000 was the progressive build up of personnel (SOCOG staff, volunteers and contractors) so that everyone would be in place at the required time.

Problems resulting from the process of selling Olympic tickets led to a major structural change in SOCOG administration late in 1999. An OCA senior executive, Michael Evers, was moved to SOCOG as Deputy CEO, Corporate Group, to take responsibility for Olympic and Paralympic ticketing and corporate functions. All other operational areas became the responsibility of Jim Sloman, Deputy CEO and Chief Operating Officer. Several corporate areas including Board support, indigenous relationships and the environment retained a direct functional relationship to SOCOG CEO, Sandy Hollway.

This operating structure remained in place until around June 2000 when the large-scale transfer of staff to venues began.

In addition, late in 1999 OCA sponsored a review of several SOCOG operational areas which were not part of SOCOG's core role of staging the sporting events, managing venues and caring for the athletes and Olympic family. As a result of that review the functional areas of environment, catering, cleaning, waste management and spectator services were outsourced to OCA from early 2000, together with related staff and budget. OCA was already contracted by SOCOG to undertake the overlay projects which converted venues for Olympic use and provided the many temporary structures needed to support the venues and other Games-time functions. This clarification of responsibilities really commenced the process of integrated functioning in the pre-Games period.

The final stages of preparation included stringent attention to cost and budgetary control, particularly in view of problems encountered in the ticket selling process. SOCOG's budget was subject to monitoring by OCA on behalf of the NSW Government and, to ensure that emerging contingencies could be met, the Government made supplementary funding of \$140 million available in late May 2000. SOCOG and OCA worked to minimise any call on these funds and, at the time of SOCOG's dissolution in October 2001, \$80 million of these funds were returned to the NSW Treasury.

Games Time Operations

From an operational perspective the Games period commenced in June 2000. From that time staff were progressively transferred into venues and to various operations centres which supported the venues and provided Games services. SOCOG's principle facility was the Main Operations Centre (MOC) which was established in the Sydney 2000 Headquarters in Jones Street, Ultimo. The MOC was under the direction of Jim Sloman, Deputy CEO and Chief Operating Officer, and had representation from all operations areas and Games support services. MOC personnel monitored all venues and dealt with significant matters which could not be resolved at venue level, as well as providing a central point of co-ordination, reporting and decision making.

The MOC operated on a 24 hours a day basis from 28 August 2000 until after the Olympic Games and was brought into operation again for the Paralympic Games, closing finally at the end of October 2000. Separate operations or co-ordination centres operated specifically for major Games time functions such as transport, security and CBD operations.

At a higher level the Games Co-ordination Group (GCOG), formed in late 1999, operated to deal with Games wide and Government wide issues and included the senior executives of the Olympic agencies. At the highest level, the powers of the SOCOG Board were exercised by a Games Time Commission comprising the President and Senior Vice- President of SOCOG.

These arrangements, and the detailed planning that had gone into Games preparations, allowed the Sydney 2000 agencies to manage a huge and largely new workforce and to effectively oversight all of the functions required to stage the world's largest event. The great success of that event demonstrated the strength and quality of the preparations, and of the staff, volunteers and contractors who made it work.

From 1997 SOCOG has also worked closely with SPOC to support the Paralympic Games preparations. The command framework developed for Sydney 2000 also applied to both Games. Many SOCOG staff worked on after the Olympic Games to finalise preparations for and help stage the Paralympics. This brought a very practical dimension to the underlying concept of a 'Parallel' Games and made the most effective use of Games infrastructures and systems. The Sydney 2000 Paralympic Games were also highly acclaimed and SOCOG staff are to be congratulated on their fine and tireless efforts in support of them and SPOC.

The Wind-up

Before the Games were held, work had commenced on planning for post-Games arrangements and the wind up of the Olympic agencies. SOCOG formed a Task Force to identify and track the action that would be required for closure of functions, and OCA commenced its own planning and preparation of legislation to give effect to the wind-up process. That legislation was the Sydney 2000 Games Administration Act, which was passed in late 2000. The Act provided for the transfer of operational responsibility for Games wind-up to the Director General OCA from 1 January 2001. This came to include the dissolution of SPOC (effective on 31 December 2000), ORTA (effective from 1 June 2001), and eventually SOCOG (proclaimed on 31 October 2001), with all their respective assets, rights and obligations progressively transferred to OCA. OCA was also charged with finalising all remaining business of the Games prior to its own completion.

The process of wind-up started early, however, when staff left SOCOG as their Games time roles finished. An even quicker running down of staff post-Games paralleled the rapid build up of staff pre-Games. Separation arrangements, put in place and operated by SOCOG's Games Workforce Division, facilitated the departure of venue operational staff as soon as Games competitions finished or venues closed.

By the end of October 2000, as the Paralympics closed, only 40 per cent of SOCOG personnel remained and most of these left during November and December as their work and debriefing reports were completed. Sydney 2000 Headquarters in Ultimo closed in mid December 2000 and a small number of remaining SOCOG staff transferred to a temporary Sydney 2000 office with other ORTA and SPOC and OCA staff who were involved in the wind-up. Staff numbers continued to reduce until 31 October 2001, when the remaining three SOCOG staff transferred to OCA.

SOCOG'S HISTORY AND MISSION

SOCOG was established on 12 November 1993 by the Sydney Organising Committee for the Olympic Games Act 1993 (the SOCOG Act). Its primary objective was stated in Section 9(1) of the SOCOG Act as:

"...to organise and stage the Games of the XXVII Olympiad in Sydney in the year 2000, in accordance with the rights and obligations conferred and imposed under the Host City Contract".

The Host City Contract between the IOC, the Council of the City of Sydney and the AOC had been signed on 23 September 1993 and SOCOG became a party to that contract on 4 February 1994.

Under the SOCOG Act the functions of SOCOG in relation to the Sydney 2000 Olympic Games included organising accommodation and transport for competitors, team officials and personnel, and media personnel; organising the sports program, including preparing and operating all venues and facilities for the Games; organising the cultural program; establishing a marketing program in consultation with the IOC and the AOC; and arranging and making available host broadcaster and television and radio facilities and other information services.

Early in its operational period, SOCOG declared its mission was

" to deliver to the athletes of the world and to the Olympic Movement on behalf of all Australians, the most harmonious, athlete-oriented, technically-excellent and culturally enhancing Olympic Games of the modern era."

How SOCOG sought to achieve its objectives and carry out its mission is recorded in its publications, in the Official Report of the Games the XXVII Olympiad and in the memories of all who attended the Sydney 2000 Olympic Games, watched them on television, or who were just in Sydney during the last two weeks of September 2000. At the Closing Ceremony of the Sydney 2000 Olympic Games on 1st October 2000, the President of the IOC, Juan Antonio Samaranch, announced to the assembled 110,000 spectators, athletes and ceremony performers of the Sydney Games -

"...they could not have been better...I am happy and proud to proclaim that you have presented to the world the best Olympic Games ever. Thank you, Australia"

After the Olympic Games and the Paralympic Games, the NSW Parliament in November 2000 passed the Sydney 2000 Games Administration Act 2000 under which all SOCOG Board functions were handed over to the Director-General, OCA as at 1 January 2001. A new Part 7 of the SOCOG Act was substituted under which, on 31 October 2001, SOCOG was dissolved and its assets, rights and liabilities transferred to OCA.

SOCOG AND GOVERNMENT

SOCOG and OCA worked closely together and with the Australian Olympic Committee to plan, organise and manage the Sydney 2000 Olympic Games. ORTA and other NSW Government agencies, as well as local government bodies including the Council of the City of Sydney, worked with both organisations to build the venues and facilities required for the Games and to provide support services such as transport, security and health care.

A Commonwealth/State Secretariat in the Department of Prime Minister and Cabinet coordinated involvement of Federal Government agencies in the Olympic Games.

Olympic Coordination Authority

OCA is a statutory body of the NSW Government. It co-ordinated the State's delivery of the Sydney 2000 Olympic and Paralympic Games. OCA was responsible for the development and management of 760 hectares of land at Homebush Bay and sporting facilities at Penrith Lakes, Horsley Park, Blacktown, Liverpool and Bankstown. OCA also organised the Olympic Live Sites at six strategic locations in Central Sydney, which operated throughout the Games period and drew enormous crowds.

Olympic Roads and Transport Authority (ORTA)

ORTA was established by the NSW Government in March 1997 to coordinate the delivery of transport services for the Olympic Games, Paralympic Games and other major events beginning with the Easter Show in 1997. It was wound up and merged into OCA after the Games in May 2001.

Sydney Paralympic Organising Committee Limited (SPOC)

SOCOG provided significant assistance to SPOC in the planning, preparation and hosting of the Sydney 2000 Paralympic Games, held between 18 October and 29 October. This assistance included staffing support, logistical support, and assistance with the conversion of venues to Paralympic mode and Games-time venue operations.

SOCOG GOVERNANCE

BOARD OF DIRECTORS

SOCOG was managed and controlled until 31 December 2000 by a Board of Directors, appointed by the Governor of New South Wales on the recommendation of the Minister for the Olympics and in consultation with the President of the AOC.

SOCOG President

The New South Wales Minister for the Olympics, the Hon Michael Knight MP, held the position of SOCOG President from September 1996. OCA and ORTA also reported to the Minister for the Olympics.

The Board of Directors for the period 1 July 1999 to 31 December 2000 was:

Name	Qualification	Appointed	Meetings	Notes
Hon Michael Knight, MP President	BA (Hons)	27 Sep 1996	15	Minister for the Olympics
John D. Coates, AO Senior Vice- President	LLB	12 Nov 1993	15	President, AOC
Councillor Frank Sartor Vice- President	BE (Chem Eng) BComm (Hons)	12 Nov 1993	12	Lord Mayor of the City of Sydney
R. Kevan Gosper, AO Vice-President	BA (Hons) Hon DSc	12 Nov 1993	10	IOC Member
Hon Nick Greiner, AC	BEC (Hons), MBA	12 Nov 1993	14	fmr. NSW Premier
Anna Booth	BEC (Hons)	19 April 1995	13	Director
Craig McLatchey	BAGSc	15 Sept 1995	13	Secretary-General, AOC
Graham Richardson		15 Feb 1996	14	Director
Donald McDonald, AO	BCom	31 Mar 1996	13	nominated by the Prime Minister
John Valder, AO, CBE	BA	31 Mar 1996	15	nominated by the Prime Minister
Brian Sherman	BCom, CTA, SIA	15 Apr 1996	13	Director
Sandy Hollway	BA (Hons)	27 Mar 1997	14*	Chief Executive Officer, SOCOG
Majorie Jackson-Nelson AO, MBE		26 Nov 1998	14	fmr. Olympic athlete
Chris Hartcher, MP	BA, LLB	19 April 1999	14	Shadow Minister for the Olympics

The SOCOG Board also held several ad-hoc meetings to address specific issues relating to organising the 2000 Games.

All Directors' terms expired on 31 December 2000 in accordance with the Sydney 2000 Games Administration Act 2000.

BOARD COMMISSIONS

The following were active during the whole, or part of, the period 1 July 1999 to 31 December 2000.

Games Time Commission

In September 1999, the Board approved a resolution to establish the Games Time Commission of the Board consisting of the President as Chairperson and the Senior Vice-President. The Games Time Commission was delegated with all the powers, functions and authorities of the Board and operated from 1 August to 4 October 2000.

Sports Commission

In June 1996 the SOCOG Board appointed a Sports Commission as a permanent Commission of the Board. The Board delegated to the Commission those functions of SOCOG relating to sport-specific programs and sport-related programs as agreed by the Board, following a recommendation from the SOCOG President and the AOC President. The Sports Commission worked closely with SOCOG's Sport Division, which remained SOCOG's operating division for all sport and athlete matters.

The Sports Commission comprised the following members:

John D. Coates, AO (Chair)	President, AOC
Craig McLatchey	Secretary-General, AOC
R. Kevan Gosper, AO	Representing the IOC in Australia
Graham Lovett, AM	Appointee of the Board (former SOCOG Board member) (died 28 August 99)
Graham Richardson	SOCOG Board Member
Sandy Hollway*	Chief Executive Officer, SOCOG (until 18 October 1999)
Jim Sloman	Chief Operating Officer and Deputy CEO, SOCOG (from 18 October 1999)

- * SOCOG Deputy Chief Executive Officer, Jim Sloman, formally represented Sandy Hollway on the Sports Commission until his appointment as a member.

The SOCOG Villages Advisory Committee (SVAC) was appointed by the SOCOG Sports Commission on 26 September 1997 to advise the Commission on the concerns of athletes and potential contingencies that may affect the Olympic Village. This Committee also advised on Village issues related to technical and support staff.

The SVAC, which included athletes' representatives, comprised the following members:

John D. Coates, AO (Chair)	President, AOC
Sallyanne Atkinson, AO	fmr. Lord Mayor of Brisbane
Craig McLatchey	Secretary-General of the AOC
Robyn Maher	fmr. Olympic athlete
Peter Montgomery	fmr. Olympic athlete
Julius Patching, AO, OBE	Australian Olympic Committee
Graham Richardson	SOCOG Board Member
Jim Sloman	Chief Operating Officer and Deputy CEO, SOCOG

Sydney Olympic Broadcasting Organisation (SOBO)

The Sydney Olympic Broadcasting Organisation (SOBO) was formally established as a Commission of SOCOG in October 1996 with its own Charter and Board. It fulfilled obligations under the Host City Contract and the SOCOG Act in respect of the facilities, services and other requirements for electronic coverage and radio and television broadcasting of the Games, as defined in the IOC Broadcasting Guide. The SOBO Board was assisted by SOBO Chief Operating Officer, Gary Fenton and comprised the following members:

The Hon Michael Knight, MP (Chair)	Minister for the Olympics
Manolo Romero	Chief Executive Officer, SOBO
Harold Anderson	Representative of Seven Network Limited
Bob Leece	Deputy Chief Executive, OCA (appointed December 1999)
John Valder, AO, CBE	SOCOG Board Member
Sandy Hollway	Chief Executive Officer, SOCOG

Cultural Commission

The Cultural Commission liaised between the SOCOG Board and management in relation to the cultural program, and comprised the following SOCOG Board members:

Donald McDonald, AO (Chair)	SOCOG Board Member
Craig McLatchey	Secretary-General, AOC
Councillor Frank Sartor	Lord Mayor of the City of Sydney
Brian Sherman	SOCOG Board Member
John Valder, AO, CBE	SOCOG Board Member
Sandy Hollway*	Chief Executive Officer, SOCOG

- Until his resignation in September 1999, SOCOG Group General Manager - Marketing, John Moore, formally represented Sandy Hollway on the Cultural Commission.

BOARD COMMITTEES and SUB-COMMITTEES

Finance Committee

The SOCOG Board established the Finance Committee in September 1996 to liaise between the Board and SOCOG management in relation to SOCOG financial functions. The role and scope of the Finance Committee was reflected in a Charter approved by the SOCOG Board. It comprised the following members:

Brian Sherman (Chair)	SOCOG Board Member
The Hon Nick Greiner, AC	SOCOG Board Member
Craig McLatchey	Secretary-General, AOC
Donald McDonald, AO	SOCOG Board Member (resigned 24 November 1999)
Robert Adby	Executive Director, Finance and Corporate Services, OCA
Mark Ronsisvale	Executive Director, NSW Treasury (appointed 17 February 2000)
Michael Eysers	Deputy Chief Executive Officer, SOCOG (from November 1999)

Audit Committee

The Audit Committee operated under a Charter approved by the SOCOG Board and was subject to the control and direction of the Board of Directors. It was assisted by the Auditor General (SOCOG's external auditor), Ernst and Young (Audit Agent) and Arthur Andersen (SOCOG's internal auditor) and comprised the following members:

The Hon Nick Greiner, AC (Chair)	SOCOG Board Member
Donald McDonald, AO	SOCOG Board Member
Craig McLatchey	Secretary General , AOC

Contingency Committee

The Contingency Committee was established on 3 February 2000 to review and make recommendations regarding pre-Games expenditure of SOCOG's contingency funds. Its members were:

Brian Sherman (Chair)	SOCOG Board Member
Robert Adby	Executive Director, Finance and Corporate Services, OCA
Michael Eyers	Deputy Chief Executive Officer, SOCOG
Mark Ronsisvalle	Executive Director, NSW Treasury

Sub-Committees

Sub-Committees were set up by the SOCOG Board from time to time. The following newly established and/or existing ad-hoc sub-committees were in existence for the whole, or part of, the reporting period:

- Ticketing Sub-Committee
- Accommodation Sub-Committee
- Torch Relay Sub-Committee
- Corporate Governance Sub-Committee
- Ceremonies Sub-Committee
- Villages Sub-Committee
- Marketing Sub-Committee
- Human Resources Sub-Committee
- Sydney Olympic Park Operational Planning Sub-Committee

ADVISORY COMMITTEES

Multicultural Advisory Committee

The MAC was established in December 1996 to advise the SOCOG President and the SOCOG Board. It ensured the Games reflected Australia's culturally diverse society and that the country's diverse community participated fully in the preparation and staging of the Games. It also monitored SOCOG's multicultural affairs strategic plan.

