

Business and economic benefits of the Sydney 2000 Olympics: a collation of evidence

(An edited summary of a report prepared by PriceWaterhouse Coopers, to document the business and economic benefits of the Sydney 2000 Olympics. October 2001.)

The evidence supports the view that **the Olympic Games delivered substantial benefits to Sydney, New South Wales and Australia**. For example:

- **some \$3 billion in business outcomes**, including:
 - \$600 million in new business investment
 - \$288 million in new business under the Australian Technology Showcase
 - almost \$2 billion in post-Games sports infrastructure and service contracts
- of the above \$3 billion, over \$500 million has been secured in contracts, sales and new investment by businesses located in regional NSW
- injection of over \$6 billion in infrastructure developments in NSW
- injection of over \$1.2 billion worth of convention business for NSW between 1993 and 2007
- over \$6 billion in inbound tourism spending during 2001
- greatly enhanced business profile for Sydney, NSW and Australia through the equivalent of up to \$6.1 billion worth of international exposure
- greater expertise and confidence in tendering, both domestically and overseas, on large-scale projects
- new and improved business programs including strong collaboration with the private sector.

Business and Economic Benefits - Highlights

Business Development and Investment Attraction - Governments organised the most comprehensive business development program ever held in association with an Olympic Games. The program featured:

- the Australian Technology Showcase, which highlighted over 300 innovative NSW technologies and contributed to \$288 million in new sales, investments and exports to December 2001, including over \$90 million by ATS companies located in regional NSW
- Business Club Australia, which provided significant networking opportunities. BCA linked to the Commonwealth's Trade Visitors Business program and attracted 16,000 visitors to networking events
- the Sydney Media Centre, hosted 5,000 unaccredited journalists and 55,000 visits for briefings, story leads, images and information on NSW and Australia
- post-Games business strategies also assisted **new business investment exceeding \$600 million supported by Investment 2000, a unique government / private sector investment attraction initiative**
- in the generation of sports infrastructure and services sales worth almost \$2 billion by NSW businesses leveraging from their Games experience, including over \$50 million in sales by regional NSW companies.

Facility Development and Supporting Infrastructure - This area of benefit had its greatest direct impact prior to the Games and has left a legacy of world-class sporting facilities and enhanced transport and communications infrastructure: Highlights include:

- over \$1.9 billion in public sector expenditure on Games related venues and infrastructure by the NSW Government, the Commonwealth Government, SOCOG and others, with a further \$1.1 billion on Games related venues from the private sector
- the completion of major transport and construction projects which enhanced Sydney as a business location and assisted the efficiency of the city at Games time. These include projects such as:
 - \$2 billion Sydney airport upgrade
 - \$700 million Eastern Distributor
 - \$320 million beautification of Sydney CBD.

Tourism and Retail - The Games provided enormous benefit to Australia's tourism and retail sectors. Highlights in relation to tourism and retail include:

- the Games' generation of up to \$6.1 billion worth of international publicity
- over \$6 billion in spending by an additional 1.6 million visitors during 2001
- the Sydney Convention and Visitors Bureau's (SCVB) success in winning 210 events between 1993 and Games time, attracting more than 250,000 delegates and injecting more than \$1 billion into Sydney's economy
- in addition, \$203 million from projected business events committed since October 2000
- the attraction of more than 110,000 Games-time specific international visitors
- a substantial improvement in international perceptions of Australia in terms of customer service, quality, value and reliability.

Olympic Activity - The success of Olympic activities such as the sale of broadcast rights, sponsorships, licensing and ticket sales yielded enormous benefits for Australia. Features of this success include:

- the generation of over \$1.1 billion for SOCOG from the sale of broadcast rights to the Games with the Games themselves being the most-watched event in history to that time
- the generation of over \$680 million in sponsorship revenues for SOCOG, well in excess of bid estimates
- record Olympic ticket sales generating over \$610 million for SOCOG
- the provision of substantial in-kind assistance from sponsors, including equipment, training and know-how.

Benchmarking

The Sydney 2000 Games, like most others preceding it, had a very broad range of objectives. In comparative terms, however, the focus on industry development, investment attraction and national tourism was stronger than for any recent Olympics. In terms of financing, the Games followed the Mixed Funding model characterised by a high level of private sector funding, although two-thirds of the funding for sporting facilities was provided by government.

The overall investment in infrastructure for Sydney was, in relative terms, greater than for Los Angeles in 1984 or Atlanta in 1996, but less than Seoul 1988 or Barcelona 1996. However the total economic stimulus from the Sydney Games ranks among the highest for recent Games.

No comparable data is available with which to compare the export development and investment attraction performance of other Games to Sydney 2000 - principally because no other Games host undertook systematically to leverage the international visibility of the host city and the host country, to the advantage of so many industry sectors.

Conclusions

Given the broad range of objectives, the Sydney Games were a remarkable success that delivered on the expectations of almost all of their stakeholders, public and private. **Strong partnerships and co-operation among the public and private sector organisations involved were central to the successful implementation of numerous business and tourism programs** that have yielded substantial business and economic benefits to NSW and Australia.

The Games also served as a magnet for domestic and international tourism and rapidly accelerated the process of elevating Australia's international profile and brand in a way that would not otherwise have been possible.

Importantly though, the Games provided a unique opportunity for building skills and capabilities in Australian businesses and for showcasing the depth of talent, creativity and skill of Australian business to the rest of the world. **In the long term, the benefits to business generated by the Games - in terms of skills, contacts, international awareness, partnering and investment - may come to be recognised as their most enduring legacy.**