AN OLYMPIC EXPERIENCE - SYDNEY 2000

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ABSTRACT

In early 1993, in Monaco, the IOC President Juan Samaranch announced the results for the bids to host the 2000 Olympics with the words

“……and the winner is Sydney!”

These words caused exuberant celebrations in Sydney, even if it was 5.00 am in the early hours.

However, once the public excitement had abated, the daunting prospect of preparing and staging a world event of such magnitude had to be addressed. The site selected for the home of the Summer Olympics was an old industrial wasteland located 14 kilometres from the Sydney CBD, called Homebush Bay. At the time of winning the bid the only Olympic facility that had been built was the Aquatic Centre, and the logistics of environmentally recovering such a site and constructing and preparing the facilities in the time available was a daunting task.

A variation of innovative delivery techniques for the construction of the facilities was adopted to ensure that the scope of work and delivering a “Green Games” that were to the best ever could be achieved.

The TBH Group is an independent strategic and project management services organisation, and was involved with a wide range of Olympic projects that provided some challenging and interesting experiences throughout this Project.

1. INTRODUCTION

In early 1993 at approximately 5.00 to 5.30 am at the Sydney Opera House, there was huge excitement and an ecstatic crowd began a party that was to last until September 2000 – some 7 years. The catalyst for this excitement was an announcement made half a world away in Monaco. Juan Antonio Samaranch, the then President of the IOC (International Olympic Committee), made the announcement –

“...........and the winner is ........ Sydney!

Over 4 years had been spent with a dedicated group appointed by the New South Wales State Government preparing the Sydney 2000 bid for the Olympic Games. This bid was submitted to the IOC in late 1992.
The commitment made by Sydney in its bid to win the 2000 Olympic Games was to provide a:

- with new facilities which meets the needs of competitors
- provide a long term legacy
- involve the private sector
- and respect the principles of Ecologically Sustainable Development (ESD)

The Sydney bid was in fact dubbed “The Green Games”, remembering that the main site at Homebush Bay was an old industrial site that was significantly polluted. The title the Green Games also meant a strong commitment to remediation of the site, under the watchful eyes of Greenpeace, the Community and Environmental Specialists and experts – a critical audience with very high expectations.

2. “AND THE WINNER IS…………..SYDNEY!”

So, the Games are to come to Sydney, the task is to turn a bid from vision to reality. When Sydney won the right to hold the Games, some environmental remediation work was already under way on the site, there was an International Sports arena, a “warm – up” arena and an Aquatic Centre already built and functioning on the site. However, there was a lot more required in the way of facilities on the Homebush Bay site as well as other locations around Sydney.

Although everyone was anticipating Sydney to win the bid, when it was won many parties were vying to be part of the process, both for commercial and prestigious reasons. The first thing that had to be done was to restructure the Government organisations that were to be involved in the delivery of the Games in seven years time. Remembering that the Sydney 2000 Bid Committee no longer existed once the Games had been won – that project was successfully completed.

A number of Government corporations and departments immediately began positioning themselves and Chaos seemed to be taking over. Of course the New South Wales Government’s first priority was to set up the main organisation which was called SOCOG (the Sydney Organising Committee for the Olympic Games). However, a large range of powerful Government organisations wanted responsibility for the delivery of facilities, infrastructure, etc and were not prepared to be “subservient” to SOCOG, as existing infrastructure in Sydney had to be maintained and extended-and this was their Domain!

Thus the confusing structure that began to develop was as follows:

GOVERNMENT OLYMPIC PLANNING STRUCTURE pre 1995
This structure was a recipe for Chaos and the above diagram does not even include SOCOG, which sat to the side of this structure.

However, in 1995, the New South Wales Government decided to reduce the madness and created a single Authority for the delivery and co-ordination of the Capital works and Infrastructure. This organisation was called the Olympic Co-Ordination Authority (OCA), and its role was quite separate to SOCOG who were to concentrate on the organising and actual running of the Games and for raising sponsorship funds.