The MAC comprised the following eminent community members:

Stepan Kerkyasharian (Chair)	Chair, NSW Ethnic Affairs Commission (ex-officio)
Paul Nicolaou	Chair, NSW Ethnic Communities Council (replaced Dr Tony Pun as ex-officio member on 1 Oct 98)
Neville Roach	Chairperson, National Multicultural Advisory Council (ex-officio)
Zita Antonios	Race Discrimination Commissioner, Human Rights and Equal Opportunity Commission
Anerys Brotherton-Ford	Sports and Program Facilitator, South Sydney Council
Concetta Fierravanti-Wells	Solicitor (nominee of the Shadow Minister for Ethnic Affairs)
Amanda Gordon	Vice-President, NSW Jewish Board of Deputies
Lex Marinos, OAM	Director, Carnivale
Pino Migliorino	Managing Director, Cultural Perspectives
Nicholas Papallo	Solicitor
Aldo Pennini	Adviser to the Premier on Multicultural Affairs (nominee of Premier and NSW Minister for Ethnic Affairs)
Ali Roude, OAM	President, NSW Islamic Council
Mollie Teppane-Thomas	Coordinator, South West Multicultural and Community Centre
Hon Cr Henry Tsang, OAM	Deputy Lord Mayor of Sydney
Janice Vu	Solicitor

National Indigenous Advisory Committee

The National Indigenous Advisory Committee held its first meeting in March 1998 and then met bi-monthly. The Committee provided a strategic focus for implementation of SOCOG's Aboriginal and Torres Strait Islander initiatives. It comprised the following eminent indigenous Australians:

Dr Lowitja O'Donoghue CBE, AM (Chair)	Visiting Fellow, Yunggoendi - First Nations Centre for Higher Education and Research, The Flinders University of South Australia
John Abednego	Chair, Torres Strait Regional Authority (appointed August 1999)
Sol Bellear	Chair, NSW Aboriginal Reference Group
Evonne Cawley	Community Representative
Kevin Coombes, OAM	Community Representative, Paralympian, Wheelchair Basketball
Pastor Ossie Cruse	Chair, NSW Aboriginal Land Council (resigned February 2000)
Sally Goold	Representing Council for Aboriginal Reconciliation (appointed September 1999)
Danny Morseu	Community Representative (appointed July 1999)
John Moriarty	Chair of the Australia Council
Lois Peeler	Chair of the Aboriginal Tourism Association
Charles Perkins	Chair, Aboriginal Development Commission
Jim Remedio	Chair, National Indigenous Media Association of Australia
Geoff Scott	Director General, Department of Aboriginal Affairs
Rod Towney	Chair, NSW Aboriginal Land Council (appointed March 2000)
Terry Waia	Chair, Torres Strait Islander Advisory Board, ATSIC (resigned July 1999)
Jim Wright	NSW Commissioner, Aboriginal and Torres Strait Islander Commission (resigned February 2000)

Consumer Protection Advisory Committee

This Committee, which first met on 30 November 1999, was formed to advise the Board on consumer protection policy and issues, primarily those arising out of SOCOG's ticketing processes. The Committee also provided advice regarding systems and procedures established by SOCOG to achieve compliance with consumer protection principles, including staff training and management reporting systems.

The Committee comprised the following members:

Phillipa Smith (Chair)	Chief Executive Officer, Association of Superannuation Funds of Australia
Bill Dee	Principal, Compliance Solutions
David Landa	fmr. NSW Ombudsman
John Wood	fmr. Deputy Commonwealth Ombudsman
Mara Bun	Public Affairs Manager, Australian Consumers Association (resigned February 2000)

Volunteers 2000 Advisory Committee

The Volunteers 2000 Advisory Committee was established in October 1997. The Committee provided advice on the strategic direction and operational implementation of the Volunteers Program. Committee members were:

Hugh Watson (Chair)	Group General Manager, Games Support, SOCOG (resigned January 2000)
Kevin Berry, OAM	President of the Five Circles Club, AOC
Sha Cordingley	President of Volunteering Australia
Sue Cosgrave	Consultant to Statewide Contracts for Sport and Recreation, VIC
Peter Dawson	Corporate Manager for Lions Australia
Marie Fox	Executive Director of Volunteering NSW
Ken Grinham	Executive Director of NSW Sports Council for the Disabled
Stepan Kerkyasharian, AM	Chair of the Ethnic Affairs Commission of NSW
Phil Koperberg, AM, AFSM, BEM	Commissioner of NSW Rural Fire Services
Jocelyn Murphy	Executive Director of the YWCA
Greg Nance	Chief Executive of Surf Lifesaving Association of Australia
Dr Lowitja O'Donoghue	Visiting Fellow, Yunggoendi - First Nations Centre for Higher Education and Research, The Flinders University of SA
Malcolm Rathbone	Chief Executive Officer, YMCA Sydney
Pat Sergi, OAM	Rotary International
David Brettell	SOCOG Program Manager, Volunteer Services

SOCOG / Sydney Paralympic Organising Committee (SPOC) Joint Working Group

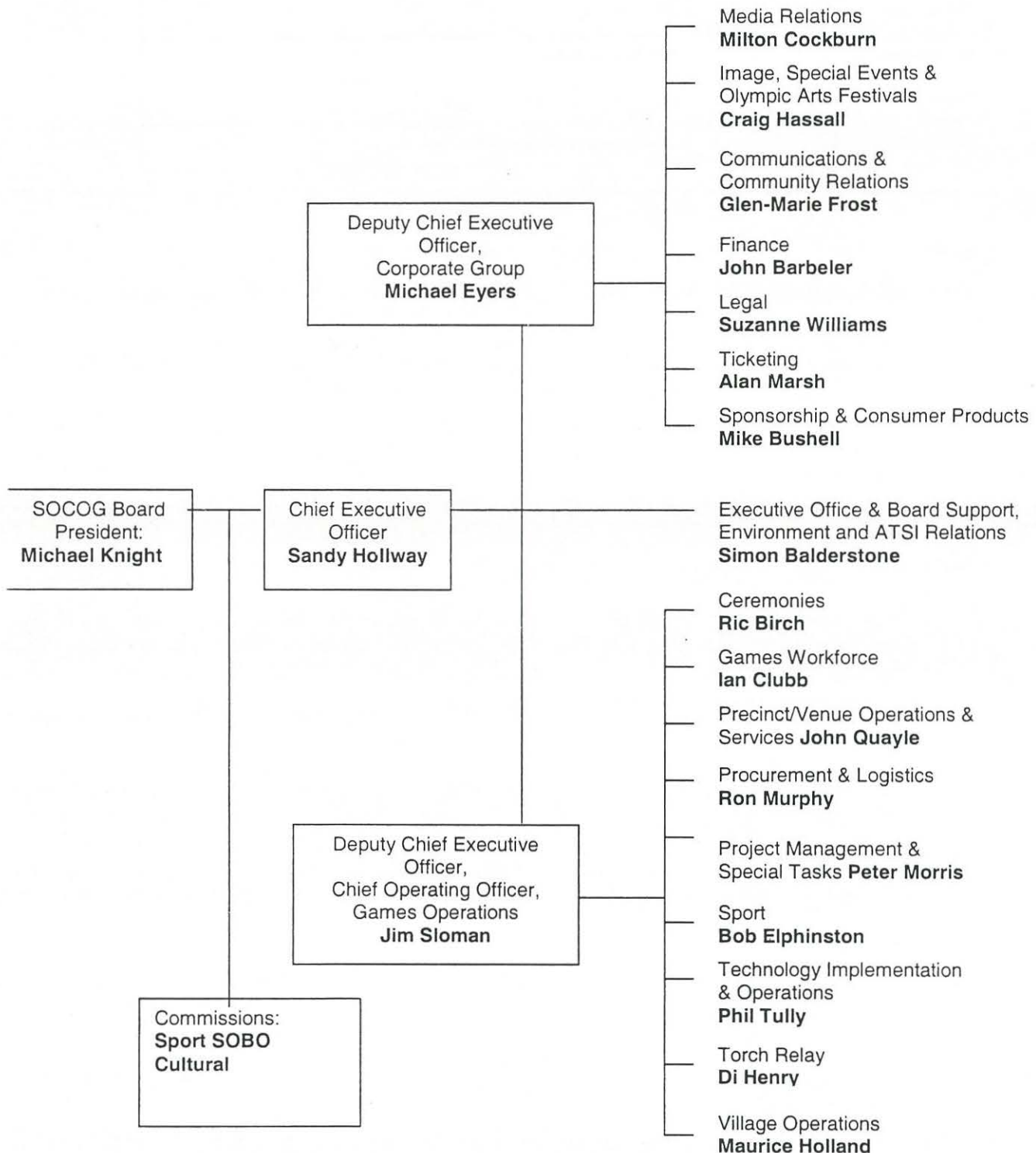
The SOCOG/SPOC Joint Working Group was established in June 1997. The two organisations worked closely to produce the Olympic Games and the Paralympic Games as a single 60-day sporting festival. The Working Group had Board representation from both organisations:

John Valder, AO, CBE (Chair)	SOCOG Board Member
Dr John Grant	SPOC President
Sarina Bratton	SPOC Board Member
Sandy Hollway	Chief Executive Officer, SOCOG
Lois Appleby	Chief Executive Officer, SPOC

ORGANISATION STRUCTURE

During the reporting period SOCOG's organisation structure changed from a functional structure (represented by the chart below) to an operational-based structure. During the Games period there were two structures in SOCOG working in parallel - the functional structure and a venue-based structure.

Functional structure as at June 2000



SOCOG STAFF

As of 30 June 2000, SOCOG employed 2337 staff. This had risen from 1093 in July 1999. Previous figures were 679 in July 1998, 383 in July 1997, 113 in July 1996, 54 in July 1995 and 14 in July 1994.

Short term employment and contract engagements in the immediate lead-up to and conduct of the Games considerably increased the number of personnel working for SOCOG. In addition, there were 46,967 volunteers who assisted with Games-time tasks and venue operations.

The Games employment of the overwhelming majority of SOCOG staff terminated in November-December 2000 as their Games work, debriefing and reporting was completed. The Sydney 2000 premises at Jones Street Ultimo were closed on 15 December 2000 and the remaining 70 staff moved to accommodation in Pitt Street, Sydney to assist with finalising the wind-up of SOCOG's operations.

Below is a breakdown of the number of employees by category as at June 30 each year. Statistics are established from information offered voluntarily by employees.

Category	Percentage		
	1997/98	1998/99	2000 (September)
Men	44%	44%	54%
Women	56%	56%	46%
Men (Executive*)	76%	86%	86%
Women (Executive*)	24%	14%	14%
Aboriginal/Torres Strait Islanders	2.3%	1.6%	n/a
Racial, ethnic and ethno religious minority groups	11.7%	12.2%	n/a
People whose language first spoken as a child was not English	6.1%	8.4%	n/a
People with a disability	2.6%	2.1%	n/a

Category	Percentage	
	1997/98	1998/99
Men (non-Executive*)	44%	44%
Women (non-Executive*)	56%	56%
Men (Executive*)	76%	86%
Women (Executive*)	24%	14%
Aboriginal/Torres Strait Islanders	2.3%	1.6%
Racial, ethnic and ethno-religious minority groups	11.7%	12.2%
People whose language first spoken as a child was not English	6.1%	8.4%
People with a disability	2.6%	2.1%

* An Executive is defined as a person who holds the position of Chief Operating Officer, Deputy Chief Operating Officer, General Manager, Group General Manager, Deputy Chief Executive Officer or Chief Executive Officer.

Non-Executives include all other staff not included in the above categories.

Financial Summary

Auditors

Ernst & Young, under contract with the Audit Office in New South Wales, continued as external auditor to SOCOG for the financial reporting periods ending 31 December 2000 and 31 October 2001. Arthur Andersen was the internal auditor for SOCOG until 31 December 2000.

Recognition of Income and Expenditure

All income received and expenditure incurred by SOCOG in the lead up to the Sydney 2000 Olympic Games was directly related to that event. In order to properly match income and expenditure, SOCOG deferred all income and expenditure until the 18-month period ended 31 December 2000.

NSW Government Funding

As part of the NSW Government's underwriting obligations for hosting the Olympic Games, \$140 million was provided to SOCOG in June 2000 as a contingency fund to cover projected revenue shortfalls, additional expenditure to maintain the quality of the Games and unforeseen risks. Drawdowns against this contingency fund required approval from the Minister for the Olympics and the NSW Treasurer. The amount remaining of the contingency fund at dissolution of SOCOG was repayable to the NSW Government.

Financial Statements

Income

Total income earned by SOCOG from inception to the date of dissolution on 31 October 2001 was \$2,832.9 million. The main components of this income were television rights \$1,132.8 million, sponsorship \$686.1 million, ticketing \$616.9 million, royalties from licensing \$72.2 million and government grants \$78.6 million.

Expenditure

Total operating expenditure from inception to 31 October 2001 was \$2,424.7 million.

SOCOG also incurred expenditure of \$468.1 million in Legacy contributions. These contributions were to the NSW Government for construction and rental of venues, to Australian Olympic Foundation and to the Paralympics Organising Committee.

Unused Contingency Funds Repaid to NSW Government

The balance of the \$140 million contingency fund repaid to the NSW Government on dissolution of SOCOG on 31 October 2001 was \$80.2 million. This financial outcome was \$50.2 million more than the estimated amount announced following the SOCOG Board meeting on 14 December 2000.

SOCOG FINANCIAL STATEMENTS

FOR THE PERIOD

1 JULY 1999 TO 31 DECEMBER 2000

SYDNEY ORGANISING
COMMITTEE FOR THE
OLYMPIC GAMES

The financial report which follow consist of:

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GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

Sydney Organising Committee for the Olympic Games

To Members of the New South Wales Parliament

Scope

I have audited the accounts of the Sydney Organising Committee for the Olympic Games for the eighteen-month period ended 31 December 2000. The Director-General of the Olympic Coordination Authority is responsible for the financial report consisting of the accompanying income and expenditure statement, balance sheet and statement of cash flows, together with the notes thereto, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament based on my audit as required by the *Public Finance and Audit Act 1983* (the Act).

My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the Act, Accounting Standards and other mandatory professional reporting requirements, in Australia, so as to present a view which is consistent with my understanding of the Sydney Organising Committee for the Olympic Games' financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of the Sydney Organising Committee for the Olympic Games complies with section 41B of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Sydney Organising Committee for the Olympic Games as at 31 December 2000 and the results of its operations and its cash flows for the eighteen-month period then ended.

A handwritten signature in black ink, appearing to read 'R J Sendt'.

R J Sendt

SYDNEY
27 February 2002

DIRECTOR-GENERAL DECLARATION

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES

For the 18 month period ended 31 December 2000

Pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983, I declare that in my opinion:

1. The accompanying financial statements and notes of Sydney Organising Committee for the Olympic Games exhibit a true and fair view of the financial position as at 31 December 2000 and the transactions for the 18 month period then ended.
2. The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and the Public Finance and Audit (General) Regulation 1995.

