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Why More Countries Should Back Out of Hosting Global Sporting Events

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Commonwealth Games Australia CEO Craig Phillips arrives to speak to media during at a press conference in Melbourne on July 18. The Victorian Andrews Labor Government has canceled the 2026 commonwealth games, slated to be held across Victoria. James Ross—AAP Image/Reuters

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On Tuesday, Australia **pulled out** from hosting the 2026 Commonwealth Games after the projected costs ballooned from \$1.8 billion to more than \$4 billion, becoming “well and truly too much” for host state Victoria to bear, Premier Daniel Andrews **said** in a press conference.

“I will not take money out of hospitals and schools in order to fund an event that is three times the cost estimated and budgeted for last year,” he added.

Experts say the decision has once again rekindled a debate over whether the Commonwealth Games are still relevant on the global sporting stage today, and more than that, if the outsized costs of hosting global sporting tournaments is worth the trouble.

“When you include all of the costs and the total amount of revenue you bring in, it’s not a very good financial balance,” Andrew Zimbalist, a professor of economics at Smith College who has consulted on the sports industry, tells TIME. “So it’s simply a reflection of the reality that more and more politicians are realizing it’s very problematic to make a bet.”

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The outsized cost of hosting global sporting events

The economic benefits of hosting a global sporting event are often eclipsed by underestimated costs that already-sizable local budgets can’t keep up with.

Since 1960, every Olympic Games event has exceeded its budget by an average of 172%, in inflation-adjusted terms, according to research findings **by Oxford University**. The Oxford study also found that spending on such events exceeded that of investments in key infrastructure including transportation. “When a bid is first put before politicians, they want the politicians to vote yes so they don’t add lots of bells and whistles to it,” Zimbalist says.

The eye-watering sums for hosting global sporting events was most dramatically seen in Qatar during the 2022 World Cup, which cost an **estimated \$220 billion**. The event prompted heavy criticism of the host nation over its rights record and the **death of migrants** erecting infrastructure for the tournament.

Victor Matheson, a professor of economics at the College of the Holy Cross, tells TIME that building venues to host such large-scale events is justified as a means to boost tourism—but it often doesn’t work out that way. “There are politicians who enjoy the spectacle, and then say, well, I’ll be out of office, by the time we have to come to pay all these bills,” he says.

A potential solution that has been floated by some experts is for one nation to become the permanent host of a sporting event, so that they always have the infrastructure ready. “You don’t have to rebuild the whole apparatus, which is billions and billions of dollars every four years and in a new city,” Zimbalist says. “There are different ways to organize it that would make much, much more financial and environmental sense.”

The Commonwealth Games’ second-tier status

The Commonwealth Games were first held in 1930 as the British Empire Games as a way to foster unity between Britain and its 56 current and former colonies. “Sport was an integral part of keeping the British Empire together and keeping Australia linked to the mother country,” says Steve Georgakis, a senior lecturer of sports studies at Sydney University.

But in the last 20 years, Georgakis says that Australian culture has changed

from being predominantly British to a diverse and multicultural society. As such, the decision to cancel the Commonwealth Games to many, especially newcomers or those born overseas, “doesn’t hold much significance at all.”

Questions of identity and politics aside, the tournament is viewed by many as second-tier. Last year, several athletes, including British diving champion Tom Daley and Australian swimmer Cate Campbell, chose not to compete in the Commonwealth Games. Sprinting great Usain Bolt even once called the tournament “a bit shit,” though he later **claimed** he was misquoted.

A lack of enthusiasm on the part of potential hosts was seen in 2015, when Durban, South Africa was the only city that bid for hosting rights. But two years later, it was stripped of its role due to mounting costs and missed deadlines. The hosting baton was passed to Birmingham, England, nine months later.

It remains unclear whether officials can find a new host ahead of the 2026 games.

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