Thus the new organisation was:

At last a Project Management or Portfolio Management approach was structured, and most importantly there was one Leader. The Government created a Cabinet position of the Minister for the Olympics, and put a very tough and demanding politician there who was in charge of the OCA and SOCOG – This was an excellent move!, and the Cabinet Minister chosen was Mr. Michael Knight.

As you can imagine the logistics in organising and holding an Olympic Games is extraordinary, and my company (the TBH Group) was involved 3 weeks after Sydney won the bid. However, for this presentation I will contain myself to the Capital works side as the majority of our work was done for the OCA, although we later provided some support to SOCOG.

3. THE PROPOSED FACILITIES

One of the attractions of the Sydney Bid was that all of the events (at least the finals) for all Olympic sports could be held within 20 – 30 minutes travel of the main site. Also, the Homebush Bay site was within a 14 km distance form the CBD of Sydney. This was an unusual opportunity for a Summer Olympics when you consider the sports involved – sports including sailing, equestrian, track & field, beach volleyball, football, hockey, mountain bike riding, rowing, white water rafter – and the list goes on.
At the main site at Homebush Bay, the following facilities were either existing or to be provided:

3.1 Existing Facilities:
- Aquatic Centre
- Warm – up arena
- State Hockey Centre

3.2 New Facilities:
- Main Stadium
- Indoor Arena
- Main Hockey Stadium
- Showgrounds Site – including Baseball Stadium/Showring and a number of covered Pavilions
- Archery
- Tennis Centre
- Rail Loop and Station
- International Broadcasting Centre
- Athletes Village on the adjacent site (known as Newington)
- A Hotel
- Millenium Parklands

At locations outside the main site were the following facilities:

3.3 Existing Facilities:
- Darling Harbour (upgrading for some indoor sports) – in the Sydney CBD
- Sydney Entertainment Centre (also for some indoor sports)
- Rose Bay Yacht Club (new facilities adjacent to extend capacity for sailing events. These events were held predominantly in Sydney Harbour) – 4 km from the Sydney CBD
Sydney Football Stadium – 5 km from the Sydney CBD, an existing facility capable of holding over 40,000 spectators and used for the football.

3.4 New Facilities:

- Equestrian Centre at Horsley Park – 21 km west of Homebush Bay
- Softball Centre at Blacktown – 22 km from Homebush Bay; one competition field and two training diamonds, 1000 permanent seats and a capacity to hold 8000 in Olympic mode
- Sydney International Regatta Centre – 44 km from Homebush Bay; a venue for rowing and canoeing, a 2.3 km course with warm – up lake and foreshores, a permanent capacity of 1000 permanent seats and 30,000 for the Games mode.
- A Shooting Centre at Cecil Park – 33 km from Homebush Bay; 10m 25m 50m indoor ranges; three trap and skeet ranges, a capacity to seat 10,000 spectators in games mode.
- Velodrome at Bankstown – 20 km from Homebush Bay
- Beach Volleyball at Bondi - 8 km from the Sydney CBD (and 22 km from the Homebush Bay site)

As I mentioned earlier one of the first tasks our company undertook for the OCA was to review the budgets in 1996. The original Bid budgets for facilities was in the order of $(Aus) 1.5 billion, when escalated to the 1996 figures this budget for facilities had escalated to $(Aus) 1.7 billion, and our revised forecast construction cost at that time was $(Aus) 2.3 billion – a variance of $(Aus) 600 million. The budget was approved by Government at $(Aus) 1.9 billion, leaving an OCA controlled contingency of $(Aus) 400 million. The final end construction cost was $(Aus) 2.241 billion.

The major reason for the variance in the cost estimates was a decision to relocate the Sydney Showgrounds from Moore Park to the Homebush Bay site. This decision was a strategic decision to provide a future function on the Homebush Bay site other than sport and would continue post Olympics. The Sydney Showgrounds are the home of the annual Royal Easter Show, where the agriculture of New South Wales “Visits the Big Smoke”, and generates over 1 to 1.5 million visitors over 5 days.