Further, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



ROBERT L ADBY
DIRECTOR-GENERAL OF THE OLYMPIC COORDINATION AUTHORITY

Sydney,
25 February, 2002

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES
 INCOME AND EXPENDITURE STATEMENT For the 18 month period ended 31 December 2000

	18 Month Period Ended 31 Dec 2000 S'000	Year Ended 30 June 1999 S'000
INCOME		
Sponsorship - Cash	351,031	-
Sponsorship - VIK	360,363	-
IOC Royalty (Note 20(a)(i))	(25,271)	-
Net Sponsorship Income	686,123	
<hr/>		
Ticketing	598,252	-
Stadium Ticketing contract (Note 3(b)(xii))	50,000	-
IOC Royalty (Note 20(a)(i))	(31,355)	-
Net Ticketing Income	616,897	-
<hr/>		
Television Rights	1,132,780	-
Consumer Products	72,213	-
Interest Income	42,277	-
Government - Grants (Note 19)	78,593	-
Other Income	198,907	-
Realised Foreign Exchange Gains	1,483	-
Total Operating Income	2,829,273	
<hr/>		

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES
 INCOME AND EXPENDITURE STATEMENT For the 18 month period ended 31 December 2000

	18 Month Period Ended 31 Dec 2000 S'000	Year Ended 30 June 1999 S'000
EXPENDITURE		
Operating Expenditure		
Accommodation, Olympic Family and Medical Ceremonies	(101,346)	-
Consumer Products and Creative Services	(66,968)	-
Executive Office and Legal	(17,019)	-
Finance, Risk and Project Management	(47,924)	-
Human Resources, Community and Corporate Relations	(97,240)	-
Logistics	(52,847)	-
Media - Press and Broadcasting	(51,382)	-
Sponsorship and General Marketing	(220,854)	-
Sport	(113,798)	-
Technology, Premises and Administration	(66,713)	-
Ticketing	(464,779)	-
Torch Relay, Special Events and Olympic Arts Festivals	(112,381)	-
Transport and Accreditation	(56,771)	-
Games Services and Security	(130,524)	-
Venues and Environment	(43,764)	-
Villages	(524,261)	-
Venue Staffing, Volunteers and Uniforms	(191,812)	-
Olympic Football	(47,264)	-
	(11,276)	-
Total Operating Expenditure (Note 5)	(2,418,923)	-
Legacy Contributions		
Sydney Paralympics Organising Committee Contributions	(17,895)	-
NSW Government Construction and Rental Contributions	(361,335)	-
Athlete Legacy paid to Australian Olympic Foundation	(88,862)	-
Total Legacy Contributions	(468,092)	-
Total Expenditure	(2,887,015)	-
Excess of Total Expenditure over Operating Income	(57,742)	-
Amount utilised under \$140m NSW Government Underwriter's Funding Agreement (Note 20(a)(ii))	57,742	-
Net Income/(Expenditure)	-	-

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES
BALANCE SHEET As at 31 December 2000

	Note	As at 31 Dec 2000 S'000	As at 30 June 1999 S'000
CURRENT ASSETS			
Cash and Short Term Deposits	6	51,634	34,746
Receivables	7	142,652	122,350
Other Assets	8	1,444	17,147
Inventories	9	-	46,885
Investments	10	146	47,231
Total Current Assets		195,876	268,359
NON-CURRENT ASSETS			
Receivables	7	-	9,314
Other Assets	8	-	919
Plant and Equipment	11	-	13,369
Total Non-Current Assets		-	23,602
TOTAL ASSETS		195,876	291,961
CURRENT LIABILITIES			
Accounts Payable	13	192,896	51,742
Provision for Employee Entitlements	15	2,439	2,439
Provision for Superannuation	16	541	507
Other - Ticketing Deposits from Public Offer	17	-	39,881
Net Deferred Income	12	-	168,661
Total Current Liabilities		195,876	263,230
NON-CURRENT LIABILITIES			
Accounts Payable	13	-	18,939
Provision for Employee Entitlements	15	-	8,681
Provision for Superannuation	16	-	1,111
Total Non-Current Liabilities		-	28,731
TOTAL LIABILITIES		195,876	291,961
NET ASSETS		-	-
REPRESENTED BY:			
Accumulated Excess of Income over Expenditure		-	-

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the 18 month period ended 31 December 2000

	Note	18 month Period Ended 31 Dec 2000 S'000	Year Ended 30 June 1999 S'000
		Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Television Rights		744,258	176,360
Ticketing Income		453,120	75,519
Ticketing Deposits from general public		-	39,881
Ticketing Inventory		-	8,296
Sponsorship Income		123,452	70,644
Consumer Products		60,657	14,345
Interest Received		26,477	1,609
Recovery of Expenditure and Other Income		154,250	8,118
NSW Government Underwriter's Funding		57,742	-
Government Grants		72,064	619
		1,692,020	395,391
Payments			
Suppliers and Staff		(1,486,246)	(221,895)
Payments to the Australian Olympic Committee		(24,258)	(20,794)
Athlete Legacy paid to the AOF		(88,484)	-
Interest paid		(37)	(2,837)
NSW Government Construction and Rental Contribution		(70,415)	-
Royalties to the International Olympic Committee	20(a)(i)	(38,036)	(3,888)
Net Cash Flows from/(used in) Operating Activities	25(b)	(15,456)	145,977
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of Plant and Equipment		2,493	207
Purchase of Plant and Equipment (Acquisition)/Sale of Bills of Exchange and Promissory Notes		(17,234)	(5,339)
		47,085	(47,231)
Net Cash Flows from/(used in) Investing Activities		32,344	(52,363)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		-	(63,000)
Net Cash Flows from/(used in) Financing Activities		-	(63,000)
NET INCREASE/(DECREASE) IN CASH HELD			
Cash at the beginning of the period		16,888	30,614
Effects of exchange rate changes on opening cash		34,746	4,261
		-	(129)
CASH AT THE END OF THE PERIOD	25(a)	51,634	34,746

1. SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES

Sydney Organising Committee for the Olympic Games (SOCOG) was created by an Act of the NSW Parliament, the Sydney Organising Committee for the Olympic Games Act 1993, (SOCOG Act), which was given the assent of the Governor of NSW on 12 November 1993.

The principal activity of SOCOG was to stage the Games of the XXVII Olympiad held in Sydney, Australia, in 2000.

The Financial Statements represent direct expenditure and revenue incurred by SOCOG relating to the staging of the Olympic Games. It should be noted that the NSW State Government also provided other support services in areas such as health, transport, security and infrastructure. The full costs relating to these services may not be reflected in the accounts.

SOCOG is to be wound up in accordance with the SOCOG Act on or before 31 March 2002.

2. FINANCIAL PERIOD

These Financial Statements are in respect of the 18 month financial period ended 31 December 2000 in accordance with the NSW Treasurer's approval.

On 26 August 1999 SOCOG received approval from the NSW Treasurer to change reporting periods as follows:

- 1 July 1999 to 31 December 2000 - an 18 month period
- 1 January 2001 to 30 June 2001 - a 6 month period

The Board approved these changes to SOCOG's reporting periods on 22 September 1999.

On 24 July 2001 SOCOG received approval from the NSW Treasurer to change reporting periods as follows:

- 1 January 2001 to 31 December 2001 - a 12 month period, or such earlier date should dissolution of SOCOG occur prior to 31 December 2001.

3. STATEMENT OF ACCOUNTING PRINCIPLES

(a) Basis of Financial Statements

The accompanying financial statements have been drawn up as a general purpose financial report in accordance with Australian Accounting Standards, the requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2000 and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

As noted above SOCOG will be wound up on or before 31 March 2002. Accordingly, these Financial Statements have been prepared on a liquidation basis. The principle accounting policies, which have been stated below were adopted in preparing the Financial Statements of SOCOG. These policies are consistent with those of the previous years, except where the liquidation basis of accounting has been applied, and as stated to assist in the general understanding of these accounts. Costs are based on fair values of the consideration given in exchange for assets. Assets are recorded at the amounts expected to be realised and liabilities are recorded at amounts expected to be paid to settle the liabilities.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current financial period.

These financial statements include the SOCOG Sports Commission which is an administrative unit of SOCOG. Financial information details for the SOCOG Sports Commission are set out in note 4.

3. STATEMENT OF ACCOUNTING PRINCIPLES (Continued)

(b) Summary of Significant Accounting Policies and Procedures

SOCOG's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date, are as follows:

i) Recognition of Income and Expenditure

The Sydney 2000 Olympic Games were treated as a project. Money received for sponsorship, ticketing and other receipts were treated as income in advance until the Games were held. Similarly, expenditure has been capitalised until the Games were held as it represented future economic benefits.

ii) Leased Assets

Operating lease payments are recognised as part of Net Income/Expenditure.

iii) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days. Interest is charged as an expense as it accrues.

iv) Receivables

Account receivables are carried at nominal amounts due less provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable. Credit sales are on 30 day terms.

Amounts receivable (other than trade receivables) from related parties are carried at nominal amounts due. Interest (when charged) is taken up as income on an accrual basis.

Promissory notes are measurable at the lower of cost and net realisable value.

v) Plant and Equipment and Depreciation

Plant and Equipment was fully depreciated as at 31 December 2000. All SOCOG owned Plant and Equipment was submitted for disposal by auction or private treaty and net proceeds from such sales as at 31 December 2000 are included in the Financial Statements as Other Income.

As at 31 December 2000 SOCOG had no Plant and Equipment of enduring material value.

In the previous year all non current assets were depreciated at the rate of 50% per annum excepting for Leasehold Improvements which were depreciated over the term of the lease.

3. STATEMENT OF ACCOUNTING PRINCIPLES (Continued)

vi) **Accounts Payable**

Accounts Payable are normally settled on 30 days or other contractual terms.

vii) **Forward exchange contracts**

SOCOG enters into forward exchange contracts whereby it agrees to buy or sell specified amounts of foreign currencies at predetermined exchange rates. The objective is to match the contracts with anticipated future cash flows in foreign currencies, to protect SOCOG against the possibility of loss from exchange rate fluctuations.

As the objective of SOCOG's policy is to match forward exchange contracts with anticipated specific future cash flows these contracts are considered to be specific contracts as defined by AAS 20 "Foreign Currency Translation".

In accordance with this accounting standard, any gains or losses on foreign exchange contracts up to the date of procurement or revenue receipt have been deferred and included in the measurement of the hedged transaction. In the case of SOCOG revenues from TV rights and sponsorship, the USD revenue under these contracts is recorded in the Income and Expenditure Statement in AUD at their hedge rate. Similarly for other revenue and expenditure contracts which are specifically hedged, are recorded in the Income and Expenditure Statement in AUD translated at their hedge rate.

viii) **Currency Swaps**

SOCOG enters into currency swap arrangements for the purpose of managing its liquidity requirements. These arrangements are used to convert spot foreign currency rates to forward foreign currency rates.

To the extent these swaps are outstanding as at financial period end, they are marked to market at the reporting date recognising an unrealised exchange gain/loss and are deferred until the underlying transaction will be accounted for in AUD using the swap rate, rather than the spot rate at the date of the transaction.

It is SOCOG's policy not to recognise currency swaps in the financial statements. Net receipts and payments are recognised as an adjustment to unrealised/realised foreign currency gains/losses.

ix) **Employee Entitlements**

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services to SOCOG up to the reporting date. These benefits include annual leave, post games transition plan and long service leave. All on-costs, including workers' compensation premiums and superannuation are included in the determination of provisions.

Liabilities in respect of annual leave and other current employee entitlements are measured at their nominal amounts. Where material, all other employee entitlement liabilities are measured at the present value of the estimated future cash flows to be made in respect of services provided by employees up to the reporting date.

x) **Superannuation Contributions**

Contributions to defined benefit superannuation schemes and accumulation superannuation schemes by SOCOG are recognised as part of Net Income/Expenditure in the financial period in which they are paid or become payable. Contributions made to superannuation funds are reflected in the Income and Expenditure Statement.

3. STATEMENT OF ACCOUNTING PRINCIPLES (Continued)

xi) Value in Kind (VIK)

Products and services received by SOCOG from sponsors for which no monetary consideration is payable but which are budget relieving, have been accounted for as income and expenditure in the 18 month period ended 31 December 2000. SOCOG's policy is to value VIK at normal commercial cost of those products and services.

Marketing in Kind (MIK)

Marketing initiatives by sponsors to build the Olympic property/brand and ultimately to protect the business of the IOC are referred to as MIK. In addition to marketing initiatives by sponsors, some goods and services have been provided by sponsors under the terms of sponsorship arrangements. As this expenditure was discretionary to the sponsors, SOCOG would not have purchased the goods or services with cash. This type of sponsorship is not recorded as income or expenditure.

xii) Ticketing Contract with Stadium Australia

In 1996 SOCOG entered into a contract with Stadium Australia whereby SOCOG sold stadium event tickets for cash consideration of \$76.2 million and use of the Olympic Stadium during the Olympic Games period. The value attributable to the rent has been determined by the fair value of the tickets at the time of the transaction less cash consideration paid. This transaction has been accounted for as ticketing income and rental expenditure in the period ended 31 December 2000.

xiii) Income Tax

Effective 1 December 1997, the terms of the SOCOG Act were amended so that SOCOG qualified for income tax exemption pursuant to Section 24AP of the Income Tax Assessment Act, 1936.

SOCOG is exempt from NSW State taxes pursuant to Section 5 of the SOCOG Act.

4. SOCOG SPORTS COMMISSION

The SOCOG Board, by a resolution in June 1996, appointed the SOCOG Sports Commission as a permanent Commission of the Board. The Board delegated to the Commission those functions of SOCOG relating to Sport-specific and Sport-related as are agreed by the Board, following a recommendation from the SOCOG President and the AOC President.

The SOCOG Sport Commission is a permanent Commission whose functions may not be altered and which may not be abolished by the Board, unless the decision to do so is supported by both the SOCOG President and the AOC President.

The SOCOG Sports Commission comprises the following members:

- i) the President of the AOC as chair;
- ii) the Secretary General of the AOC;
- iii) the Senior Member of the IOC representing the IOC in Australia;
- iv) the Deputy Chief Executive Officer and Chief Operating Officer of SOCOG; and
- v) one other member nominated by the SOCOG Board.

SOCOG SPORTS COMMISSION (Continued)

The SOCOG Sports Commission carries out its functions in accordance with the relevant allocations within the Games Budget. In respect of the following Sport-specific programs, the SOCOG Sports Commission has budgetary responsibility for (within the specific budget allocations approved by the SOCOG Board):

- Sport Operations;
- Sport Competition (including Test events and pre-Games Training);
- International Federations (IF) Relations;
- Games Scheduling;
- National Olympic Committee (NOC) Relations (including NOC Travel Schemes);
- Sports Equipment;
- Freight (canoes, rowing shells, yachts and horses);
- IOC Sport Relations including in respect of IOC Coordination Commission; and
- Association of Summer Olympic International Federation (ASOIF), General Assembly of International Sport Federations (GAISF), Association of National Olympic Committees (ANOC) and Oceania National Olympic Committees (ONOC).

In respect of the Sport-related programs, the SOCOG Sports Commission's responsibility is to ensure that the requirements of sports in these various program areas are delivered according to the commitment of SOCOG to the IOC and to provide such advice to the SOCOG Board as may be necessary. Where any of the Sports-related functions of the SOCOG Sports Commission impinge on or overlap with other functional areas of SOCOG, then the Sports Commission shall not have any responsibility in respect of those other functional areas. However, there are elements of the sports related expenditure programs over which the Sports Commission has control or capacity to control.

Sport-related programs are:

- Human Resources (in respect of Sport Competition Volunteers);
- Marketing (in respect of Test Events, Sporting Equipment VIK and Sports Publication);
- Facilities (in respect of Field-of-Play, Training and Warm Up Facilities);
- Facilities Operations (in respect of Sporting Venues)
- Villages (in respect of Athletes and Officials);
- Medical (in respect of Athletes and Officials);
- Transport (in respect of Athletes and Officials);
- Accreditation (in respect of Athletes and Officials);
- Accommodation (in respect of Athletes and Officials for Test Events and Rotary Homestay Program);
- Security (in respect of Athletes and Officials);
- Technology (in respect of Field-of-Play, Scoring and Timing, Results and Athlete Information Systems);
- Ticketing (in respect of Competition Scheduling);
- SOBO (in respect of Field-of-Play and Athlete Media Conferences);
- Ceremonies (in respect of Athletes); and
- Olympic Family (in respect of Language Services, Customs and Immigration for Athletes and Technical Officials).