The Showground facilities were used for Baseball (in the new Showring), basketball preliminaries, volleyball, handball, rhythmic gymnastics, modern pentathlon, badminton and training in the many and various pavilions. The new Showgrounds commenced construction in September 1996 and were completed in March 1998, $(Aus)390 million construction cost in 19 months – only 1 day was lost in construction time. The strategy behind the early construction of the Showground was to allow the Easter Show in March 1998 to be held at Homebush Bay so that the new rail and public transport systems built for the Olympic site could be tested in a live situation. This strategy allowed a well-developed transport system that had been substantially tested to be in place before the Games in September 2000.

This strategy was further extended to virtually all aspects of the delivery of facilities such that all major sporting venues and the transportation and Security systems were in place; and had been used by the Public for 1 to 2 years prior to the actual Games.

This strategy was possibly one of the most significant contributing factors to a secure, safe and well-run Olympic Games. The repercussions of the strategy meant that all the facilities had to be completed well in advance of the Games.
4. TIMETABLE

The following diagram indicates the planned timing and the actual timing for the delivery of the main facilities required for the Olympics:

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There were more facilities than just main facilities indicated in the above diagram, and it is important to note the 6 month period required to install what was called the “Olympic Overlay”. This period was required to allow the construction of temporary walkways, barriers, seating, toilet facilities, public large-screen TV viewing areas, food & drink outlets – and the list goes on!

Some interesting facts and figures:
- More than 32,500 trees were planted on the Homebush Bay site alone.
- The remediation of the Homebush Bay site utilised a technique called Bio-remediation, using bacteria, enzymes and nature to “clean-up” the pollutants in the site. It has been one of the largest Urban Remediation projects undertaken.
- Three Royal Easter Shows were held prior to the Games where all the relevant facilities were “live-tested” well in advance of the Games.
- Over 35,000 construction personnel worked on the sites, and on the basis that each site job creates 2 off-site construction related jobs, then over 105,000 people were directly involved in the construction of the facilities.
- The total value of all Olympic construction projects was $(Aus) 3.3 billion, including a private sector contribution of $(Aus) 1.1 billion.

How did this contribution of $(Aus) 1.1 billion from the private sector involvement come about.

Some clever and innovative delivery strategies were developed for a number of the main facilities, two which are particularly worth understanding.
5. **THE DELIVERY PROCESSES**

As any good commercial project manager would appreciate, it is important to understand the Risk Profile for a project and endeavour to offset risk such that those best capable of managing that risk, do so.

Three key areas of risk for the Olympic Games was identified by the New South Wales government, and these were:

- The Main Olympic Stadium
- The Athletes’ Village
- The Multi – Purpose Indoor Arena

It was considered that the people best able to manage these large areas of risk were the Private Sector. The government was prepared to underwrite the Games, but did not want the full cost exposure, and the potential of being “held to ransom” over Industrial Disputes and delays.

The key was to create an Investment opportunity that would be attractive for the Private Sector to invest in, two of the major facilities constructed by the private sector were.

5.1 **The Main Olympic Stadium (Stadium Australia)**

Called Stadium Australia, the New South Wales government called for Expressions of Interest and Tenders to construct a 110,000 seat stadium for the 2000 Olympic Games, as an investment proposition, and at no cost to the Government. The Consortium that won this bid comprised of a Contractor, Developer, Financier/Banker and a Facility Manager.

As indicated in the diagram below, this was a private consortium that put together a design and prospectus to invite investors by floating the Consortium/Investment vehicle on the Australian Stock Exchange – as a public company financed by the public.
The investment deal was for the Stadium Australia Consortium to Build, Own, Operate and Transfer (commonly called a BOOT scheme in Australia). On this basis the Consortium own and operate this facility for all events for the next 25 years. At the end of this period, the facility’s ownership is transferred back to the New South Wales government (and therefore the Australian people) at a “peppercorn” cost.

A condition of the agreement was that the site for the Stadium was freely available to the Consortium, but the New South Wales government (through SOCOG) had the exclusive use of the facility for a 6–8 week period. This period included the September 2000 Olympic Games period and the October 2000 Paralympic Games period.

All other profits for the facility, over the 25 year period, are to be retained by the Stadium Australia Consortium. The result was an excellent design and a facility that enhances Sydney’s sporting scene, a view from within the Main Stadium:

5.2 The Athletes’ Village

An old armament depot was located adjacent to the Homebush Bay site, which was fortuitously a large area of wooded land that was strategically seen as a future garden suburb for Sydney.

This suburb is now called “Newington” and the New South Wales government’s decision was to provide the land to the Private Sector. The private sector would be given the opportunity to develop this land by building the infrastructure, shopping centres, schools, hospital and residential facilities that could be used as an Athletes’ Village during the Olympics, and progressively sold as future housing for the new suburb.

Expressions of Interest and Tenders were called from private enterprise. A contract was eventually awarded to a consortium including a large residential developer and a large construction company. The Contract structure was as follows:
The arrangement finally entered into by the New South Wales government was a contract where all costs were borne by the private Consortium. The village was available during the Olympic Games period to house over 15,000 athletes. The consortia took all risk on cost, they received the first 15% of profit from the sale of the houses, after this the profit was shared 50-50 between the consortium and the New South Wales government.

This arrangement is now beginning to show some profit to the government, two years after the Games. A view indicating the proximity of the village to the Games site can be seen in the following picture.
6. THE ASPECTS OF SUCH A LOGISTICS EXERCISE

Hosting an Olympic Games is a huge logistics exercise. The media contingency that came to town was twice the number of athletes, over 2.5 million spectators over 10 days and the massive security requirements needed as well as the expertise of crowd control.

Often forgotten is that 4 weeks after the Olympic Games, the Paralympic Games are held, and the conversion of many sporting areas for disabled athletes is a major undertaking.

I have predominantly talked about the construction of facilities, but for 6 months prior to the Games there was an adaptation of the facilities to cope with peak crowds and traffic movement. Thus we set aside a clear period for the construction of what we called the “Olympic Overlay”. This was temporary works that were removed after the Paralympics.

The transportation of the public through rail; buses, taxis, ferries and cars was co-ordinated through a special Authority called the Olympics Roads & Transport Authority (ORTA) and co-ordinated through the OCA.

Security was kept fairly quiet and behind the scenes, being co-ordinated at the National (Australian – Federal) Government level. The major screening area was at International Airports.

Crowd control was of paramount importance to achieve a Friendly Games, with large TV screens set up around major parks and areas (such as Darling Harbour) where crowds could sit down at Bars and open-air Cafes to watch Olympic Events (free of charge!!!!!!).
Where queues occurred, there was always street theatre and an enormous number of very friendly and happy Olympic “volunteers”, to make any delaying experience seem like good fun and not an extensive delay.

7. WAS IT SUCCESSFUL?........LET THE GAMES BEGIN!

Sydney 2000 in that 2 weeks of September was one of the best 10 days parties I have ever experienced.

Juan Antonio Samaranch’s closing words “........the best Summer Games ever!!!” may be a bit over the top, but Sydney is still basking in the sunshine – perhaps it is just the weather??.

Brian Kooymann, Managing Director, the Tracey Brunstrom & Hammond Group, Australia.

Brian was raised and educated in the Blue Mountains, just outside Sydney. At 17, he was awarded a scholarship to study Architecture at the University of New South Wales. In 1972, he graduated with a Bachelor of Architecture, and 2 years later was admitted as an Associate of the Royal Australian Institute of Architects.

Following 5 years practice as an Architect, Brian joined Tracey, Brunstrom & Hammond as a Senior Consultant.

Following his appointment as a Director of Tracey Brunstrom & Hammond in 1986, the Board appointed Brian as CEO of the TBH Group of companies in 1995.

Tracey Brunstrom & Hammond is one of the largest independent and privately owned project management companies in Australia. The organisation specialises in strategic and project management services in the Construction, IT and Telecommunications industries.

Brian has been directly involved in a wide range of projects such as; The Sydney 2000 Olympics, The Sydney Harbour Casino, The Darling Harbour Redevelopment and recently, The Athens 2004 Olympics

Brian has devoted over 15 years of active service on executive committees in Universities and project management organisations in Australia and the USA. He has been a National President for the Australian Institute of Project Management and Chairman of the Global Council of the Project Management Institute (USA).