4. SOCOG SPORTS COMMISSION (Continued)

All income received and expenditure incurred by the SOCOG Sports Commission in the lead up to the Sydney 2000 Olympic Games was directly related to that event. In order to properly match income and expenditure, SOCOG deferred all income and expenditure until the 18 month period ended 31 December 2000, during which period all income relating to the event was earned and all expenditure incurred.

The specific appropriations for the Sport-specific and Sport-related expenditure programs over which the Sports Commission has control are made within the constraints of the overall SOCOG expenditure budgets. As such, responsibility for those appropriations is with SOCOG. Details of the Sports Commission appropriations from SOCOG and the expenditures under the control of the Sports Commission are set out below:

	18 Month Period Ended 31 Dec 2000 S'000	Year Ended 30 June 1999 S'000
SOCOG Sports Commission		
Income		
Appropriation from SOCOG for :		
Sport-specific programs	132,257	-
Sport-related programs	505,398	-
Total Income	637,655	-
Expenditure		
Sport-specific Expenditure:		
- Sport	(80,645)	-
- Olympic Family	(51,613)	-
Sport-related Expenditure:		
- Volunteers and Uniforms	(8,301)	-
- Venues	(140,945)	-
- Villages	(181,414)	-
- Accommodation, Olympic Family and Medical	(34,430)	-
- Transport and Accreditation	(52,760)	-
- Technology	(87,547)	-
Total Expenditure	(637,655)	-
Net Surplus/(Deficit)	-	-

5. Total Operating Expenditure

	18 Month Period Ended 31 Dec 2000 S'000	Year Ended 30 June 1999 S'000
Operating Expenditure includes:		
Personnel Costs	(377,244)	-
Operating Expenditure	(1,950,472)	-
Consultants	(5,506)	-
Superannuation	(17,096)	-
Doubtful Debts - account receivable	(1,498)	-
Depreciation and amortisation	(43,544)	-
Auditors Remuneration	(667)	-
Provision for Employee Entitlements	(1,590)	-
Operating Lease Expenses	(9,589)	-
Directors Fees	(4,615)	-
Borrowing Costs	(3,135)	-
Unrealised Foreign Exchange Gains/(Losses)	(637)	-
Relocation Expense	(2,056)	-
Profit/(Loss) on Disposal of Assets	(1,274)	-
Total Operating Expenditure	(2,418,923)	-
	As at 31 Dec 2000 S'000	As at 30 June 1999 S'000

6. CASH AND SHORT TERM DEPOSITS

Cash at Bank and on Hand	33,632	12,067
Short Term Deposits	18,002	20,127
Cash at Bank - Public Ticket Offer (Note 18)	-	1,377
Short Term Deposits - Public Ticket Offer (Note 18)	-	1,175
	51,634	34,746

7. RECEIVABLES

Current		
Advances	833	51
Account receivables	110,991	7,318
Amounts due and receivable from Non Domestic Ticketing Customers	-	114,401
Amounts due and receivable from licensees	9,147	1,111
Sundry Receivables	-	333
Deposit with IOC (Note 20(a)(i))	7,132	-
Sydney Paralympic Organising Committee Ltd	12,652	-
GST	3,069	-
	143,824	123,214
Provision for doubtful debts - accounts receivable	(1,172)	(864)
	142,652	122,350

	As at 31 Dec 2000 S'000	As at 30 June 1999 S'000
7. RECEIVABLES (Continued)		
Non-Current		
Deposit with IOC (Note 20(a)(i))	-	1,500
Sydney Paralympic Organising Committee Ltd	-	7,794
Sundry receivables	-	20
	-	9,314
Movement in provision for doubtful debts		
- balance at beginning of year	(864)	-
- bad debts previously provided for written off during the year	-	-
- bad and doubtful debts provided for during the year(308)	(864)	-
	(1,172)	(864)
8. OTHER ASSETS		
Current		
Other Deposits	18	17,038
Interest Receivable	1,293	109
Superannuation		
- Public Sector defined benefits scheme (Note 16)	133	-
	1,444	17,147
Non-Current		
Superannuation		
- Public Sector defined benefits scheme (Note 16)	-	170
Interest Receivable	-	749
	-	919
9. INVENTORIES		
Current		
Stadium Gold packages	-	46,689
Staff Store inventories	-	196
	-	46,885

Stadium Gold packages are valued at the lower of cost or net realisable value

	As at 31 Dec 2000 S'000	As at 30 June 1999 S'000
10. INVESTMENTS		
Current		
Bills of Exchange and Promissory Notes	146	9,902
Bills of Exchange and Promissory Notes - Public Ticket Offer (Note 18)	-	37,329
	146	47,231
	146	47,231
 11. PLANT AND EQUIPMENT		
Furniture and Fittings		
At cost	-	155
Provision for depreciation	-	(107)
	-	48
	-	48
Office Equipment		
At cost	-	690
Provision for depreciation	-	(261)
	-	429
	-	429
Leasehold Improvements		
At cost	-	21,578
Provision for amortisation	-	(10,765)
	-	10,813
	-	10,813
Computer Equipment		
At cost	-	5,344
Provision for depreciation	-	(3,265)
	-	2,079
	-	2,079
Total Plant and Equipment		
At cost	-	27,767
Provision for depreciation and amortisation	-	(14,398)
	-	13,369
Total written down amount	-	13,369

12. NET DEFERRED INCOME AND EXPENDITURE

As described in note 3(b)(i) all income received and expenditure incurred by SOCOG relate to the organisation of the Sydney 2000 Olympics therefore have been deferred until the 18 month period ended 31 December 2000, being the financial period in which the event took place.

	18 Month Period Ended 31 Dec 2000 S'000	As at 30 June 1999 S'000
DEFERRED INCOME		
Sponsorship - Cash	-	209,866
Sponsorship - VIK	-	104,402
IOC Royalty (Note 20(a)(i))	-	(10,995)
Net Deferred Sponsorship Income	-	303,273
<hr/>		
Ticketing	-	273,370
IOC Royalty (Note 20(a)(i))	-	(14,278)
Net Deferred Ticketing Income	-	259,092
<hr/>		
Television Rights	-	389,636
Consumer Products	-	20,246
Interest Income	-	15,348
Government - Grants (Note 19)	-	619
Other Income	-	2,249
Unrealised Foreign Exchange Gains	-	15,799
Realised Foreign Exchange Gains	-	1,474
Total Deferred Operating Income	-	1,007,736

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the 18 month period ended 31 December 2000

	18 Month Period Ended 31 Dec 2000 S'000	As at 30 June 1999 S'000
DEFERRED EXPENDITURE		
Deferred Operating Expenditure		
Accommodation, Olympic Family and Medical Ceremonies	-	(14,137)
Consumer Products and Creative Services	-	(6,063)
Executive Office and Legal	-	(12,641)
Finance, Risk and Project Management	-	(28,218)
Human Resources, Community and Corporate Relations	-	(55,505)
Logistics	-	(23,953)
Media - Press and Broadcasting	-	(2,828)
Sponsorship and General Marketing	-	(38,389)
Sport	-	(77,933)
Technology, Premises and Administration	-	(16,015)
Ticketing	-	(197,614)
Torch Relay, Special Events and Olympic Arts Festivals	-	(20,852)
Transport and Accreditation	-	(15,469)
Games Services and Security	-	(6,365)
Venues and Environment	-	(2,079)
Villages	-	(62,231)
Venue Staffing, Volunteers and Uniforms	-	(9,652)
Olympic Football	-	(10,740)
	-	(1,112)
Total Deferred Operating Expenditure (Note12(a))	-	(601,796)
Legacy Contributions		
Sydney Paralympics Organising Committee Contributions	-	(11,979)
NSW Government Construction and Rental Contributions	-	(225,300)
Athlete Legacy paid to AOF	-	-
Total Legacy Contributions	-	(237,279)
Total Deferred Expenditure	-	(839,075)
Net Deferred Income/(Expenditure)	-	168,661

12(a) Total Deferred Operating Expenditure

	18 Month Period Ended 31 Dec 2000 S'000	As at 30 June 1999 S'000
Deferred Operating Expenditure includes:		
Personnel Costs	-	(151,944)
Operating Expenditure	-	(361,719)
Consultants	-	(4,945)
Superannuation	-	(8,217)
Doubtful Debts - account receivable	-	(864)
Depreciation and amortisation	-	(15,436)
Auditors Remuneration	-	(574)
Provision for Employee Entitlements	-	(11,120)
Operating Lease Expenses	-	(37,715)
Directors Fees	-	(3,430)
Borrowing Costs	-	(2,888)
Unrealised Foreign Exchange Losses	-	(287)
Relocation Expense	-	(1,383)
Profit/(Loss) on Disposal of Assets	-	(1,274)
	<hr/>	<hr/>
Total Deferred Operating Expenditure	-	(601,796)
	<hr/> <hr/>	<hr/> <hr/>

12(b) Appropriation to the SOCOG Sports Commission

The specific appropriations for the Sport-specific and Sport-related expenditure programs over which the Sports Commission has control are made within the constraints of the overall SOCOG expenditure budgets. As such, responsibility for those appropriations is with SOCOG. Details of the Sports Commission appropriations from SOCOG and the expenditures under the control of the Sports Commission are set out below:

	18 Month Period Ended 31 Dec 2000 \$'000	As at 30 June 1999 \$'000
SOCOG Sports Commission		
Deferred Income		
Appropriation from SOCOG for :		
Sport-specific programs	-	24,079
Sport-related programs	-	49,366
	<hr/>	<hr/>
Total Deferred Income	-	73,445
Deferred Expenditure		
Sport-specific Expenditure:		
- Sport	-	(18,250)
- Olympic Family	-	(5,829)
Sport-related Expenditure:		
- Volunteers and Uniforms	-	(206)
- Venues	-	(390)
- Villages	-	(9,230)
- Accommodation, Olympic Family and Medical	-	(2,705)
- Transport and Accreditation	-	(2,539)
- Technology	-	(34,296)
	<hr/>	<hr/>
Total Deferred Expenditure	-	(73,445)
	<hr/>	<hr/>
Net Deferred Income/(Expenditure)	-	-
	<hr/>	<hr/>

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the 18 month period ended 31 December 2000

	As at 31 Dec 2000 S'000	As at 30 June 1999 S'000
13. ACCOUNTS PAYABLE		
Current		
Creditors and accruals	177,545	41,849
Auditors Remuneration (Note 14)	246	180
Unearned Income - Royalties	-	710
Unearned Income - Local Sponsorships	-	4,043
Unearned Income - Sponsor Hospitality	-	4,960
Rate Card Refunds	5,494	-
Ticketing Refund	1,491	-
Sydney Paralympic Organising Committee Ltd	8,120	-
	192,896	51,742
Non-Current		
Creditors - Accommodation deposits	-	5,754
Accruals	-	13,185
	-	18,939
14. AUDITORS REMUNERATION		
The amount paid or payable to the Auditor-General of NSW for auditing the financial statements for the 18 month period ended 31 December 2000 is \$667,000 (1999: \$260,000).		
15. PROVISION FOR EMPLOYEE ENTITLEMENTS		
Current		
Annual Leave	418	2,439
Long Service Leave	192	-
Post Games Transition Plan	1,829	-
	2,439	2,439
Non-Current		
Long Service Leave	-	972
Post Games Transition Plan	-	7,709
	-	8,681

	As at 31 Dec 2000 S'000	As at 30 June 1999 S'000
16. PROVISION FOR SUPERANNUATION		
Current		
Public Sector/Non-Public Sector accumulation schemes - unpaid contributions	(19)	507
Public Sector defined benefit schemes - liability (Note 16)	560	-
	541	507
	541	507
Non-Current		
Public Sector defined benefit schemes - liability (Note 16)	-	1,111
	-	1,111

Defined Benefit Schemes

SOCOG makes contributions to the following defined benefit State Superannuation schemes: State Superannuation Scheme, State Authorities Superannuation Scheme and State Authorities Non-Contributory Superannuation Scheme. These contributions are reflected in the Income and Expenditure Statement.

The 31 December 2000 assessment of gross superannuation liabilities, for the defined benefit schemes administered by the Superannuation Administration Authority, is based on the full requirements of AAS25 'Financial Reporting by Superannuation Plans.'

The economic assumptions adopted are as follows:

	2000/2001	2001/2002	2002/2003	2003/2004
	%	%	%	%
Rate of interest return	7.0	7.0	7.0	7.0
Rate of salary increase	3.0	3.0	6.5	4.0
Rate of increase in CPI	2.5	2.5	2.5	2.5

Different values for the key economic assumptions and any other assumptions that the actuary considered to be of critical importance may have a material effect on the quantification of the gross superannuation liabilities. It is impracticable to quantify the effect of all different values.

16. PROVISION FOR SUPERANNUATION (continued)

Movements in superannuation provisions for the 18 month financial period are as follows:

99	SSS (i)	SANCS (ii)	SASS (iii)	Total 31 Dec 2000	Total 30 June
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross superannuation liability at period end	3,224	315	264	3,803	3,504
Balance of Employer Reserve Account at the beginning of the period	1,941	386	236	2,563	1,926
Add Net amount provided	540	(4)	79	615	493
Net amount transferred from previous employers	188	3	35	226	144
Less Payments made	5	23	0	28	0
Balance at period end	2,664	362	350	3,376	2,563
Superannuation liability/(prepayment)	560	(47)	(86)	427	941

- (i) SSS State Superannuation Scheme
- (ii) SANCS State Authorities Non-Contributory Superannuation Scheme
- (iii) SASS State Authorities Superannuation Scheme and First State Superannuation

Payments are made to the State Superannuation Investment and Management Corporation to discharge the superannuation liability. These payments are held in an Investment Reserve Account.

Accumulation/Defined Contribution Schemes

SOCOG also provided employer contributions of \$8,251,840 (1999: \$3,784,204) in respect of the superannuation guarantee charge to First State Superannuation Scheme and AMP CustomSuper Plan, accumulation schemes. These contributions are reflected in Income/Expenditure.

SOCOG also provided employer contributions of \$214,472 (1999: \$145,824) in respect of the superannuation guarantee charge to non-public sector superannuation schemes. These contributions are reflected in Income/Expenditure.

	As at 31 Dec 2000 \$'000	As at 30 June 1999 \$'000
17. OTHER - TICKETING DEPOSITS FROM PUBLIC OFFER		
Current		
Public Ticket Offer (Note 18)	-	39,881
		<u>39,881</u>

This amount reflects total Ticketing monies received from the general public of Australia as at 30 June 1999. The refund for over subscription by the general public was issued after the completion of Ticket allocations.

18. PUBLIC TICKET OFFER

The aggregate Public Ticket Offer Assets is comprised of:

Cash at bank - Public Ticket Offer (Note 6)	-	1,377
Short term Deposits - Public Ticket Offer (Note 6)	-	1,175
Bills of Exchange & Promissory Notes - Public Ticket Offer (Note 10)	-	37,329
	-	<u>39,881</u>

The aggregate Public Ticket Offer Liability is comprised of:

Other - Ticketing Deposits from Public Offer (Note 17)	-	39,881
		<u>39,881</u>

19. GRANTS

- (a) As at 31 December 2000 grants of \$0.7m have been received from State, Federal and International Government departments and cultural agencies for the Olympic Arts Festivals.
- (b) The Federal Government has provided a grant of \$30.79 million to assist SOCOG to satisfy its' requirements for a range of Commonwealth and other services, facilities and equipment to assist with the staging of the Games. As at 31 December 2000 \$24.88 million of this grant had been received.
- (c) A Federal Government grant from the Department of Foreign Affairs and Trade (DFAT) to the net value of \$3.1 million has been provided. This grant was pursuant to the Financial Assistance Agreement between SOCOG and DFAT for the delivery of the Sydney 2000 Olympic Torch Relay – Oceania Leg Torch Relay.
- (d) The Federal Government provided \$44 million to meet the GST Liability on non-premium Games ticket sales.

20. CONTRACTUAL AND OTHER ARRANGEMENTS

- (a) SOCOG has a relationship with the following parties by virtue of, in some cases, contractual arrangements with those parties:

i) International Olympic Committee (IOC), Australian Olympic Committee (AOC) and the City of Sydney

A Host City Contract was entered into between the IOC, AOC and the City of Sydney at the time of awarding the Year 2000 Olympic Games to Sydney on 23 September 1993. SOCOG became a party to that contract which confers and imposes various rights and obligations on SOCOG for the organisation and staging of the Games.

As a requirement of the Host City Contract, SOCOG has a refundable deposit of \$7.1 million (US\$5 million) with the IOC which will be refunded after the finalisation of all financial matters between the IOC and SOCOG.

Pursuant to the Host City Contract and the Marketing Programme Agreement, the IOC is entitled to a royalty of 5% of the value of the consideration of all contracts pertaining to the Sydney Olympic Marketing programme and is payable by SOCOG on both cash receivable, and VIK sponsorship agreements.

ii) NSW Government

The NSW Government has provided an underwriting agreement which ensures that the operations of SOCOG are underwritten by the NSW Government to the extent of any shortfall of income over expenditure.

On 21 June 2000, NSW Parliament passed a funding appropriation to SOCOG of \$140 million as a contingency to assist with the projected shortfall of income and expenditure.

As at 31 December 2000 \$57.7 million of this funding has been used. Between 31 December 2000 and the time of SOCOG's dissolution, upon approval SOCOG may continue to utilise this funding for operations with the remaining unused balance at dissolution to be returned to the NSW Government

While SOCOG has been entitled to the interest earned on these unused contingency funds, the funds are not controlled by SOCOG as all drawdowns require the approval from the Minister for the Olympics and the NSW Treasurer. Accordingly the unused funds are not recorded in SOCOG's financial statements at 31 December 2000.

20. CONTRACTUAL AND OTHER ARRANGEMENTS (continued)

	As at 31 Dec 2000 S'000	As at 30 June 1999 S'000
(a) Operating lease expenditure contracted for, at balance date, and not provided for, is payable as follows:		
Not later than one year	-	78,140
Later than one year but not later than two years	-	105,396
	-	<u>183,536</u>
(b) Estimated other commitments contracted for, at balance date, and not provided for, are payable as follows:		
Not later than one year ¹	-	212,317
Later than one year but not later than two years ¹	-	354,046
	-	<u>566,363</u>
(c) Estimated contractual recovery		
Not later than one year ¹	9,000	-
Later than two years but not later than five years	-	15,000
	<u>9,000</u>	<u>15,000</u>

Notes:

¹ Other commitments contracted for are limited to cash commitments and excludes VIK

21. CONTINGENT LIABILITIES

SOCOG is currently involved in litigation with a number of parties. SOCOG has obtained legal advice to determine the likely exposure. Based on this advice SOCOG has raised a provision in the Financial Statements to recognise any potential liability.

22. RELATED PARTY DISCLOSURE

(a) Refer to the 'SOCOG Board of Directors' note in the Annual Report for the directors of SOCOG during the 18 month financial period.

(b) Transactions with director-related entities

Certain SOCOG directors by virtue of being a director or due to some other form of association, are associated with entities other than the IOC, AOC, City of Sydney and the NSW Government, with which SOCOG has entered into transactions during the financial period. These transactions have, at all times, been undertaken on the basis of normal commercial terms and conditions. During the 18 month financial period these included:

- provision of ticketing services by Ticketek NSW Pty Ltd, a company with which Mr Graham Richardson is associated, to the value of \$6,359,905 (1999 : \$1,883,543) and the amount payable at period end is nil;
- provision of studio hire and technical services by Australian Broadcasting Corporation of which Mr Donald McDonald, AO is Chairman, to the value of \$34,157 (1999 : Nil) and the amount payable at period end is nil;
- provision of orchestral services by Sydney Symphony Orchestra Holdings Pty Ltd a wholly owned subsidiary company of Australian Broadcasting Corporation of which Mr Donald McDonald, AO is Chairman, to the value of \$1,301,558 (1999 : Nil) and the amount payable at period end is nil;
- provision of orchestral services by Melbourne Symphony Orchestra Holdings Pty Ltd a wholly owned subsidiary company of Australian Broadcasting Corporation of which Mr Donald McDonald, AO is Chairman, to the value of \$280,949 (1999 : Nil) and the amount payable at period end is nil;
- provision of consulting services by BMCMedia.Com Ltd of which the Hon Nick Greiner AC is Chairman, to the value of \$659,590 (1999 : Nil) and the amount payable at period end is nil.
- purchase of licenced products from Nuance Global Traders (Australia) Pty Ltd of which the Hon Nick Greiner AC is a director, to the value of \$10,848 (1999: n/a) and the amount payable at period end is nil;
- provision of leasehold premises by Coles Myer Limited a company of which the Hon Nick Greiner AC was a director (resigned 11 February 2000) at a cost of \$1,691,335 (1999: nil) and the amount payable at the end of the period was nil;
- purchase of goods from David Jones Limited a company of which Mr John Coates AO is a director, to the value of \$26,864 (1999: nil) and the amount payable at the end the period was nil.

23. VALUE IN KIND

As at 31 December 2000 SOCOG had received products and services at the commercial value of \$360.3 million (at 30 June 1999: \$104.4 million) for which no monetary consideration is required to be paid by SOCOG.

MARKETING IN KIND

As at 31 December 2000 SOCOG had received MIK. This expenditure was discretionary to the sponsors.

24. DIRECTORS' AND EXECUTIVES' REMUNERATION

	18 month Period Ended 31 Dec 2000 \$	Year Ended 30 June 1999 \$
(a) Directors' remuneration ¹		
Total income paid or payable, or otherwise made available in respect of the 18 month period (1999 : 12 month period) to, or due and receivable, by all non executive Directors of SOCOG:	\$578,500	\$642,000
<hr/>		
Total number of non executive Directors	13	13
The number of non executive Directors of SOCOG whose total income for the 18 month period (1999 : 12 month period) falls within the following bands:		
\$0 - \$9,999	5	-
\$20,000 - \$29,999	-	2
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	-	11
\$70,000 - \$79,999	7	-

¹ Note, 1999 is a 12 month period whereas 2000 is an 18 month period, consequently the total directors' remuneration and the table showing directors' remuneration by salary bands for the two financial periods, are not directly comparable.

24. DIRECTORS' AND EXECUTIVES' REMUNERATION (Continued)

	18 month Period Ended 31 Dec 2000 \$	Year Ended 30 June 1999 \$
(b) Executives' remuneration ¹		
Remuneration (including severance payments) received or due and receivable by executives and executive directors of SOCOG whose yearly income is \$100,000 or more in connection with the management of the affairs of SOCOG in respect of the 18 month period (1999 : 12 month period)	\$8,962,268	\$6,719,623
Total number of executives	25	25
The number of executives of SOCOG whose total income in the 18 month period (1999 : 12 month period) falls within the following bands:		
\$110,000-\$119,999	-	1
\$150,000-\$159,999	-	2
\$170,000-\$179,999	2	1
\$180,000-\$189,999	2	1
\$200,000-\$209,999	-	1
\$210,000-\$219,999	1	2
\$220,000-\$229,999	-	3
\$230,000-\$239,999	1	1
\$240,000-\$249,999	-	1
\$250,000-\$259,999	1	1
\$260,000-\$269,999	-	2
\$280,000-\$289,999	1	1
\$310,000-\$319,999	2	1
\$320,000-\$329,999	2	-
\$330,000-\$339,999	-	1
\$340,000-\$349,999	-	1
\$350,000-\$359,999	1	-
\$370,000-\$379,999	1	1
\$380,000-\$389,999	2	-
\$400,000-\$409,999	2	-
\$410,000-\$419,999	-	1
\$420,000-\$429,999	1	-
\$430,000-\$439,999	-	1
\$440,000-\$499,999	1	-
\$450,000-\$459,999	-	2
\$460,000-\$469,999	1	-
\$480,000-\$489,999	1	-
\$490,000-\$499,999	1	-
\$550,000-\$559,999	1	-
\$800,000-\$809,999	1	-

An executive is defined as a person who holds the position of Chief Executive Officer, Chief Operating Officer, Deputy CEO, Deputy Chief Operating Officer, Group General Manager or General Manager.

¹ If an executive is appointed during the course of the financial year, the remuneration for the executive is the amount paid in that financial year as opposed to the person's annual remuneration. Remuneration defined in this manner is reflected above in total executives remuneration and the respective income bands. Note, 1999 is a 12 month period whereas 2000 is a 18 month period, consequently the total executives' remuneration and the table showing executive incomes by salary bands for the two financial periods, are not directly comparable.

25. NOTES TO THE STATEMENT OF CASH FLOWS

	18 month Period Ended 31 Dec 2000 \$'000	Year Ended 30 June 1999 \$'000
(a) Reconciliation of Cash		
Cash Balance comprises :		
- cash on hand and short term deposits	51,634	34,746
	<u>51,634</u>	<u>34,746</u>
 (b) Reconciliation of Net Cash Flows from Operating Activities to Excess of Income over Expenditure for the 18 month period		
Excess of total expenditure over operating income	(57,742)	181,497
Payment from NSW Government Underwriter	57,742	-
Net (profit) / loss on disposal of property, plant and equipment	-	102
Depreciation / Amortisation of non-current assets	28,108	8,803
Unrealised Foreign Exchange (Gains)	-	(2,059)
Decrease / (increase) in Receivables	(10,988)	(112,679)
Decrease / (increase) in Other Assets and Inventories	63,507	(767)
Decrease Net Deferred Income	(168,661)	-
Increase in Creditors and Accruals	122,214	25,303
(Decrease)/increase in Provisions	(49,636)	45,648
Effects of exchange rate change on opening cash balance	-	129
	<u>(15,456)</u>	<u>145,977</u>
Net Cash Flows from / (used in) Operating Activities	(15,456)	145,977

26. FINANCIAL INSTRUMENTS

(a) Interest rate risk and Net Fair Values

SOCOG's exposure to:

(i) interest rate risks and the effective interest rates; and

(ii) aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate		Fixed interest rate maturing in:						Non-interest Bearing		Total carrying amount as per the balance		Aggregate net fair value		Weighted average effective interest		
			1 year or less		Over 1 to 5 years		More than 5 years										
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	
(i) Financial assets																	
Cash	33,632	13,444	-	-	-	-	-	-	-	-	33,632	13,444	33,632	13,444	3.55%	3.9%	
Short Term deposits	18,002	10,588	-	10,714	-	-	-	-	-	-	18,002	21,302	18,002	21,302	4.5%	4.91%	
Receivables	-	-	-	-	-	-	-	-	-	135,520	130,119	135,520	130,119	135,520	130,119	N/A	N/A
Receivables - IOC	-	-	7,132	-	-	1,545	-	-	-	-	7,132	1,545	7,132	1,545	5.00%	5.00%	
Investments	-	-	146	47,231	-	-	-	-	-	-	146	47,231	146	47,231	4.5%	4.93%	
Other Deposits and accrued interest	18	17,038	-	-	-	-	-	-	1,426	1,028	1,444	18,066	1,444	18,066	4.1%	4.22%	
Total financial assets	51,652	41,070	7,278	57,945	-	1,545	-	-	136,946	131,147	195,876	231,707	195,876	231,707			
(ii) Financial liabilities																	
Accounts payable	-	5,754	-	-	-	-	-	-	192,896	64,927	192,896	70,681	192,896	70,681	N/A	3.84%	
Currency rate swaps	-	-	-	-	-	-	-	-	-	-	*	*	65	(95)	#	#	
Forward exchange contracts	-	-	-	-	-	-	-	-	-	-	*	*	-	66,491	#	#	
Option agreements	-	-	-	-	-	-	-	-	-	-	-	-	7	823			
Total financial liabilities	-	5,754	-	-	-	-	-	-	192,896	64,927	192,896	70,681	192,968	137,900			

N/A not applicable for non-interest bearing financial instruments

* not applicable since financial instruments are not recognised in the financial statements

the disclosure of effective interest rates is not applicable to financial instruments.

26. FINANCIAL INSTRUMENTS (continued)

(a) Net Fair Values (Continued)

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Recognised financial instruments

Cash and short-term investments: The carrying amount approximates fair value because of their short-term to maturity.

Account receivables and payables: The carrying amount approximates fair value.

Investments: For investments where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows or the underlying net asset base of the investment/security.

Other deposits and accrued interest: The carrying amount approximates fair value.

Unrecognised financial instruments

Forward exchange contracts: The fair values of forward exchange contracts are determined as the difference in present value of the future cash flows.

Currency swap agreements: The fair values of currency swap contracts are determined as the difference in present value of the future cash flows.

Options agreements: The fair values of option agreements are determined as the difference in present value of the future cash flows.

(b) Credit risk exposures

Credit exposure represents the extent of credit related losses that SOCOG may be subject to on amounts to be exchanged under the financial instruments or to be received from financial assets. The notional amounts of derivatives are not a measure of this exposure.

SOCOG's exposure to on balance sheet credit risk are as indicated by the carrying amounts of its financial assets.

SOCOG, while exposed to credit related losses in the event of non-performance by counterparties to financial instruments, does not expect any counterparties to fail to meet their obligations given their high credit ratings. SOCOG's maximum credit risk exposure in relation to these is as per above in 26(a).

Forward exchange contracts - SOCOG is not exposed to any credit risk on forward exchange contracts entered into with NSW Treasury. Under these agreements any exchange exposure related to changes in the timing of receipt or shortfall of US dollar revenues will be to the account of the NSW Government.

26. FINANCIAL INSTRUMENTS (continued)

Concentration of credit risk

SOCOG minimises concentration of credit risk by undertaking transactions with a large number of debtors in various countries and industries.

Concentration of credit risk on financial assets are indicated in the following table by percentage of the total balance receivable from customers in the specified categories:

	As at 31 Dec 2000 %	As at 30 June 1999 %
Customer/Industry Classification		
Olympic Family	24.9	29.4
Communications	8.3	7.2
Construction industry	-	8.5
Manufacturing industry	23.3	16.6
Financial services industry	33.1	5.2
Retail & other industries	6.6	33.0
Government bodies	3.8	0.1

The credit risk amounts do not take into account the value of any collateral or security. Receivables due from major counterparties are not normally secured by collateral, however the credit worthiness of counterparties is regularly monitored. The amounts of credit risk shown, therefore, do not reflect expected losses.

26. FINANCIAL INSTRUMENTS (continued)

(c) Hedging instruments

The following table summarises by currency foreign currency swaps, forward exchange contracts and currency options. The 'buy' amounts represents the commitments to purchase foreign currencies, and the 'sell' amount represents the commitments to sell foreign currencies. SOCOG has entered into exchange related financial instruments to hedge the currency exposure generated by income and expenses denominated in foreign currencies.

	Average Exchange Rate		As at		As at	
			31 Dec 2000		30 June 1999	
			Buy	Sell	Buy	Sell
	2000	1999	\$000's	\$000's	\$000's	\$000's
Currency Swaps ¹						
			USD	USD	USD	USD
3 Months or less	0.5493	0.6596	14,800	16,300	151,295	-
Over 3 to 12 months	-	0.6538	-	-	2,393	-
Total			14,800	16,300	153,688	-
Forward Exchange Contracts ²						
			USD	USD	USD	USD
3 Months or less	-	0.6778	-	-	5,415	(18,500)
Over 3 to 12 months	-	0.7091	-	-	1,754	(373,000)
Over 12 to 24 months	-	0.7041	-	-	-	(330,000)
			-	-	7,169	(721,500)
			EUR	EUR	EUR	EUR
3 Months or less	-	0.5991	-	-	462	(462)
			-	-	462	(462)
Options						
			EUR	EUR	EUR	EUR
3 Months or less	0.5336	0.6112	299	-	3,265	-
Over 3 to 12 months	-	0.5908	-	-	11,484	-
Over 12 to 24 months	-	0.5859	-	-	4,957	-
			299	-	19,706	-
			GBP	GBP	GBP	GBP
3 Months or less	0.4	0.4	207	-	1,032	-
Over 3 to 12 months	-	0.4	-	-	2,482	-
Over 12 to 24 months	-	0.4	-	-	414	-
			207	-	3,928	-

¹ Currency Swap agreements are entered into in order to assist with SOCOG's liquidity management. The currency swap agreements expire in January 2001.

² Any discount on forward exchange contracts is deferred and included in the initial measurement of anticipated revenue being hedged.

27. SUBSEQUENT EVENTS

No other matter or circumstance has arisen since the end of the 18 month financial period which significantly affects, or may significantly affect, the operations of SOCOG, the results of those operations, or the state of affairs of SOCOG in subsequent financial periods, not otherwise disclosed elsewhere in the financial statements.

END OF AUDITED FINANCIAL REPORT

S O C O G S P O R T S C O M M I S S I O N

SPORTS COMMISSION Financial Statements for the period 1 July 1999 to 31 December 2000

The financial report which follow consist of:

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GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

Sports Commission for the Sydney Organising Committee for the Olympic Games

To Members of the New South Wales Parliament

Scope

I have audited the accounts of the Sports Commission for the Sydney Organising Committee for the Olympic Games for the eighteen-month period ended 31 December 2000. The Director-General of the Olympic Coordination Authority is responsible for the financial report consisting of the accompanying income and expenditure statement and balance sheet, together with the notes thereto, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament based on my audit as required by the *Public Finance and Audit Act 1983* (the Act).

My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the Act, Accounting Standards and other mandatory professional reporting requirements, in Australia, so as to present a view which is consistent with my understanding of the Sports Commission for the Sydney Organising Committee for the Olympic Games' financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of the Sports Commission for the Sydney Organising Committee for the Olympic Games complies with section 41B of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Sports Commission for the Sydney Organising Committee for the Olympic Games as at 31 December 2000 and the results of its operations and its cash flows for the eighteen-month period then ended.

A handwritten signature in black ink, appearing to read 'R J Sendt'.

R J Sendt

SYDNEY
27 February 2002

DIRECTOR-GENERAL DECLARATION


SOCOG SPORTS COMMISSION

For the 18 month period ended 31 December 2000

Pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983, I declare that in my opinion:

1. The accompanying financial statements and notes of SOCOG Sport Commission exhibit a true and fair view of the financial position as at 31 December 2000 and the transactions for the 18 month period then ended.
2. The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and the Public Finance and Audit (General) Regulation 1995.

Further, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



ROBERT L ADBY
DIRECTOR-GENERAL OF THE OLYMPIC COORDINATION AUTHORITY

Sydney,
25 February, 2002

SOCOG SPORTS COMMISSION
INCOME AND EXPENDITURE STATEMENT For the 18 month period ended 31 December 2000

	18 Month Period Ended 31 Dec 2000 S'000	Year Ended 30 June 1999 S'000
SOCOG Sports Commission		
Income		
Appropriation from SOCOG for : Sport-specific programs	132,257	-
Sport-related programs	505,398	-
Total Income	637,655	-
Expenditure		
Sport-specific Expenditure:		
- Sport	(80,645)	-
- Olympic Family	(51,613)	-
Sport-related Expenditure:		
- Volunteers and Uniforms	(8,301)	-
- Venues	(140,945)	-
- Villages	(181,414)	-
- Accommodation, Olympic Family and Medical	(34,430)	-
- Transport and Accreditation	(52,760)	-
- Technology	(87,547)	-
Total Expenditure	(637,655)	-
Net Income/(Expenditure)	-	-

SOCOG SPORTS COMMISSION
BALANCE SHEET As at 31 December 2000

	Note	As at 31 Dec 2000 S'000	As at 30 June 1999 S'000
NON-CURRENT ASSETS			
Net Deferred Expenditure	4	-	-
Total Non-Current Assets		-	-
<hr/>			
TOTAL ASSETS		-	-
<hr/>			
NET ASSETS		-	-
<hr/> <hr/>			
 REPRESENTED BY:			
Accumulated Excess of Income over Expenditure		-	-
<hr/> <hr/>			

1. SOCOG SPORTS COMMISSION

The SOCOG Board, by a resolution in June 1996, appointed the SOCOG Sports Commission as a permanent Commission of the Board. The Board delegated to the Commission those functions of SOCOG relating to Sport-specific and Sport-related as are agreed by the Board, following a recommendation from the SOCOG President and the AOC President.

The SOCOG Sport Commission is a permanent Commission whose functions may not be altered and which may not be abolished by the Board, unless the decision to do so is supported by both the SOCOG President and the AOC President.

The SOCOG Sports Commission comprises the following members:

- i) the President of the AOC as chair;
- ii) the Secretary General of the AOC;
- iii) the Senior Member of the IOC representing the IOC in Australia;
- iv) the Deputy Chief Executive Officer and Chief Operating Officer of SOCOG; and
- v) one other members nominated by the SOCOG board.

The SOCOG Sports Commission carries out its functions in accordance with the relevant allocations within the Games Budget. In respect of the following Sport-specific programs, the SOCOG Sports Commission has budgetary responsibility for (within the specific budget allocations approved by the SOCOG Board):

- Sport Operations;
- Sport Competition (including Test events and pre-Games Training);
- International Federations (IF) Relations;
- Games Scheduling;
- National Olympic Committee (NOC) Relations (including NOC Travel Schemes);
- Sports Equipment;
- Freight (canoes, rowing shells, yachts and horses);
- IOC Sport Relations including in respect of IOC Coordination Commission; and
- Association of Summer Olympic International Federation (ASOIF), General Assembly of International Sport Federations (GAISF), Association of National Olympic Committees (ANOC) and Oceania National Olympic Committees (ONOC)

In respect of the Sport-related programs, the SOCOG Sports Commission's responsibility is to ensure that the requirements of sports in these various program areas are delivered according to the commitment of SOCOG to the IOC and to provide such advice to the SOCOG Board as may be necessary. Where any of the Sports-related functions of the SOCOG Sports Commission impinge on or overlap with other functional areas of SOCOG, then the Sports Commission shall not have any responsibility in respect of those other functional areas. However, there are elements of the sports-related expenditure programs over which the Sports Commission has control or capacity to control.

Sport-related programs are:

- Human Resources (in respect of Sport Competition Volunteers);
- Marketing (in respect of Test Events, Sporting Equipment VIK and Sports Publication);
- Facilities (in respect of Field-of-Play, Training and Warm Up Facilities);
- Facilities Operations (in respect of Sporting Venues)
- Villages (in respect of Athletes and Officials);
- Medical (in respect of Athletes and Officials);

1. SOCOG SPORTS COMMISSION (Continued)

- Transport (in respect of Athletes and Officials);
- Accreditation (in respect of Athletes and Officials);
- Accommodation (in respect of Athletes and Officials for Test Events and Rotary Homestay Program);
- Security (in respect of Athletes and Officials);
- Technology (in respect of Field-of-Play, Scoring and Timing, Results and Athlete Information Systems);
- Ticketing (in respect of Competition Scheduling);
- SOBO (in respect of Field-of-Play and Athlete Media Conferences);
- Ceremonies (in respect of Athletes); and
- Olympic Family (in respect of Language Services, Customs and Immigration for Athletes and Technical Officials).

SOCOG, including the SOCOG Sport Commission is to be wound up in accordance with the SOCOG Act on or before 31 March 2002.

2. FINANCIAL PERIOD

These Financial Statements are in respect of the 18 month financial period ended 31 December 2000 in accordance with the NSW Treasurer's approval.

On 26 August 1999 SOCOG received approval from the NSW Treasurer to change reporting periods as follows:

- 1 July 1999 to 31 December 2000 - an 18 month period
- 1 January 2001 to 30 June 2001 - a 6 month period

The Board approved these changes to SOCOG's reporting periods on 22 September 1999.

On 24 July 2001 SOCOG received approval from the NSW Treasurer to change reporting periods as follows:

- 1 January 2001 to 31 December 2001 - a 12 month period, or such earlier date should dissolution of SOCOG occur prior to 31 December 2001.

3. STATEMENT OF ACCOUNTING PRINCIPLES

(a) Basis of Financial Statements

The accompanying financial statements have been drawn up as a general purpose financial report in accordance with Australian Accounting Standards, the requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2000 and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

As noted above the Sports Commission will be wound up on or before 31 March 2002. Accordingly, these Financial Statements have been prepared on a liquidation basis. The principle accounting policies, which have been stated below were adopted in preparing the Financial Statements of the Sports Commission. These policies are consistent with those of the previous years, except where the liquidation basis of accounting has been applied, and as stated to assist in the general understanding of these accounts. The statements have been prepared in accordance with the historical cost convention using accrual accounting and do not take into account changing money values.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current financial period.

3. STATEMENT OF ACCOUNTING PRINCIPLES (continued)

(b) Summary of Significant Accounting Policies and Procedures

The SOCOG Sports Commission's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date, are as follows:

i) Recognition of Income and Expenditure

The Sydney 2000 Olympic Games were treated as a project. Money received were treated as income in advance until the Games were held. Similarly, expenditure has been capitalised until the Games were held as it represented future economic benefits.

ii) Cash

All expenses incurred by the Sports Commission are paid for by SOCOG. As such there are no cash flows in the Sports Commission.

iii) Value in Kind (VIK)

Products and services received by the Sports Commission from sponsors for which no monetary consideration is payable but which are budget relieving, have been accounted for as income and expenditure in the 18 month period ended 31 December 2000. The Sport Commission's policy is to value VIK at normal commercial cost of those products and services.

4. NET DEFERRED INCOME AND EXPENDITURE

As described in note 3(b)(i) all income received and expenditure incurred by SOCOG Sports Commission relate to the organisation of the Sydney 2000 Olympics therefore were deferred until the 18 month period ended 31 December 2000, being the financial period in which the event took place.

The specific appropriations for the Sport-specific and Sport-related expenditure programs over which the Sports Commission has control are made within the constraints of the overall SOCOG expenditure budgets. As such, responsibility for those appropriations is with SOCOG. Details of the Sports Commission appropriations from SOCOG and the expenditures under the control of the Sports Commission are set out below:

	18 Month Period Ended 31 Dec 2000 \$'000	As at 30 June 1999 \$'000
SOCOG Sports Commission		
Deferred Income		
Appropriation from SOCOG for :		
Sport-specific programs	-	24,079
Sport-related programs	-	49,366
	<hr/>	<hr/>
Total Deferred Income	-	73,445
Deferred Expenditure		
Sport-specific Expenditure:		
- Sport	-	(18,250)
- Olympic Family	-	(5,829)
Sport-related Expenditure:		
- Volunteers and Uniforms	-	(206)
- Venues	-	(390)
- Villages	-	(9,230)
- Accommodation, Olympic Family and Medical	-	(2,705)
- Transport and Accreditation	-	(2,539)
- Technology	-	(34,296)
	<hr/>	<hr/>
Total Deferred Expenditure	-	(73,445)
	<hr/>	<hr/>
Net Deferred Income/(Expenditure)	-	-
	<hr/> <hr/>	<hr/> <hr/>

5. AUDITORS REMUNERATION

The auditors remuneration has been paid by SOCOG for the Sports Commission.

6. RELATED PARTY DISCLOSURE

(a) Refer to the 'SOCOG Board Commission, Committees, Working Groups and Sub-Committees' note in the Annual Report for the members of the SOCOG Sports Commission during the financial year.

(b) The following related party transactions occurred during the 18 month period:

- provision of ticketing services by Ticketek NSW Pty Ltd, a company with which Mr Graham Richardson is associated, to the value of \$6,359,905 (1999 : \$1,883,543) and the amount payable at period end is nil;
- purchase of goods from David Jones Limited a company of which Mr John Coates AO is a director to the value of \$26,864 (1999: nil) and the amount payable at the end the period was nil

7. VALUE IN KIND

As at 31 December 2000 the SOCOG Sports Commission had received products and services at a commercial value for which no monetary consideration is required to be paid by the Sports Commission. Products and services provided included use of telecommunication equipment and services, IT equipment and IT personnel, consulting services, banking services, airfares and office equipment.

8. MEMBERS' REMUNERATION

	18 Month Period Ended 31 Dec 2000 \$'000	As at 30 June 1999 \$'000
Members' remuneration		
Total income paid or payable by the Sports Commission or a related entity, or otherwise made available in respect of the 18 month financial period to, or due and receivable, by all members (exclusive of executive directors) of the Sports Commission:	\$150,000	\$267,500

The number of Members (exclusive of executive directors) of the Sports Commission total income falls within the following bands:

\$0 - \$9,999	2	1
\$50,000 - \$59,999	-	5
\$70,000- \$79,999	2	-

The above members' remuneration was paid by SOCOG in respect of services to SOCOG and its controlled entity and Board Commissions.

9. SUBSEQUENT EVENTS

No other matter or circumstance has arisen since the end of the 18 month financial period which significantly affects, or may significantly affect, the operations of the SOCOG Sports Commission, the results of whose operations or the state of affairs of the Sports Commission in subsequent financial periods, not otherwise disclosed elsewhere in the financial statements.

10. ECONOMIC DEPENDENCY

The Sports Commission received all funding from SOCOG for expenditure incurred.

END OF AUDITED FINANCIAL REPORT

S O C O G F I N A N C I A L R E P O R T

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES

FINANCIAL REPORT

for the 10 month period ended 31 October 2001

The financial report which follow consist of:

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GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

Sydney Organising Committee for the Olympic Games

To Members of the New South Wales Parliament

Scope

I have audited the accounts of the Sydney Organising Committee for the Olympic Games for the ten-month period ended 31 October 2001. The Director-General of the Olympic Coordination Authority is responsible for the financial report consisting of the accompanying statement of financial performance, statement of financial position and statement of cash flows, together with the notes thereto, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament based on my audit as required by the *Public Finance and Audit Act 1983* (the Act).

My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the Act, Accounting Standards and other mandatory professional reporting requirements, in Australia, so as to present a view which is consistent with my understanding of the Sydney Organising Committee for the Olympic Games' financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of the Sydney Organising Committee for the Olympic Games complies with section 41B of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Sydney Organising Committee for the Olympic Games as at 31 October 2001 and the results of its operations and its cash flows for the ten-month period then ended.

R J Sendt

SYDNEY
27 February 2002

DIRECTOR-GENERAL DECLARATION

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES
For the 10 month period ended 31 October 2001

Pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983, I declare that in my opinion:

1. The accompanying financial statements and notes of Sydney Organising Committee for the Olympic Games exhibit a true and fair view of the financial position as at 31 October 2001 and the transactions for the 10 month period then ended.
2. The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and the Public Finance and Audit (General) Regulation 1995.

Further, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



ROBERT L ADBY
DIRECTOR-GENERAL OF THE OLYMPIC COORDINATION AUTHORITY

Sydney,
25 February, 2002

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES
 STATEMENT OF FINANCIAL PERFORMANCE For the 10 month period ended 31 October 2001

		10 Month Period Ended 31 Oct 2001 S'000	18 Month Period Ended 31 Dec 2000 S'000
Sponsorship – Cash		-	351,031
Sponsorship – VIK		-	360,363
IOC Royalty	12(a)(i)	-	(25,271)
Net Sponsorship Income		<u>-</u>	<u>686,123</u>
Ticketing		-	598,252
Stadium Ticketing contract		-	50,000
IOC Royalty	12(a)(i)	-	(31,355)
Net Ticketing Income		<u>-</u>	<u>616,897</u>
Television Rights		-	1,132,780
Consumer Products		-	72,213
Interest Income		3,647	42,277
Government - Grants		-	78,593
Other Income		-	198,907
Realised Foreign Exchange Gains		-	1,483
		<u>3,647</u>	<u>2,829,273</u>
Operating Expenditure			
Administration		(5,749)	(156,879)
Marketing and Image			(51,542)
AOC Marketing Rights			(76,608)
Sport Division			(137,476)
Venue Operations			(139,406)
Overlay			(391,455)
Villages			(191,812)
Games Services			(142,165)
Games Workforce			(79,123)
Communications, Media and Press Operations			(25,217)
Ticketing			(112,381)
Broadcasting Operations			(224,821)
Technology			(406,488)
Ceremonies			(66,968)
Torch Relay			(18,739)
Transport and Security			(165,230)
Olympic Arts Festival			(32,613)
Total Operating Expenditure	4	<u>(5,749)</u>	<u>(2,418,923)</u>

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES
 STATEMENT OF FINANCIAL PERFORMANCE For the 10 month period ended 31 October 2001

	10 Month Period Ended 31 Oct 2001 S'000	18 Month Period Ended 31 Dec 2000 S'000
Legacy Contributions		
NSW Government New Venue Construction and Rentals	-	(255,335)
NSW Government Villages Construction and Rentals	-	(106,000)
Athlete Legacy paid to Australian Olympic Foundation	-	(88,862)
Sydney Paralympics Organising Committee Contributions	-	(17,895)
Total Legacy Contributions	-	(468,092)
	(5,749)	(2,887,015)
Profit/(loss) from ordinary activities before NSW Government underwriter funding	(2,102)	(57,742)
Amount utilised under \$140m NSW Government Underwriter's Funding Agreement	12(a)(ii) 2,102	57,742
Net Revenue Profit/(loss)	-	-

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES
 STATEMENT OF FINANCIAL POSITION As at 31 October 2001

		As at 31 Oct 2001 S'000	As at 31 Dec 2000 S'000
Current Assets			
Cash assets	5	4,051	51,634
Receivables	6	8,662	142,652
Other Financial Assets	7	-	146
Other	8	-	1,444
Total Current Assets		<u>12,713</u>	<u>195,876</u>
Total Assets		<u>12,713</u>	<u>195,876</u>
Current Liabilities			
Payables	9	12,713	192,896
Provisions	11	-	2,980
Total Current Liabilities		<u>12,713</u>	<u>195,876</u>
Total Liabilities		<u>12,713</u>	<u>195,876</u>
Net Assets		<u>-</u>	<u>-</u>
Represented By:			
Accumulated Excess of Income over Expenditure		<u>-</u>	<u>-</u>

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES
STATEMENT OF CASH FLOWS For the period ended 31 October 2001

	10 Month Period Ended 31 Oct 2001 S'000 Inflows (Outflows)	18 Month Period Ended 31 Dec 2000 S'000 Inflows (Outflows)
Cash Flows from Operating Activities		
Receipts		
Television Rights	1,029	744,258
Ticketing Income	-	453,120
Sponsorship Income	17,569	123,452
Consumer Products	299	60,657
Interest Received	3,647	26,477
Recovery of Expenditure and Other Income	104,434	154,250
NSW Government Underwriter's Funding	2,102	57,742
Government Grants	5,910	72,064
	134,990	1,692,020
Payments		
Suppliers and Staff	(182,719)	(1,486,246)
Payments to the Australian Olympic Committee	-	(24,258)
Athlete Legacy paid to the AOF	-	(88,484)
Interest paid	-	(37)
NSW Government Construction and Rental Contribution	-	(70,415)
Royalties to the International Olympic Committee	-	(38,036)
	(182,719)	(1,687,476)
Net Cash Flows from/(used in) Operating Activities	16(b) (47,729)	(15,456)
Cash Flows from Investing Activities		
Proceeds from disposal of Plant and Equipment	-	2,493
Purchase of Plant and Equipment	-	(17,234)
(Acquisition)/Sale of Bills of Exchange and Promissory Notes	146	47,085
	146	32,344
Net Cash Flows from/(used in) Investing Activities	146	32,344
Net Increase/(Decrease) in Cash Held	(47,583)	16,888
Cash at the beginning of the period	51,634	34,746
	16	51,634
Cash at the end of the period	4,051	51,634

1. SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES

Sydney Organising Committee for the Olympic Games (SOCOG) was created by an Act of the NSW Parliament, the Sydney Organising Committee for the Olympic Games Act 1993, (SOCOG Act), which was given the assent of the Governor of NSW on 12 November 1993.

The principal activity of SOCOG was to stage the Games of the XXVII Olympiad held in Sydney, Australia, in 2000.

The Financial Statements represent direct expenditure and revenue incurred by SOCOG relating to the staging of the Olympic Games. It should be noted that the NSW State Government also provided other support services in areas such as health, transport, security and infrastructure. The full costs relating to these services may not be reflected in the accounts.

SOCOG is to be wound up in accordance with the SOCOG Act on or before 31 March 2002.

2. FINANCIAL PERIOD

These Financial Statements are in respect of the 10 month financial period ended 31 October 2001 in accordance with the NSW Treasurer's approval and are the final financial statements of SOCOG.

On 24 July SOCOG received approval from the NSW Treasurer to change reporting periods as follows:
1 January to 31 December 2001 – a 12 month period, or such earlier date should dissolution of SOCOG occur prior to 31 December 2000. This date was determined to be 31 October 2001.

3. STATEMENT OF ACCOUNTING PRINCIPLES

(a) Basis of Financial Statements

The accompanying financial statements have been drawn up as a general purpose financial report in accordance with Australian Accounting Standards, the requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2000 and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

As noted above these are the final financial statements of SOCOG. Accordingly, these Financial Statements have been prepared on a liquidation basis. The principle accounting policies, which have been stated below were adopted in preparing the Financial Statements of SOCOG. These policies are consistent with those of the previous years, except where the liquidation basis of accounting has been applied, and as stated to assist in the general understanding of these accounts. Costs are based on fair values of the consideration given in exchange for assets. Assets are recorded at the amounts expected to be realised and liabilities are recorded at amounts expected to be paid to settle the liabilities.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current financial period.

These financial statements include the SOCOG Sports Commission which is an administrative unit of SOCOG. Financial information details for the SOCOG Sports Commission are not set out separately as they are not material.

3. STATEMENT OF ACCOUNTING PRINCIPLES (Continued)

(b) Summary of Significant Accounting Policies and Procedures

SOCOG's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date, are as follows:

i) Recognition of Income and Expenditure

The Sydney 2000 Olympic Games were treated as a project. Money received for sponsorship, ticketing and other receipts were treated as income in advance until the Games were held. Similarly, expenditure has been capitalised until the Games were held as it represented future economic benefits.

ii) Leased Assets

Operating lease payments are recognised as part of Profit/Loss from ordinary activities.

iii) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days. Interest is charged as an expense as it accrues.

iv) Receivables

Account receivables are carried at nominal amounts due less provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable. Credit sales are on 30 day terms.

Amounts receivable (other than trade receivables) from related parties are carried at nominal amounts due. Interest (when charged) is taken up as income on an accrual basis.

Promissory notes are measurable at the lower of cost and net realisable value.

3. STATEMENT OF ACCOUNTING PRINCIPLES (Continued)

v) Accounts Payable

Accounts Payable are normally settled on 30 days or other contractual terms.

vi) Forward exchange contracts

SOCOG enters into forward exchange contracts whereby it agrees to buy or sell specified amounts of foreign currencies at predetermined exchange rates. The objective is to match the contracts with anticipated future cash flows in foreign currencies, to protect SOCOG against the possibility of loss from exchange rate fluctuations.

As the objective of SOCOG's policy is to match forward exchange contracts with anticipated specific future cash flows these contracts are considered to be specific contracts as defined by AAS 20 "Foreign Currency Translation".

In accordance with this accounting standard, any gains or losses on foreign exchange contracts up to the date of procurement or revenue receipt have been deferred and included in the measurement of the hedged transaction. In the case of SOCOG revenues from TV rights and sponsorship, the USD revenue under these contracts is recorded in the Income and Expenditure Statement in AUD at their hedge rate. Similarly for other revenue and expenditure contracts which are specifically hedged, are recorded in the Income and Expenditure Statement in AUD translated at their hedge rate.

vii) Currency Swaps

SOCOG enters into currency swap arrangements for the purpose of managing its liquidity requirements. These arrangements are used to convert spot foreign currency rates to forward foreign currency rates.

To the extent these swaps are outstanding as at financial period end, they are marked to market at the reporting date recognising an unrealised exchange gain/loss and are deferred until the underlying transaction will be accounted for in AUD using the swap rate, rather than the spot rate at the date of the transaction.

It is SOCOG's policy not to recognise currency swaps in the financial statements. Net receipts and payments are recognised as an adjustment to unrealised/realised foreign currency gains/losses.

viii) Employee Entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services to SOCOG up to the reporting date. These benefits include annual leave, post games transition plan and long service leave. All on-costs, including workers' compensation premiums and superannuation are included in the determination of provisions.

Liabilities in respect of annual leave and other current employee entitlements are measured at their nominal amounts. Where material, all other employee entitlement liabilities are measured at the present value of the estimated future cash flows to be made in respect of services provided by employees up to the reporting date.

ix) Superannuation Contributions

Contributions to defined benefit superannuation schemes and accumulation superannuation schemes by SOCOG are recognised as part of Profit/Loss from ordinary activities in the financial period in which they are paid or become payable.

Contributions made to superannuation funds are reflected in the Statement of financial performance.

3. STATEMENT OF ACCOUNTING PRINCIPLES (Continued)

x) Value in Kind (VIK)

Products and services received by SOCOG from sponsors for which no monetary consideration is payable but which are budget relieving, have been accounted for as revenue and expenditure in the 10 month period ended 31 October 2001. SOCOG's policy is to value VIK at normal commercial cost of those products and services.

Marketing in Kind (MIK)

Marketing initiatives by sponsors to build the Olympic property/brand and ultimately to protect the business of the IOC are referred to as MIK. In addition to marketing initiatives by sponsors, some goods and services have been provided by sponsors under the terms of sponsorship arrangements. As this expenditure was discretionary to the sponsors, SOCOG would not have purchased the goods or services with cash. This type of sponsorship is not recorded as revenue or expenditure.

xi) Income Tax

Effective 1 December 1997, the terms of the SOCOG Act were amended so that SOCOG qualified for income tax exemption pursuant to Section 24AP of the Income Tax Assessment Act, 1936.

SOCOG is exempt from NSW State taxes pursuant to Section 5 of the SOCOG Act.

	10 Month Period Ended 31 Oct 2001 S'000	18 Month Period Ended 31 Dec 2000 S'000
4. TOTAL OPERATING EXPENDITURE		
Operating Expenditure includes:		
Personnel Costs	(4,807)	(377,244)
Operating Expenditure	(2,392)	(1,950,472)
Consultants	-	(5,506)
Superannuation	(231)	(17,096)
Doubtful Debts - accounts receivable	(588)	(1,498)
Depreciation and amortisation	-	(43,544)
Auditors Remuneration	(150)	(667)
Provision for Employee Entitlements	2,288	(1,590)
Operating Lease Expenses	(88)	(9,589)
Directors Fees	320	(4,615)
Borrowing Costs	-	(3,135)
Foreign Exchange Gains/(Losses)	4	(637)
Relocation Expense	(105)	(2,056)
Profit/(Loss) on Disposal of Assets	-	(1,274)
Total Operating Expenditure	(5,749)	(2,418,923)
5. CASH ASSETS		
Cash at Bank and on Hand	4,051	33,632
Short Term Deposits	-	18,002
	4,051	51,634
6. RECEIVABLES (CURRENT)		
Advances	-	833
Account receivables	9,894	110,991
Amounts due and receivable from licensees	-	9,147
Deposit with IOC	-	7,132
Sydney Paralympic Organising Committee Ltd	-	12,652
GST	103	3,069
	9,997	143,824
Provision for doubtful debts - accounts receivable	(1,335)	(1,172)
	8,662	142,652

12(a)(i)

	As at 31 Oct 2001 S'000	As at 31 Dec 2000 S'000
6. RECEIVABLES (CURRENT) (Continued)		
(a) Movement in provision for doubtful debts		
- balance at beginning of year	(1,172)	(864)
- bad debts previously provided for written off during the period	-	-
- bad and doubtful debts provided for during the period	(163)	(308)
- balance at end of year	<u>(1,335)</u>	<u>(1,172)</u>
(b) Australian dollar equivalents of amounts receivable in foreign currencies not effectively hedged		
- United States dollars	961	-
7. OTHER FINANCIAL ASSETS (CURRENT)		
Bills of Exchange and Promissory Notes	-	146
	<u>-</u>	<u>146</u>
8. OTHER (CURRENT)		
Other Deposits	-	18
Interest Receivable	-	1,293
Superannuation:		
- Public Sector defined benefits scheme	11	133
	<u>-</u>	<u>1,444</u>
9. PAYABLES (CURRENT)		
Creditors and accruals	12,563	177,545
Auditors Remuneration	10	150
Rate Card Refunds	-	5,494
Ticketing Refund	-	1,491
Sydney Paralympic Organising Committee Ltd	-	8,120
	<u>12,713</u>	<u>192,896</u>

10. AUDITORS REMUNERATION

The amount paid or payable to the Auditor-General of NSW for auditing the financial statements for the 10 month period ended 31 October 2001 is \$150,000 (for the 18 month period to 31 December 2000 \$667,000).

As at 31 Oct 2001 \$'000	As at 31 Dec 2000 \$'000
--------------------------------	--------------------------------

11. PROVISIONS (CURRENT)

Annual Leave	-	418
Long Service Leave	-	192
Post Games Transition Plan	-	1,829
Public Sector/Non-Public Sector accumulation schemes - unpaid contributions	-	(19)
Public Sector defined benefit schemes - liability	-	560
	-	<u>2,980</u>

Superannuation

As at 31 October 2001, SOCOG had no employees. As a result there were no superannuation liabilities/(prepayments) at period end.

Accumulation/Defined Contribution Schemes

During the period SOCOG provided employer contributions of \$79,455 (2000: \$8,251,840) in respect of the superannuation guarantee charge to First State Superannuation Scheme and AMP CustomSuper Plan, accumulation schemes. These contributions are reflected in Income/Expenditure.

SOCOG also provided employer contributions of \$5,227 (2000: \$214,472) in respect of the superannuation guarantee charge to non-public sector superannuation schemes. These contributions are reflected in Income/Expenditure.

12. CONTRACTUAL AND OTHER ARRANGEMENTS

(a) SOCOG has a relationship with the following parties by virtue of, in some cases, contractual arrangements with those parties:

i) International Olympic Committee (IOC), Australian Olympic Committee (AOC) and the City of Sydney

A Host City Contract was entered into between the IOC, AOC and the City of Sydney at the time of awarding the Year 2000 Olympic Games to Sydney on 23 September 1993. SOCOG became a party to that contract which confers and imposes various rights and obligations on SOCOG for the organisation and staging of the Games.

As a requirement of the Host City Contract, SOCOG had a refundable deposit of \$7.1 million (US\$5 million) with the IOC which was refunded during the period.

Pursuant to the Host City Contract and the Marketing Programme Agreement, the IOC is entitled to a royalty of 5% of the value of the consideration of all contracts pertaining to the Sydney Olympic Marketing programme and is payable by SOCOG on both cash receivable, and VIK sponsorship agreements.

ii) NSW Government

The NSW Government has provided an underwriting agreement which ensures that the operations of SOCOG are underwritten by the NSW Government to the extent of any shortfall of income over expenditure.

On 21 June 2000, NSW Parliament passed a funding appropriation to SOCOG of \$140 million as a contingency to assist with the projected shortfall of income and expenditure.

As at 31 October 2001 \$59.8 million of this funding has been used. The unused balance of \$80.2 million at dissolution was returned to the NSW Government during the period.

While SOCOG has been entitled to the interest earned on these unused contingency funds, the funds are not controlled by SOCOG as all drawdowns require the approval from the Minister for the Olympics and the NSW Treasurer.

	As at 31 Oct 2001 S'000	As at 31 Dec 2000 S'000
(a) Estimated contractual recovery		
Not later than one year ¹	-	9,000
Later than two years but not later than five years	-	-
	<hr/>	<hr/>
	-	9,000

Notes:

¹ Other commitments contracted for are limited to cash commitments and excludes VIK

13. CONTINGENT LIABILITIES

SOCOG is currently involved in litigation with a number of parties. SOCOG has obtained legal advice to determine the likely exposure. Based on this advice SOCOG has raised a payable in the Financial Statements to cover the likely exposure.

14. VALUE IN KIND

As at 31 October 2001 SOCOG had received products and services at the commercial value of \$nil (at 31 December 2000: \$360.4 million) for which no monetary consideration is required to be paid by SOCOG.

MARKETING IN KIND

As at 31 October 2001 SOCOG had received MIK. This expenditure was discretionary to the sponsors.

	10 Month Period Ended 31 Oct 2001 \$	18 Month Period Ended 31 Dec 2000 \$
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**15. DIRECTORS' AND EXECUTIVES'
 REMUNERATION**

(a) Directors' remuneration ¹

Total income paid or payable, or otherwise made available in respect of the 10 month period (2000: 18 month period) to, or due and receivable, by all non executive Directors of SOCOG:

	-	\$578,500
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Total number of non executive Directors

	-	8
--	---	---

The number of non executive Directors of SOCOG whose total income for the 10 month period (2000: 10 month period) falls within the following bands:

\$40,000 - \$49,999
 \$70,000 - \$79,999

	-	1
	-	7

¹ Directors of SOCOG ceased duties during 2000 and consequently there is no directors remuneration for the period ended 31 October 2001.

	10 Month Period Ended 31 Oct 2001	18 Month Period Ended 31 Dec 2000
15. DIRECTORS' AND EXECUTIVES' REMUNERATION (Continued)		
(b) Executives' remuneration ¹		
Remuneration (including severance payments) received or due and receivable by executives and executive directors of SOCOG whose yearly income is \$100,000 or more in connection with the management of the affairs of SOCOG in respect of the 10 month period (2000: 18 month period)	<u>\$1,625,992</u>	<u>\$8,962,268</u>
Total number of executives	<u>7</u>	<u>25</u>
The number of executives of SOCOG whose total income in the 10 month period (2000: 18 month period) falls within the following bands:		
\$140,000-\$149,999	2	-
\$170,000-\$179,999	-	2
\$180,000-\$189,999	-	2
\$200,000-\$209,999	1	-
\$210,000-\$219,999	1	1
\$230,000-\$239,999	-	1
\$250,000-\$259,999	-	1
\$280,000-\$289,999	2	1
\$310,000-\$319,999	-	2
\$320,000-\$329,999	-	2
\$350,000-\$359,999	1	1
\$370,000-\$379,999	-	1
\$380,000-\$389,999	-	2
\$400,000-\$409,999	-	2
\$420,000-\$429,999	-	1
\$440,000-\$499,999	-	1
\$460,000-\$469,999	-	1
\$480,000-\$489,999	-	1
\$490,000-\$499,999	-	1
\$550,000-\$559,999	-	1
\$800,000-\$809,999	-	1

An executive is defined as a person who holds the position of Chief Executive Officer, Chief Operating Officer, Deputy CEO, Deputy Chief Operating Officer, Group General Manager or General Manager.

¹ If an executive is appointed during the course of the financial year, the remuneration for the executive is the amount paid in that financial year as opposed to the person's annual remuneration. Remuneration defined in this manner is reflected above in total executives remuneration and the respective income bands. Note, 2000 is a 18 month period whereas 2001 is a 10 month period, consequently the total executives' remuneration and the table showing executive incomes by salary bands for the two financial periods, are not directly comparable.

	10 Month Period Ended 31 Oct 2001 S'000	18 Month Period Ended 31 Dec 2000 S'000
16. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Cash		
Cash Balance comprises:		
- cash on hand and short term deposits	4,051	51,634
(b) Reconciliation of Net Cash Flows from Operating Activities to Excess of Income		
Expenditure for the 10 month period		
Excess of total expenditure over operating income	(2,102)	(57,742)
Payment from NSW Government Underwriter	2,102	57,742
Net (profit) / loss on disposal of property, plant and equipment		-
Depreciation / Amortisation of non-current assets	-	28,108
Decrease / (increase) in Receivables	133,990	(10,988)
Decrease / (increase) in Other Assets and Inventories	1,444	63,507
Decrease Net Deferred Income	-	(168,661)
Increase / (decrease) in Creditors and Accruals	(180,583)	122,214
(Decrease)/increase in Provisions	(2,580)	(49,636)
Net Cash Flows from / (used in) Operating Activities	(47,729)	(15,456)

SYDNEY ORGANISING COMMITTEE FOR THE OLYMPIC GAMES
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 For the 10 month period ended 31 October 2001

17. FINANCIAL INSTRUMENTS

(a) Interest rate risk and Net Fair Values

SOCOG's exposure to:

(i) interest rate risks and the effective interest rates; and

(ii) aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate		Fixed interest rate maturing in:						Non-interest Bearing		Total carrying amount as per the balance		Aggregate net fair value		Weighted average effective interest rate	
			1 year or less		Over 1 to 5 years		More than 5 years									
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
(i) Financial assets																
Cash	4,051	33,632	-	-	-	-	-	-	-	-	4,051	33,632	4,051	33,632	3.2%	3.55%
Short Term deposits	-	18,002	-	-	-	-	-	-	-	-	-	18,002	-	18,002	N/A	4.5%
Receivables	-	-	-	-	-	-	-	-	8,662	135,520	8,662	135,520	8,662	135,520	N/A	N/A
Receivables – IOC	-	-	-	7,132	-	-	-	-	-	-	-	7,132	-	7,132	N/A	5.00%
Investments	-	-	-	146	-	-	-	-	-	-	-	146	-	146	N/A	4.5%
Other Deposits and accrued interest	-	18	-	-	-	-	-	-	-	1,426	-	1,444	-	1,444	N/A	4.1%
Total financial assets	4,051	51,652	-	7,278	-	-	-	-	8,662	136,946	12,713	195,876	12,713	195,876		
(ii) Financial liabilities																
Accounts payable	-	-	-	-	-	-	-	-	12,713	192,896	12,713	192,896	12,713	192,896	N/A	N/A
Currency rate swaps	-	-	-	-	-	-	-	-	-	-	*	*	-	65	#	#
Option agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	7		
Total financial liabilities	-	-	-	-	-	-	-	-	12,713	192,896	12,713	192,896	12,713	192,968		

N/A not applicable for non-interest bearing financial instruments

* not applicable since financial instruments are not recognised in the financial statements

the disclosure of effective interest rates is not applicable to financial instruments.

17. FINANCIAL INSTRUMENTS (continued)

(a) Net Fair Values (Continued)

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Recognised financial instruments

Cash and short-term investments: The carrying amount approximates fair value because of their short-term to maturity.

Account receivables and payables: The carrying amount approximates fair value.

Investments: For investments where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows or the underlying net asset base of the investment/security.

Other deposits and accrued interest: The carrying amount approximates fair value.

Unrecognised financial instruments

Forward exchange contracts: The fair values of forward exchange contracts are determined as the difference in present value of the future cash flows.

Currency swap agreements: The fair values of currency swap contracts are determined as the difference in present value of the future cash flows.

Options agreements: The fair values of option agreements are determined as the difference in present value of the future cash flows.

(b) Credit risk exposures

Credit exposure represents the extent of credit related losses that SOCOG may be subject to on amounts to be exchanged under the financial instruments or to be received from financial assets. The notional amounts of derivatives are not a measure of this exposure.

SOCOG's exposure to on balance sheet credit risk are as indicated by the carrying amounts of its financial assets.

SOCOG, while exposed to credit related losses in the event of non-performance by counterparties to financial instruments, does not expect any counterparties to fail to meet their obligations given their high credit ratings. SOCOG's maximum credit risk exposure in relation to these is as per above in 17(a).

Forward exchange contracts - SOCOG is not exposed to any credit risk on forward exchange contracts entered into with NSW Treasury. Under these agreements any exchange exposure related to changes in the timing of receipt or shortfall of US dollar revenues will be to the account of the NSW Government.

17. FINANCIAL INSTRUMENTS (continued)

Concentration of credit risk

SOCOG minimises concentration of credit risk by undertaking transactions with a large number of debtors in various countries and industries.

Concentration of credit risk on financial assets are indicated in the following table by percentage of the total balance receivable from customers in the specified categories:

Customer/Industry Classification	As at 31 Oct 2001 %	As at 31 Dec 2000 %
Olympic Family	-	24.9
Communications	2.1	8.3
Manufacturing industry	-	23.3
Financial services industry	3.4	33.1
Retail & other industries	90.2	6.6
Government bodies	4.3	3.8

The credit risk amounts do not take into account the value of any collateral or security. Receivables due from major counterparties are not normally secured by collateral, however the credit worthiness of counterparties is regularly monitored. The amounts of credit risk shown, therefore, do not reflect expected losses.

17. FINANCIAL INSTRUMENTS (continued)

(c) Hedging instruments

The following table summarises by currency foreign currency swaps, forward exchange contracts and currency options. The 'buy' amounts represents the commitments to purchase foreign currencies, and the 'sell' amount represents the commitments to sell foreign currencies. SOCOG has entered into exchange related financial instruments to hedge the currency exposure generated by income and expenses denominated in foreign currencies.

	Average Exchange Rate	As at 31 Oct 2001		As at 31 Dec 2000	
		Buy	Sell	Buy	Sell
		2000	\$000's	\$000's	\$000's
Currency Swaps ¹		USD	USD	USD	USD
3 Months or less	0.5493	-	-	14,800	16,300
Total		-	-	14,800	16,300
Options		EUR	EUR	EUR	EUR
3 Months or less	0.5336	-	-	299	-
				299	-
		GBP	GBP	GBP	GBP
3 Months or less	0.4	-	-	207	-
				207	-

¹ Currency Swap agreements are entered into in order to assist with SOCOG's liquidity management

18. SUBSEQUENT EVENTS

No other matter or circumstance has arisen since the end of the 10 month financial period which significantly affects, or may significantly affect, the operations of SOCOG, the results of those operations, or the state of affairs of SOCOG in subsequent financial periods, not otherwise disclosed elsewhere in the financial statements.

END OF AUDITED FINANCIAL REPORT

Appendices

Code of Conduct

SOCOG developed a Code of Conduct which sets out the standards of behaviour that apply to each Director, employee, consultant and contractor.

Consultants Engaged

SOCOG defines a consultant as an individual or organisation engaged under contract on a temporary basis to provide recommendations or high level advice and to assist in the decision making process.

SOCOG engaged consultants at a total cost of \$1,498,780 for the financial period ending 31 December 2000 and \$968,316 for the financial period ending 31 October 2001. Each of the following consultants received more than \$30,000:

CONSULTANTS (OVER \$30,000)	SERVICE	COST	
		Period ending Dec 2000	Period ending Oct 2001
Arthur Andersen		\$1,024,483	\$420,677
Blake Dawson Waldron	General Legal Advice	\$110,243	\$295,588
Parawi Pty Ltd	Commercial and Management Advice	\$62,480	
Chambers Gallop McMahon Pty Ltd	Risk Management and Insurance Advice	\$33,743	
Legion International Ltd	Crowd Control Advice	\$93,750	
Corrs Chambers Westgarth	Legal advice		\$192,390
Gilbert Tobin	Legal advice		\$ 49,815
Total		\$1,324,699	\$958,470

In the period ending December 2000, there were 26 other consultants engaged, for assignments costing less than \$30,000, for a total cost to SOCOG of \$174,081.

For the period ending October 2001, three other consultants were engaged, for assignments costing less than \$30,000, at a total cost to SOCOG of \$9,846.

Consequently, for the period ending 31 December 2000, total consultant expenditure by SOCOG was \$1,498,780 and, for the period 1 January 2001 to 31 October 2001, total SOCOG consultant expenditure was \$968,316.

Disclosure of Controlled Entities

For Statutory Reporting purposes The Sports Commission is a controlled entity of SOCOG.

Freedom of Information Requirements

SOCOG is subject to the Freedom of Information Act 1989 (FoI Act). Documents which were prepared or received by SOCOG and which contained information confidential to the IOC or AOC were exempt from the operation of the FoI Act by virtue of Clause 22 of Schedule 1 of the Act and were not accessible to the public.

During the period 1st July 1999 to 31 December 2000:

(a) SOCOG received 45 new Fol requests of which 29 were completed, 14 withdrawn and 2 carried over

(b) Of the 29 completed:

11 were granted in full
10 were granted in part
8 were refused

(c) No Ministerial Certificates issued

(d) Three (3) required formal consultation

(e) No requests involved access to the applicant's personal record

(f) No requests for notation

(g) Of the requests which were granted in part or refused, the number of times the following were cited as the basis of disallowing

G1 Section 19 (application incomplete, wrongly directed)	nil	nil
G2 Section 22 - 4 (deposit not paid)	nil	
G3 Section 25 (1)(a1)(diversion of resources)		6
G4 Section 25 (1)(a) (exempt)	11	
G5 Section 28 (1)(b) (otherwise available)	2	
G6 Section 28 (1)(b) (documents not held)	7	
G7 Section 24 (2) - deemed refused, over 21 days	nil	
G8 Section 31 (4) (released to Medical Practitioner)	nil	

(h) No discounts were allowed.

(i) The days to process completed requests were :

0 to 21 days	23 requests
22 to 35 days	6 requests
over 35 days	nil

(j) Processing time - number of completed requests by hours taken to process

0 to 10 hours	38 requests
11 to 20 hours	1 request

(k) There were two internal reviews, 1 discontinued Ombudsman review, and no District Court appeals. Of the two internal reviews finalised, one original agency decision was upheld and one varied.

(l) \$2,385.00 was received by way of costs and fees for requests processed, which included \$175.00 paid in respect of the fees on two internal reviews.

During the period 1st January 2001 to 31 October 2001:

No new Fol requests were received in the period.

Two Fol matters were carried over from the previous period. Both were resolved, one by withdrawal and the other by completion.

Economic and Other External Factors

In order to limit the effect of economic and other external factors SOCOG contracted in nominal dollars for the major revenue items such as TV Rights and sponsorship revenue, and entered into foreign exchange hedges against these revenues when denominated in foreign currencies.

Human resources policies and procedures

The following principal human resources policies and procedures were used by SOCOG in the periods under review:

Performance Management Practices - SOCOG continued to implement well established processes for planning, managing and reviewing employee performance against key result areas and agreed objectives, applicable to an event-style organisation. For the large numbers of staff employed immediately before and during the Games, performance requirements were reflected in extensive training programs and supervision arrangements put in place for the period.

Occupational Health and Safety (OH&S) Plans - comprehensive OH&S plans were developed for SOCOG's venue-based operations were trialled and refined during test events and operated successfully during the Olympic and Paralympic Games.

Equal Employment Opportunity (EEO) Plans - SOCOG's EEO Policy and Management Plan focused on the establishment and maintenance of policies, procedures and practices to ensure EEO principles governed all aspects of the organisation's operations and maintained work environment free of discrimination. A Disability Plan was incorporated in the EEO Policy and Management Plan.

Multicultural Affairs - in this context SOCOG relied on its Multicultural Advisory Committee (MAC) and the day-to-day work of the Multicultural Affairs Program. SOCOG maintained close links with ethnic community organisations and ethnic media through regular newsletters, special videos, community briefings, attendance at major multicultural events throughout Australia, and targeted articles in Games-related publications and mainstream media.

Investment Management Performance

Surplus AUD USD funds were placed on term deposits with tenure in accordance to liquidity requirements and within agreed guidelines and in products permitted under the Public Authorities (Financial Arrangements) Act 1987.

Payment of Accounts

Creditor accounts are paid within 30-day terms, or other terms negotiated with suppliers.

Risk Management

SOCOG adopted a comprehensive risk management approach to the planning of all Olympic-related events and in its ongoing operations. SOCOG's Risk Management policy was to identify all significant risks that could impact on the achievement of the organisation's objectives. For each risk identified, appropriate prevention or mitigation strategies were developed, together with any necessary contingency plans. The SOCOG Risk Management policy and approach was consistent with principles of the Australian Standard AS: 4360.

SOCOG's Risk Management Program was responsible for implementing this risk management approach throughout the organisation. The Program works with other Program Managers and Venue Teams, who have ownership and responsibility for risks within their areas, to develop risk control strategies and contingency plans. Appropriate external expertise was sought to ensure SOCOG utilised best practice in managing identified risks.